

CONTENTS

Chapter	1	GENERAL AND DEFINITIONS
	1.1	Procurement
	1.2	Purchaser
	1.3	Supplier
	1.4	Contract
	1.5	Stores
	1.6	Financial Powers
	1.7	Competent Financial Authority
	1.8	Next Higher Authority
	1.9	Indent
	1.10	Rate Contract
	1.11	Inspection Agency
	1.12	Applicability of Provisions
	1.13	
Chapter	2	ANNUAL PROCUREMENT PLAN : BRO
Chapter	3	QUALITY OF PRODUCT
	3.1	General
	3.2	Registration of firms
	3.3	Vendor Evaluation
	3.4	Removal from the Approved List
	3.5	Ban and Black Listing
Chapter	4	PROCUREMENT OBJECTIVE AND POLICY
	4.1	Fundamental principles of Public Buying
	4.2.	De-centralisation
	4.3	Capital Procurement
	4.4	Revenue Procurement
	4.5	Indigenous Procurement
	4.6	Global Procurement (Import)
	4.7	Linkage to Acquisition Plans
	4.8	Methodology for Induction of Vehicle/Equipment/Plant in the BRO

- 4.9 Sources of Procurement
- 4.10 Spares for Maintenance/Overhaul of Main Equipment
- 4.11 Subsequent procurement of Already contracted equipment
- 4.12 Procurement of Equipment Already Inducted in the Armed Forces.
- 4.13 Procurement through PNC from Public Sector Undertakings (PSUs)
- 4.14 Single vendor situation
- 4.15 Procurement of original spares other than OEM
- 4.16 Lack of Competition
- 4.17 Solicitation of Offers
- 4.18 Request for proposal (RFP)
- 4.19 Procurement through Rate Contracts concluded by DGS&D
- 4.20 Procurement from the Open Market.
- 4.21 Single Tender Enquiry
- 4.22 Limited Tender Enquiry
- 4.23 Open Tender
- 4.24 Global Tender
- 4.25 Product Reservation
- 4.26 Price Preference
- 4.27 Purchase Preference
- 4.28 Standard Contract Document

Chapter **5** **PROCEDURE FOR TENDERING**

MODES OF TENDERING

- 5.1 Single Tender
- 5.2 Limited Tender Enquiry
- 5.3 Open Tender
- 5.4 Earnest Money Deposit

TENDERING PROCESS

- 5.5 Preparation of Tender
- 5.6 General Guidelines for Bidders
- 5.7 Format of TE
- 5.8 Dispatch/Transmission of Tenders
- 5.9 Receipt and Opening of tenders
- 5.10 Postponement of tender Opening date

5.11 Late and delayed tenders

TENDER EVALUATION

5.12 Technical Evaluation

5.13 Commercial Evaluation

5.14 Post tender negotiations

5.15 Price Reasonableness

5.16 Resultant Single vendor situation in open tender situation

5.17 Re-tendering

5.18 Intimation about the award

5.19 Tenderer's Right to represent to the Purchaser

5.20 Integrity clause

Chapter **6 APPROVAL PROCESS-ROLE OF IFA & CFA**

6.1 General

6.2 Accountability

6.3 Role of IFA

6.4 Option Clause

6.5 Repeat Order

6.6 Sanction and Indent Approval

6.7 Acceptance of Necessity

6.8 Recording of Minutes & proposal for approval

6.9 Indenting Stage

6.10 Tendering Stage

6.11 Procurement Stage

6.12 Post Contract Management

6.13 Return of EMD to Unsuccessful Tenderers

Chapter **7 CONDITIONS OF CONTRACT**

7.1 Introduction

7.2 Special Conditions of Contract

7.3 Security Deposit / Performance Bank Guarantee (PBG)

- 7.4 Inspection of goods tendered at the Fag End or on the Last Date of the Contract Delivery period
- 7.5 Delivery
- 7.6 Delay in Supplies for which Supplier is not responsible
- 7.7 Force Majeure

- 7.8 Insurance
- 7.9 Liquidated Damages (LD)
- 7.10 Waiver of LD
- 7.11 Token LD
- 7.12 Payment Terms
- 7.13 Advance Payment
- 7.14 Paying Authority
- 7.15 e-payments

Chapter **8 PROCUREMENT OF CATEGORY 'A' SPARE PARTS FOR VEHICLES, EQUIPMENT AND MACHINERY IN BORDER ROADS ORGANISATION**

- 8.1 **CENTRAL PROVISIONING OF SPARES AT HQ DGBR**
INITIAL PROCUREMENT OF CATEGORY 'A' SPARES FOR NEWLY INDUCTED EQUIPMENT
- 8.3 Indents
- 8.4 Basis
- 8.5 Quantum to be covered in the Initial spares Indent in respect of Indigenous Equipment
- 8.6 Quantum to be covered in the Indent of Initial Spares in respect of Imported Equipment
- 8.7 Provisioning of Funds and Obtaining Sanction for the Purchase of Initial Spares
- 8.8 Provision Review (PR)
- 8.9 Frequency:
- 8.10 Stages
- 8.11 Basis of PR

- 8.12 Period to be covered in PR
- 8.13 Quantum of spares to be covered in PR indents
- 8.14 Time Schedule
- 8.15 Procedure to be followed for Procurement
- 8.16 Central Provisioning of Spares
- 8.17 Procedure for Government Approval Where Necessary
- 8.18 Initial Stocking Guide (ISG)
- 8.19 PROVISIONING OF CATEGORY 'A' SPARES BY PROJECTS/UNITS OF BRO TO MEET EMERGENT REQUIREMENTS
- 8.24 PLACING DEMANDS ON STORE DIVISIONS BY FIELD WORKSHOP

Chapter **9 PROCUREMENT OF GREF CLOTHING ITEMS**

- 9.1 General
- 9.3 Provisioning

PROCUREMENT

- 9.7 CFA
- 9.8 DGOS.
- 9.9 DGOF
- 9.10 DGS&D RC
- 9.11 Govt Departments/State Emporiums/KVIC/SSICs
- 9.12 Open/Limited Tender Enquiry

Chapter **10 PROCUREMENT OF FOREIGN ORIGIN EQUIPMENT**

- 10.1 General
 - 10.1.1 Eligibility for Global Tenderers
 - 10.1.2 Trial purchase Order for Snow Clearance Equipment/ Siachen Clothing
- 10.2 Request For Proposal/ Tender enquiry
- 10.3. Opening of Technical Bid, Price bid & Negotiations
- 10.4. Payment

Chapter **11 BANKING INSTRUMENTS**

- 11.1 General
- 11.2 Letter Of Credit (LC)
- 11.3 Reasons for using LC

- 11.4 Basic forms of LsC
- 11.5 Revocable Letter Of Credit
- 11.6 Irrevocable Letter Of Credit
- 11.7 Confirmed Letter Of Credit
- 11.8 Revolving Letter Of Credit
- 11.9 Procedure for Opening LC
- 11.10 Payment through letter of credit
- 11.11 Essential Elements of LC
- 11.12 Documents to be provided by the Seller
- 11.13 Extension of LC
- 11.14 Direct Bank Transfer
- 11.15 Advantages
- 11.16 Specified time limit and Delivery Schedule
- 11.17 Performance Bank Guarantee (PBG)
- 11.18 Essential elements of PBG
- 11.19 Salient Features of Guarantees
- 11.20 Invocation of Guarantees
- 11.21 Confirmation of PBG

CHAPTER 12 INCOTERMS – 2000

- 12.2 Ex-works (EXW)
- 12.3 Free Carrier (FCA)
- 12.4 Free Alongside Ship (FAS)
- 12.5 Free on Board (FOB)
- 12.6 Free on Rail (FOR)
- 12.7 Cost and Freight (CFR)
- 12.8 Cost, Insurance and Freight (CIF)
- 12.9 Carriage Paid To (CPT)
- 12.10 Carriage and Insurance Paid To (CIP)
- 12.11 Delivered at Frontier (DAF)
- 12.12 Delivered Ex-Ship (DES)
- 12.13 Delivered Ex-Quay (Duty Paid) (DEQ)
- 12.14 Documents
- 12.15 Consignees Right of Rejection

ABBREVIATIONS

ADG(QA)	Assistant Director General (Quality Assurance)
AHSP	Authority Holding Sealed Particulars
AMC	Annual Maintenance Contract
AOM	Air Officer In-Charge Maintenance
AON	Acceptance of Necessity
ASC	Army Supply Corps
BE	Budget Estimate
BG	Bank Guarantee
BIS	Bureau of Indian Standard
BRPP	Border Roads Procurement Procedure
BT	Bank Transfer
CDA	Controller Defence Accounts
CDEC	Custom Duty Exemption Certificate
CFA	Competent Financial Authority
CFR	Cost And Freight
CGDA	Controller General Defence Accounts
CGE	Central Govt. Expenditure
CICP	Computerised Inventory Control Procedure
CIF	Cost Insurance and Freight
CIP	Carriage and Insurance Paid to
CIS	Confederation of Independent Countries
COM	Chief of Material
CP	Central Purchase
CPT	Carriage Paid To
CPWD	Central Public Works Department
CST	Comparative Statement
CVC	Central Vigilance Commission

DA	Defence Attache
DAF	Delivered At Frontier
DCF	Discounted Cash Flow
DDOs	Direct Demanding Officers
DDP	Department of Defence Production
DDU	Delivery Duty Unpaid
DEQ	Delivered Ex Quay
DES	Delivered Ex-Ship
DFPR	Delegation of Financial Power Regulations
DGFT	Directorate General of Foreign Trade
DGQA	Director General Quality Assurance
DGS&D	Director General Supplies & Disposal
DIR(MM)	Director (Material Management)
DP	Delivery Period
DPM	Defence Procurement Manual
DPP	Defence Procurement Procedure
DRDO	Defence Research Development Organisation
EMD	Earnest Money Deposit
EXW	Ex Works
FA	Financial Advisor
FA(DS)	Financial Advisor (Defence Services)
FAS	Free Alongside Ship
FCA	Free Carrier
FOB	Free On Board
FP	Financial Planning
FPQ	Fixed Price Quotation
FR	Financial Regulation
GDP	Gross Domestic Product
GED	General Engineering Department
GFR	General Financial Regulations
GOM	Group of Ministries
GOI	Govt of India

GOST	Gost Specifications (Russian)
GSR	General Service Rules
GTD	General Trade Department
IFA	Integrated Financial Advisor
ILMS	Integrated Logistics Management System
INCOTERM	International Commercial Terms
IS	Indian Standard
IT	Information Technology
ITJ	Indian Trade Journal
JV	Joint Venture
KVIC	Kendriya Village Industrial Commission
L1	Lowest 1
LC	Letter of Credit
LD	Liquidated Damages
LP	Local Purchase
LPP	Last Purchase Price
LTE	Limited Tender Enquiry
MGO	Master General of Ordnance
Mil specs	Military Specification
MHR	Man hour Rate
MOD	Ministry of Defence
MOD/D(MC)	Ministry of Defence/D (Monitoring of Contract)
MOQ	Minimum Order Quantity
MOU	Memorandum of Understanding
MA	Military Attache
NA	Naval Attache
NLC	Naval Logistics Committee
NMS	New Management Strategy
OEM	Original Equipment Manufacturer
OFB	Ordnance Factory Board
OTE	Open Tender Enquiry
PA	Price Agreement

P&MM	Planning & Material Management
PAC	Proprietary Article Certificate
PBG	Performance Bank Guarantee
PBL	Performance Based Logistics
PCDA	Principal Controller Defence Accounts
PNC	Price Negotiation Committee
POV	Professional Officers Valuation
PQ	Procurement Quantity
PSEs	Public Sector Enterprises
PSU	Public Sector Undertaking
QRs	Quantitative Requirements
RC	Rate Contract
RFP	Request For Proposal
ROE	Rosoboron Export
RVZ	Roosvourouzhnie
SA	Supplementary Agreement
SA TO RM	Scientific Advisor To Raksha Mantri
SCOC	Standard Conditions of Contract
SMH	Standard Manhour
SOP	Standard Operating Procedure
SPC	Stores Procurement Committee
SSI	Small Scale Industry
STE	Single Tender Enquiry
TE	Tender Enquiry
TNC	Technical Negotiation Committee
TOT	Transfer Of Technology
TPC	Tender Purchase Committee
UCPDC	Uniform Customs & Practices for Documentary Credits
UNICTRAL	United Nations Commission on International Trade Laws
USSR	Union of Soviet Socialist Republic
VFM	Value For Money

CHAPTER 1

GENERAL AND DEFINITIONS

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GENERAL AND DEFINITIONS

Definitions

1.1. **Procurement.** The term procurement means acquiring all types of equipment, stores, spares, goods and services related to such procurement including packing, unpacking, preservation, transportation, insurance, delivery, special services, leasing, technical assessment, consultancy, system study, software, literature, maintenance, updates, conservancy, etc. Procurement is undertaken through various types of contract, including Rate Contract, Price Agreement and Memorandum of Understanding (MOU) between the purchaser and supplier as per existing laws and procedures.

1.2. **Purchaser.** Under the provisions of BRPP, Border Roads Organization (BRO) shall be the purchaser. In all cases of procurement in BRO, purchase is made on behalf of the President of India acting through the Competent Authority duly authorized to issue such purchase orders.

1.3. **Supplier.** Supplier is the party, which contracts to supply goods and services to the BRO. The term includes his employees, authorised representative, successors, authorised dealers, stockiest and distributors.

1.4. **Contract.** The proposal or offer when accepted is a promise, a promise and every set of promises forming the consideration for each other is an agreement and an agreement, if made with free consent of parties competent to contract, for a lawful consideration and with a lawful object is a contract.

(Sections-2, 10, 11, 13 & 14 of Contract Act , 1872)

1.5. **Stores.** The term 'stores' applies generally to all articles and materials purchased or otherwise acquired for the use of Govt including not only expendable, consumable, and issuable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, tools and machinery spares, instruments, furniture, equipment, fixtures, armaments, victualling, messtraps, live stock and clothing etc., but excluding book publications, periodicals etc., in a library.

1.6. **Financial Powers.** Financial power is the power vested in an authority by the GOI or delegated to an authority to approve expenditure from the fund placed at the disposal of that authority. While the powers vested by the President of India is known as intrinsic powers and can be delegated to subordinate authorities, delegated financial powers can not be further sub delegated. However, the CFA may authorize staff officers to sign the financial documents on his behalf with the clear understanding that the accountability for the correctness of such documents remains with the CFA. No CFA can approve an expenditure involving amounts beyond his financial powers.

1.7. **Competent Financial Authority.** The Competent Financial Authority (CFA) is an authority duly empowered by the Govt. of India to sanction and approve expenditure from public accounts to a specified limit in terms of amount of such expenditure and availability of funds. All financial powers are to be exercised by the appropriate CFA.

1.8. **Next Higher CFA.** Where more than one authority has been delegated financial powers under the same Serial/Head, authority with higher delegated financial power will constitute next higher CFA.

1.9. **Indent.** An indent is a requisition placed by the provisioning authority on the procurement agency to procure an item. Indent is the authority for initiating procurement action and may contain one or more items, each with distinct item code/ part No. All necessary details of the item including quantity, denomination, estimated price, specification, scope of supply, date required by and inspection authority are to be indicated in the indent to enable prompt procurement of the item.

1.10. **Rate Contract.** A Rate Contract (RC) is an agreement between the Purchaser and the supplier to supply stores at specified prices during the period covered by the contract. A RC is in the nature of a standing offer from the supplier and no minimum drawl need be guaranteed. A contract comes in to being only when a formal order is placed by the CFA or the Direct Demanding Officers (DDOs) on the vendor. This will be applicable only for DG S & D approved rates.

1.11. **Inspection Agency.** For all equipment procured by the BRO the inspection will be carried out as under:-

(a) For equipment of defence nature like BEML Dozers, Bailey suspension bridges and vehicles of common use in Armed Forces such as buses, load carriers not procured on DG S&D rate contract.– inspection by DGQA.

(b) For specific road construction equipment used in the BRO, equipment from reputed firms will be accepted on self certification and by inspection of the technical board of officers detailed by HQ DGBR.

(c) For equipment/stores procured on rate contract on DG S&D rate contract inspection will be done by ADG(QA) of DGS&D.

(d) For category 'A' Spares and clothing items existing arrangements of inspection by DG S&D/DGQA will continue.

1.12. **Applicability of Provisions.** The provisions contained in the Border Roads Procurement Procedure for Cat 'A' Procurement have been prepared with the objective of being in conformity with instructions issued by the Government contained in General Financial Regulations (GFR), 'Manual on Policies and Procedures for purchase of Good', Defence Procurement Procedure (DPP), Defence Procurement Manual (DPM) and other Govt. Instructions & CVC instructions duly updated and modified. However, wherever in doubt about the import and interpretations of any specific provision in the BRPP vis-à-vis the manuals and statutory provisions issued by the CVC, Min. of Finance or Ministry of Defence, the later shall prevail. Further orders and instructions, if any in respect of various Directorates of the Border Roads Organisation, wherein different procedures and practices had crept in, would stand modified by those contained in the BRPP in order to achieve uniformity amongst the purchase practices followed by various Directorates of the BRO.

1.13. This procedure will come into effect from date of approval by the Govt.

CHAPTER 2

ANNUAL PROCUREMENT PLAN : BRO

CHAPTER 2

ANNUAL PROCUREMENT PLAN : BRO

2.1. BRO is involved in construction of road work including bridging, tunneling and connected permanent works. The construction sites are located in remote areas away from the civilization. Hence BRO has to be self contained with respect to machinery and manpower.

2.2. To execute works on a large scale, meticulous & detailed planning of works and resources is done at various executive levels which is finalized at HQ DGBR and further processed to competent authority in Ministry for according approval/ sanction. Annual Works and Procurement Plan are co-related and have direct bearing on each other for achieving the planned targets. BRO Projects are spread all over the country, therefore procuring and ensuring availability of these Vehicles/equipment/plants to projects in the beginning of the working season is highly important since working season in such remote and difficult terrain is limited and also road communication gets disrupted during monsoons.

2.3. Annual Procurement Plan is generally prepared keeping two major requirements in view viz to make-up deficiency of authorized First Line veh/eqpt/plant in Units/Sub Units authorized on the orbat of BRO and secondly to ensure additional availability of Veh/Eqpt/Plant, required to achieve the targets planned during the next/ subsequent financial year, as per approved Annual Works Plan of BRO, for works entrusted by various agencies. The budget for the AWP & APP is allotted by the Govt based on the projection made by BRO during BE/RE discussion in Oct/Nov and taking into consideration the expenditure state of the BRO.

2.4. Keeping in view various aspects as brought out in above paragraphs, following procedure and schedule is adhered for formulization/ finalization of APP for early submission and approval by the competent authority:-

- (a) **Step 1.** Works planned by the Projects are scrutinized at HQ DGBR by respective section keeping in view the capability of the project taking into consideration manpower (units/functional units), resources held

with Project and Contract Action/Outsourcing Plan of each Project. Once targets of each Project are ratified at HQ DGBR; the resources required for executing each work i.e formation cutting in various terrains, surfacing, resurfacing, permanent works, bridging targets etc, are worked out as per BRO norms, approved by the BRDB Sectt, to evolve requirement of resources in various terrain keeping in view the output of machine & manpower for standard units in various climatic conditions. Accordingly net deficiency viz a viz requirement of each Project is compiled and consolidated to finalize the Annual procurement Plan (APP) of the BRO taking into consideration overall holding, approved down-gradation plan and 'dues in' state of each veh/eqpt/plant with BRO, which is perused by DGBR during BE discussion in Oct/Nov at HQ DGBR in presence of Project representatives as per issued schedule.

- (b) **Step 2.** Processing of Annual Procurement Plan, concurred by IFA (BR) and approved by DGBR to BRDB Sectt for approval in the month of Jan/Feb.
- (c) **Step 3.** Approval and processing the APP by BRDB Sectt to MOD (FIN/BR) for concurrence.
- (d) **Step 4.** According approval of APP by MOD(FIN/BR).
- (e) **Step 5.** Allocation of resources to Projects as per APP approved by the Govt and forwarding approved allocated resources to TA Dte of HQ DGBR for taking procurement action with a copy to Projects for planning the deployment of resources for the financial year.

2.5 Proper planning of APP will also include projection of cases which are required on Open Tender basis, Single Tender basis, Limited Tender basis, repeat order basis and Option Clause basis so that processing time is saved subsequently in according approvals for such cases separately.

CHAPTER 3

QUALITY OF PRODUCT

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QUALITY OF PRODUCT

3.1. **General.** Proper source knowledge and identification of suitable suppliers capable of meeting the product quality of the BRO are vital functions for ensuring procurement of quality goods. Providing equal opportunity and ensuring fair play are also important requirements in any procurement process so as to achieve transparency. Hence, the selection and registration of firms, their performance appraisal and classification must be clearly spelt out and properly disseminated.

3.2. **Registration of Firms.** The firms being considered for the tendering process should be registered with either of the authorities i.e. DGQA, DGAQA, DG S&D, Railways, CPWD, NSIC, or any other Department under a Ministry of Govt of India. Firms who have applied for registration with any of the mentioned agencies may apply for the tender on production of application for registration duly accepted by the agency with whom registration has been applied for. However, Q bids of only those firms who are found registered with the said agencies will be opened upon submission of registration certificate addressed to the Director E3ES, TA Dte, HQ DGBR.

3.2.1 **Registration of Firms by the BRO.** The BRO may register firms for supply of various vehicles, equipment, plant, clothing items and stores. The main object of registration of firms is to have a board-based panel of technically capable, financially sound and reliable sources of supply to whom enquiries can be addressed for procurement by the BRO.

3.2.2 **Eligibility For Registration.** All firms who are the OEMs would be eligible to be registered with the BRO subject to meeting the requisite qualitative requirements as decided by HQ DGBR. The eligibility for registration will be based on manufacturing or marketing capabilities, technical competence and financial soundness. The registration will be valid for a period of three years, after which the same can be renewed provided the requisite conditions are met by the firms.

3.3 **Vender Evaluation.** Performance of vendors must be reviewed periodically, preferably once a year. The general performance criteria for assessing performance of vendors may comprise the following:-

(a) **Quality.** Quality has to be assessed from the inspector's report as well as the feedback from the actual users.

(b) **Delivery.** Delivery compliance has to be assessed from the delivery data against purchase orders placed on the supplier. The purchaser from his

computer records could generate the percentage of orders that met the original delivery date as per contract and that, which did not.

(c) **Price.** Price competitiveness of a vendor has to be assessed against his ability to secure orders on competitive basis. Orders secured as percentage of quotes should indicate the price competitiveness of the supplier. This data can be automatically generated by the computer.

(d) **Response.** The response analysis of the vendors would be indicated in terms of number of quotes submitted against the number of TEs sent to them. Computer generated data for quotes received, as a percentage of TE sent would be one of the valid criteria for response analysis.

(e) **Product Support.** Product support record of a manufacturer may be determined on the basis of response to enquiries for spare parts and maintenance services for the equipment originally supplied by him.

3.3.1 The technical and financial capabilities of the vendors must be carefully evaluated and verified by a Board of Officers constituted by DGBR including their past performance. If a tender has been issued to a vendor then the performance evaluation data may be used by the TEC as one of the factors and in case of any serious irregularity or poor performance recorded against a vendor the same will be given due consideration before clearing a vendor at TEC stage.

3.4 **Removal from the Approved List.** Whenever a vendor is found lacking in performance in terms of response, delivery compliance, capacity, quality standards or ethics, the vendor may be removed from the approved list with the approval of the DGBR in consultation with IFA (BR) after giving performance notice. Besides, there may be registered firms who may have ceased to exist or may have been acquired by or merged with another firm, may have switched over to other sector of business operation or indulged in unethical business practices and influence peddling. Such firms should be removed from the list of approved vendors.

3.4.1. Whenever a firm is removed from the list of approved vendors, their registration stands cancelled. Such removal must be promulgated to all Government procurement agencies for information.

3.5 **Ban and Blacklisting.** The continued poor performance would justify imposition of ban on business relation with any firm. Those firms who fail to execute Supply Orders and do not respond to HQ DGBR may be black listed after due consideration of all factors and circumstances of the case and after giving reasonable opportunity to the vendor to present its case against the proposal for blacklisting. Ban for a specified period of time may be imposed by the DGBR.

CHAPTER 4

PROCUREMENT OBJECTIVE AND POLICY

CHAPTER 4**PROCUREMENT OBJECTIVE AND POLICY****Procurement**

4.1. **Fundamental principles of Public Buying.** Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Specifications should encourage competition and should not be such that it favours a single source.

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

- (a) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the Border Roads Organisation. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs. The specification for electrical/mechanical/instrumentation and electronics sub system should conform to Indian Standard, BIS, DIN, EEEA or American standards as applicable for indigenous or ex import items.
- (b) Offers should be invited following a fair, transparent and reasonable procedure.
- (c) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.
- (d) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.

(e) At each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

4.2. **De-Centralisation.** With implementation of the New Management Strategy (NMS), the Govt. has de-centralised decision-making process so as to enhance efficiency and expedite decision-making. The procurement action has also been de-centralised and Border Roads Organisation undertakes bulk of the central procurement and local purchase itself. While DG S&D continues to conclude Rate Contracts for supply of general use items, organisation specific items are being procured by the BRO. However, it must be ensured that all procurement officers meticulously follow the laid down procedures.

Types of Procurement

4.3. **Capital Procurement.** As per Rule 90 of GFR-2005 "Expenditure of a capital nature shall be an expenditure with the object of increasing assets of material and procurement characters. It should bear charges for first construction and equipment of a project as well as charges for immediate maintenance of the work while not yet open for service. It will also include purchase of equipment for an existing project/repair and maintenance unit/overhauling unit, which is done in terms of additional induction with the view to augment resources, improve productivity or done for replacement of an existing plant/equipment.

4.4. **Revenue Procurement.** As per Rule 91 of GFR-2005, revenue should bear all subsequent charges for maintenance and all working expenses; these include all expenditure on working and upkeep of the project and also on such renewals and replacement and such additions, improvement or extensions, as under rules made by the Govt. are debitable to revenue account. The revenue procurement, therefore, is for items and equipment, assemblies/sub-assemblies and components required to maintain and operate already sanctioned assets in the organisation and the necessity of which have been established and accepted by the Govt for Revenue Procurement. Govt has delegated financial powers under revenue head to a number of functionaries in the BRO. Procurement involving financial implication beyond delegated powers is undertaken with the approval of Sectt BRDB/MOD (FIN/BR). The revenue procurement shall be undertaken broadly in terms with the guidelines

of Ministry of Finance as contained in 'Manual of Procurement' Aug 2006 and particularly with reference to DPM 2006 as modified from time to time. However for certain specific category B stores which are procured centrally by HQ DGBR to ensure standardization, provisions of the BRO Procurement Procedure shall apply. Such category B stores would generally be Bridging sets, Bridging Components, Survey Equipment etc or any other equipment as HQ DGBR may decide.

4.5. **Indigenous Procurement.** Procurement from indigenous sources is called indigenous procurement. It is the policy of the Govt. to encourage indigenization, particularly in the field of defence to achieve self-reliance. Hence, indigenous firms should be given all support to produce and supply quality goods conforming to specifications. Proper loading criteria for all taxes, duties and other expenses involved in procurement of an item need to be applied to provide level playing field to the indigenous manufacturers. Payments against indigenous procurement are normally made in rupee terms.

4.6. **Global Procurement (Import).** For such Vehicle/Equipment /Plant /Spares and assets, for which known sources of indigenously manufactured items are not available or where the indigenous sources are limited, requiring to look for suitable competitive offers from abroad, the purchase should be done by issuing Global Tender. In such procurement, international trade practices are followed and sometimes our standard terms and conditions are not acceptable to certain Suppliers. Payment against foreign procurement from a source located outside India is made in foreign currency through a Letter of Credit (LC) or Bank Transfer (BT). A number of restrictions may be imposed by the foreign Govt. in respect of supply of defence related items in general and military goods in particular. All procurement officers need to be aware of these provisions to obviate complication in contracting and final delivery. For all foreign Procurement RFPs (Tenders), which shall be called global tenders, foreign as well as Indian vendors will be eligible to participate subject to their meeting the technical and other parameters laid down in the RFP.

4.7. **Linkage to Acquisition Plans.** Proposals for acquisition of capital assets flows out from the Border Roads procurement planning process under taken by the Technical Planning Directorate, which is provisional based on availability of budgetary support. This planning process will cover the Annual Procurement Plan or any other plan as envisaged by the DGBR/Sectt BRDB.

4.7.1. As per Chapter 2 of the BRPP, the Annual Procurement Plan (APP) for the entire works would be formulated, by Technical Planning Dte at HQ DGBR, to include requirements of Capital Acquisition. The APP should indicate the list of vehicles, equipment and plants or any machinery to be acquired, keeping in view operational exigencies and the overall requirement of funds. The planning process would be under the overall guidance of the DGBR in consultation with IFA (BR) and shall be approved by Secretary BRDB in consultation with MOD (FIN/BR) The Plan once approved by the Government will flow down for implementation by the DGBR.

4.8. **Methodology for Induction of Vehicle/Equipment/Plant in the BRO.** BRO may adopt any of the following methods for induction of equipment /stores:-

(a) The first time buy of a particular Vehicle / Construction Equipment / Snow Equipment will be based on open tender enquiry / limited tender enquiry bids and after trial evaluation of these equipments based on No Cost No Commitment (NCNC) basis. Care will be taken that only trial evaluated vehicle and equipment are procured and inducted in BRO. Upon any changes in specification, the technical evaluation / trial will have to be done afresh. But this will not be required in case of product being up gradated by the firm when the product is not getting downgraded than the specification. For certain Plants/ equipment which are costly and being used extensively in civil market, NCNC trial may be dispensed with and replaced by a method of 'on the spot' evaluation of existing Plant/ equipment of the make already in operation. In such cases, based on minimum qualification criteria of successful supply of the vehicle/plant/ equipment to specified number of Government/ private customers in previous two to five years, an open tender enquiry will be floated. The opportunity to have their products trial evaluated shall be available to interested suppliers. However firms having failed a trial once shall not be permitted to participate for trial again for minimum period of one year.

(b) Equipment having proven performance in the Armed Forces/Government Departments/BRO, can be procured based on Limited Tender Enquiry/ open Tender Enquiry on a case to case basis.

(c) Commercially off the Shelf (COTS) equipment readily available in the market and being utilized by other road construction agencies can be procured if BRO considers the equipment suitable for induction in the Organisation. This would mainly cover plants which are not generally offered for trials on No Cost No Commitment basis by the OEMs and are first time buy. Such equipment will be procured based on two bid system against open Tender Enquiry only based on qualifying criteria.

4.9. **Sources of Procurement.** The following sources of procurement for Cat 'A' Equipment, Cat 'A' Spares and clothing items will be adopted by the BRO:-

- (a) Through Rate Contracts concluded by DG S&D.
- (b) Through Open Tender enquiries for commercially off the Shelf Equipment.
- (c) For items that are purchased through limited tenders, BRO will create a vendor data base and give maximum opportunity for vendors to register themselves. Generic requirement of the BRO will be advertised on the BRO website. All the vendors desirous of registering themselves for any listed items will be permitted to send their request to the concerned Technical directorates of BRO. All the relevant details like financial status of the company, product range and specification, production capacities, Articles of Association of the company, annual reports, past supplies would be examined. Based on the results of the evaluation, vendors would be registered with BRO and they would be formally intimated about the same. Such vendors will be issued limited tenders for the relevant products. In case a trial is considered necessary, it will also be considered on NCNC basis before registering vendors. The vendor database would be periodically revised by BRO. No addition to the vendor list would be allowed after the issue of RFP till such time that the specific case has been concluded.
- (d) Through Global Tenders for equipment/clothing/spares available ex import.

- (e) Through DGOF/DGOS/OEF/Govt. Emporiums/Registered Societies/ Rate Contracts/Open Tenders for clothing items.

'The equipment required to be trial evaluated will be procured after inviting tenders on two bid system as enumerated in para 4.8 (c).

4.10. **Spares for Maintenance/Overhaul of Main Equipment.** As provisions given in Chapter, 8 (Procurement of CAT' A 'spare parts).

4.11. **Subsequent Procurement of Already Contracted Equipment.** For certain vehicles/Equipment/Plants already inducted into the BRO which require extensive inventory of spare parts, it may be necessary to go back to the OEM/their authorised dealer for placing order under option clause (Para 6.4) or repeat Order (Para 6.5), so that complications arising out of multiplicity of different makes of the particular equipment and consequent need to maintain large inventory of expensive spares can be avoided. In such case it may be ensured that the specifications of the equipment are as per the previous order. While seeking approval in APP, Dte Gen Border Roads will make it clear in the statement of case that they propose to procure the item under Para 6.4 and 6.5 of the BRPP on the same vendor from whom the equipment has been earlier procured giving detailed justification for the same.

4.11.1 **Vehicles / Equipment Plant Inducted After Trial Evaluation.**

Such vehicles / equipment / plant inducted into the BRO after due process of successful trials, can be procured based on commercial tenders and TPC / PNC.

4.12. **Procurement of Equipment Already Inducted in the Armed Forces.**

If any equipment is proposed to be procured by the BRO has already been inducted into any Service of the Armed Forces during the last three financial year after

following due process of trials and evaluation, then such procurement would be based on Limited Tender Enquiry, based on decision taken by the CFA in consultation with the appropriate financial advisor. In such case it may be ensured that the specifications of the equipment are as per the order placed by the Armed forces. However if the proposed equipment from more than one source has been inducted into Armed forces earlier, commercial RFP will be issued to all such vendors whose equipment has been inducted in the Armed forces. In such cases after inclusion of item in APP, a commercial RFP will be issued to the vendor/vendors. While seeking approval in APP, Dte GBR will make it clear in the statement of case that they propose to procure the item under clause 2.5 of the BRPP on the same vendor/vendors from whom the equipment has been earlier procured by the Armed forces.

4.12.1. If for repeat order cases where equipment has already been inducted into service and thereafter it involves change in specification/modification of minor nature or up gradation of assemblies/subassemblies and if Dte GBR proposes to procure such cases under repeat order clause then such cases will be considered by the CFA. However if the up gradations/changes are major , it may require fresh trials and in such cases opportunity will be provided to all interested firms to offer their product for such trials.

4.13. **Procurement Through PNC from Public Sector Undertakings (PSUs).** If repeat order is to be placed for equipment/systems which have been indigenously developed by PSU/Defence PSU/OFB then such cases would not be treated as single vendor. Only commercial RFP would be issued for such cases.

4.13.1. The items to be considered under this clause shall be those which are not manufactured by the private sector. If any item which had been procured from a Public Sector Undertakings in the past, but now similar item are available from the private sector and these are found to meet the technical specifications / trial evaluated successfully, open/ limited tender enquiry for procurement of such or similar item will be issued.

4.13.2. The detailed offers along with comparative statement will be forwarded to the PNC (Price Negotiation Committee) which holds negotiations with the Public Sector Undertakings.

4.13.3 On finalization of the PNC, the draft Supply Order along with minutes of PNC meeting, financial concurrence by IFA (BR)/MOD (Finance/ BR) will be sent to the appropriate CFA for approval.

4.14. **Single Vendor Situation.** Following cases would not be falling under single vendor situation:-

(i) Case of Techno Commercial RFP, in which bids have been submitted by more than one bidder in a competitive manner and after trials, only one equipment is recommended for induction into the service, then such cases would not be considered as single vendor situation as techno-commercial offers would have been received before the trials and commercial bids would presumably be of competitive nature where bidders were supposedly not aware of only single vendor emerging after trials.

(ii) Cases which are under design and development by PSU/Defence PSUs/OFBs and other defence agencies as a design and development projects would not fall in the category of single vendor. In such cases prior approval of Govt. for design/development project to be handled by such organisations should be taken.

4.15. Many OEMs do not manufacture assemblies, sub-assemblies and components but out source these items. Hence, such items may be available at cheaper prices with the actual manufacturers. The procurement officers must therefore keep abreast with the proper source knowledge and procure items from the right source to protect the interest of the state. However, in some cases the spares have to be sourced from OEM or OEM approved/recommended manufacturers only in order to make the OEM responsible for the malfunctioning of the main equipment in which the spares have been fitted during warranty period. In such cases procurement may be resorted through the OEM.

4.16. **Lack of Competition.** There may be certain cases where only a single response has been received against an open tender enquiry. In such cases provisions of para 11.7.4 of the 'Manual on Policies and Procedures for purchase of Goods' issued by Ministry of Finance Govt. of India vide Expenditure Secretaries letter dated 31st Aug 2006 as revised' shall be followed.

The provisions are reproduced in note 1.

Note1: Sometimes the purchase organization may not receive sufficient net number of tenders. A situation may also arise where, after analyzing the tenders, the purchasing organization may end up with one responsive tender. In such a situation, the purchasing organization is first to check whether while floating the tender/issuing tender enquiry, all necessary requirements like standard tender enquiry conditions, industry friendly specification, wide publicity, sufficient time for formulation of tenders etc. were fulfilled. If not, the tender is to be raised/re-floated after rectifying the deficiencies. However if after the scrutiny it is found that all such aspects were fully taken care of, and inspite of that the purchaser ends up with one responsive tender only, then the tender may be placed on that tenderer provided quoted price is reasonable.

DGBR will review the specifications so as to make them more broad based and re-float the tender. Even after re-tendering as open tender, if only a single response is received, then such case shall not be treated as single tender case. DGBR will be authorized to proceed in such case as per the laid down procedure for open tender.

4.17 **Solicitation of Offers.** Solicitation of all Techno Commercial bids, will be as per 'Single Stage-Two bid system' It will imply that RFP (request for proposal) would

be issued soliciting the technical and the commercial bid offer together but in two sealed envelopes. This system safeguards against the possibility of the vendor increasing his commercial offers consequent to development of a single/limited vendor situation after technical evaluation.

4.17.1. Unless BRO is otherwise permitted not to float open tender as per the provisions of this manual or the circumstances so warrant that in the interest of the national security, operational parameters of the equipment required by the BRO cannot be made public and limited tender is warranted, Tender advertisement will be done through newspapers and on the official website of BRO so as to give it wide publicity and ensure competition. The tender shall be open for submission by Original Equipment Manufacturers or their Authorized vendors.

4.17.2. For items that are purchased through limited tenders, BRO will create a vendor data base and give maximum opportunity for vendors to register themselves. Generic requirement of the BRO will be advertised on the BRO website. All the vendors desirous of registering themselves for any listed items will be permitted to send their request to the concerned Technical directorates of BRO. All the relevant details like financial status of the company, product range and specification, production capacities, Articles of Association of the company, annual reports, past supplies would be examined. Based on the results of the evaluation, vendors would be registered with BRO and they would be formally intimated about the same. Such vendors will be issued limited tenders for the relevant products. In case a trial is considered necessary, it will also be considered on NCNC basis before registering vendors. The vendor database would be periodically revised by BRO. No addition to the vendor list would be allowed after the issue of RFP till such time that the specific case has been concluded.

4.18. **Request for Proposal (RFP).** RFP will be a self contained document that will enable vendors to make their offer after considerations of the full requirements of BRO. A standard RFP document as enclosed at **Appendix 'A'** will be applicable for all acquisitions.

4.18.1. The RFP should seek the cost of Manufacturers Recommended List of Spares (MRLS), list of optional equipment and likely consumption rate of the maintenance spares. The RFP should seek undertaking from the supplier for maintenance of the equipment

during its complete life and supply of spares on demand for the said equipment.

4.18.2. Consequent of the issue of RFP, a number of queries may be raised by the vendors. It should be ensured that all answers are furnished in time to enable the vendors to submit their offer by laid down time. For items being bought for the first time, a pre bid meeting should be normally held in which all the vendors who have purchased tenders shall be invited. The date and time of pre bid meeting should be mentioned in the RFP. In case the clarifications are given in writing to one vendor, its copies should be furnished to all vendors who have bought the tender document so that no vendor gets undue advantage and equitable opportunity and information is available to all bidders. .

4.18.3 It should also be ensured while furnishing the clarifications that due to any query raised by any vendor(s), parameters of RFP are not changed under any circumstances. If RFP parameters require major change after issue of RFP, then the tender should be withdrawn and fresh tender notice issued after obtaining the approval of CFA for the changed parameter.

4.18.4. The offers received should be opened on notified date/time by members of a committee in the presence of bidders or their authorized representatives. The committee will open the sealed envelope containing technical and commercial offers in separate sealed envelopes. The technical offer will be opened by the committee while the sealed commercial offer will be retained unopened in a separate envelope.

4.19. **Procurement Through Rate Contracts Concluded by DGS&D.** Rate contracts are concluded by the DG S&D from time to time. Items meeting the specifications required by BRO will be procured based on such Rate Contracts. In case the specifications as per the Rate Contract do not meet the requirement of BRO, the procurement may be done as per other modes of procurement as specified in this document.

4.19.1. In cases where decision has been taken for procurement through DG S&D Rate Contract, TA Dte will prepare a choice sheet indicating the source of supply, from among the holders of the Rate Contract, keeping in mind the cost, past performance and need for

standardization. The choice sheet will be processed for approval of the DGBR through DDG (TP).

4.19.2. Having obtained approval of the DGBR, draft supply orders will be prepared and forwarded to CFA through IFA (BR) / MOD(FIN/BR), for final approval.

4.19.3. Copy of valid RC shall be forwarded along with the draft supply order.

4.19.4. There may be situations when the item is available on RC, however, the commercial condition may be falling short of organizational requirement e.g. RC provides FOR Station or Ex-works delivery terms while the organisation may require FOR destination delivery by road transport. In such situation on advice of IFA (BR), DGBR may impose their own conditions in consultation with the supplier.. Obligations arising out of such conditions shall be met by the department from the available funds for Cat 'A' procurements after ensuring that such additional expenditure is justified and cost reasonableness established.

4.20. **Procurement from the Open Market.** There will be occasions where the requirement of some equipment or spares exists for which DG S&D Rate Contract may not be existing or has lapsed. In such cases, BRO may resort to procurement through the normal tendering process.

4.20.1 The procurement shall be based on the following methods:-

- (a) Single Tender Enquiry
- (b) Limited Tender Enquiry
- (c) Open tender Enquiry
- (d) Global Tender Enquiry

4.21. **Single Tender Enquiry.** Proprietary Article Certificate (PAC) as per GFR provision is to be provided by Competent Authority before procuring the goods from the single source. Obtaining quotation by issuing single tender enquiry to a selected source amounts to purchase without generating competition. Therefore, this mode of purchase should be resorted to only in unavoidable situations. The single tender shall imply such cases where tender enquiry (RFP) has been sent only to one vendor and techno-commercial response obtained from one vendor only. Purchase through Single Tender Enquiry may be adopted when:

(i) It is in the knowledge of the user that only a particular firm is the manufacturer of the required goods. The reason for arriving to this conclusion is to be recorded and approval of the competent authority should be obtained.

(ii) In a case of emergency, 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.

(iii) 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.

(iv) Such items are propriety items of a particular manufacturer and these are available only with the firm or its stockiest/distributors and Detailed specification cannot be laid down to enable other firms to undertake development of the item or the requirement is of limited batch size/one time requirement and open tender enquiry is not likely to lead to any other firm coming forward to undertake development and manufacture of such equipment. BRO in such cases can recommend procurement of the item on single tender basis with the approval of the CFA/Govt only.

4.22. **Limited Tender Enquiry.** Purchase through Limited Tender Enquiry may be adopted in the following circumstances:-

(a) The Technical Planning Dte certifies that the demand is urgent and not procuring through advertised tender enquiry is justified in view of urgency. The nature of the urgency and reasons why the procurement could not be anticipated needs to be put on record. The CFA would be the approving authority for limited tender procurement.

(b) When it is not in Public interest to call for open tenders due to security reasons.

(c) When Govt. policies designate specific agencies.

(d) Besides, LTE may also be resorted to for specific items when the specifications are very stringent, quality of item is of prime importance and the items are generally not available in open market. The indenting officer should place on record the detailed justification.

It is presumed that in all other circumstances / cases, open tender system will be followed.

4.22.1. Limited Tender Enquiry must be resorted to only in exceptional cases.

4.23. **Open Tender.** Open Tendering is the preferred mode of procurement for common use items of generic or commercial specifications to ensure adequate competition. All items of common use, which are normally available in open market with a wide range of sources and for which DG S&D contract does not exist, should be procured against open tender enquiry (OTE). Open tender system involves wide publicity through advertising media (Press, Trade Journals etc). Open tender notifications will be sent to Director General of Commercial Intelligence and Statistics, Calcutta for publication in their weekly issue of Indian Trade Journal and to the DAVP, New Delhi for publication in leading National News Papers.

4.23.1. In addition to advertisement through media, newspapers etc., all Open Tender Enquiries should be put on the BRO web site to ensure wide publicity. Tender documents in downloadable form should also be available on the website.

4.23.2. All efforts must be made to have maximum competition in open tender enquiries to gain the best quote for the equipment being tendered. Tender documents be sent to known previous successful suppliers of the equipment to solicit their participation in the tendering process. In case, where tender documents are sent to known previous successful suppliers the vendor / bidder should be asked to submit cost of tender document at the time of submission of bids and not afterwards.

4.23.3. The details of award of tenders/contracts must be invariably placed on the website/bulletin of the organization.

4.24. **Global Tenders.** Global tendering is to be resorted to for items of foreign origin, where competition from more than one source from different countries is envisaged.

Apart from publishing the tenders in newspapers and journals, copies of the global tender documents will be sent to respective Embassies and High Commissions to seek offers through their liaison. The RFP will also be published on the Defence web site and that of the Organisation, which can be downloaded by the prospective bidders for participating in the tender process. In cases of procurement of highly sensitive nature having national security cases decision must be taken at the level of CMD or Head of the department, recording specific reasons for not putting an open tender on web site.

4.25 **Product Reservation.** In order to encourage indigenous manufacturing particularly by the SSI, Handloom and Khadi Bhandars, the Govt. has issued administrative instructions to reserve certain items for procurement from the KVIC, ACASH, CCIC and SSIs only. These units are also exempted from payment of Performance Security Deposit. For items of clothing which do not fall under the reserved category and those which are not manufactured by DGOF/DGOS and for which no DGS&D Rate Contracts have been concluded, sourcing should be done from Govt, Emporiums or Registered Cooperative Societies. Preferred / Mandatory of Purchase from certain sources will be governed by Para 2.4 of Manual on Policies and procedure for purchase of Goods issued by Ministry of Finance on 31 Aug 2006. **Extract of provisions of Para 2.4 are given at Annexure-III.**

4.26. **Price Preference.** In accordance with **Para 2.5** of Manual of Procedures and Policies for Purchase of Goods, issued by the Ministry of Finance, SSI may be allowed a price preference upto 15% in comparison to Large Scale Industries. However such consideration should be based on merit and capabilities of the SSI units to deliver the product of the desired quality in desired numbers in consultation with IFA(BR).

4.27. **Purchase Preference.**

Purchase preference should be as per the latest policy of the Govt. of India.

4.28 **Standard Contract Document.** The Standard Contract Document will be used as a general guideline for all contracts. The date of signing of contract will be the date from which the contract becomes effective. However for any specific equipment, certain specific clauses have to be added/amended, then such specific clauses will supersede the general terms of the Standard Contract Document with the approval of CFA.(**Annexure III & IV to Appendix 'A'**)

CHAPTER 5

PROCEDURE FOR TENDERING

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Modes of Tendering

Various modes of tendering and conditions under which these are to be resorted to have been discussed in Chapter 4. Procedure for tendering has been described in this Chapter.-

5.1. **Single Tender.** After satisfying that there is no option left except for placing order on single vendor as per the guidelines laid down for such tender and after obtaining the requisite approval of the CFA , Copies of the bidding document should be sent directly by speed post/registered post to the firm which has been identified for purchase of goods in question.

5.2. **Limited Tender Enquiry.** Conditions under which Limited Tender Enquiry should be resorted to are laid down in Chapter 4.

(a) Copies of the bidding document should be sent directly by speed post/registered post/courier/e-mail to firms which are borne on the list of registered suppliers for the goods in question. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids so as to increase competition.

(b) In case it is proposed to exclude any registered/approved supplier, detailed reasons like failure in supply or poor performance in the past should be duly recorded and approval of CFA be taken before exclusion of such vendor.

(c) Adequate time should be given for submission of quotes, which should not be less than **14-21 days**. Longer period could be given in case of import items or in complex cases.

5.3 **Open Tender.** All OTEs should be put on the web site of BRO to ensure wide publicity. In case of OTE, intimation regarding tender should also be sent to all known suppliers for the particular range of items. Normally, **Four** weeks time should be given to submit the quotes. Ministry of Finance in their OM No. 8/3/E.II(A)/2002 dated 14 July 2004 has maintained that NIT for open tenders should be on the departments website and also on the main website of NIC. In addition the tender documents should also be available on the web site in downloadable form so that any bidder can download the form and submit them along with the tender fees if he so desires. Tender documents distributed through electronic system, must be secured to avoid possibility of modification and restriction of access to bidders.

5.3.1. In OTE cases where, an unregistered firm claiming compliance of technical specifications meets the laid down technical parameters detailed in RFP/TE and submits its offer, before opening the commercial bid of such firm, the capacity and capability verification by the Board of Officers constituted by DGBR would be mandatory at the time of Technical Evaluation.

5.4. **Earnest Money Deposit.** To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders including those who are registered with the Central Purchase Organisation, National Small Industries Corporation (NSIC) or any other category unless specific provisions exist to exempt them from payment of earnest money. The bidders should be asked to furnish bid security along with their bids. The exact amount of bid security will be as approved by BRDB and the same shall be indicated in the bidding documents, as intimated by BRDB vide their letter No BRDB/08/61/2005/BEA dated 20 Jan 06, as amended from time to time. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of six month from the date of opening of tender. The bids not accompanied by EMD shall be rejected. A model format of Bank guarantee is given at **Annexure I (Page 134)**. Present rate of EMD is given at **Annexure II (Page 136)**.

5.4.1. Bid securities of the unsuccessful bidders will be returned to them at the earliest after expiry of the final bid validity or within 30 days after the award of the contract whichever is earlier unless it is mutually agreed to extend the validity of the offer in consultation with the bidder.

Tendering Process

5.5.1. **Preparation of Tender.** Tender Enquiry (TE), also called Request for Proposal (RFP), is an important document in the procurement process. The TE must be prepared with due care and with complete details of the items or services required, terms and conditions including payment terms, and clear instructions to the bidders. The TE must contain full and clear specifications, scope of requirement and the evaluation criteria, both for technical bids and commercial bids.

5.5.2. Standards and specification, quoted in bidding documents shall promote broadest competition while assuring the critical performance or other requirements for the goods. Reference to the Brand names, catalogue numbers shall be avoided.

5.5.3 The technical parameters of the equipment to be procured will be included in the RFP/TE document. The technical parameters will be prepared by TA Dte keeping in mind the user requirements and the technology available in the local market. The technical parameters must be broad based and not specific to a particular brand of equipment. Amendments to technical parameters can be done by the DGBR or as nominated by DGBR (normally DDG TA), before issue of RFP.

5.5.4. There should be no waiver of material parameters after the issue of RFP as there would be legitimate allegation of denial of opportunity by firms who could have met the diluted essential parameters had these been tendered abinitio. This is particularly relevant with single vendor/resultant single vendor where waiver to essential parameters is given after issue of RFP and receipt of tenders. In case all the successful tenderers do not respond favourably to a given parameter, the **TEC** will endorse their remarks on the evaluation report. This will then be analysed by the TA Dte and depending on the merits of the case waiver if deemed necessary will be accorded to all the tenderers duly approved by the DGBR.

5.6. **General Guidelines for Bidders.** The broad instructions to bidders are as under:-

(a) **Eligibility.** Eligible bidders would be Indian companies registered with DGQA, DGAQA, DG S&D, Railways, CPWD, or any department under Ministry of Govt of India including SSI and NSIC. Eligibility will be specified in each tender Firms should obtain valid type approval certificate for the tendered item against technical specifications given in the bid documents and place a copy of the certificate at the time of submission of their Technical offer. Eligibility for global tenders is given in the **chapter 10(Procurement of Foreign Origin Equipment)**

(b) **Clarification of Bidding Documents.** A prospective bidder requiring any clarification of the bidding documents shall notify to the purchaser in writing and the purchaser will respond in writing to the clarifications sought not later than **14 days** prior to the date of opening of the tenders. Copies of the query and clarification by the purchaser shall be sent to all prospective bidders who have purchased the bidding documents by registered post.

(c) **Amendment of Bidding Documents.** At any time prior to the date of submission of bids the purchaser, whether at his own initiative or in response to a clarification requested by a prospective bidder, may modify bid documents by incorporating amendments. The amendments shall be notified in writing to all prospective bidders. In order to afford prospective bidder a reasonable time to take the amendment into account in preparing their bids, the purchaser may, at his discretion, extend the deadline for submission of bids. The amendments shall also be placed on the website and published in leading news papers as corrigendum alongwith the intimation for extension of deadline for submission of bid.

(d) **Bid Validity.** A bid shall remain valid for **90** days in case of single bid RFP/TE and **120** days in case of two-bid system, unless otherwise specified, from the date of submission of offer. A bid valid for shorter period will be rejected by the purchaser, as being non-responsive. In exceptional circumstance the purchaser may request the consent of the bidder for an extension to the period of bid validity.

Such requests shall be made in writing. The bid security (Earnest Money Deposit) provided shall also be suitably extended. A bidder accepting the request and granting extension shall not be permitted to modify any other clause of his bid.

(e) **Modification & Withdrawal of Bids.** The bidder may modify or withdraw his bid after submission provided that the written notice of modification or withdrawal is received by the purchaser prior to deadline prescribed for submission of bids. A withdrawal notice may be sent by fax but followed by a signed confirmation copy by post not later than the deadline for submission of bids. No bid shall be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity specified. Withdrawal of a bid during this period will result in Bidder's forfeiture of bid security.

(f) **Clarification of Bids.** During evaluation and comparison of bids, the purchaser may, at his discretion ask the bidder for clarification on its bid. The request for clarification shall be in writing and no change in prices or substance of the bid shall be sought, offered or permitted. No post bid clarification at the initiative of the bidder shall be entertained as all such clarifications would have been obtained prior to the submission of the bid.

(g) **Authorized Representatives of Supplier.** Normally tenders would be accepted from OEMs. However when OEM appoints an authorized representative for a particular tender, such authorization should be duly issued by the OEM in favour of the authorized representative submitting the bid on behalf of an OEM. One authorized representative cannot represent two suppliers or quote on their behalf in a particular tender enquiry. Such quote will be rejected. In case the OEM as well as authorized distributor is also quoting for the same bid, Preference shall be given to OEM and bid of OEM shall only be acceptable and bid submitted by authorized distributor shall be rejected.

(h) **Preliminary Examination.** Purchaser shall evaluate the bid to determine whether they are complete, whether any computational error have been made, whether required sureties have been furnished, whether the documents

have been properly signed and whether the bids are generally in order.

(j) If there is a discrepancy between unit price and total price, the unit price shall prevail subject to quantity discount if any being accounted for. If there is discrepancy between price in words and figures, the amount in words shall prevail. If the supplier does not accept the correction of the errors, its bid will be rejected and its bid security may be forfeited.

(k) Prior to detailed evaluation, the purchaser will determine the substantial responsiveness of each bid to the bid documents. A substantially responsive bid is one, which conforms to all terms and conditions of the bid documents without material deviations. Deviations from or objections or reservations to critical provision like Bid Security, Warranty and Guarantee, Applicable Law, Taxes and Duties will be deemed to be material deviations.

(l) **Evaluation and Comparison of Substantially Responsive Bids.** The responsive bids will first be evaluated by a Technical Evaluation Committee (TEC) for evaluating technical compliance of the offers. The Technical evaluation will include assessment of capacity, capability and qualifying requirement criteria for each offer. Commercial bids of only those firms will be opened which are cleared by the TEC. Commercial bids of other firms not clearing the TEC stage will be returned unopened after completion of the tendering process. The evaluation and comparison of commercial bids shall be done on the prices of the goods offered inclusive of essential spares/ tools, first fill of lubricants, essential accessories etc and with levies & taxes i.e. VAT/CST and ED, CED, Packing & forwarding, Freight and Insurance etc., as indicated to the price schedule of Bid documents but exclusive of Octroi/Entry Tax which will be paid extra as per actual, wherever applicable. The evaluation of the bid to determine L-1 status will be done on the total landed cost of the entire quantity tendered for and not piecemeal destination wise cost.

(m) **Award Criteria.** The purchaser will award contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid based on landed cost of the stores at the consignee locations, provided that the bidder is found to be technically, commercially and financially acceptable, whose goods have been type approved/validated by the

purchaser and price reasonableness is established. Normally no negotiation will be held and contract will be awarded on L-1 if the prices are found reasonable.

The negotiations with L-1 bidder only may be resorted to in exceptional circumstances if prices are not found reasonable or for clarification of commercial aspects of the bid which are minor in nature. Negotiation, if any, should be held as per the CVC guidelines issued from time to time.

(n) **Right to Vary Quantities.** The purchaser reserves the right to increase or decrease up to 50% of the quantity specified in the schedule of requirements without any change in the unit price or other terms and conditions within the agreed delivery schedule.

(o) In exceptional situation where requirement is of an emergent nature and it is necessary to ensure continued supply from the existing vendors, the purchaser reserves the right to place repeat order upto 50% of the quantities within a period of six months after the date of successful completion of purchase order at the same rates and terms subject to the condition that there is no downward trend in prices.

(p) Notwithstanding anything contained in the foregoing para, the purchaser reserves full right to cancel the Tender proceedings warranted due to any administrative circumstances like demand for the stores no longer existing or for any other reason .In such a case bid Security (EMD) shall be returned to the bidder at the earliest.

5.7. **Format of TE.** The suggested format for TE for indigenous procurement of Cat 'A' Vehicles/Equipment/Plants is placed at Appendix 'A'.

5.8. **Dispatch/Transmission of Tenders.** It is important that adequate care is taken to dispatch/transmit Tender Notice in such a manner to ensure that the firms get them in time. Normally, tender notices should be sent by registered post. In case of LTE or STE these may be sent by FAX in addition to dispatch by mail. Even in case of advertised or open tendering, Tender Notice must be sent by post to the past successful suppliers and likely suppliers registered with the department.

5.9 **Receipt and Opening of Tenders.** In order to facilitate the bidders to submit their bids in time and with assurance of receipt by the department, a tender box is to be placed in an easily accessible but secured place clearly indicating the name of the department and the term 'Tender Box'. On the pre -published tender opening date, the box is to be opened by the tender opening official, preferably a committee of at least two officials, at the time and place already promulgated. The firm's authorised representatives are invited and permitted to attend the tender opening.

5.9.1 In cases where the tenders are required to be submitted by hand, it may be ensured that the names and designation of at least two officers are mentioned in the bid documents. The information about these officers should also be displayed at the entrance reception of the premises where tenders are to be deposited so as to ensure convenient approach for the bidders.

5.9.2. The tenders shall be opened by the Board of Officers, which will have officer other than the one who has to deal with the purchase subsequently. The latter should under no circumstances open the tenders.

5.9.3. In case of two-bid system, only technical bids are opened first. In such cases, the tender opening officer/committee should sign on the sealed envelopes containing commercial bids. Thereafter, these sealed envelopes are to be placed in a bigger envelope and sealed duly signed by the tender opening officer/committee. Sealed envelopes containing commercial bids should also be countersigned by at least two representatives of the bidders present during tender opening.

5.9.4. The Board of Officers opening the tenders should verify that only authorised representatives of the firms, which have actually submitted the tenders, are present at the tender opening. Unauthorised representatives (or representatives of firms who have not submitted the tenders) should not be allowed to be present.

5.9.5. The Board of Officers, opening the tenders, will prepare a list of representatives present at the opening of tenders with full name and address in the form provided in **Appendix 'B1 & B2'** and obtain their signatures on the list. The list will be initialed with date by the Board of Officers opening the tenders, and kept along with the tenders.

5.9.6. Where opening of tenders is not completed in one sitting and it is carried forward to second sitting on the same day or after a break to the next day, the Board of Officers opening the tenders should get the signatures of at least two representatives present on the covers of all the unopened tenders. He will also record a note as to the total number of tenders remaining unopened which may also be got counter signed by two representatives whose signatures have been obtained on the covers of the unopened tenders. Thereafter the tenders will be kept in the safe custody of the officer opening the tender.

5.9.7. Each tender shall be numbered serially, initialed, and dated on the first page. Each page of the schedule or letter attached to it shall also be initialed with date particularly, the prices, delivery period etc shall be circled and initialed. The tender opening officer/committee should read out the name of the firm, EMD, if any, and the prices, taxes, duties quoted by the firm.

5.9.8. Blank tenders should be cancelled under the initials and the date of the Board of Officers opening the tenders, and their numbers noted separately in the note portion of the relevant file.

5.9.9. Alterations in tenders, if any, made by the firms, should be initialed legibly by the Board of Officers opening the tenders to make it perfectly clear that such alteration were present on the tenders at the time of opening. Wherever any erasing or cutting is observed, the substituted words should be encircled and initialed and the fact that erasing/cutting of the original entry was present on the tender at the time of opening be also recorded. Tender opening Officer / Committee should also prepare 'on the spot statement' giving details of the quotations received and other particulars like prices, taxes, duties, EMD, etc., as read out during the opening of tender.

5.9.10. No amendments to the tenders will on any account be permitted.

5.10. **Postponement of Tender Opening Date.** Whenever, amendment to the tender enquiry becomes necessary either due to change in required quantity or specification or as a result of clarification to the query of the supplier etc, requests for the postponement of tender

opening date received from the tenderers should be decided on the individual merits of each case with the approval of DDG (TA).

5.10.1. Whenever it is considered necessary to postpone the tender opening date, quick decision must be taken and communicated to the tenderers, who have purchased the tender sets. The communication must be made by FAX followed by communication through registered post. Time allowed for submission of tender would be 3 weeks (minimum) for STE and LTE, 4 weeks (minimum) for OTE and 6 weeks for GTE with a maximum period of 3 months.

5.10.2. In cases of firm's request for return of tender documents before the date of tender opening in the event of tender opening being extended, there may be no objection in returning the tender documents to the concerned firms as the documents may accompany EMD.

5.10.3 Normally more than one postponement of tender opening date will not be permitted. In case postponement becomes unavoidable, approval of the CFA would need to be obtained.

5.11. **Late and Delayed Tenders.** Tenders or modifications to tenders received after the specified time of opening are treated as "late" tenders while tenders and modifications to tenders received before the time of opening but after the due date and time for receipt of tenders are considered as "delayed" tenders.

5.11.1. Price bid received after the opening of the techno-commercial offer though before the date fixed for opening of price bids will be regarded as **void tender**.

5.11.2. If late/delayed quotations are received through post, a similar action should be taken i.e. the Dir/Jt. Dir should write "late/delayed" on such tenders and file them. Late/delayed tenders shall not be opened but kept sealed in their original envelopes.

5.11.3. All Late/Delayed tenders may be returned unopened immediately after opening of the tenders received within the stipulated time, to the respective bidders by registered post.

5.11.4. An illustrative but not exhaustive list of the instances in which the tenders may be ignored and rejected straightway is given below:-

- (a) Tenders received after due date and time of tender opening (late tenders).
- (b) It is an unsolicited offer i.e. offer from tenderer other than those asked to quote against LTE/STE.
- (c) It is in the form of letter head/fax/telex/telegram.
- (d) It is from stockiest or agents without indicating details of the manufacturer whose products are offered.
- (e) It is from agents without proper authorization from the manufacturers.
- (f) It is not accompanied with earnest money or in case the firm responded is not meeting the qualifying criteria.
- (g) It does not indicate delivery period by which supplies can be made or delivery offered is vague.
- (h) It does not indicate the terms of delivery.
- (j) It is ambiguous with regard to any of the essentials i.e. the items being offered, prices quoted and the period of delivery.
- (k) Tender samples as required in the enquiry conditions have not been submitted by the due date.
- (l) The technical offer is silent on major and essential technical details for which such details have been asked for in the technical specification.

Tender Evaluation

5.12 **Technical Evaluation.** Whenever a two bid system of tendering is followed, technical evaluation of the bid becomes a vital step not only to ascertain

conformity of the technical bid with the technical specifications of the tender, but also to bring all bidders on a level playing field in respect of qualitative requirement. Technical evaluation is normally carried out by a technical evaluation committee (TEC) and IFA need not be associated at this stage. TEC report, once finalized would be approved by the DGBR or accepting officer to be designated by DGBR.

5.12.1. With the above initial analysis, the TEC will give a comprehensive recommendation by evaluating the responsive offers received, keeping in view the following parameters:-

- (a) The technical acceptability of the offer.
- (b) The technical and financial capability of firms coming in the zone of consideration.

5.12.2. Clarifications of technical nature based on the evaluation of the TEC shall be asked from the tenderers in writing by E3ES purchase section and shall be referred to TEC for their evaluation & technical acceptability.

5.12.3. The TEC shall clearly bring out the technical acceptability of the offer/s. The offers which are not technically acceptable should be rejected. The recommendation should bring out clearly the deficiency in the offer with respect to specification/drawing or other particulars governing the requirements due to which an offer has been rejected technically. For this purpose, TEC should prepare a table indicating the laid down/tendered specifications and compliance of each bid against each item of specifications.

5.12.4. The contracts are to be placed on firms who have the technical and the financial capabilities to execute them. In respect of firms who are registered these aspects are taken into consideration at the time of registration which is granted for specific items and specifications. However, in respect of unregistered firms, technical and financial capabilities would need to be established before undertaking technical evaluation.

5.12.5. Financial capability may be verified by calling for Bank Solvency Certificate, Banker's Report etc., if not already furnished with the tender documents. This verification will be

done by JD, E3ES before sending the technical bids for evaluation by TEC.

5.12.6. A firm shall be treated to have registered status, in the case of Tender Enquiry, if the date of registration is prior to the date of opening of commercial bid of that Tender Enquiry. The tendering firms securing registration subsequent to opening of commercial bid will be treated as unregistered.

5.12.7. A firm is considered registered for such items of stores for which the registration has been specifically granted.

5.12.8. **Composition of Technical Evaluation Committee (TEC).** There should invariably be a Technical Evaluation Committee at the HQ DGBR. The TEC composition for DGBR shall be as given at **Appendix 'C'**

5.12.9 The TEC report should be approved by the DGBR in respect of cases beyond the financial powers of DGBR and by the Accepting Officer as nominated by the DGBR for cases where the CFA is ADG BR or DGBR. The TEC report will be in the format as given at **Appendix 'D'**. The following aspects should be kept in mind by TEC:-

- (a) The basic profile/character of technical offer must not be permitted to be changed.
- (b) Opportunity for revision of minor technical details if given to one bidder, should be accorded to all vendors in equal measure to ensure fair play.
- (c) No extra time to be given to any vendor to upgrade his project to make it QR compliant.
- (d) Original commercial quotes must remain firm & fixed and no loading/ unloading in price be permitted during TEC's discussion with vendor.

5.13 **Commercial Evaluation.** After Technical evaluation of the responsive bids, evaluation of commercial bids of those vendors whose technical bids have been accepted by the TEC is the core activity in any purchase decision. . Some factors which need to be taken into account are:-

- (a) **Duties and Taxes.** All taxes and duties to be paid in connection with the procurement of an item need to be considered for arriving at the total landed cost including those for which exemption certificates are issued.
- (b) **Delivery Period.** Delivery Period and delivery compliance are important variables for evaluation of bids.
- (c) **All Inclusive Cost on Delivery.** The ultimate cost to the state on delivery or landed cost at the consignee's premise should be the deciding factor for ranking of bids. This would be the cost of delivery, at the consignee's location of the entire quantity of goods in the tender including cost of essential accessories, first fill of lubricants if any, tools, essential spares etc. taxes and levies, packages, freight and insurance etc.

5.13.1. The ranking statement will be prepared, in all cases by E3ES section of TA Directorate/HQ DGBR. The ranking statement will be prepared after compiling prices on equitable basis taking the incidence of all elements of price such as Excise Duty/Customs Duty, Sales Tax, Freight, Transit Insurance etc upto destination. The statement shall be vetted by IFA/BR before it is put for consideration of the Tender Purchase Committee (TPC)/Price Negotiation Committee (PNC)

5.13.2. Ranking of the commercial bid will be based on the lowest of the total landed cost of the ordered quantity which will comprise of basic cost, erection & commissioning charges, transportation charges, packing charges, insurance charges and all other taxes & duties as quoted by the tenderer in his 'Q' bid. The tenderer must quote the rate of duties which shall be payable by the buyer (e.g. applicable Excise duty, Education or other Cess on excise duty etc). Any taxes & duties not mentioned in "Q" bid will not be counted for calculation of the total landed cost. The tenderer shall not have any claim on account of such omissions on his part.

5.13.3. Discounts, only in the form of monetary discounts in terms of Rupees or in terms of certain percentage of the bid amount, should be considered while evaluating commercial offers. Other discounts in terms of free of cost spares or any other free of cost services, as well as, any conditional discount should not be considered in commercial evaluation of offers.

5.13.4. No increase in taxes/duties during extended delivery period should be allowed. However, reduction in taxes / duties during the extended delivery period will be passed on to the purchase by the seller.

5.13.5 **Composition of the Tender Purchase Committee/Price Negotiation Committee.**

The TPC/PNC will be constituted as under:-

	Level I (Over Rs 5 Cr)	Level 2(Less than Rs 5 Cr)
(a) Chairman	DGBR	ADGBR
(b) Members	(i) IFA (BR) or his rep	IFA (BR) or his rep to be deputed by him
	(ii) DDG (TA)	DDG (TA)
	(iii) DDG (TP)	Dir (Resources)/TP Dte
	(iv) Presiding Officer, TEC	Presiding Officer, TEC
Member Secy	(iv) Dir, E3ES	Dir, E3ES

5.13.6 Representative of DGQA will also be a member of TPC/PNC Level I and Level II where the inspecting authority is the DGQA.

5.13.7 DGBR will also chair PNC for all cases relating to foreign procurements.

5.13.8 Those offers which meet the essential parameters and recommended by the TEC and duly approved by Accepting Authority, would be considered by the TPC/PNC who in turn will evolve methods for benchmarking of price and holding internal meetings to finalise approach for conducting negotiations with L1 vendors.

5.14. **Post Tender Negotiations.** Negotiations, after tenders have been opened, shall normally be discouraged. Unless some definite evidence is forthcoming to show that the prices received are unreasonably high or there is tendency to obtain unreasonably higher prices by ring formation or on account of the lack of capacity, negotiations should not be resorted to. Negotiations may, however, be required to settle issues of minor deviations in the tender conditions or when the reasonableness of price obtained is not established.

Negotiations will only be carried out with L-1 vendor. Post tender negotiations, if any, should be as per the CVC guidelines, issued from time to time.

5.14.1 **Apportionment of Quantity.** If L1 does not have the capacity to supply within the delivery period as per RFP/TE, then after loading L1 fully as per its capacity and past delivery, order can be placed on L2, L3 or other vendors for the balance quantity in a manner that is fair, transparent and equitable at L1's rate after holding negotiations with them for acceptance of L1 rates.

5.15 **Price Reasonableness.** Before placing the contract on the lowest evaluated responsive tender (L1), BRO is to ensure that the price to be paid is reasonable.

5.15.1 The broad guidelines for judging the reasonableness of price are as under:

- (a) Last purchase price of same (or, in its absence, similar) goods
- (b) Current market price of same (or, in its absence, similar) goods
- (c) Price of raw materials, which go into the production of the goods
- (d) Receipt of competitive offers from different sources
- (e) Quantity involved
- (f) Terms of delivery
- (g) Period of delivery
- (h) Cost analysis (material cost, production cost, over-heads, profit margin)

5.16 **Resultant Single Vendor Situation in Open Tender Situation.** If at TEC stage only one vendor is found complying with all the technical parameters given in the RFP/TE, then the RFP/TE would be retracted with the approval of DGBR and a fresh RFP issued by suitably reformulating the technical parameters.

5.17 **Re-tendering.** Re-tendering may be considered by the TPC/CFA with utmost caution, under the following circumstances:-

- (a) Offer do not confirm to essential specification.
- (b) Wherever there are major changes in specification and quantity, which may have considerable impact on the price.

(c) Prices quoted are unreasonably high with reference to assessed price or there is evidence of a sudden slump in prices.

(d) There may be cases when the lack of competition is due to restrictive specification, which do not permit many vendors to participate. The CFA must consider if there are reasons for review of specification of the item to facilitate wider competition.

5.17.1. Re-tendering will be done after approval of DGBR.

5.17.2. In case L1 Tenderer withdraws his offer, re-tendering should be resorted to as per CVC instructions. In such cases, EMD of the L-1 tenderer shall be forfeited.

5.18 **Intimation About The Award.** As soon as the tender proceedings are complete and contract is awarded, information to this effect should be placed on the web site of BRO for information of all concerned. Also immediate steps should be taken to return the EMD of unsuccessful bidders and to return the unopened commercial bid of vendors who did not clear TEC stage.

5.18.1 The successful bidder shall be separately intimated in writing about the award of contract and shall be asked to submit Performance Bank Guarantee (BG) within 30 days of receipt of such intimation. The contract shall be signed or supply order placed with the bidder upon receipt of the BG.

5.19 **Tenderer's Right to Represent to the Purchaser.** A tenderer shall have the right to represent in case it feels that proper procurement process is not being followed and/or its tender has been rejected wrongly. The tenderer is to be permitted to send its representation in writing, which is to be examined by Secretariat BRDB. But, such representation has to be sent well within time and not later than the date of placement of order. The complaint/ representation will be examined by the Secretariat BRDB on merit and corrective action taken if required. However, tenders are advised to desist from sending frivolous complaints, as it will slow down the procurement process and such frivolous complaints will affect the reputation of the tenders giving such complaint adversely. Non refundable fee may be imposed to discourage frivolous complaints if necessary.

5.20 **Integrity Clause.** For all Tenders above estimated cost of Rs. 100 Crores Integrity Pact as per Ministry of Defence guidelines will be followed.

5.20.1 **Penalty For Use Of Undue Influence.** The Seller is required to undertake that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation including forfeiture of EMD.

5.20.2 **Agents/ Agency Commission.** The Procurement Procedure does not permit the seller to engage any individual or firm, whether Indian or foreign to intercede, facilitate or in any way to recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the contract to the Seller. It also does not permit any amount to be paid for such an activity. In other words no agents are permitted if it is established at any time that the Seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the Seller will be liable to refund that amount to the Buyer. The Seller will also be debarred from entering into any supply Contract with the Government of India for a minimum period of five years.

5.20.3 **Access to The Books of Accounts.** In case it is found to the satisfaction of the Buyer that the Seller has engaged an Agent or paid commission or influenced any person to obtain the contract as described in clauses relating to Agents/Agency Commission and penalty for use of undue influence, the Seller, on a specific request of the Buyer shall be required to provide necessary information including inspection of the relevant financial documents/information.

CHAPTER 6

APPROVAL PROCESS- ROLE OF IFA & CFA

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6.1 **General.** The CFA must consider all aspects of the case including the quoted terms and conditions of the contract, delivery period, taxes and duties applicable, freight, insurance and other charges and the compliance to the specification before a purchase decision is taken. One of the important elements of the CFA process is the need to ensure level playing field to all bidders by proper ranking of their offers so that the decision making process is totally transparent. The financial implication should be considered as the all-inclusive cost to the state on delivery to the designated consignee. Conditional offers and those with specifications not in conformity with the tendered specifications (Essential QRs) should not be considered.

6.1.1. While taking the purchase decision, the CFA needs to establish that proper procedures have been followed at various stages of procurement, purchase policies of the Govt. have been complied with and capacity and financial status of the firm have been checked. Purchase decisions should be taken through a formal order in written form. CFA will also examine on merit any complaint/ representation from any of the vendors participating in tendering process and will base his decision on the result of such examination.

6.2. **Accountability.** The decentralization of decision making mechanism and delegation of financial powers are aimed at facilitating faster decision making and obtaining best value for money. However, the delegation of powers also implies authority with accountability. The CFA approving the expenditure must ensure financial propriety and probity, transparency and fair play as well as the objective to optimize resources being used. The designated CFA and all members of committees i.e TEC, TPC/ PNC etc are accountable for all decisions taken by them while giving recommendations for any measure involving Govt. funds.

6.3. **Role of IFA.** The IFA is an important financial advisor to the CFA with expertise in financial matters as well as about rules and regulations. The IFA must participate in the decision making process as a team member at various stages

where his role has been laid down and be accountable for optimal use of resources allocated and achievement of organizational targets/goals.

6.4 **Option Clause.** The purchaser retains the right to place order for additional quantity equivalent to a maximum of 50% of the originally contracted quantity at the same rate and terms of the contract. Such an option is available during the original period of contract. Option quantity during extended DP is limited to 100% of balance quantity after original delivery period. Option clause can be exercised with the approval of CFA under whose powers total value of supplies of original contract plus 50% option clause falls. This option is normally exercised only when there is no downward trend in prices as ascertained through market intelligence.

6.5 **Repeat Order**

Repeat orders against a previous order may be considered for approval by the respective CFA in urgent cases subject to the following stipulation:-

- (a) Items ordered have been delivered successfully by the suppliers.
- (b) Original order did not cover urgent/emergent demand.
- (c) It is not placed to split requirement to avoid sanction of the next CFA.
- (d) There is no downward trend in price as ascertained through market intelligence.
- (e) The firm is prepared to hold the same prices, terms & conditions including delivery schedule as per service requirement.
- (f) The requirement is for stores of identical nature/specification, nomenclature etc. Minor improvements in specifications or phasing out of products due to obsolescence should not be precluded from purview of repeat order.
- (g) It is placed within six months for 50% of the originally ordered quantity from the date of completion of supply order against previous order and only once. This is necessitated since gestation period of supply of certain cat 'A' equipment procured by the BRO is generally very long, in cases 180 days or so.

(h) The original order placed should be on the basis of the lowest (negotiated) price and was not on delivery preference.

(j) Power of CFA would be reckoned keeping in view original quantity plus repeat quantity.

(k) In case of SO/contract where option clause has been availed of, further repeat orders shall not be placed.

6.6. **Sanction and Indent Approval.** A sanction is a written authority from the CFA authorizing the expenditure. A sanction invariably indicates the reference to authority under which expenditure is being authorized, the financial implication, the item for which the expenditure is approved and the budget code head. Whenever the final expenditure exceeds the sanctioned amount, additional financial sanction of the respective CFA, subject to limit of delegated powers, is to be obtained.

6.7. **Acceptance of Necessity.** AON in case of scaled items would actually amount to vetting of quantities, assessment of physical requirement of various resources with respect to targets fixed and budget availability. Where there is no difference of opinion regarding procurement of scaled items, RFP could be vetted simultaneously.

6.8. **Recording of Minutes & Proposal for Approval.** The CFA and IFA must ensure that there is proper documentation at each stage of procurement leading to finalisation of contract clauses, prices and other terms to be properly recorded providing detailed justification for taking decision and accepting deviations from standard terms.

6.9 **Indenting Stage.** The IFA is supposed to vet the quantity indented/projected for procurement, so as to ensure timely provisioning. In order to ensure that there is no in fructuous provisioning, the IFA must have access to all inputs required to assess the basis of the projection of indented quantity. However, such vetting must be completed expeditiously within the stipulated time frame so as to obviate delays in meeting the operational/production and maintenance requirement.

6.10 **Tendering Stage.** Vendor selection and tendering methodology are vital activities in the procurement process. The IFA should be consulted in case of STE and LTE. In case of OTE, generally IFA need not be consulted at this stage.

6.10.1. Any change in standard commercial terms which are included in the RFP shall be vetted by IFA (BR) before issue.

6.11 **Procurement Stage.** IFA plays an important role in advising the CFA, either as a member of the committee CFA or as an advisor to the designated CFA, regarding the propriety of procedures and practices followed, ranking of bids, determination of L1, fixation of reasonable price (Bench marking) and assessment of price reasonableness as well as in conduct of effective negotiations, where considered necessary to ensure both financial probity and value for money.

6.12. **Post Contract Management.** Post contract activities, particularly amendment to the contract or the terms and conditions there of need to be handled with a lot of care and after proper analysis of implications. The IFA is to be consulted in post contract amendments having financial implications.

6.13 **Return of EMD to Unsuccessful Tenderers.** The EMDs of the unsuccessful tenders are to be returned to them without any interest, whatsoever as indicated under para 5.4 of Chapter 5.

6.13.1 The EMD will be returned to the successful bidder after he has submitted the Performance Bank Guarantee (BG) for the contract.

CHAPTER 7

CONDITIONS OF CONTRACT

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7.1. **Introduction.** Contract is a legal document and must be governed by certain terms and conditions to protect the interest of both parties. It is important that each purchase officer is not only thoroughly familiar with each of the conditions of contract, but that he is also able to take appropriate and timely action to safeguard the rights and honour of the Purchaser. It is also desirable that the conditions of contract are practical, fair and just for both the Purchaser and the Supplier. The conditions of contract become binding for both parties on signing/acceptance of the mutually agreed contract.

7.1.1. The BRO contract document is called Agreement of Tender (AT) and the conditions as provided in the TE/RFP and mutually agreed till the TPC meeting is incorporated in the AT. The conditions do not have material variance as stipulated in the TE however certain limits are taken into account while finalisation of AT.

7.1.2 **General conditions of the contract.** Given at **Annexure III of Appendix-‘A’**.

7.2. **Special Conditions of Contract.** Special conditions of contract are supplementary conditions applicable to the specific tender and contract. Such conditions become essential particularly in cases of contract for supply of services or even equipment. There may be a need to stipulate conditions like stage inspection, acceptance trials, installation, setting to work, and commissioning or pre-defined stages of payment for services. Such conditions as mentioned in the Tender Enquiry & mutually agreed till TPC are incorporated in AT. Model format of special condition of the contract is given at **Annexure IV of Appendix –‘A’**.

7.3. **Security Deposit / Performance Bank Guarantee (PBG).** Performance security deposit payable to the purchaser is furnished by the supplier, in the form of Bank Guarantee (BG) issued by a commercial bank in the prescribed format, at the time of signing of contract which should be done within 30 days of intimation of the award of the contract to the successful bidder. This deposit is meant to compensate the purchaser for any loss suffered due to failure of the supplier to complete his obligations as per the contract. Preferably, performance security is payable by the supplier at the rate of **10%** of the total basic cost of the supply Order. PBG should remain valid for a period equal to the warranty stipulations

from the date of commissioning & gets extended beyond the date of completion of contract including warranty. Performance Bank Guarantee (BG) will be furnished by all suppliers without any exception. In case the purchaser grants extension to delivery period, the supplier must get the BG revalidated if not valid already.

7.4.1. Inspection of Goods Tendered at the Fag End or on the Last Date of the Contract Delivery Period.

As far as possible, the inspection should be commenced and finished and Inspection Notes issued during the validity period of the contract so that the contract is not kept alive after expiry of delivery period. In cases where the supplier offers stores for inspection during the last few days of the contract delivery period or even on the last day of the contract delivery period, efforts should be made by the Inspecting Officer to commence the inspection before the expiry of the delivery period. In cases where it is not possible to commence/conclude the inspection before the expiry of the delivery period, the Inspecting Officer should immediately on receipt of the intimation or request for inspection of the stores, bring to the notice of the supplier orally as well as in writing that the stores have been submitted for inspection at the very late stage and that it is not possible to commence/conclude the inspection before the expiry of the delivery period. The supplier should also be informed that the goods offered for inspection will, however, be inspected till the completion of the inspection which can be after the expiry of the delivery period and such an inspection continuing after the expiry of the delivery period is neither intended nor is to be construed as keeping the contract alive. The Inspecting Officer should invariably issue such notice to avoid the contract being kept alive after the expiry of the delivery period as decision to keep the contract alive or otherwise lies only with the CFA. In a case, where the inspection is commenced before the expiry of the delivery period and the Inspection Note is issued after the expiry of the delivery period, the Inspection Note, whether accepting or rejecting the goods, shall be duly franked as per the standard franking clause as given below as an abundant precaution against keeping the contract alive: -

(a) Franking Clause to be adopted in the case of Acceptance of Goods

“The fact that the goods have been inspected after the delivery period and passed by the Inspecting Officer will not have the effect of keeping the contract alive. The goods

are being passed without prejudice to the rights of the purchaser under the terms and conditions of the contract”.

(b) **Franking Clause in the case of Rejection of Goods**

“The fact that the goods have been inspected after the delivery period and rejected by the Inspecting Officer will not bind the purchase in any manner. The goods are being rejected without prejudice to the rights of the purchaser under the terms and conditions of the contract.”

7.5. **Delivery.** Timely delivery as per stipulation in Contract / Purchase Order is one of the most important procurement objectives as timely availability of items is vital, particularly for the projects of BRO. The stores are considered to have been delivered only when these are handed over to the consignee after due inspection by the designated inspection agency, in case AT stipulates door delivery at the consignee’s end by road. In some cases the stores are also dispatched by rail, in which case the delivery is deemed to have been made on receipt of RR and inspection note. **In certain cases where the contractor offers stores for inspection during the last few days of contract Delivery Period (DP) or on the last day of the contract DP, the inspector can inspect the store and sentence it as per standard franking clause. In cases where the DP has expired, inspection will be carried out on formal extension of DP and the inspection note will also be released only on formal extension of DP. If the stores are dispatched within the DP but are received beyond the DP date, the consignee will take delivery but will clear the relevant documents on receipt of formal DP extension letter.**

7.5.1. On receipt at the consignee’s premise, the stores are checked for ascertaining the correctness of quantity and documents. In case the stores are found deficient in any way, the consignee has the right to reject the stores even if these were inspected and cleared by the inspector.

7.5.2. When the supplies do not materialise by the stipulated contract delivery date, the purchaser has the option of:-

- (a) Extending delivery date.
- (b) Re-fixing delivery date.
- (c) Cancel the contract and repurchase non-supplied qty.

7.5.3. For deciding on these options DDG (TA) has to balance the time factor required for making repurchase and whether the supply can be arranged earlier than the period of extension sought for at cheaper rates from alternative sources. Extension shall be granted only where the competent authority is convinced that supplier would come forward during extended DP.

7.6 **Delay in Supplies for Which Supplier is not Responsible.** Normally, in the following circumstances, the contractual delivery period needs to be re-fixed to take care of the lost period, without imposing any penalty to the supplier.

- (a) Cases where the manufacture of stores is dependent on the approval of the advance sample and delay occurs in approving the sample though submitted by the supplier in time.
- (b) Where extension in delivery period is granted on account of some omission on the part of the purchaser which affects the due performance of the contract by the supplier.

7.6.1 The delivery cannot be re-fixed to make a contract a 'severable' contract without the specific agreement of the supplier, if the delivery originally stipulated in the contract was in the form of an 'entire' contract.

7.7 **Force Majeure.** Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. If there is delay in performance or other failures by the supplier to perform its obligation under its contract with BRO due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures. If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty one days of occurrence of such event. Unless otherwise directed by the

purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization is to take up with the supplier on similar lines as above for further necessary action.

7.8 **Insurance.** Wherever necessary, the goods supplied under the contract, shall be fully insured in a freely convertible currency against loss or damage, incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the contract. If considered necessary, the insurance may be done for coverage on “all risks” basis including war risks and strike clauses. The amount to be covered under insurance should be sufficient to take care of the over all expenditure to be incurred by the purchaser for receiving the goods at the destination.

Note: - Insurance of imported goods/equipment would need to be arranged on a very selective basis and only for cases where the value of individual shipment is expected to be in excess of Rs. 5 crore. Where delivery of imported goods is required by the purchaser on CIF/CIP basis, the supplier shall arrange and pay for marine/air insurance, making the purchaser as the beneficiary. Where delivery is on FOB/FAS basis, marine/air insurance shall be the responsibility of the purchaser.

7.9. **Liquidated Damages (LD).** As a general rule, if the supplier fails to deliver the stores or any installment thereof within the DP or at any time repudiates the contract before expiry of such period, the CFA without prejudice to the right of the purchaser to record damages for breach of contract may recover from the contractor as agreed LD and not by way of penalty a sum equivalent to **1/2%** of the amount of the stores which the contractor has failed to deliver within the period agreed for delivery in the contract, for **each week or part thereof** during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period. **The LD will not exceed 5%** of the cost of stores left undelivered at the end of the contracted DP. **The LD will be levied on the basic cost of the stores.** Taxes, transportation charges and other mandatory expenditure such as Octroi, Entry tax etc., will not be included while calculating the LD if these were shown separately in the supply order.

7.10. **Waiver of LD.** There could be cases when the delay in delivery was due to reasons not within the control of the supplier or when the supplier cannot be held responsible for the delay in delivery. In such cases, the CFA may consider waiving off the LD with the concurrence of IFA. However, in such cases, adequate reasons must be recorded to justify such a waiver of LD.

7.11. **Token LD.** There may be situations when there are reasons for the delay in delivery by supplier, but these are not adequate to waive off the LD all together. In such cases, at the sole discretion of the purchaser, a **token LD up to 10% of normal LD** may be imposed. Such cases must be approved by CFA who approved the contract along with concurrence of IFA.

7.12. **Payment Terms.** Payment terms are of great importance both for the purchaser and the supplier as the cost of finance plays a very important role in deciding the cost of an item or service being contracted for. Normally, **90%-95%** of the contract amount is released against provisional receipt of the item at the consignee's premises along with inspection note and other documents. Balance **5-10%** is released after the stores have been properly checked and accounted. In case of plants where erection and commissioning is involved, the payment terms could be **80-85%** on receipt of stores and balance **15-20%** on successful erection and commissioning as stipulated in the Tender Enquiry. These are basic guidelines and the detailed payments terms will be as indicated in the tender document and incorporated in the AT.

7.13. **Advance Payment.** Normally no advance should be offered in the TE. However, PSUs can be considered to be given an advance of up to 15%. The advance shall be interest bearing at the rate of 12% per annum. However, PSUs will be required to give an Advance Bank Guarantee (ABG) equivalent to the Quantum of advance payment admissible to them.

7.14. **Paying Authority.** The CDA (BR) is the paying authority for BRO. Great care and promptness should be shown by CDA (BR) to clear the payments of the firms as fast as possible. **Payment should be made within 10 working days in respect of bills supported by requisite auditable documents.** Observations, if any, should be forwarded within 5 working days by paying authority to the E3ES section of HQ DGBR.

All the Govt taxes and levies deduct able at source shall be recovered by CDA (BR) as per provision in vogue.

7.15. **E-payments**. It will be mandatory for the suppliers/ vendors to indicate their bank account numbers and other relevant e-payment details so that payments can be made through ECS/NEFT/RTGS mechanism instead of payment through cheque. A copy of the model mandate form prescribed by RBI to be submitted by suppliers/vendor for receiving payments through ECS/NEFT/RTGS is given at **Appendix “E”**.

CHAPTER 8

PROCUREMENT OF CATEGORY 'A' SPARE PARTS FOR VEHICLES, EQUIPMENT AND MACHINERY IN BORDER ROADS ORGANISATION

CHAPTER 8

PROCUREMENT OF CATEGORY 'A' SPARE PARTS FOR VEHICLES, EQUIPMENT AND MACHINERY IN BORDER ROADS ORGANISATION

CENTRAL PROVISIONING OF SPARES AT HQ DGBR

8.1. The responsibility of Provisioning Review (PR), preparation of indents, progressing of indents/AT and disposal of surplus stores has been largely vested to the officer commanding of two GREF Store Divisions i.e. Eastern Store Division (ESD) and Western Store Division (WSD). Based on the Provisioning Review (PR) received from both the Store Divisions, HQ DGBR will undertake Central Procurement of Cat 'A' Spares.

8.2 The Procedure for provisioning of spare parts in respect of Vehicles, Equipment and Plants in Border Roads Organization is given in succeeding paragraphs, which is based on Govt of India, Ministry of Shipping and Tpt, BRDB OM No. BRDB/01/148/BEA/2002/54113/DGBR/E4 Inv (P&P) Part-I dated 17 Jun 2004.

INITIAL PROCUREMENT OF CATEGORY 'A' SPARES FOR NEWLY INDUCTED EQUIPMENT

8.3. **Indents.** Initial spares required to be procured along with newly purchased equipment will be covered through one indent which will be known as 'Indent of Initial Spares'. As far as possible, the initial spares should be procured along with the equipment itself. Else, separate Supply Order for these initial spares can also be placed. In case certain depth or range of initial spares is not covered in this indent, this may be covered subsequently through Provision Review Indents only.

8.4. **Basis**

(a) **First Time Buy Equipment.** Indent of initial spares in respect of first time buy equipment will primarily be based on Manufacturers Recommendation List of Spare Parts (MRLS). For arriving at the range and depth of spare parts to be covered in the indent, MRLS will be vetted by the Store Division/HQ DGBR in the light of experience available with respect to the similar type of equipment in the BRO.

For type/Model of equipment not so far introduced in BRO but under use in some other Government undertakings, the indents will be vetted by DGBR after a report from such authorities. A certificate to this effect will be made on the indent.

(b) **For the Repeat Buy Equipment.** No separate procurement of initial spares for repeat buy equipment will be done. The requirement will be covered through Provisions Review indents only.

8.5. **Quantum to be covered in the Initial Spares Indent in respect of Indigenous equipment** - The following quantum of spare parts will be covered in the indent of initial Spare Parts:

(a) **For First Time Buy Equipment**

(i) **Maintenance Spares.** Requirement of spare parts for 24 months (including 15 months Lead Time, 3 months safety factor and 6 months initial for the Field Workshops) will be obtained from any of the following three methods/sources :-

(aa) Items, on DGS&D Rate/Running Contract

(bb) For items purchased through Tender Purchase committee

(cc) For PSU Supply

(ii) **Overhaul Spars.**

(aa) No overhaul spares be procured in the initial spares. The overhaul spares are to be procured through Provision Review Indent only based on the approved Roll-On-Plan.

(iii) **Major Assemblies Pool.** Major assemblies may be indented to the extent of the following existing proportion at the discretion of HQ DGBR.

- (aa) Petrol Engines for vehicles - 10 %
- (bb) Diesel Engines for vehicles - 10 %
- (cc) Diesel Engine for all Equipment - 10 %

(b) **Repeat Buy Equipment.** No initial spares to be purchased as given in Para 3 (b) above.

8.6. **Quantum to be Covered in the Indent of Initial Spares in Respect of Imported Equipment.** The quantum of spares to be covered in the indent of initial spares for the imported equipment is as under :-

(a) **First Time Buy Equipments**

- (i) Maintenance Spares-Requirement of spares for 24 months.
- (ii) Overhaul Spares-Normally no overhaul spares would be required in the first 24 months. The overhaul spares are therefore to be purchased on PR Indents only based on approved Roll- On-Plan.
- (iii) Major Assemblies Pool- Same as in respect of indigenous equipment given at Para 5 (a) (iii) above.

8.7. **Provisioning of Funds and Obtaining Sanction for the Purchase of Initial Spares.**

(a) **Provisioning of Funds.** For planning purpose in the yearly budget, financial provision up to 10% of the capital cost of vehicle/equipment to be purchased, during the year should be catered for purchase of initial spares.

(b) **Sanction of Purchase of Initial Spares.** DGBR/ADGBR is authorized to procure the initial spares to the extent specified above on receipt of approval for procurement of new equipment. No separate sanction is required to be taken for procurement of initial spares.

(c) **Contractual Clause.** All contracts for purchase of new equipment will incorporate a clause making it incumbent on the part of the suppliers to deliver initial spares along with the capital equipment or within one year of the supply of the equipment.

8.8. **Provision Review (PR).** Provisions Review is an exercise to workout the requirement of spares for maintenance and overhauling of Vehicles, Equipment and plants. It takes into account consumption, assets held,, dues in of spares and lead time.

8.9. **Frequency.** The provision review will be undertaken annually for all large population/Major vehicles and equipment held in the BRO. For the first time buy equipment, first PR will commence immediately after the equipment completes one year service.

8.10. **Stages.** PR will be carried out in one stage only. All 'Fast', 'Normal', and the 'Slow' moving items will be reviewed simultaneously.

8.11. **Basic of PR.** Provision review will be based on the following factors :-

(a) **For Maintenance Spares.** Equipment population in classes 'A', 'B' and Class 'C for Spare Parts' at the time of PR.

(b) **For Overhaul Spares.** An agreed overhaul programme (Roll-On-Plan), which will be prepared in December every year for a period of 5 years and approved by a standing committee comprising of DDG (TA), Dir (Works)/BRDB, DS (W) (Sectt. BRDB), DFA (MOD (Fin/BR), Dir EME and Dir (Resources).

(b) **Consumption Pattern.** The range and depth of the spare parts to be covered in the provision review indents will be determined on the basis of the consumption pattern. The consumption pattern will be established on the basis

of Monthly Maintenance Figure (MMF) of the Store Division. MMF is calculated by adding 12 months normal issues plus dues out on the date of preparation of draft indents minus normal dues out at the beginning of 12 months period divided by twelve. Preferably, MMF should be worked out, where possible, for two to three year period instead of one year. As at the time of indents of initial spares for First Buy of equipment, Initial Stocking Guide (ISG) will not be available, for the first PR indent, MRLS therefore, be made on the basis of ISG so as to ensure full coverage of spare parts both in range and depth. Requirement for Base overhauling of Veh/Eqpt/Plant to be worked out as per ISG/RSG.

8.12. **Periods to be Covered in PR.** The PR indent will cover spares requirement for a total time period of 24 months. This includes 15 months lead-time, 3 months safety factor and 6 months initial issue for the Field Workshops.

8.13. **Quantum of Spare to be Covered in PR Indents.** The quantum of spare parts to be covered in PR indents will be as per guidelines given at Para 8.5 & 8.6 above. Actual demand of spares to be catered in each PR indent should be worked out after taking into account the assets such as stocks held in the Store Division, stocks held in Field Workshops above their authorized requirement and dues-in on account of outstanding Supply Orders.

8.14. **Time Schedule.** Based on overhaul plan (Roll-On-Plan) and equipment liability, the PR Schedule will be issued by HQ DGBR in January every year. The Store Divisions will ensure that all draft PR Indents are sent within the time as given in PR Schedule. The activities for processing the draft PR indents to final Supply Orders should be completed in 2½ months time as under

(a) **Processing for Final Indent.** One months.

(b) **Concurrence of Final Indent by IFA (BR).** Within one month of submission of indent to IFA(BR).

(c) **Approval by CFA and Preparation of Supply Order.** Supply Orders to be placed on the supplying agency within fifteen days of concurrence by IFA (BR).

8.15. **Procedure to be Followed for Procurement.** Central provisioning of spares will be done by HQ DGBR based upon PR indent submitted by the both Store Divisions in consonance with the following:-

(a) **For Purchase of Stores on DGS&D Rate Contract.** Supply Orders will be placed directly on the firm as per the terms and conditions in DGS&D Rate Contract of the firm.

(b) **For Procurement of Spares from M/S BEML.** Govt of India MOST letter No.F_176(1)/BRDB/S-67/67710/Policy/DGBR/E4 Inv (P&P) dated 29 Aug 1997 as amended from time to time. **Appendix-‘F’**

(c) **For Purchase of Stores Other Than PSU & RC Items (i.e through Tender Purchase Committee).** Govt of India MOST letter No.F-153 (21)/BRDB/BWA/GEN/PROC-9293 dated 13 Jan 1993 as amended from time to time. **Appendix-‘G’**

8.16. The following actions will; be taken by HQ DGBR for Central Provisioning of spares:-

(a) Technical Assessment of PR indents received from Store Divisions will be carried out for any increase/decrease.

(b) Enquiries will be floated to Original Equipment Manufacturers (OEMs) for obtaining budgetary quotation.

(c) No dispensation sanction is required if spares are purchased from OEM.

(d) On receipt of budgetary quotations, tender will be floated on OEMs duly concurred by IFA (BR).

(e) On receipt of tender, all the documents will be produced to the Tender Purchase Committee.

- (f) Composition of Tender Purchase Committee will be same as for equipment as specified at Para 5.13.5 .
- (g) The inspection of spares by DGQA will be carried out only for those Vehs/Eqpt/Plants which are available in Army and Authority Holding Sealed Particles (AHSP) available with them.
- (h) The inspection of spare in respect of Veh/Eqpt/Plants which are not held with the Army will be carried out in the following basis :-
- (i) Self certification of OEM.
 - (ii) Inspection by a technical Board of Officers detailed by HQ DGBR in the factory premises of the firm.
 - (iii) Inspection by a Board of Officers at the consignee locations under the Routine Order of Consignee.

Procedure for Government Approval Where Necessary

8.17. Indents of value more than Rs.500 Lacs for indigenous purchases and Rs. 100 lacs indent of foreign purchases will be requiring approval of Govt as per BRDB letter No.04/696/2007/BEA/21801/PC/DGBR/TPC dated 27 Nov 2007. They will be processed as under:-

- (a) Indents requiring approval of Govt. will be submitted by DGBR to Sectt BRDB together with documents listed in **Annexure I to Appendix 'H'** attached. Sectt. BRDB after scrutiny will record observations, if any, on the file and pass it on to Min of Def (Fin/BR), for their consideration with a copy to DGBR. Ministry of Defence (Fin/BR) will record their observations, if any, on the file and return the file to Sectt BRDB with a copy of the observations to HQ DGBR.
- (b) HQ DGBR will furnish complete replies/information called for on the points raised by Sectt. BRDB and Min of Defence (Fin/BR) and record these on the file and send it by Sectt BRDB. Sectt BRDB after examination will record their recommendations/ further observations on the file and send the same to Ministry

of Defence (Finance/BR) with a copy of the recommendations/observations to HQ DGBR. Min of Def (Fin/BR) will consider the replies furnished by HQ DGBR and recommendations of Sectt. BRDB. If they have further observations to make they will record on the file and send the same to Sectt BRDB with a copy to HQ DGBR.

(c) In case there are points which require clarification on the case, the same will be discussed at a tripartite meeting between Dte GBR, Sectt. BRDB and Min of Def (Fin/BR) to finalize the case within a period of about 3 months.

(d) In case any issue arise which do not have a direct bearing on the quantity or value of spares indents like low utilization of equipment etc. these should be discussed and finalized separately and the indent need not be held up on this account.

8.18. **Initial Stocking Guide (ISG).** ISGs will be revised as under :

(i) **Maintenance Scales.** Two to three years after preparation of an ISG, review/revision of the maintenance scale both in range and depth will be undertaken in light of the actual experience gained in maintaining the equipment . The maintenance scale in the ISG will be revised taking into account the actual consumption pattern of the spare parts.

(ii) **Overhaul Scales.** Overhaul scales covered in the ISG will be revised when about 25% of the population of the newly introduced equipment has been overhauled.

(iii) Subsequent to the above revisions,. ISG will be kept upto date as and when there is any change in part number or any addition/deletion is warranted due to certain modification or other reasons.

Provisioning of Category 'A' Spares By Projects/Units of BRO to Meet Emergent Requirements :

8.19. Provisioning of spares by Chief Engineers (P)), Base Workshop, Store Divisions, Field Workshops, GREF Centre & Records are done as per financial powers delegated to them to meet the emergent requirement in terms of Para 904, 904A, 905, 905 (A) and BRDB letter No.04/696/2007/BEA/21801/PC/DGBR/ TPC dated 27 Nov 2007 as amended time to time.

8.20. As far as possible procurement of spares can be carried out on single quotation either from Original equipment Manufacturers or their authorized dealers based on Proprietary Article Certificate.

8.21. Procedure for local purchase of Cat 'A' spares by Base Workshops will be done as per instructions issued vide HQ DGBR letter No. 16210/DGBR/E4 Repair dated 19 Apr 1979 (copy enclosed). **(Appendix- 'J')**

8.22. Store Divisions and Field Workshops will carry out local purchase of Cat 'A' spares as laid down in TI-23 issued by DGBR.

8.23. In case the value of Supply Order is beyond the financial power of the authority who has floated enquiries, comparative statement along with Draft Supply Order duly audited will be forwarded for approval and countersignature by the appropriate CFA.

Placing Demands on Store Divisions by Field Workshop

8.24. On receipt of supplies against the indent of initial spare parts, the Store Division will automatically issue six months requirement of maintenance spares to their dependent Field Workshops. After receipt of this initial fill the Field Workshops will demand replacement through quarterly indents. Filed Workshop will ensure that indents are forwarded to Store Divisions every quarter regularly. Any slippage in this regard will cause not only non-availability of spare parts with the Field Workshops but will also future proc.

CHAPTER 9

PROCUREMENT OF GREF CLOTHING ITEMS
(CATEGORY A STORES)

CHAPTER 9

PROCUREMENT OF GREF CLOTHING ITEMS (CATEGORY A STORES)

General

9.1. Procurement of clothing is based on Life Cycle Concept. Annexure 12 to Para 186 of BR Regs lays out the type of clothing authorised to GREF Personnel. The Scales, accounting and life of such items are laid down vide Govt of India, Ministry of Road Transport and Highways, BRDB letter No F.81(1)/84-Estt (18020)/DGBR/DTA/Coord dated 16 Oct 1984, No.F.No.BRDB/03/48/89-GE-1 Vol-I dated 03 Dec 2003, BRDB/03/69/92/GE-1 dated 08 Nov 2005, F.BRDB/03/48/89-GE-1 dt 08 Mar 2007 and PC-1 to BRDB/03/48/98-GE-1 dt 27 Feb 2008 and adopted from the Army as per instructions contained in Army Instruction 22/83.

9.2. The above is read in conjunction with Para 186, 186-A, 901 to 904 of BR Regulations and also DG S&D RC terms and conditions. The various items of clothing are sub-divided as under:-

(a)	Personal Clothing	-	14
(b)	Public Clothing	-	14
(c)	Addl Issue Clothing	-	2
(d)	EI Clothing	-	7
(e)	Extra Cold Climate Clothing	-	13
(f)	Safety Clothing	-	6
(g)	Officers Clothing (Loan)	-	2
(h)	Female Staff Uniform	-	5
(j)	Cook Uniform	-	6
(k)	Special Cold Climate Clothing	-	<u>8</u>
	Total	-	<u>77</u>

Provisioning

9.3. The clothing items in the BRO are classified as Cat 'A' stores. The procurement is undertaken centrally by the HQ DGBR/TA Dte/E3 Ord. Procurement of the clothing items is restricted to the budgetary allotment during the year.

9.4. The provisioning policy caters for the following aspects:-

- (a) **Initial Issue.** Issues made by GREF Centre when an individual is inducted into service and when not available, are being made up by the units to which he is posted.

(b) **Subsequent Issue.** These are in the nature of maintenance issues on completion of the prescribed life calculated on 'Date of Issue' of the item. They are provisioned for one year maintenance requirement as per formula below :-

$$\text{Annual Maint Reqmt (AMR)} = (\text{Posted Str} \times \text{Scale} \times 12) / (\text{Scale} \times \text{life of item})$$

(c) **20% Reserve Stock.** This consists of 20% of the entitlement based on posted strength of Organisation. This stock is meant mainly to cater for issues due to losses, unfair wear and tear and fluctuation in strength and bottleneck in supplies.

9.5. The Provision Review Schedule (PRS) is the basic document for procurement of clothing which is prepared 12 to 15 months in advance of the year of provisioning and sanctioned by Sectt BRDB/MOD (Fin/BR) through IFA (BR). The PRS is prepared on receipt of input data from the Projects, GREF Centre and EBW by means of Quarterly Stock Return for QE Sep. The PRS cater for the aspects mentioned in Para 9.4 above. However, due to budgetary constraints, only annual maint requirement and 20% of AMR is being projected in the PRS.

9.6. On receipt of PRS from Sectt BRDB duly approved, the same is put up to DGBR alongwith a choice sheet for items indicating the following source of procurement against each item for perusal and approval :-

- (a) DGOF
- (b) DGOS for Spl Cold Climate Clothing
- (c) DG S&D RC
- (d) Govt Department
- (e) Through Trade as on required basis

Procurement

9.7. **CFA.** The CFA have been laid down vide BRDB letter No 04/696/2007/BEA/21801/PC/DGBR/TPC dated 27 Nov 2007, as amended from time to time in future.

9.8. **DGOS.** The demand of Special Cold Climate Clothing (Siachen Clothing) is projected to MGO's Branch (EM/GS&C) to procure such clothing items on book debit for the BRO. If any item is not available, enquiries from the OEM will be sought through Open Tenders/Limited Tender/Global Tender.

9.9. **DGOF.** The draft indents for DGOF items will be prepared and fwd to IFA (BR) for concurrence. After concurrence the same will be put up to DGBR for perusal before placing indents on DGOF. The payments are effected on book debit basis on raising of payment issue vouchers duly audited by and reflected in punching media and debited against BRO.

9.10. **DGS&D RC.** The supply orders are placed on firms on DG S&D Rate Contract duly concurred by IFA (BR) and approved by DGBR. The terms of approval of advance samples and inspection clause are to be followed as stipulated in DGS&D RC clause.

9.11. **Govt Departments/State Emporiums/KVIC/SSICs.** Those items for which rate contracts do not exist and not being manufactured by DGOF/DG S&D can be procured through Govt Dept/State Emporium/SSIC. Proper tender procedure will be followed for procurement of such items.

(a) An advance sample from successful bidder(s) will be asked for indeterminable parameters such as, shade/ tone, size, make-up ,feel, finish, and workmanship, before giving clearance for bulk production of the supply.

(b) The Supply Orders will be placed on L1, duly concurred by IFA (BR) and approved by the CFA.

(c) The inspection of items supplied by the agency will be carried out by respective consignee depot by comparing with the sample forwarded to them duly approved by a BOO at this Dte

9.12. **Open/Limited Tender Enquiry.** In case the clothing items available through DGOS, DGOF, Govt Deptt/KVIC/SSICs are at higher rates, DGBR may exercise his option to go in for procurement through Open Tender/Limited Tender. In such cases the procedure as laid down in will be adopted for processing cases for procurement.

CHAPTER 10
PROCUREMENT OF FOREIGN
ORIGIN EQUIPMENT

CHAPTER 10
PROCUREMENT OF FOREIGN ORIGIN EQUIPMENT

10.1. **General.** There are certain items which are not available in the India but are vital for the functioning of the BRO. Such equipments are procured through tender publicized globally. The tender enquiry is prepared containing appropriate conditions so as to safeguard the interest of buyer while enabling the foreign firms to participate in the procurement process.

10.1.1 **Eligibility for Global Tenderers.** They should be Original Equipment Manufacturers (OEMs)/ Authorised Vendors / Govt Sponsored Export Agencies (in case of countries where domestic laws do not permit direct export by OEMs). The OEMs must be registered in their countries for manufacture of the tendered goods. The credentials of any OEM from a foreign country may be verified by HQ DGBR through the diplomatic missions.

10.1.2 **Trial Purchase Order for Snow Clearance Equipment/ Siachen Clothing.** After successful conduct of No Cost No Commitment trials, of snow clearance equipment like snow cutters, snow sweepers, snow plough etc or Siachen snow clothing items which are not available from indigenous sources, the BRO may procure the trial equipment / clothing after due negotiations with the OEM after conduct of PNC, The firm will thereafter be eligible to participate in tenders floated by the BRO for approved equipment. If multiple sources are available then competitive bidding process should be followed and purchase should be made in a fair and transparent manner.

10.2. **Request For Proposal/ Tender enquiry.** The RFP has following additional conditions which are specifically provided to facilitate procurement from foreign source: -

- (a) The tender enquiry is given wide publicity nationally as well as internationally. The national publicity is provided through the normal channels as adopted for OTE. In addition, the TE is sent through Ministry of External Affairs to the Indian Missions located abroad for giving wide publicity in that country. The chosen country may be technologically advanced country or the country where the items required are widely utilised.
- (b) The time allowed for submission of the Global tender shall be as per **Appendix 'K'** which may be curtailed if the exigency is justifiable.

- (c) The clause of rejection of any offer on national security grounds be incorporated in the advertisement.
- (d) The BRO tender enquiry calls for EMD in the form of demand draft for specified amount in Indian rupees only.
- (e) The conversion of foreign currency to Indian currency shall be the selling rate specified by the RBI. The rate shall be taken for the day price bids are opened.
- (f) The price validity should be for minimum of twelve month from the date of submission of the tender document.
- (g) All expenditure to be borne by the seller in his territory till delivery at Embarkation HQ in India. Thereafter expenditure to be borne by the buyer within India.
- (h) In view of the time taken for finalisation of the Global tender an option clause up to 50% may be kept in TE with the prior approval of CFA. Otherwise standard option clause of 50% will be kept. The clause shall be exercised only after considering all requisites as required for exercising the option clause in the domestic supply orders.
- (i) The provision of training requisite number of personnel in respect of repair & overhaul of equipment at supplier's works may be incorporated in addition to training on operation & maintenance at the time of commissioning.
- (j) The delivery terms are on CIF basis at the Sea Port considered most economical by the HQ DGBR, depending on location of the OEM.
- (k) The delivery is with in specified period i.e. two or three month from the date of opening of Letter of Credit.
- (l) The initial payment 80% (can be increased to 90% in some cases with the approval of CFA) and final payment 10% or 20% is made through Letter of Credit.

(m) The stores are allowed to be shipped through Indian Flag vessel only in terms of Para 8.5 of “Manual on Policies & Procedures for purchase of goods” issued by “Ministry of Finance, Department of Expenditure on 31 Aug 2006” as reproduced below:-

“Instructions for Transportation of Imported Goods

As per the general policy of Government of India, all import contracts are to be concluded on FOB/FAS basis. In case a Ministry / Department desires any departure from the above policy including placement of contracts for import of foreign goods on CIF Indian Port/CIP Destination Basis, prior permission is required to be obtained from Ministry of Surface Transport. In case of FOB/FAS contracts, shipping arrangements shall be made by the Shipping Co-ordination and Chartering Division/Shipping Co-ordination and Officer, Ministry of Surface Transport, New Delhi, India. Notice about the readiness of Cargo for shipment shall be given by the supplier from time to time at least 6 (six) weeks in advance for finalising the shipping arrangement, through Fax/Telex and courier, to the Chief Controller of Chartering, Shipping Co-ordination Officer, Ministry of Surface Transport, Government of India, New Delhi. Within 3 (three) weeks of receipt of the advance notice, as above, the said Chief Controller of Chartering, Shipping Coordination Officer will advise the supplier, through Fax/Telex and courier when and on board what vessels, these goods or such part thereof are to be delivered. If the advice for shipping arrangement is not furnished to the supplier within 3 (three) weeks as aforesaid or if the vessel arranged is scheduled to arrive at the specified port of loading later than 15 (fifteen) days of the date of readiness of cargo, as aforesaid, the supplier may arrange for such transport on alternative carriers with the prior written consent of the purchaser. Where the supplier is required under the contract to deliver the goods on FOB/FAS basis and to arrange on behalf and at the expense of the purchaser for ocean transportation on Indian flag vessels or vessels of conference lines in which India is a member country, the supplier may arrange for such transportation on alternate carriers if the specified Indian flag vessels or conference vessels are not available to transport the goods within the time period(s) specified in the contract, with the prior written consent of the purchaser. Should the goods or any part thereof be not delivered on the nominated vessel (except in case where prior written consent of the purchaser was obtained), the supplier will be liable for all payments and expenses that the purchaser may incur or be put to, by reason of

such non-delivery including dead and extra freight, demurrage of vessels and any other charges, whatsoever incurred by the purchaser. The supplier shall not arrange part-shipments and/or transshipment without the express/prior written consent of the purchaser. Where the supplier is required under the contract to deliver the goods under CIF/CIP terms, no further restriction shall be placed on the choice of the ocean carrier except that the shipment shall be made by Indian flag vessel or by vessels belonging to the conference lines in which India is a member country.”

- (n) The stores are accepted based on the OEM's quality inspection certificate.
- (o) The stores are cleared through the Embarkation HQ, Mumbai.

10.3. **Opening of Technical Bid, Price Bid & Negotiations.** The procedure adopted is same as followed for the domestic procurement and Technical as well as commercial evaluation along with PNC(Price Negotiation Committee) will be held at HQ DGBR irrespective of the fact whether CFA is DGBR. Secy. BRDB or RM/RRM

10.4. **Payment.** The payment is made through a Letter of Credit opened through the PCDA, G block Sena Bhawan.

10.4.1. Evaluation of bids will be carried out in the same manner as done for domestic procurements. However, due to peculiar nature of stores required (Snow Cutters, Snow Sweepers, Snow Plough etc) and small quantities on demand, BRO may not receive sufficient number of tenders. A situation may also arise where, after analyzing the tenders, the BRO ends up with one responsive tenderer. In such situations, the purchase organization is first to check whether, while floating/issuing the tender enquiry, all necessary requirements like standard tender enquiry conditions, industry friendly specification, wide publicity, sufficient time for formulation of tenders, etc. were fulfilled. If not, the tender is to be re-issued/re-floated after rectifying the deficiencies. However, if after scrutiny it is found that all such aspects were fully taken care of and in spite of that the purchaser ends up with one responsive tender only, then contract may be placed on that tenderer provided the quoted price is reasonable. Reasons for such a decision will be duly recorded.

10.4.2. Format of Tender Enquiry and Contract are attached at **Appendix 'L'** and **Appendix 'M'** respectively.

CHAPTER 11

BANKING INSTRUMENTS

CHAPTER 11

BANKING INSTRUMENTS

11.1. **General.** Import is regulated by the Directorate General of Foreign Trade (DGFT) under Ministry of Commerce and Industry, Department of Commerce, Government of India. Authorised dealers, while undertaking import transaction, should ensure that the imports into India are in conformity with the Export Import Policy in force and Foreign Exchange Management (Current Account Transactions) Rules, 2000 framed by Government of India vide Notification No G.S.R. 381(E) dated 03 May 2000 and the directions issued by Reserve Bank of India under Foreign Exchange Management Act from time to time.

11.1.1 Importer should follow normal banking procedures and adhere to the provisions of Uniform Customs and Practices for Documentary Credits (UCPDC) while opening Letters of Credit for import into India.

11.2. **Letter Of Credit (LC).** A letter of credit is a written understanding given by the buyer's bank (the issuing bank) on behalf of and at the request of its customer (the applicant) routed through the agency of a bank in the seller's country (advising bank) to the seller beneficiary that it (issuing bank) guarantees to pay the seller for the goods within a specified time provided that the conditions laid down in documentary credit are fully satisfied. A LC can be established in any of the 27 Public Sector banks besides SBI.

11.3. **Reasons for using LC.** In international trade, buyer and seller being located in different countries may not know each other well. The two countries will have different legal systems, currencies, trade and exchange regulations. Due to this fact both the Buyer and Seller, need some conditions to be fulfilled, to suit their requirements, before releasing the payments and goods respectively. The buyer and seller want the following:-

- (a) Seller would want:-
 - (i) To be paid as soon as he ships the goods.
 - (ii) An assurance that he will be paid by the buyer or his bank as per contractual obligations.

- (iii) Convenience of receiving payments in his own country.
- (b) Buyer would want:-
 - (i) To pay for the goods only after they are shipped by the seller.
 - (ii) An assurance that seller will ship the goods ordered for and deliver them in time.

11.4. **Basic forms of LsC.** Basic forms of LsC are enumerated below:-

- (a) Revocable letter of credit.
- (b) Irrevocable letter of credit.
- (c) Confirmed letter of credit.
- (d) Revolving letter of credit

11.5. **Revocable Letter of Credit.** A revocable letter of credit is one which may be amended or cancelled by the issuing bank at any moment without prior notice to the beneficiary. Therefore such a type of letter of credit does not give complete sense of security to the beneficiary. However when the revocable letter of credit is made available at a branch of a bank concerned, the notice of amendment or cancellation is effective only upon receipt of such notice. If such a bank has undertaken liability (i.e. Paid, negotiated or accepted) against documents, which appear on the face of it to be in conformity with the terms and conditions of the credit before notice of amendment/cancellation, then the issuing Bank is bound to reimburse such a bank. If the letter of credit is silent as to whether it is revocable or irrevocable, the credit is deemed as IRREVOCABLE.

11.6. **Irrevocable Letter of Credit.** When the issuing Bank gives a definite, absolute and irrevocable undertaking to honour its obligations provided the beneficiary complies with all the terms and conditions such a credit is known as an irrevocable letter of credit. That means that the letter of credit cannot be amended, cancelled or revoked without the consent of the parties to the letter of credit. This gives the beneficiary definite protection.

11.7. **Confirmed Letter of Credit.** A confirmed letter of credit is one when another Bank in the beneficiary's country adds its confirmation at the request of the issuing Bank. This undertaking of the confirming Bank to pay/negotiate/accept is in addition to the undertaking of the issuing bank. This is an added protection to the beneficiary. This is not to be agreed as it undermines the credibility of our Nationalized Banks.

11.8. **Revolving Letter of Credit.** In such credits, the amount is restored, after it has been utilized, to the original amount. Such credits are used when the buyer is to receive partial shipment of goods at specific intervals for a long duration. It can be cumulative or non-cumulative in nature. It avoids opening letter of credit for each and every consignment.

11.8.1. The above LsC can be divisible, non-divisible. Divisible LsC are opened when more than one Beneficiary is allowed and payment has to be made as per consignment.

11.9. **Procedure for Opening LC.** The procedure for opening of an LC would generally include steps as given below: -

- (a) **Step-1.** **Receipt of PBG and Readiness of Goods.** Contract concluding Dte/ receives readiness of goods for shipment as per contractual terms from the supplier.
- (b) **Step-2.** The Contract concluding authority / Dte seeks FFE release from the appropriate authority. The IFA is to note the FFE and budget outgo and the approval of CFA is obtained.
- (c) **Step-3.** On release of FFE the contract concluding authority forwards the case for opening of LC to PCDA who after proper scrutiny of all details for correctness authorises the bank to open LC. The bank establishes the LC and intimates the PCDA and the contract concluding authority.

11.10. **Payment Through Letter of Credit.** The letter of credit mechanism works as follows: -

- (a) Buyer requests the issuing / opening bank to open an LC.
- (b) Issuing/ opening Bank conveys LC through Advising bank.
- (c) Advising bank advises the credit to beneficiary.
- (d) Beneficiary after complying with terms and conditions against stipulated documents gets the value either from the Advising bank or Nominated bank as per the terms of LC.
- (e) After passing on the value, negotiating Bank claims reimbursement from the issuing/opening Bank or nominated bank as per the terms of LC.
- (f) Ultimately issuing/opening Bank recovers the amount from the applicant. It is the definite commitment of issuing/ Opening Bank to reimburse to the negotiating bank whether applicant provides the value of negotiation or not.

11.11. **Essential Elements of LC.** Following essential elements are to be clearly stipulated while opening LC:-

- (a) Type of LC
- (b) Name and address of applicant and beneficiary
- (c) Amount of credit and currency
- (d) Validity of LC
- (e) Latest shipment date (delivery date as per contract)
- (f) Basis of delivery (FOB/FCA/CIP/CIF)
- (g) Contract No. and date
- (h) Shipment from To
- (j) Consignee and ultimate Consignee
- (k) Part shipment allowed/not allowed
- (l) Documents required to be produced by the beneficiary for release of payment from LC.
- (m) LD Clause
- (n) Any other special instructions.

11.12. **Documents to be Provided by The Seller.** Paid shipping documents are provided to the Bank by the Supplier as proof of dispatching goods as per contractual terms so that the supplier gets his payment from LC. The Bank forwards these documents to the Buyer for getting the goods/stores released from Port/Airport. Documents include: -

- (a) Clean on Board Airway Bill/Bill of Lading
- (b) Original Invoice
- (c) Packing List
- (d) Certificate of Origin from Seller's Chamber of Commerce
- (e) Certificate of Quality and current manufacture from OEM
- (f) Dangerous Cargo Certificate, if any.
- (g) Insurance Policy of 110% if CIF/CIP contract.
- (h) Certificate of Conformity & Acceptance test at PDI, signed by Buyer's and Seller's QA Deptt.
- (j) Phyto-sanitary/Fumigation Certificate.
- (k) Performance Bond/Warranty Certificate
- (l) Authenticated signature of the supplier or his authorised rep should be available with the bank and verified by them before releasing LC payment. The above details should form part of the contract.

11.13. **Extension of LC.** Following points should be checked before initiating the case for extension of LC:-

- (a) Extension of delivery date in the contract and corresponding amendment in LC for latest date of shipment.
- (b) Performance Bank Guarantee (PBG) extension.
- (c) Onus of charges for LC extension.

11.13.1. IFA clearance and CFA approval should be obtained prior to extension of LC.

11.14. **Direct Bank Transfer.** A transferable credit is a credit under which the Beneficiary may request the bank authorised to pay, incur a deferred payment undertaking, accept or negotiate or in the case of a freely negotiable credit, the bank specifically authorised in the

credit as a transferring bank to make the credit available in whole or in part to one or more than one beneficiaries. Direct Bank Transfer shows high degree of trust between parties. Buyer ensures that the payment is released only after receipt of the following:-

- (a) Clean on Board Airway Bill/Bill of Lading
- (b) Original Invoice
- (c) Packing List
- (d) Certificate of Origin from Seller's Chamber of Commerce
- (e) Certificate of Quality and current manufacture from OEM
- (f) Dangerous Cargo Certificate, if any.
- (g) Insurance Policy of 110% if CIF/CIP contract.
- (h) Certificate of Conformity & Acceptance test at PDI, signed by Buyer's and Seller's QA Deptt.
- (j) Phyto-sanitary/Fumigation Certificate.
- (k) Performance Bond/Warranty Certificate

11.14.1 The above details should form part of the contract.

11.14.2. After obtaining the above documents, the concerned Dte. authorises PCDA for Direct Bank Transfer. PCDA in turn authorises the Buyer's bank to make direct transfer of funds to Seller's bank account.

11.15. **Advantages.** Following advantages accrue in comparison to payments through LsC:-

- (a) Payment released only after receipt of goods.
- (b) Payment to be made only after full satisfaction to the quality, quantity etc.
- (c) Cost-effective-inexpensive compared to LsC.

11.15.1. For contracts below USD 50,000.00, DBT payment terms should be insisted upon, at the time of concluding the contract.

11.16. **Specified time limit and Delivery Schedule.** The normal delivery schedule for spares procurement in case of LC and DBT payment terms should be as follows:-

(a) **L/C Payments.** Six months from the date of signing of contract which will include:-

(i) Obtaining export license and giving notification of readiness for opening of L/C by seller – 45 days.

(ii) Obtaining Foreign Exchange Release and opening of L/C through CDA by buyer – 45 days

(iii) Validity period of L/C – 90 days. The LC will be opened three months prior to the expiry of delivery period only. In case the spares under procurement are in large quantity or their technical production cycle is long as specified by the seller in the RFP, then the LC shall be opened for more than one quarter as agreed by the TPC/CNC.

(b) **DBT Payments.** Preferably within three months of signing of the contract.

11.17. **Performance Bank Guarantee (PBG).** A written undertaking through the bank to perform the promise/terms and conditions of the contract and to ensure the discharge of liability of supplier in case of his default.

11.18. **Essential Elements of PBG.** Essential elements of PBG are:-

(a) Amount.

(b) Address of Beneficiary, Applicant and Bank.

(c) Validity date.

(d) Contract Number and Date.

(e) Bank should release the amount without any demur on receipt of a written order from beneficiary.

11.19. **Salient Features of Guarantees.** Salient features of Guarantees are given below:-

(a) Guarantees are absolute in character and independent of underlying contract.

(b) Obligation to pay not to perform.

- (c) Un-conditional and without demur payment against valid claim.
- (d) For specified amount and period.
- (e) Issued against matching counter-guarantee from the applicant.

11.20. **Invocation of Guarantees.** Guarantees can only be invoked after fulfilling the following conditions:-

- (a) Should reach issuing Bank on or before expiry date.
- (b) Should be in strict conformity with Guarantee terms.
- (c) Issuing Bank not to enquire into merits of claimer or take views on dispute between applicant and beneficiary.
- (d) On compliance of terms of guarantee, payments effected immediately and unconditionally.

11.21. **Confirmation of PBG.** Advice of SBI should be taken as to whether the foreign bank providing Bank Guarantee for advance is a first class bank of international repute before taking a decision whether such PBG should be further confirmed by SBI/any other scheduled bank.

CHAPTER 12

INCOTERMS – 2000

CHAPTER 12

INCOTERMS – 2000

12.1. In INCOTERMS 2000, the delivery and transportation of goods are grouped into four categories as under: -

- (a) **“E” – Terms.** Implies Ex-works, where under, the seller only makes the goods available to the buyer at the seller’s own premises. The responsibility of providing the carrier is that of the buyer.

- (b) **“F”-Terms.** FCA, FAS and FOB are various clauses of “F” terms under which the seller is called upon to deliver the goods to a carrier appointed by the buyer. The responsibility of providing the carrier is that of the buyer.

- (c) **“C”-Terms.** CFR, CIF, CPT and CIP are various clauses of “C” terms under which the seller has to contract for carriage, but without assuming the risk of loss of or damage the goods or additional costs due to events occurring after shipment and dispatch.

- (d) **“D”- Terms.** DAF, DES, DEQ, DDU and DDP are various clauses of “D” terms under which the seller has to bear costs and risks needed to bring the goods to the placed of destination.

12.2. **Ex-works (EXW).** “Ex-Works” means that the seller delivers when he places the goods at the disposal of the buyer at the seller’s premises or another named place (i.e., works, factory, warehouse, etc.) not cleared for export and not loaded on any collecting vehicle. This term thus represents the minimum obligation for the seller, and the buyer has to bear all costs and risks involved in taking the goods from the seller’s premises.

12.2.1. However, if the parties wish the seller to be responsible for loading of the goods on departure and to bear the risks and all the costs of such loading, this should be made clear by adding explicit wording to this effect in the contract of sale. This term should not be used when the buyer cannot carry out the export formalities directly or indirectly. In such

circumstances, the FCA term should be used provided the seller agrees that he will load at his cost and risk.

12.3. **Free Carrier (FCA)**. “Free Carrier” means that the seller delivers the goods, cleared for export, to the carrier nominated by the buyer at the named place. This terms may be used irrespective of the mode of transport, including multi-modal transport. “Carrier” means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes. If the buyer nominates a person other than a carrier to receive the goods, the seller is deemed to have fulfilled his obligation to deliver the goods when they are delivered to that person.

12.4. **Free Alongside Ship(FAS)**. “Free Alongside Ship” means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that moment. The FAS term requires the buyer to clear the goods for export. However, if parties wish the buyer to clear goods for export, this should be made clear by adding explicit wording to this effect in contract of sale. This term can only be used for sea or inland waterway transport.

12.5. **Free on Board (FOB)**. “Free on Board” means that the seller delivers when the goods pass the ship’s rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from the point. The FOB term requires the seller to clear the goods for export. This term can be used only for sea or inland waterway transport. If the parties do not intend to deliver the goods across the ship’s rail, the FCA term should be used.

12.6 **Free on Rail (FOR)**. Free on Rail means that the transportation tariff by Indenter to the consignee has to be paid by the supplier

12.7. **Cost and Freight (CFR)**. “Cost and Freight” means that the seller has delivered when the goods pass the ship’s rail in the port of shipment. The seller must pay the cost and freight necessary to bring the goods to the named port of destination but the risk of loss of or damage to the goods, or any additional costs due to events occurring after the time of

delivery, are transferred from the seller to the buyer. The CFR term requires the seller to clear the goods for export. This term can be used only for sea and inland waterway transport.

12.8. **Cost, Insurance and Freight (CIF)**. “Cost, Insurance and Freight” (CIF) means that the seller delivers when the goods pass the ship’s rail in the port of shipment. The seller must pay the costs and freight necessary to bring the goods to the named port of destination. In case of CIF term, the seller also has to procure marine insurance against the buyer’s risk of loss of or damage to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium. The CIF term requires the seller to clear the goods for export. This term can be used only for sea and inland waterway transport. If the parties do not intend to deliver the goods across the ship’s rail, the CIP term should be used.

12.9. **Carriage Paid To (CPT)**. “Carriage Paid to (CPT)” means that the seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to be named destination. This means that the buyer bears all risks and any other cost occurring after the goods have been so delivered. The CPT term requires the seller to clear the goods for export. The term may be used irrespective of the mode of transport including multi-modal transport.

12.10. **Carriage and Insurance Paid To (CIP)**. “Carriage and Insurance Paid To (CIP)” means that the seller delivers goods to the carrier nominated by him, but the seller must in addition pay cost of carriage necessary to bring goods to be named destination. This means that the buyer bears all risks and any additional cost occurring after the goods have been so delivered. However, in CIP, the seller also has to procure insurance against the buyer’s risk of loss of or damage to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium.

12.10.1. The buyer should note that under the CIP term, the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have the protection of greater cover, he would either need to agree as much expressly with the seller or to make his own extra insurance arrangements. “Carrier” means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, road, air sea, inland waterway or by a combination of such modes. If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to

the first carrier. The CIP requires the seller to clear the goods for export. This term may be used irrespective of the mode of transport including multi-modal transport.

12.11. **Delivered at Frontier (DAF).** “Delivered at Frontier” means that the seller delivers when the goods are at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export, but not cleared for import at the named point and place at the frontier, but before the customs border of the adjoining country. However, if the parties wish, the seller to be responsible for the unloading of goods from the arriving means of transport and bear the risks and costs of unloading, this should be made clear by adding explicit wording to this effect in the contract of sale. This term should not be used irrespective of the mode of transport when goods are to be delivered at a land frontier.

12.12. **Delivered Ex-Ship (DES).** “Delivered Ex-Ship” means that the seller fulfils his obligation to deliver when the goods have been made available to the buyer on board the ship un-cleared for import at the named port of destination. The seller has to bear all the costs and risk involved in bringing the goods to the named port of destination before discharging. If the parties wish, the seller to bear the costs and risks of discharging the goods, then the DEQ term should be used. The term can only be used only when the goods are to be delivered by sea or inland water way transport on a vessel in the port of destination.

12.13. **Delivered Ex-Quay (Duty Paid) (DEQ).** “Delivered Ex-Quay (Duty Paid)” means that the seller fulfils his obligation to deliver when he has made the goods available to the buyer on the quay (Wharf) at the named port of destination, cleared for importation. The seller has to bear all risks and costs including duties, taxes and other charges of delivering the goods thereto. This term should not be used if the seller is unable directly or indirectly to obtain the import license. If the parties wish the buyer to clear the goods for importation and pay the duty, the words “duty unpaid” should be used instead for “duty paid”.

12.14. **Documents.** In all cases of foreign contracts, the suppliers should forward to the purchaser copies of all documents concerning delivery and payment, by speed post, courier or other fastest means of dispatch. This should be in addition to the documents dispatched to the bank for payment through Letter of Credit. The supplier should give at least six weeks notice, with regard to the readiness of the consignment, to the purchaser and his agent. The

date of bill of lading or airway bill will be considered as the actual date of delivery with reference to the stipulated date of delivery in the contract.

12.15. **Consignees Right of Rejection.** Notwithstanding the fact that an item may have been inspected prior to dispatch, the consignee will have the right to reject it, in whole or part, if it is observed that the item supplied does not conform to the specifications or has been damaged. Such rejection will be communicated to the supplier within 90 days of the item reaching the consignee's premise. If an item is rejected, the supplier is required to replace the item within a period determined by the supplier, which should not be less than 45 days, failing which he shall make financial restitution based on the ordered value. However, in all such cases the provisions contained in the International Chamber of Commerce Publication, INCOTERM 2000, including that regarding change of the right of property, as amended from time to time, will be considered as foreign contracts are governed by international law.

DIRECTORATE GENERAL BORDER ROADS, NEW DELHI

To

TENDER DOCUMENT FOR PROCUREMENT OF -----
REQUEST FOR PROPOSAL

Dear Sir,

1. The President of India, represented by Director General Border Roads, New Delhi (hereinafter referred to as the purchaser), invites quotation/tender for the supply of stores detailed in the Commercial bid enclosed as Annexure-VII.
2. The tenders will be received in the office of Joint Director, E3ES, TA Dte, Seema Sadak Bhawan, Ring Road, Delhi Cantt - 110010 upto 1415 hrs on ----- 200--.
3. This tender document is comprised of 35 pages serially numbered from 1 to 35. The document contains letter of invitation and various annexures as under:-

Srl No	Contents	Subject	Pages
1.	Covering letter	Invitation of Tender	----
2.	Annexure - I	Instructions to Tenderers	----
3.	Annexure - II	Technical specifications(Part 'A' & Part 'B')	----
4.	Annexure - III	General Conditions	----
5.	Annexure - IV	Special conditions	----
6.	Annexure - V	Proforma for submission of General information about the tenderer.	----
7.	Annexure - VI	Format for submission of technical bid	----
8.	Annexure - VII	Format for submission of commercial bid	---
9.	Annexure VIII	Format of covering letter submitting the tender	---

4. The General Conditions and Special Conditions given in annexure -III and -IV will govern any contract made hereinafter. These conditions form part of the tender documents and are required to be submitted duly signed by tenderer. For terms & conditions not specifically mentioned in the tender document, attention of tenderers' is invited to the provisions of Border Roads Procurement Procedure (BRPP) as amended from time to time which will be applicable on a case to case basis.

5. *Earnest money of Rs -----(Rupees ----- only)* in terms of demand draft drawn on scheduled bank payable at New Delhi in favour of CDA(BR) New Delhi or in form of a bank guarantee valid for six months from the date of opening of tender, shall be enclosed alongwith the tender; otherwise tender will be treated as non-bonafide and shall not be accepted. If exempted by GOI from depositing the earnest money, documentary proof of same may please be furnished. Photostat copies, if furnished for such proof, shall be authenticated by a Gazetted officer of Govt of India and certified as true.

6. The tender shall be submitted with following documents:-

(a) Latest Sales Tax Clearance Certificate

(b) Bank Solvency Certificate issued by Bank in which the firm has got its account clearly specifying the maximum BG limit, over draft limit etc.

(c) The DGQA, DG S&D, CPWD, SSI, NSIC registration number and proof of such registration.

7. Your attention is invited to "Instructions to tenderers" given in Annexure-I at pages --- to ---of this document for strict compliance.

8.. This letter including "Instructions to tenderers" mentioned in para above shall form part of the contract and shall be signed and returned alongwith tender documents. The tenderer shall address all communications to the Joint Director E3ES, TA Dte, Seema Sadak Bhawan, Ring Road, Delhi Cantt - 110010.

9. The tender will remain valid for acceptance till 90 days from the date of opening of commercial bid.

10. Sealed quotations can be dropped in the tender box latest by 1415 hrs on --- 200- and will be opened at 1430 hrs on same day in the office of the Joint Director E3ES, TA Dte, Seema Sadak Bhawan, Ring Road, Delhi Cantt - 11001.

Yours faithfully

(Signature of the Tenderer)
Name (in Block Capital):
Capacity in which the
tender is signed :

(-----)
Director/E3ES
for & on behalf of
President of India

INSTRUCTION TO TENDERERS

1. Tenderer's are apprised that proposal of any alteration to any of the conditions laid down or which proposes any other condition of any description what-so-ever is liable to be rejected. However, in case of any condition(s), stipulated by the Government in the tender documents, is sought to be modified by the tenderer, he shall indicate the financial effect involved for such modification, in the event of the Accepting Officer agreeing to proposal.

2. The tender document forwarded to you shall be delivered back in two parts in sealed covers as under :-

(a) **Part-I**

Envelope - 'Q' - Consisting of Commercial Bid srl page No-- to -- in annexure VII and any other priced modified bid as proposed / desired by the tenderer.

(b) **Part-II**

Envelope - 'T'- Consisting of Technical Bid srl page No -- to -- in annexure VI and the balance pages of this Tender document, tenderer's forwarding letter and its enclosures and any other documents desired to be enclosed by the tenderer.

3. **Manner of submission of tender.**

(a) Both the above two parts of tender shall be sealed in two different envelopes marked boldly 'Q' and 'T,' respectively; which shall bear the following remarks on the top of each envelope :-

Envelope 'T' - Tender for Procurement of -- Nos ---- at HQ DGBR,
Seema Sadak Bhawan, Ring Road, Delhi Cantt-10

TE No.510---Proc/--x-----/GS 200—0--/DGBR/E3ES dt -----.

Envelope 'Q' - Tender for Procurement of -- Nos ----- at HQ DGBR,
Seema Sadak Bhawan, Ring Road, Delhi Cantt-10

TE No.51021-Proc/--x-----/GS 200—0-/DGBR/E3ES dt -----.

3.2 Both the above sealed envelopes shall be sealed in another large cover bearing remarks "Tender for procurement of -- Nos of ----- at HQ DGBR, Delhi Cantt - 10, due on ----- .

4. **Tenderers are advised not to give any indication in the Documents contained in envelope 'T' with regard to their tendered rates or amount or price quoted in Commercial bid and General Summary sealed in envelope 'Q'. Any such details of quotations shall be given in documents contained in envelope 'Q' only.**

5. Immediately after the receipt of tender, all tenders shall be opened by the Opening Board / Committee in the presence of those tenderers, who want to be present at the time of opening of tenders. Procedure for opening of tenders shall be as under:-

(a) After opening the main cover, the Opening Board / Committee shall open only envelope 'T' of all the tenderers. Envelope 'Q' of all tenderers shall be put together in a large cover by the Opening Board / Committee and shall be sealed (in the presence of tenderers present during opening) to be opened on a subsequent date communicated by the Accepting Officer later.

(b) After opening of envelop 'T' of all the tenders, correspondence / discussion with regard to the conditions and other technical aspects by the Accepting Officer or by his Officer (s) on his behalf, if needed, shall be held.

(c) If any tenderer sends only envelop 'T', his tender shall not be considered and shall be treated as incomplete tender. Similarly, if any tenderer sends only envelope 'Q' the same shall also not be considered and shall be returned to the tenderer unopened.

(d) Thereafter, all the remaining tenderers shall be given written notice to present themselves (if they so desire) for the opening of envelopes 'Q' at a fixed time and date. All envelopes 'Q' shall then be opened on the fixed time and date in presence of those tenderers, who will be present. Opening Board / Committee shall declare the quotations of various tenderers.

6. **Filling in Tenders:**

(a) Tenders shall be filled in triplicate with neat, legible and correct entries both in figures as well as in words. Alterations, erasures and indistinct figures shall be avoided.

(b) The tender documents, drawings, pamphlets, certificates shall be signed, dated and witnessed at all the places provided therein. Also all pages and correction/alternations shall

be initialed. The drawings, pamphlets, certificates shall be signed as a proof that the Specification quoted in the tender is conforming to these drawings, Pamphlets etc.

(c) The tenderer shall submit acceptance of all the clauses individually from Annexure I Para 8 to Annexure IV on separate sheet/firms letter head duly signed & stamped. Deviation if any shall be clearly mentioned without any ambiguity.

7. **Submission of Tender:**

(a) Tenders must quote on the tender documents issued by the Accepting Officer. Intimation of tenderer's quotation by a telegram will not be taken cognizance of.

(b) In case a blank tender is being submitted, it shall be prominently marked 'BLANK' on the envelop and signed by authorised person. The regret letter may be faxed to reach before due date.

(c) In view of postal and other delays, the tenders must be posted sufficiently in advance of the last date fixed for receipt of tenders, or be sent by a special messenger. Tenders received late or delayed tenders shall not be considered. Tenders sent by the FAX, telegraph or e-mail will not be considered .

8. **Clarification of Bidding Documents:** Bidder requiring any clarification of the bidding documents shall notify to the purchaser in writing and the purchaser will respond in writing to the clarifications sought not later than 14 days prior to the date of opening of the tenders. Copies of the query and clarification by the purchaser shall be sent to all prospective bidders who have received the bidding documents.

9. **Amendment of Bidding Documents:** At any time prior to the date of submission of bids the purchaser may, whether at his own initiative or in response to a clarification requested by a prospective bidder, may modify bid documents by amendments. The amendments shall be notified in writing to all prospective bidders. In order to afford prospective bidder a reasonable time to take the amendment into account in preparing their bids, the purchaser may, at his discretion, extend the deadline for submission of bids.

10. **Late Bids:** Any bid received by the purchaser in case of competitive bidding, after the deadline for submission of bids shall be rejected and returned unopened to the bidder.

11. **Modification & Withdrawal of Bids:** The bidder may modify or withdraw his bid after submission provided that the written notice of modification or withdrawal is received by the purchaser prior to deadline prescribed for submission of bids. A withdrawal notice may be sent by fax but followed by a signed confirmation copy by post not later than the deadline for submission of bids. No bid shall be modified after the deadline for submission of bids. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity specified. Withdrawal of a bid during this period will result in Bidder's forfeiture of bid security.

12. **Clarification of Bids:** During evaluation and comparison of bids, the purchaser may, at its discretion ask the bidder for clarification of its bid. The request for clarification shall be in writing and no change in prices or substance of the bid shall be sought, offered or permitted. No post bid clarification at the initiative of the bidder shall be entertained.

13. **Agents of supplier:** One agent cannot represent two suppliers or quote on their behalf in a particular tender enquiry. Such quote has to be rejected. CVC (CTE) No. 12-02-6-CTE/Sp-I(1)-2 dated 07 Jan 2003 refers in this regard.

14. If there is a discrepancy between unit price and total price, the unit price shall prevail. If there is discrepancy between words and figures, the amount in words shall prevail. If the supplier does not accept the correction of the errors, its bid will be rejected and its bid security may be forfeited.

15. Prior to detailed evaluation, the purchaser will determine the substantial responsiveness of each bid to the bid documents. A substantially responsive bid is one, which conforms to all terms and conditions of the bid documents without material deviations. Deviations from or objections or reservations to critical provision like Bid Security, Warranty and Guarantee, applicable Law, Taxes and Duties will be deemed to be a material deviation.

16. **Evaluation and comparison of substantially responsive bids:** The evaluation and comparison of responsive bids shall be done on the prices of the goods offered inclusive of levies & taxes i.e., VAT/CST and ED, CED, Packing & Forwarding, Freight and Insurance etc., as indicated in the price schedule of Bid documents but exclusive of Octroi/ Entry Tax which will be paid extra as per actual, wherever applicable.

17. **Award Criteria:** The purchaser will award contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the bidder is found to be technically, commercially and financially acceptable and whose goods have been type approved/ validated by the purchaser. The purchaser reserves the right to counter offer price(s) against price(s) quoted by any bidder.

18. **Right to vary quantities:** The purchaser reserves the right to increase or decrease upto 50% of the quantity specified in the schedule of requirements without any change in the unit price or other terms and conditions within the agreed delivery schedule.

19. In exceptional situation where requirement is of an emergent nature and it is necessary to ensure continued supply from the existing vendors, the purchaser reserves the right to place repeat order upto 50% of the quantities within a period of 6 months from the date of successful completion of purchase order at the same rates and terms subject to the condition that there is no downward trend in prices.

20. (a) Ranking of the commercial bid will be based on the lowest of the total landed cost of the ordered quantity which will comprise of basic cost, erection & commissioning charges, transportation charges , packing charges, insurance charges and all other taxes & duties as quoted by the tenderer in his 'Q' bid. The tender must quote the rate of duties which shall be payable by the buyer (for ex. Excise duty @ 16%, Education Cess on excise duty @ 3% etc). Any taxes & duties not mentioned in "Q" bid will not be counted for calculation of the total landed cost. The tender shall not have any claim on account of such omissions on his part.

(b) Discounts: Discounts if any in terms of monetary discounts in terms of rupees will only be considered, other discounts in terms of Free of Cost of spares or any other services Free of cost will not be considered as a monetary discount. Also any conditional discount will also not be considered.

(c) Delivery within stipulated months of signing of contract shall be accepted.

21. **Delivery schedule:** Delivery shall be completed within ---- days from the date of placement of confirmed order. The time of delivery shall be the essence of the supply order and the inspector is not authorised to inspect goods tendered after the delivery period and such inspection carried out there of shall not be deemed to have extended the period of delivery. The date of delivery would be the date on which the acceptable vehicle/stores are physically delivered duly unloaded to consignee after inspection, by Road. Necessary help in terms of crainage and

manpower may be extended to the supplier subject to availability. However delay on this account does not bind the purchaser for granting extension. Contract can be cancelled unilaterally by the buyer in case items are not received within the contracted delivery period. Extensions of contracted delivery period will be at the sole discretion of the buyer with applicability of LD clause.

22. **Inspection:**

(a) **Inspection authority:** *The Controller, CQAE, Pune/HQ DGBR.*

(b) **Inspection Officer/Agent:** As nominated by the Inspection authority.

(c) **Pre inspection by the supplier:** The supplier shall carry out initial inspection prior to rendering the vehicles for inspection of the inspecting officer, and a copy of the same shall be attached with the challans/call letters to the nominated Inspection Officer/Agent undertaking the inspection. The stores shall be rendered for inspection sufficiently ahead of stipulated delivery period to avoid delay in inspection/release of Inspection Note/ of stores.

(d) Sub-ordered components/sub-assys shall also be inspected by Inspection Officer/Agent before being used in main plant. Copies of sub-orders in duplicate shall be provided in advance for undertaking inspection. However, inspecting authority may decide on this requirement in case of assembly line product.

(e) The firm shall submit/furnish pre-inspection reports and test certificates for all Components/materials/sub-assy bought out items alongwith their challans to the Inspection Officer/Agent.

(f) **Call for inspection:** It should be understood that a notice of minimum **two Week** is required to be given to inspecting authority and inspection officer. It should also be understood that getting the vehicle inspected is the sole responsibility of the tenderer. Any delay in getting the machine inspected / other formalities completed will be to the tenderer's account. However, if the purchaser is satisfied that there is any delay beyond the period of 15 days after the date of inspection by inspecting authority, he may agree for rebate in delivery period on this account without liquidated damages.

(g) **Inspection at Consignee location:** The whole consignment once reached destination in full will be inspected by Board of Officers for ascertaining any damage, short supply and incorrect parts as per the inspection note and supply order. The purchaser will not be responsible for any shortages, which may occur during transit.

(h) **Pre-Despatch Inspection:** Not-with-standing the stage inspection the equipment complete in all respect shall be inspected by the Inspection agency at firm's premises for its completeness, quality and correctness as per specification given in AT.

23. **Facilities for Inspection:**

(a) The firm shall supply one complete set of manufacturing/ engineering drawings with all technical details to the Inspection Officer/Agent concerned and to AHSP viz CQAE, Pune /Board of Officers detailed by HQ DGBR for inspection within a period of **7 days** from the date of placement of order on the firm. A copy of layout drawing shall be supplied alongwith the quotation for technical evaluation. However firm is not liable to give those drawings which they feel are their trade secrets.

(b) All inspection facilities including inspection gauges, testing benches/testing rigs etc shall be provided by the firms free of cost for inspection and testing of the vehicle for ensuring that stores are manufactured in accordance with manufacturer's drawings/ Indian/ International specifications.

(c) Minor Modifications/changes/rectifications suggested, during inspection for satisfactory performance if any, shall be incorporated by the manufacturer free of cost.

(d) Proof of strength/HP/capacity calculations, wherever required, shall be furnished by the manufacturer in justification of adequacy for usage of a particular cross section/size of a member or prime mover or pump.

(Signature of the Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)
Director/E3ES
For & on behalf of
President of India

TECHNICAL SPECIFICATIONS OF -----

GENERAL

1. **Materials:**

(a) Materials used in the manufacture of various components/ancillary vehicle/power units shall be standard / correct material predominantly in use and shall conform to relevant Indian specifications. Materials test certificates of the material from recognised laboratory shall be obtained and submitted for Physical and Chemical property of any materials used in the manufacturing of the vehicles.

(b) If required, the SQAQ/Board of Officers detailed by HQ DGBR concerned may draw samples of materials and test actually in conformity with specifications. In such cases, the cost of testing shall be borne by the manufacturer.

(c) General engineering tolerance as per latest IS shall be applicable on all dimensions which are without specified tolerances.

2. **Bought-out Items:**

(a) All bearings shall be of a standard reputed make such NBC, Tata, SKF etc with ISI certification.

(b) Battery shall be of a standard reputed make such as Exide, Amron, Furukawa etc with ISI certification.

3. **General Requirements:**

(a) **Gearings:** They shall be designed to have ample strength to adequately withstand wear and temperature rise. They shall have ISI certification. Moulded surface hardened teeth may be used for pitch line speeds not exceeding 30m/min. Keys in gear trains shall be so fitted and secured that they cannot work loose. For fitments of gears to shafts at various location, no permanent welding joint shall be carried out.

(b) **Rotating/Fixed Shafts/Axles:** Shafts and axles shall have ample rigidity and adequate quality.

(c) **Hardware Items:** All the hardware items shall be galvanised.

(d) **Welding:** Welding of components/parts, wherever done, in the vehicle shall be neat, clean and free from defects.

(e) **Preservation and Packing :**

(i) All the finished parts/assemblies including the main equipment, ready for dispatch, shall be adequately preserved, packed and dispatched.

(ii) The entire packing of the equipment shall be such that it is rail/road transit worthy. All parts, which are likely to be damaged shall be adequately packed to avoid damages during transit.

(iii) Battery shall be kept in charged condition while packing/dispatching.

(f) **Instruction Plate:** The equipment shall have permanently affixed to it and suitably located an Instruction Plate indicating precautions and any special important procedure to be observed in operating and servicing.

(g) **Metric System:** All the hardware items/sizes of materials used in the whole vehicle shall be metric and conform to relevant ISS/BIS. Units of measurement shall also be metric.

(h) **Prime Movers/Motors:** These shall be of matching capacity of reputed make with ISI certification and should satisfactorily and reliably, carry out duties for which they are meant.

4. **Maintainability Aspects**

(a) **Design of Bearings :** All bearings shall be designed for ease of maintenance and have ample lubrication points. Bearings and rollers provided shall be dust proof and self lubricating type.

(b) **Ease of Maintenance** : All major assemblies and installed attachment shall be accessible for maintenance, repair and replacement without the removal of assemblies and installed attachments. Covers and plates which must be removed for component adjustment, replacement and maintenance shall be equipped with quick disconnect fasteners.

(c) **Lubrication** : Means for lubrication shall be provided for all bearings, power transmitting gears and all other moving parts requiring lubrication. All lubricating nipples shall be of similar type and shall be readily accessible. Where access for lubrication is difficult, bearings shall be such that lubrication from a remote position can be provided. A lubrication chart, indicating the points to be lubricated, shall be permanently affixed in a conspicuous place on the equipment describing the type of lubricant, the point/location of greasing and the amount to be used. Chains shall be enclosed.

(d) **Pressure Lubrication**: Automatic pressure release devices shall be provided, where pressure lubricating systems, if used may damage grease seals or other parts.

(e) **Safety requirements**: All exposed parts, which are subject to high operating temperatures or which are energized electrically, shall be insulated, fully enclosed or guarded. All moving parts, which are of such nature or so located as to be a hazard to operating or maintenance personnel, shall be fully enclosed or guarded. Protective devices shall not impair the operating functions. Manufacturer of the equipment shall ensure that all safety aspects are taken care of, so that maximum safety is provided to the operator/person handling the equipment during operation/maintenance.

5. **Spares**:

(a) It will be the responsibility of supplier to ensure that all the spare parts, applicable to the item supplied to purchaser, are supplied as and when ordered.

(b) The supplier shall take the responsibility for supplying all the spares parts for a minimum period of **10 years**, after the supply of vehicle, even if the model supplied may go out of production. Before closing down of such production an advance notice will be given **2 years** in advance to enable the buyer to plan Life Time Buy of spares.

(c) A list of recommended spares, duly priced, for maintenance of the vehicle for a period of two years and for one major overhaul, shall be furnished at the time of quoting the offer. The decision to procure such spares alongwith the equipment or later resets with the buyer.

6. **Environment**: The equipment should meet all the statutory and laid down requirements to protect the environment, as well as, the workers from its hazardous emissions.

7. **Paint**: The equipment shall be supplied duly painted in *Golden Yellow/Rivera blue* or the colour specified by the buyer.

8. **Tools**: A set of tools, suitable to vehicle, shall be provided alongwith the equipment/vehicle, free of cost. A list of tools with their cost shall also be supplied along with offer.

9. **Literature**: The following literatures will be supplied compulsorily free of cost. However, price of under mentioned literature will also be submitted alongwith offer:-

(a) One set of operation and maintenance manual, for the entire equipment, alongwith lubrication chart with each equipment and will be consigned alongwith the equipment.

(b) **Operation and maintenance manual**: One set each for HQ DGBR E4 (Tech), E4 (Repair), WBW, EBW, ESD and WSD will be supplied.

(c) **Lubrication Chart**: One set each for HQ DGBR E4(Tech), E4(Repair), WBW,EBW, ESD and WSD will be supplied.

(d) **Workshop manual both for engine and the complete equipment**: One set each for HQ DGBR E4(Tech), E4(Repair) & two sets each for WBW, EBW,WSD, ESD and respective project HQ will be supplied.

- (e) **Priced Parts catalogue**: One set for HQ DGBR E4(Tech). two sets each for E4(Inv), WBW, EBW and ESD & WSD will be supplied.
- (f) **Illustrated parts catalogue**: One set for HQ DGBR E4(Tech), two sets each for E4(Inv), WBW, EBW, ESD ,WSD and respective project HQ will be supplied.
- (g) **Manufacturer recommended list of spares needed for 1000 hrs, 2000 hrs of operations and for one major overhaul of the vehicle and accessories**: Two copies each for HQ DGBR/E4(Inv), WBW, EBW, ESD & WSD will be supplied.
- (h) **Illustrated list of Special maintenance tools** : Two copies each for HQ DGBR E4(Inv) WBW, EBW, ESD & WSD will be supplied where applicable.
- (j) Two Nos of all the literature listed at para 9 (b) to 9 (h) above shall be supplied to inspecting authority CQAE, Pune through inspection officer.

Note The operators manual will be **bilingual i.e. both in Hindi and English**. If multiple copies of the literature is to be supplied on soft medium the same should be clearly mentioned in the offer. In the interest of both the buyer and the supplier, it is imperative that the equipment is operated and maintained properly post its induction. To ensure this, it is necessary that interactive computer Based Training modules be provided by the buyer free of cost. Availability of such packages be indicated in the offer.

(Signature of Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)
Director/E3ES
For & on behalf of
President of India

TECHNICAL SPECIFICATION FOR -----

Here provide the technical specifications of the item being procured

*(Signature of the Tenderer)
Name in Block letters :
Capacity in which the tender:
document is signed.*

*(-----)
Director/E3ES
For and on behalf of
President of India.*

GENERAL CONDITION

AUTHORITY OF SECY BRDB

1. For all purposes of the contract, including arbitration proceedings there under, the Secretary BRDB shall be entitled to exercise all the rights and powers of the Purchaser.

QUOTATION OF RATES BY CONTRACTORS

2. (i) The price quoted / charged by supplier/contractor shall not be higher than the controlled price fixed by law for the stores or where there is no controlled price, it shall not exceed the prices or contravene the norms for fixation of prices laid down by Government or where no such prices or norms have been fixed by Government it shall not exceed the price appearing in any agreement relating to price regulation by any industry in consultation with the Government.

(ii) In any case, save for special reasons stated in the tender, the price quoted / charged for indigenous stores shall not be higher than the lowest price charged by the supplier/contractor for stores of the same nature, class or description to an individual/ firm/organisation or department of Government in India; and for imported stores the price quoted shall not be higher than the lowest price charged by the supplier/contractor for stores of the same nature, class or description to a purchaser, domestic or foreign or to any organisation or departments of Government.

(iii) If the price quoted / charged is higher than the controlled price etc. referred to in sub-clause (i) above or where there is no controlled price, the lowest of the prices charged by the supplier/contractor from a private purchaser, domestic or foreign or from any organisation or department of Government, for the stores of the same nature, class or description, etc. as referred to in sub-clause (ii) above, the supplier/ contractor will specifically mention this fact in his tender giving reasons for quoting higher price (s). If he fails to do so or makes any mis-statement, it shall be lawful for the Secretary (a) to revise the price at any stage so as to bring it in conformity with the sub-clause (i) or (ii) above or (b) to terminate the contract and purchase the stores at the risk and cost of the supplier/contractor.

LAWS GOVERNING THE CONTRACT

3. (i) This contract shall be governed by the laws of Republic of India for the time being in force. The tender clauses shall be governed by and interpreted in accordance with the laws of the Republic of India .
- (ii) Irrespective of the place of delivery, the place of performance or place of payment under the contract, the contract shall be deemed to have been made at the place from which the acceptance of tender has been issued.
- (iii) Jurisdiction of Courts : The courts of the place from where the acceptance of tender has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

ARBITRATION

4. (i) In the event of any question, dispute or difference arising under general conditions or conditions of contract, or in connection with this contract (except as to any matters the decision of which is specially provided for by the general or the special conditions the same shall be referred to the sole arbitration or an officer appointed to be the arbitrator by the Secretary BRDB. It will be no objection that the arbitrator is a Government Servant or that he had to deal with the matters to which the contract relates or that in the course of his duties as a Government servant he has expressed views on all or any of the matters in dispute or difference. The Award' of the arbitrator shall be final and binding on the parties to this contract.
- (ii) In the event of the Arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his Award being set aside by the court for any reason, it shall be lawful for the Secretary BRDB to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.
- (iii) It is further a term of this contract that no person, other than the person appointed by the Secretary BRDB as aforesaid, should act as arbitrator and that, if for any reason that is not possible, the matter is not to be referred to Arbitration at all.
- (iv) The arbitrator may, from time to time with the consent of all the parties to the contract, enlarge the time for making the Award.

(v) Upon every and any such reference, the assessment of the costs incidental to the reference and Award, respectively, shall be at the discretion of the arbitrator.

(vi) Subject as aforesaid, the Arbitration Act, 1996 as amended and the rules there under and any statutory modification thereof for the time being in force shall be deemed to apply to the Arbitration proceedings under this clause.

(vii) If the value of the claim in a reference exceeds Rs.1 lakh, the arbitrator shall give reasoned Award.

(viii) The venue of arbitration shall be the place from which formal Acceptance of Tender is issued or such other place as the Secretary BRDB at his discretion may determine.

(ix) In this clause, the expression "the Secretary BRDB", or Secretary BRDB means the Secretary BRDB for the time being and includes, if there be no Secretary BRDB or if Secretary BRDB is on leave or is absent from duty or is not available for any reason whatsoever, the Additional Secretary MOD.

5. **SUBLETTING, ASSIGNMENT AND CHANGE IN A FIRM**

(a) **Subletting and assignment** : The contractor shall not, save with the previous consent in writing of the Secretary, sub-let, transfer or assign the contract or any part thereof or interest therein or benefit or advantage thereof in any manner, whatsoever. Provided, nevertheless that any such consent shall not relieve the contractor from any obligation, duty or responsibility under the contract.

(b) **Changes in a firm:**

(i) Where the contractor is a partnership firm, a new partner shall not be introduced in the firm except with the previous consent in writing of the Secretary, which may be granted only upon exception of a written undertaking by the new partner to perform the contract and accept all liabilities incurred by the firm under the contract prior to the date of such undertaking.

(ii) On the death or retirement of any partner of the contractor firm before complete performance of the contractor, the Secretary may, at his option, cancel the contract and in such case the contractor shall have no claim whatsoever to compensation against the purchaser.

(iii) If the contract is not determined as provided in sub-clause (ii) above, notwithstanding the retirement of a partner from the firm, he shall continue to be liable under the contract for acts of the firm until a copy of the public notice given by him under section 32 of the Partnership Act has been sent by him to the Secretary by registered post acknowledgement due.

(c) **Consequence of breach**: Should the contractor or a partner in the contractor firm commit breach of either of the conditions (a) or (b) (i) of this sub-clause, it shall be lawful for the Secretary to cancel the contract and purchase or authorise the purchase of the stores at the risk and cost of the contractor.

6. The decision of the Secretary as to any matter or thing concerning or arising out of this sub-clause or on any question whether, the contractor or any partner of the contractor firm has committed a breach of any of the conditions in this sub clause contained, shall be final and binding on the contractor.

7. **RIGHT OF ACCEPTANCE OF OFFER**

(a) The purchaser reserves the right to accept partly or reject any offer without assigning any reason thereof. The purchaser does not pledge itself to accept the lowest or any other tender and reserves to itself the right of acceptance of the whole or any part of the tender or portion of the quantity offered and the tenderer shall supply the same at the rate quoted.

(b) In respect of enquiries, which call for procurement of more than one item, the purchaser reserves the right to consider and accept the offer for any of the items in the enquiry reserving the right to utilize the offer for balance items at a later stage within the validity of offer.

8. **PATENT RIGHTS:** The tenderer shall indemnify and hold the purchaser harmless against all third party claims of infringement of patent, trade mark of industrial design rights arising from use of the stores supplied or any part thereof.

9. **PURCHASE PREFERENCE:** In consonance with Ministry of Heavy Industries and Public Enterprises Department of Public Enterprises letter No. DPE. 13 (15)/2007-Fin. dated 21 Nov 2007, w.e.f. 01 Apr 08 no purchase preference is to be given to CPSE.

10. **Force Majeure.** Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not foreseeable. Such events may include, but are not restricted to, acts of the purchaser either in its sovereign or contractual capacity, wars or revolutions, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, and freight embargoes. If there is delay in performance or other failures by the supplier to perform its obligation under its contract with BRO due to event of a Force Majeure, the supplier shall not be held responsible for such delays/failures. If a Force Majeure situation arises, the supplier shall promptly notify the purchaser in writing of such conditions and the cause thereof within twenty one days of occurrence of such event. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of Force Majeure for a period exceeding sixty days, either party may at its option terminate the contract without any financial repercussion on either side. There may be a Force Majeure situation affecting the purchase organization only. In such a situation the purchase organization is to take up with the supplier on similar lines as above for further necessary action.

11 **PENALTY FOR USE OF UNDUE INFLUENCE**

11.1 The Seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the

Contract or any other Contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the Contract or any other Contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offers by the seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act, 1947 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the seller.

11.2 Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/penalty as the Buyer may deem proper, including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.

12. **AGENTS/AGENCY COMMISSION**

12.1 The Seller confirms and declares to the Buyer that the Seller is the original manufacturer or authorized dealer of the stores referred to in this contract and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the contract to the seller, nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The seller agrees that if it is established at any time to the satisfactions of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the seller will be liable to refund that amount to the Buyer. The seller will also be debarred from entering into any supply contract with the Government of India for a minimum period of 5 years.

13. **CANCELLATION OF THE CONTRACT:** The Buyer shall have the right to terminate the Contract, arising out of finalisation of this tender, in part or in full in any of the following cases :-

- (a) The delivery of the material is delayed for causes not attributable to Force Majeure for more than 10 Days after the scheduled date of delivery.
- (b) The SELLER is declared bankrupt or becomes insolvent.
- (c) The BUYER has noticed that the SELLER has utilised the services of any Indian/Foreign agent in getting this contract and paid any commission to such individual/company etc.
- (d) As per decision of Arbitration Tribunal (Clause 4 of Annexure III).

(Signature of Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)
Director/E3ES
For & on behalf of
President of India

SPECIAL CONDITIONS

1. **EXTENSION OF DELIVERY PERIOD** It shall be noted that in case where only portion of the stores ordered is offered for inspection at the fag end of the delivery period and also in case where inspection is not completed in respect of the portion of the stores offered for inspection during the delivery period, the purchaser reserves the right to cancel the balance quantity not offered for inspection within the delivery period fixed, without further reference to him. If stores are offered for inspection during the fag end of the delivery period and same are not found acceptable after carrying out the inspection, the purchaser is entitled to cancel the contract at the risk and expense of the seller. If however, the stores offered for inspection are found acceptable, the purchaser may grant an extension of the delivery, subject to the following conditions.

(i) That the purchaser has the right to recover from the seller under the provisions of clause liquidated damages for the stores which the seller has failed to deliver within the delivery period fixed for delivery.

(ii) That no increase in price on account of any statutory increase in or fresh imposition of customs duty, excise duty, sales or on account of any other tax(s) or duty, leviable in respect of the stores specified in acceptance of tender, which takes place after the date of delivery period stipulated in the acceptance of tender, shall be admissible on such of the said stores as are delivered after the date of delivery stipulated in the acceptance of tender.

(iii) That not withstanding any stipulation in the contract for increase in price or any other ground no such increase which takes place after the date of delivery stipulated in the acceptance of tender shall be admissible on such of the said stores as are delivered after the date of delivery stipulated in the acceptance of tender.

(iv) But, nevertheless, the purchaser shall be entitled to the benefit, in price on account of reduction in or remission of custom duty, excise duty, sales tax or on account of any other taxes or act or any other ground as stipulated in the price variation clause which takes place after the expiry of the date of delivery stipulated in the Accepted Tender.

(v) The Contractor shall not despatch the stores till such time as extension in terms of para (i) to (iv) above is granted by the purchaser and accepted by the supplier. If the stores are despatched by the supplier before obtaining an extension letter from the purchaser, he would be doing so at his risk. In case the entire quantity has not been offered for inspection within the delivery period stipulated in the acceptance of tender and the purchaser agrees to grant extension in the period the same would be subject to the conditions (i) to (v) as mentioned in above sub paras.

2. **COMMISSIONING:**

(a) The equipment shall be commissioned within 30 days from the date of receipt of communication from the consignee that the plant is ready/awaiting for commissioning. LD clause shall be invoked in case the plant is not commissioned within the stipulated period. However, in case of Vehicles and Equipment necessary commissioning by means of filling Initial Inspection Form will be carried out by the dependant Fd WkSp.

(b) Firm will be responsible for arranging all tools, SMTs required for commissioning the plant. Necessary help for these may be extended to the supplier subject to availability. However delay on this account does not bind the purchaser for granting extension.

(c) It will be the responsibility of consignee /TF / Project HQ concerned to issue communication to firm by Fax/Tele/letter to depute their representative for commissioning. It will be the responsibility of consignee/TF/Project HQ concerned to provide fuel, man power and transport to ensure timely commissioning.

(d) First fill of oil/lubricants required for erection and commissioning of the equipment/plant/ vehicle shall be supplied by the firm free of cost.

(e) If the seller fails to commission the plant or refuses to commission the plant within the stipulated conditions, the buyer reserves the right to commission the plant at the risk and cost of the seller. The cost of commissioning, including spares required

for the same, will be borne by the seller and will be deducted from any balance payments due to the seller including recovery through the performance Bank Guarantee.

3. **After Sales Service & Training:**

(i) Firm will depute their service staff to carryout satisfactory performance and maintenance checks during the warranty period, at the site of deployment on free of cost basis, as and when such requirement arises due to reasons related to performance.

(ii) Seller shall provide their service personnel for a period of 7 days after delivery of equipment. The training will be provided based on a call letter received by consignee. It shall be responsibility of the seller to depute their service personnel within two months to train our operators and maintenance staff on salient features and procedure on correct operation and maintenance. The service will be provided free of service charges. Boarding, lodging and transportation charges within the Project will be borne by buyer.

4. **Warranty:**

(a) Not with standing the fact that the purchaser/inspector may have inspected the approved good/stores/machine/vehicle/article, tenderer/ supplier shall be responsible for the defects attributable to the manufacture, assemblies design, material and shall rectify/replace the same free of cost, to the satisfaction of the consignee upto **1,00,000 Km/ 1800 hrs** run or **12 Months** whichever is earlier from the date of acceptance of the vehicle on successful commissioning at the site of deployment. The validity of warranty shall get extended automatically for the period for which the plant remains idle due to defects under warranty.

(b) The supplier shall be responsible for making available the blue print of the drawings of the spares, if any when required in connection with the main equipment. However firm is not liable to give those drawing which they feel are their trade secrets.

(c) The supplier are advised for making available all necessary spares at site which may be required during warranty period to ensure smooth running of equipment. Idling charges at the rate of **Rs _____/- (Rupees __**

_____ **only**) per day will be deducted from the supplier's bill/Bank Guarantee in case equipment remains off road **beyond 21 days** from the date of receipt of intimation to that effect during warranty period.

5. **LIQUIDATED DAMAGES:** If seller fails in the performance of the contract in respect of supply and commissioning within the time fixed under this contract or any other extension thereof, the seller shall be liable to pay liquidated damages and not the penalty as under :-

(a) **Delay in Delivery:** The LD shall be levied @ 2% (Two percent) of the contract price per month or part of a month (0.5% per weeks) for undelivered portion of the supply. However incase the delivered portion of the supply can not be put to ready use LD will be imposed at the above rate on the total contract value.

(b) **Delay in Commissioning:** The LD shall be levied @ 2% (Two percent) of the contract price per month or part of a month (0.5% per week) for the delayed period.

(c) **Maximum limit of LD:** The total sum of LD levied shall not exceed 5% of the contract value.

6. **PAYMENT**

(a) **Initial Payment:** **90% to 95% payment** of the basic cost plus 100% taxes, duties and transportation charges will be paid on receipt of vehicle/ equipment by the consignee. The following documents will be required for the payment:-

- (i) Inspection note copy No 1 duly endorsed with CRV No and date by the consignee and signed by authorised signatory.
- (ii) Excise challan cum Sales Invoice.
- (iii) Certificate of payment of CST/ VAT in Contractor's bill
- (iv) Contractor's Bill (Form IAFA-68 revised) in quadruplicate.
- (v) Transportation Bill. In case the equipment is delivered on its own steam the transportation bill will not be required. Instead a bill from the seller for the

amount of transportation charges agreed to during negotiations will suffice to clear dues towards transportation charges.

(b) **Balance 5% to 10% Payment:** Balance 10% payment will be made after commissioning of the plants/delivery of vehicles and equipment. The following documents will be required for payment:-

- (i) Inspection Note copy No 2 and 5 duly endorsed by the consignee.
- (ii) CRV for main equipment duly credit verified by the audit authority. CRV for tools and literature will not be required for release of balance payment as tools and literature are required to be supplied free of cost. A copy of CRV for the main equipment in original duly audit verified will be handed over to the firm's representative by respective SS & TC alongwith copy No. 2 and 5 of the inspection note as stated above within 30 days of delivery of equipment to consignee by the firm.
- (iii) Consignee satisfaction certificate (only applicable for plants).
- (iv) Contractor's Bill(IAFA-68 revised) in quadruplicate.
- (v) Bank guarantee equivalent of 10% of total Basic value of the supply order for a period of one year from the date plant commissioned/ equipment/Vehicle received.
- (vi) A certificate from HQ DGBR/E4(Tech) section for having supplied literature meant for E4(Tech), E4 (Repair), E4 (Inv) sections of HQ DGBR, EBW, WBW, ESD, WSD, respective project HQ & GREF Centre as applicable.

(c) **Payment Authority:** The payment authority against this contract shall be CDA (BR), Seema Sadak Bhawan, Ring Road, Delhi Cantt, New Delhi - 110 010.

7. **TRANSIT INSURANCE:** The purchaser will not pay extra for transit insurance and the seller will be responsible till the entire stores contracted to reach in good condition at the destinations. The consignee, as soon as possible but not later than 15 days of receipt of stores at destination will notify the seller of any loss or damages to the stores, that may have occurred during transit.

8. **TOWN DUTY, OCTROI & TERMINAL TAX:** It shall be noted that:-

(a) Govt departments are exempted from levy of town duty, octroi duty, terminal duty or other levies of local bodies. Wherever required, seller should obtain the exemption certificate from the consignee/HQ DGBR E3ES to avoid payment of such local taxes or duties. In case authorities concerned insist on payment of such taxes or duty, the same should be paid by the seller to avoid delay in the supply. The same will be re-imbursed by the buyer on production of Govt receipt of having paid the same.

(b) Any other necessary certificate needed to enter into a particular state shall be obtained by the firm from the consignee directly. The Firm will approach consignee immediately on placement of order.

9. **Option Clause: Option Clause:** The purchaser retains the right to place order for additional quantity equivalent to a maximum of 50% of the originally contracted quantity at the same rate and terms of the contract. Such an option is available during the original period of contract. Option quantity during extended DP is limited to 50% of balance quantity after original delivery period. Option clause can be exercised with the approval of CFA under whose powers total value of supplies of original contract plus 50% option clause falls. This option is normally exercised only when there is no downward trend in prices as ascertained through market intelligence.

10. **Repeat Order**

Repeat orders against a previous order may be considered for approval by the respective CFA in urgent cases subject to the following stipulation:-

(a) Items ordered have been delivered successfully by the suppliers.

(b) Original order did not cover urgent/emergent demand.

(c) It is not placed to split requirement to avoid sanction of the next CFA.

(d) There is no downward trend in price as ascertained through market intelligence.

- (e) The firm is prepared to hold the same prices, terms & conditions including delivery schedule as per service requirement.
- (f) The requirement is for stores of identical nature/specification, nomenclature etc. Minor improvements in specifications or phasing out of products due to obsolescence should not be precluded from purview of repeat order.
- (g) It is placed within 6 months for 50% of the originally ordered quantity from the date of completion of supply order against previous order and only once. This is necessitated since gestation period of supply of certain cat 'A' equipment procured by the BRO is generally very long, in cases 180 days or so.
- (h) The original order placed should be on the basis of the lowest (negotiated) price and was not on delivery preference.
- (j) Power of CFA would be reckoned keeping in view original quantity plus repeat quantity.
- (k) In case SO/contract where option clause has been availed of, further repeat orders shall not be placed.

11. **SECURITY DEPOSIT PERFORMANCE BANK GUARANTEE:** Successful tenderer(s) shall be required to deposit a sum of rupee equivalent of **10% of the basic cost of the supply order** within 30 days of placement of firm order for due performance of the contract. The Security deposit may be furnished in any one of the forms provided. Failure to do so will be taken as breach of the contract. It is a condition of this contract that tenderer shall deposit the required security by date specified above and forward the treasury/bank receipt or other documents in token of having done so. Failure to do so shall mean that tenderer have committed breach of contract, entitling the purchaser to cancel the contract and to enforce recovery of the amount of the security deposit prescribed with or without enforcing other rights under the contract resulting from the breach. The validity of the security deposit instrument should be such as to cover the complete period of contract, which will be inclusive of delivery period(DP), extension(s) in DP granted if any, erection, commissioning and warranty period. The

warranty period shall be reckoned from the date of issue of final inspection certificate by the inspecting authority. During the warranty period the instrument of security deposit will be termed as instrument for warranty. Necessary reconciliation of the dates shall be done before claiming 10% payment.

(Signature of Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)

Director/E3ES
For & on behalf of
President of India

Annexure V

PROFORMA FOR GENERAL INFORMATION ABOUT TENDERER

(To be completed by the tenderer)

1. Brand of store offered :
2. Name & address of manufacturer :
3. Telephone Nos and telegraphic address :
4. Station of manufacturer :
5. Gross weight of Consignment :
6. Net weight of each item :
 - (a)
 - (b)
 - (c)
 - (d)
7. Name and full address of banker :
8. Business name and constitution of the firm. If the same is registered under:-
 - (a) The Indian Companies Act 1956 :
 - (b) The Indian Partnership Act 1932 (Please also give names of partners) :
 - (c) Any Act, if not who are the owners (Please give full Name and address :

9. Whether the tendering firm is:-
- (a) Manufacturer :
- (b) Manufacturer's authorised agent :
- (c) Holders of stock of the stores tendered for :
10. Total No. of subject equipment produced so far :
11. Total No. of subject equipment supplied to defence department year wise for the last five years :
12. Total No. of subject equipment supplied to other than defence sector in last five years :
13. The dealership network across the country and number of service station in India :
14. Stocks in hand
- (a) Held by you against this enquiry :
- (b) Held by M/s _____ :
15. ISO certification :
16. Licence No for manufacturing procurement :

17. CQAE registration No for above
eqpt (please submit a copy of
registration certificate) :

18. Registered with any ministry of
Govt of India (please submit a copy
of registration certificate) :

Note: Attach separate sheet wherever space is not sufficient for furnishing information.

(Signature of Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)
Director/E3ES
For & on behalf of
President of India

PERFORMA FOR SUBMITTING TECHNICAL BID

(To be filled by the tenderer)

1. Type/ make/ model of equipment :

2. Standard conforming to :

3. Rated capacity of equipment :

4. Maximum height and width of
equipment :

5. General Characteristics of the
equipment :-

(a) Engine : Model/ Type :

Rated Flywheel horse power

Max Flywheel HP :

Piston displacement :

Bore & Stroke :

Maximum torque :

Cooling system :

Batteries :

(b) Transmission Model/ Type :

Controls :

(c) Axle & final drives :
Front/ Rear :
Final drive :
Maximum travel speed at
various gears both forward
and reverse gear :

(d) Undercarriage :
Type :
Travel Mechanism :
Max traction force :
Max travel speed :

Max gradeability :

(e) Steering system Type :

Articulation :

Pump :

Low :

Relief Pressure :

Cylinders :

Bore & Stroke :

(f) **Brakes** :

Service :

Parking :

Emergency :

(g) **Hydraulic System**

Pump :

Flow :

Relief pressure :

Valve :

Cylinder & Piston details :

Filter :

Controls :

Hydraulic speed :

(raise, dump & lower)

(h) Bucket capacity : **Standard** **Optional**

Bucket capacity :

(heaped & truck)

Bucket with brake out :

free

Static tipping load :

(straight & turn)

Operating Weight :

Operating Load	:
(j) Dimension	
Cap top height	:
Dump angle	:
Ground clearance	:
Width over tracks	:
Track length on ground	:
Under carriage over all length	:
Transport length with moonbeam	:
Overall length	:
Max digging reach	:
Max digging reach on ground	:
Max digging depth	:
Max cutting height	:
Max dumping height	:
Minimum swing radius	:

Max vertical wall	:
Overall machine width turning radius of outer track	:
Turning radius at outer tip of bucket	:
6. Front-end attachment	:
7. Buckets :	
Standard	:
Optional	:
8. Weight : Laden / Unladen	
Total operating weight	:
9. Standard Equipment Supplied	:
Main assembly	:
Gauges	:
Indicators	:
Alarm	:
Switches	:
Lab	:
Other fittings/ provisions	:
10. Optional Accessories	:
11. Source refill capacities (Ltrs)	
Cooling system	:

Crank case	:
Transmission	:
Final drive & differential	:
Fuel Tank	:
Hydraulic reservoir	:
Hydraulic System	:
Any others	:
12. Special Features	:
13. Rock Breaker	:

Note

1. Deviations from technical specification to be mentioned clearly with respect to performance of the equipment.
2. Schematic diagram with dimensions in assembled and transportable condition of the equipment to be enclosed alongwith technical bid.
3. Attach separate sheet wherever space is not sufficient for furnishing information.

(Signature of Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)

Director/E3ES
For & on behalf of
President of India

PROFORMA FOR COMMERCIAL BID

Description of item	Unit	No. of	Amount	Remarks
	Rate	Qty reqd		

1. **Item Name**

01 ----

Supply & commissioning
of -----

2. **TRANSPORTATION COSTS**

Destinations	Rate	per	Numbers	Amount	Remarks
	unit		to be sent	(Total)	
1	2		3	4	5

- (i) Panitola (Tinsukia/Assam)
- (ii) Mariani (Jorhat/Assam)
- (iii) Lamphalpat (Imphal/Manipur)
- (iv) Dimapur (Nagaland)
- (v) Spituk (Leh/J&K)
- (vi) Nagpur (Maharashtra)
- (vii) Guwahati (Assam)
- (viii) Likhali (W.Siang/Arunachal)
- (ix) Bhalukpong (Arunachal)
- (x) Kimin (Arunachal)
- (xi) Jodhpur (Rajasthan)
- (xii) Hanumangarh (Rajasthan)
- (xiii) Goa
- (xiv) Khelariat (Jowai/Meghalaya)
- (xv) Siliguri (W.Bengal)
- (xvi) Malpur (Jammu/J&K)
- (xvii) Rajouri (Jammu/J&K)
- (xviii) Vijaypur (Jammu/J&K)
- (xix) Pathankot (Punjab)

- (xx) Tawipui (Lungalei/Mizoram)
 - (xxi) Seiling (Aizawi/Mizoram)
 - (xxii) Silchar (Assam)
 - (xxiii)Varinag (Anantnag/J&K)
 - (xxiv) Udhampur (J&K)
 - (xxv) Rangrate (Srinagar/J&K)
 - (xxvi) Chandigarh (Punjab)
 - (xxvii)Rishikesh (Haridwar/Uttranchal)
 - (xxviii)Agartala (Tripura)
 - (xxix) Pune (Maharashtra)
 - (xxx) Kolkata (West Bengal)
 - (xxxi) Hasimara/Jaigaon (West Bengal)
 - (xxxii) Tanakpur (Uttarakhand)
 - (xxxiii)Tezpur (Assam)
-

3. **Special Notes**

- (a) Discount, if offered, should be clearly mentioned.
- (b) Excise Duty, Sales Tax / Octroi / CESS etc levied to be mentioned separately and clearly, if not already included in the rate at serial No.1 above.
- (c) Deviation from the technical specification to be mentioned clearly with financial effect.
- (d) Attach separate sheet wherever space is not sufficient for furnishing information.

(Signature of Tenderer)
Name (in Block letters)
Capacity in which the :
Tender is signed

(-----)
Director/E3ES
For & on behalf of
President of India

ANNEXURE VIII

Tender

Tender No 51021-Proc/--x-----/GS 200—0-/DGBR/E3ES dt ----- 200--.

To be opened on --- 200-- at 1430 hours.

From

To Joint Director
E3ES/ TA Dte
Seema Sadak Bhawan
Ring Road, Delhi Cantt-110010

Dear Sir,

1. I/We hereby offer to supply the equipment described in the commercial bid or such portion thereof as you may determine in strict accordance with the General and Special Conditions of Contract referred in annexure III & IV, technical specification and details mentioned in annexure II at the price quoted by me/us in the said bid conforming to date and terms of delivery as stated therein.
2. The sum stated in the commercial bid are in satisfaction of all claims.
3. I/We agree to supply, erect, equip and complete the whole of the equipment and hand it over to the purchaser as per delivery schedule.
4. I/We agree to abide by this tender and agree to hold this offer for the period of **90 days** from the date fixed for opening the 'Q' bid.
5. In the event of my/our tender being accepted I/we hereby authorise M/s _____ as banker/agent in India to receive payment and declare that the payment to them will be complete and final acquittance.
6. I/We shall be bound by a communication of acceptance despatched within the prescribed time.

7. I/We have understood the instructions to Tenderers in the booklet.
8. The following pages have been added to and form part of this tender:-

Signature of the tenderer Names and addresses of the witnesses:

1.

2.

End of technical specifications and schedule of acceptance of tender No 510----
Proc/--x-----/GS 200—0-/DGBR/E3ES dt --- 200-.

OPENING OF TENDER: TECHNICAL BID (PART 'A')

No & date of TE :
Tender required for : Opening of 'T' bids.
Date of opening : 200-

S.No Name and address of the firms Amount of EMD Price bid received or not

(i) We certify that above_____technical bids were opened in our presence by us on the date_____at_____hrs and no other departure from authorised course has occurred in any manner of received of above tenders.

(ii) The procedure and guide as laid down in Sectt BRDB letter No.F.153(21)/BRDB/WBA/Gen/Prog 92-93 dated 13 Jan 1993 and F 231(10)/BRDB/WBA/94 delegation dated 23 Mar 95 have been seen by us and adhere to while opening these quotations.

Signature_____

Signature_____

Name : Shri -----

Name : Shri -----

Rank : -----

Rank : -----

Design: -----

Design: -----

Dated : _____200-

Dated : _____200-

OPENING OF TENDER: TECHNICAL BID (PART 'B')

No & date of TE :

Tender required for : Opening of 'T' Bids.

Date of opening : 200-

The rep of following firms were present at the time of opening of Technical bid documents:-

S.No	Name and Address of the firm	Name of Firm's Rep	Sign of Rep
-------------	-------------------------------------	---------------------------	--------------------

Signature_____

Signature_____

Name : Shri -----

Name : Shri -----

Rank :

Rank :

Design:

Design:

Dated : _____200-

Dated : _____200-

OPENING OF TENDER: PRICED BID (PART 'A')

No& date of TE

Tender required for : Opening of 'Q' bids.

Date of opening :

S.No.	Name and address of the firms	Price quoted or not
-------	-------------------------------	---------------------

(i) We certify that above _____priced bid(s) was/were opened in our presence by us on the date _____ at _____ hrs and no other departure from authorised course has occurred in any manner of received of above tenders.

(ii) The procedure and guide as laid down in Sectt BRDB letter No.F.153(21)/BRDB/WBA/Gen/Prog 92-93 dated 13 Jan 1993 and F 231(10)/BRDB/WBA/94 delegation dated 23 Mar 95 have been seen by us and adhere to while opening these quotations.

Signature _____ Signature _____ Signature _____

Name : Name : Name :

Rank : Rank : Rank :

Design: Design: Design:

Dated 20 Dated 20 Dated 20

OPENING OF TENDER: PRICE BID (PART 'B')

No & date of TE :

Tender required for : Opening of 'Q' Bids.

Date of opening : 200-

The rep of following firms were present at the time of opening of Price bid documents:-

S.No	Name and Address of the firm	Name of Firm's Rep	Sign of Rep
-------------	-------------------------------------	---------------------------	--------------------

Signature_____ Signature_____ Signature_____

Name : Shri ----- Name : Shri ----- Name : Shri -----

Rank :----- Rank :----- Rank :-----

Design: ----- Design: ----- Design: -----

Dated : _____200- Dated : _____200- Dated : _____200-

TECHNICAL EVALUATION COMMITTEE

A broad based TEC as deemed necessary will prepare a compliance statement bringing out the extent of variations and differences, if any, in the technical characteristics of equipment /vehicle/plant offered by various vendors with reference to QRs and compliance or otherwise to essential parameters. Technical Administration Directorate may constitute the TEC consisting the officers of the appropriate expertise & experience. If considered necessary an expert from outside may also be associated for the evaluation of the TE/RFPs. The Finance Member need not be a member of the TEC. However TEC of following composition shall be preferable:-

Presiding Officer/Chairman	:	Dir
First Member	:	Jt. Dir /Dy Dir
Second member	:	He is an optional member. If necessary, the official may be of the level of Astt Dir or Supervisor.

TEC Report

Bids Received on date : _____ and subsequent dates.

The purpose : For evaluating the technical bids and accord technical acceptability with respect to tender enquiry received by E3ES for ----- (eqpt name) .

Chairman

First Members

:

Compliance statement

Forwarded on

:

The TEC examined the technical bid in respect of -----.

Findings

1. Against tender enquiry No. ----- dated -----, the -----Firms i.e. M/S ----- and ----- have produced the documents of -----.

2. The technical information given by the firm against the department's qualitative requirement forwarded to them with the tender enquiry (copy enclosed) under the following headings: -

- (a) Instruction to tendering firm (Page -- to --)
- (b) Technical Specifications (Part 'A'&'B') ----- (Page – to--)
- (c) General Conditions of ----- (Page -- to --)
- (d) Special conditions for supply of ----- (Page -- to --)

3. It is intimated that following firms have furnished the information/specifications required under heading general information/specifications as per tender enquiry: -

- (a) M/S -----
- (b) M/s -----

4. Following deviation have been observed in the offer which needs further clarification from the firm: -

- (a) M/s -----: -
 - (i) -----.
 - (ii) -----.

- (b) M/s ----- -
 - (i) -----.
 - (ii) -----.

5. Financial Standing of the firms as observed form the following document is as under :-

	<u>M/s -----</u> :	<u>M/s -----</u>
Solvency limit		
Income from IT Return		
Statement		
Financial Limit from		
Registration Certificate		

Recommendation of the Board:

The board of officers having gone through the qualitative requirement of ----- (equipment name) given in the Tender Enquiry and after comparing it with the offers submitted by M/S -----and M/s ----- it is found that the offers made by the firms meet the organisational qualitative requirement, if the observation raised at para 4 above are complied with.

M/s ----- has not complied to the following requirement hence technically not recommended/ rejected.

Chairman : _____

Member : _____

NEFT/RTGS MANDATE FORM

INVESTOR/CUSTOMER'S NAME : (as per the account)	
PARTICULSRS OF BANK ACCOUNT :	
A	Bank Name
B	Branch Name
	Address
	Telephone No.
C	9-DIGIT Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank
D	Account Type (S.B. Account/Current Account or Cash Credit) with Code
E	Ledger No./Ledger Folio No.
F	Account Number (As appearing on the Cheque Book)
G	Date of Effect
H	IFSC Code for NEFT
J	IFSC Code for RTGS
K	MICR Code
L	Contract number
M	E-Mail ID

	Please attach a blank cancelled cheque for verification of the above particulars)
	I, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

Signature of the Investor/Customer

Dated:

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

Bank's Stamp

(_____)

Dated :

Signature of the Authorised Official From the Bank

No. F.176 (1)/BRDB/S-67/67710/Policy
DGBR/E4 Inv (P&P)

Government of India
Ministry of Surface Transport
Border Roads Development Board
'B' Wing, 4th Floor, Sena Bhawan
New Delhi-110 011
Dated : 29 Aug 1997

The Director General Border Roads
Kashmir House
New Delh-110 011

Subject : Procedure for placing of orders of
Spare parts with M/s BEML

Sir,

1. I am directed to enclose herewith the procedure approved by the Govt for placing of orders with M/s BEML for supply of spares parts required for the tools, plant and equipments supplied by M/s BEML to the Dte General Border Roads.

2. This supercedes Govt of India, Min of shipping and Transport BRDB letter No. F.176(1)/BRDB/S-67/67710/Policy/E4 Inv(P&P), dated 24 Jul 1985 and corrigendum No F.176(1)/BRDB-S-67 dated 16/17 Mar 1997, F.176(1)/BRDB/S-67 dated 22 Jan 1992, F.176(1)/BRDB/S-67 dated 07 Feb 1994 and F.176(1)/BRDB/S-67 dated 8th Mar 1995

3. This issue with the concurrence of Min of Defence(Finance/BR) vide their No 1718-Addl FA (D) dt 28 Aug 1997.

Yours faithfully,

Sd/- x x x
(I TOPNO)
Under Secy to Govt of India

Copy forwarded to :-

1. Min of Defence (Fin/BR)
2. D.A.O.S, New Delhi
3. C.G.D.A, New Delhi
4. CDA (B/R), New Delhi

PROCEDURE FOR PLACING OF ORDERS WITH M/S BEML FOR SUPPLY OF SPARE PARTS REQUIRED FOR THE TOOLS, PLANT AND EQUIPMENTS SUPPLIED BY M/S BHARAT EARTH MOVERS LIMITED TO DIRECTORATE GENERAL BORDER ROADS

1. The objective of the procedure is to arrange the procurement of the spares parts in the most efficient, economic and expeditious manner possible, while minimizing the chances of disputes and use of discretion.

2. Assessment of requirement

2.1 The Dte GBR will periodically (at least once in a year) assess the requirement of The spare-parts in advance for a period of one year from the date of such assessment. It will be rolling assessment basically for determining the quantity & composition of next order for procurement. The periodic assessments may be done more frequently in respect of high value items with a view to reduce their inventory further.

2.2 While making these assessments, the entire technical and other specifications of each such spare part may be mentioned in the assessment report to avoid any confusion in the matter. The required specifications of the BEML supplied tools/plant/equipments, for which the spare parts is required may also be specified every time.

2.3 What spare parts will be received on delivery at which place, may also be specified at this stage itself.

2.4 If it is feasible, it may also be specified at this stage whether the required spares part is being manufactured indigenously by the BEML or is being directly imported by them.

2.5 The rolling periodic assessments(for one year or less) as above, may be compared with the orders already placed to arrive at the further requirement and for using this information for staggering the placing of further orders to avoid bulging up the unnecessary inventory.

3. The orders may be placed observing the procedure that follows.

4. Price Negotiations

4.1 No tender may be called for the procurement of spare parts from M/s BEML for the purpose of using them in the tools/plant/equipments supplied by them to the BRO. This may, however, be confined to those spare parts only, which are being manufactured/directly imported by M/s BEML or are the proprietary items of M/s BEML.

4.2 There may be a price Negotiations Committee consisting of the person listed below for periodically negotiating the prices and other terms a& conditions for procurement of the spare parts with M/s BEML :-

- | | | |
|------|------------------|------------|
| i) | DGBR/Addl DGBR | - Chairman |
| ii) | DDG(TA) | - Member |
| iii) | CDA(BR)/JCDA(BR) | - Member |

iv) Rep. of BRDB - Member

4.3 The terms & conditions to be negotiated may, among others, include the following:-

i) The prices of each, excluding sales Tax.Exicise/Customs duty. The prices above may include all the packaging & forwarding charges, like transit insurance, transport and delivery charges at the specified places. Try to negotiate to pay the taxes only on the ex-stores prices of the BEML excluding the packaging and forwarding charges.

ii) M/s BEML may be called upon to specify which spare part is being manufactured by them indigenously and which one is being directly imported by them.

iii) That in al the documents, dispatching the spares parts,the DGBR of the authority designated by him in the supply order shall be the consignee. However, the liability of M/s BEML shall not be over, till the consignment is received by the consignee

iv) The non-mutable standard warranty clause as below :-

“BEML will be fully responsible for the manufacturer’s warranty in respect of proper design, quantity and workmanship of the parts, the correctness of the parts ad their proper fitment to the machine for which the same are ordered for a period of 12 months from the date of their arrival at the destination station. BEML will replace such of these parts which may require replacement under the above warranty, free of cost FOR destination of the consignee.”

v) The spare parts ordered shall be inspected by the Inspectors of BEML and copy of the inspection report shall be enclosed alongwith the consignment documents and the bill.

vi) The DGBR, however, shall retain the right to inspect the spare parts at any time, either by himself or by an officer appointed by him or by any consultants engaged by him for this purpose and any reject them for valid and sufficient reasons. The charges of the such inspection will be borne by the Dte. GBR.

vii) The spare-parts damaged during the transit or sent not in accordance with the order may be rejected by the consignee. Those may also be rejected due to some other valid and sufficient reasons, In that case the BEML shall be duty bound to replace them at the same destination on the same terms and conditions within a reasonable time as decided by the DGBR. The delay in supplying the replacement will invite the same penalty and damages as negotiated for the delay in supplying the originally ordered spare parts.

viii) The consequences for the discrepancy and the shortage in the receipt of the spare parts detected by the consignee.

ix) The procedure for counting the delivery period.

x) It would be advisable to include a clause in the negotiated terms and conditions that BEML shall be presumed to have accepted the order placed, if nothing to the contrary is received from them within a period of 30 days from the date of the order.

xi) The prices negotiated may be firm & fixed for a period of at least one year from the date of finalisation of such negotiations for placing of supply order during the year.

- xii) The mechanism for revising the order in case it is found subsequently that M/s BEML is unable to fulfill the order after having accepted the same.
- xiii) Circumstances under which the order placed may be amended/cancelled by the DGBR.
- xiv) Penalty and damages:-

Each order may mention the period within which the spare parts would be delivered by the BEML. This period may be counted from the date of dispatch of the order till the date of receipt of the consignment. If the orders are not fully supplied within the period above, the liquidated damages may be charged @ 1/2 % per week of the non-completed value of the order subject to a maximum of 10% of the non-completed value of the order. This value of the order will include the sales Tax, Excise/Customs duty as well for the purpose of calculation of damages. In addition to the above, the interest @ 15% per annum with quarterly rest, may be charged on the advance payment made, if any, apportionable to the uncompleted part of the order calculated from the date of receipt of the advance payment till the amount is refunded or adjusted otherwise.

xv) **AUTHORITY TO DEDUCT FROM THE ARREARS OR THE SUBSEQUENT DUES OF M/S BEML THE RECOVERY, ADVANCES, PENALTY AND DAMAGES**

4.4 The DGBR may, if considered desirable, make advance payment upto 90% of the value (excluding taxes) of the accepted order by the BEML. Wherever the advance payment is made, the full advantage may be taken for extracting the corresponding concessions from M/s BEML.

5. **Placing of order**

The orders may be placed periodically. The prices and all the terms and conditions of the order shall be mentioned exhaustively in every order. Each order shall be self-contained without recourse to any other documents. The full specifications of the spare parts as well as of the tool/plant/equipment (where it will be used) may also be mentioned.

6. The orders shall be placed by the DGBR as per the prevalent delegated financial powers.

7. The budgetary provision shall not be exceeded while placing the orders as above. The past liabilities on this account shall be taken into consideration for applying the limit of budgetary constraints. The prior approval of the Govt. shall be needed, should it be felt necessary to exceed the aforesaid limit with a view to avoid surrender of funds.

8. The inventories shall not be allowed to be built up at any level by taking advantage of the above process for placing of orders.

9. Under exceptional and emergent situations, for reasons to be recorded in writing, the DGBR may place orders for one or more of the aforesaid (refer the second line of para 4 above) category of spare-parts with M/s BEML by negotiating the process orally if the valid negotiated process for the current period are not available. This route, however, should not be adopted frequently and for placing heavy orders, lest it may give the impression that it has been done with a view to circumvent the procedure prescribed here.

10. Dte. GBR may issue the necessary instructions (not inconsistent with the above) for the receipt inspection, custody and distribution of the spare-parts to the indentees and generally for implementing the above procedure.

11. The above procedure may be followed until further orders.

12. This has the concurrence of Min of Defence (Fin/BR) vide their No. 1718-Addl FA (D) dt 28-8-1997

Appendix –‘G’

No. F.153 (21)/BRDB/BWA/Gen/Proc 92-93

Government of India
Ministry of Surface Transport
Border Roads Development Board
'B' Wing, 4th Floor, Sena Bhawan
New Delhi-110 011
Dated : the 13th January 1993

OFFICE MEMORANDUM

1. The Ministry of Commerce, Deptt of Supply under their OM No.P-III-1(20)/91 dated 30th December 1991 have transferred the work relating to procurement of stores and equipments as are not covered under the Rate/Running Contract (RC), subject to the condition laid down therein. Deptt. of Supply were, however, approached to direct DGS & D to continue the responsibility for purchase of such stores of BRO till alternative arrangements were made by the Ministry of Surface Transport (MOST). But their proposal was not accepted by them.

2. It has therefore, been decided that DGBR, will take procurement action of all Cat 'A' stores. E.g. vehicles/plants/equipment/spares/clothing articles sanctioned during 1992-93 which are not covered under Rate/Running Contract of DGS & D and/or not procured in Public Sector Undertakings by adopting the procedure enumerated there-in-after.

3. Procurement to be followed by Dte GBR

3.1 All purchase will be made on the advice of the Tender Purchase Committee (TPC) comprising of representatives of Dte GBR, QA agency and CDA (B/R). The constitution of the TPC for dealing with procurement action in respect of each items costing between Rs. 1 lakh and Rs. 25 lakhs and above Rs. 25 lakhs and upto Rs. 1.50 crores will be as shown in the Appendix 'A'.

3.2 In regard to purchase of stores, the tenders together with a comparative statement of quotations and the recommendations of TPC will be referred obtaining the approval of the competent authority, the decision of the Sectt BRDB is communicated, the will be concluded by the DGBR HQrs.

3.3 Subject to the broad guidelines, enclosed as Appendix 'B' and amendments which may be issued from time to time, it will be the responsibility of the DGBR HQrs to initiate actions for all purchases and process the placement of the Supply Order after obtaining the approval of the Competent authority. For this purpose, the arrangements of the issue of tender enquiries, supply/sale of tender documents, drawings, specifications etc. receiving and opening of tenders, convening TPC meetings, formalization of the TPC proceedings, submission of proposals to the Sectt BRDB for issue of Acceptance of Tender (AT) and post contract administration of the contracts shall be made by the DGBR.

Dispensation sanction. TPC will prepare detailed specifications of each equipment under procurement in consultation with the Users and forward the same to Govt. for approval before going in submitted tender enquiry including even these items which are already vice in the Organisation and which were earlier being procured 'Proprietary Article Certificate' (PAC) basis.

Dispensation sanction to limited tender enquiry will also applicable to all Cat'A' stores e.g. vehicles/equipment/plants/clothing articles sanctioned here-in-after till 31st Mar 93. The case has to be processed separately duly recommended by DGBR to obtain Govt. sanction. TPC will also deal with the procurements pertaining to 35% 'DEE' Temporary (D Ty) sanctions for the year 1993-94 for which procurement action is required to be taken in the last quarter/current financial year 1992-93.

After the respective Tender Purchase Committees have finalized tendering action and recommendations, sanction for placement by the stores purchase demand is /are available from only a single source , og, where the stores are spare parts, attachment, accessories, etc required for an existing equipment or the item of stores is a monopoly product a single manufacturer etc. In such cases, the competent authority shall certify that no other make/brand can be used as also record the reasons therefore.

ii) when the item or items of stores covered by the purchase demand is/are of proprietary nature and is/are recommended to purchased from a single source with sufficient technical reasons for choice of the proprietary make with the approval of the competent authority, In such cases, the said competent authority shall certify that no other make/brand will be suitable and also record the reasons therefore.

3. Preparation and issue of Tender Enquiries. The invitation to tender and the instructions to the tenders are important documents as the firm's quotation(Tender) is based on them. The Tender enquiry should, therefore, be carefully prepared setting out in unambiguous terms, the requirement of the purchasers as to the description of the stores, governing specifications, quantity delivery period etc. Normally, the tenderers should be asked to keep their offers open for acceptance for 60 days, if the value is less than Rupees One Crore and 90 days for values above Rupees One Crore.

4. Sale of Advertised Tenders. The Tender sets shall be sol on payment in cash or gainst money order. The charges for the Tender forms may be prescribed according to the following scale:-

<u>Estimate Value of the Tender</u>	<u>Rate per Tender set</u>
From Rs. 25,000 to Rs. 1 lakh	Rs. 20/-
From Rs. 1 lakh to Rs, 25 Lakhs	Rs. 50/-
Above 25 lakhs	Rs. 100/-

5. Cost of drawings and specifications should be fitted in consultation with the Committee concerned. Limited Tenders enquires will be issued on free of cost.

6. Opening of Tender. Unless good and sufficient reasons have been recorded on the file, the tender shall be opened in the presence of authorised representatives of the forms who may be present at the time and place mentioned in the Tender Enquires, The officer opening the Tender shall read out the important particulars regarding quantity, price etc. and shall prepare an abstract of the quotations received. Each Tender shall be numbered serially, initialed and dated on the front page. Each page of the schedule or letter attached to it should also be initialed with date, particularly the price, delivery period etc. should be circled and initialed. No amendments to the tenders will on any account be permitted after the opening of the tender has commenced.

7. Telegraphic of letter quotation. Telegraphic or letter quotations may be consider if the same is followed by a forma tender with in three days provided such a telegraphic/letter quotations are complete in all respects with regard to price, specifications delivery and the particulars essential for taking purchase decisions.

8. Late/delayed Tenders Late tenders (i.e tender received after the specified time of opening) delayed tenders (i.e tenders received before the time of opening but after due date and time of receipt of tenders) and post tender offers shall not be considered. In respect of both late and delayed tenders the envelopes containing the marking should be retained in the file alongwith offers.

9. Evaluations of Tenders. After the Tenders have been opened as above, action should be taken to prepare a comparative statement by the Secretary Purchase Committee or the designated officer should carefully examine and analyses the comparative statement and put up the same for consideration of the Tender purchase Committees. The gross price inclusive of Excise Duty and sales Tax etc shall be the basis for comparison of prices. Any deviations asked for from specifications delivery period or the normal terms and conditions or any special conditions, assistance etc, stipulated by the firms should be highlighted.

10. Scrapping Tenders. Scrapping of tenders and issue of fresh tender enquires should be an exception rather than a rule. Re-invitation to tender can be justified only where there has been change in the basic specifications after receipt of tenders or where the quotations received do not conform to specifications in important respects or because of a sudden slump in the marker or when the price quoted are considered very high Prior approval of the Chairman of the Tender Purchase Committed may be taken and the action reported to the Tender Purchase Committee at its next meeting.

11. Negotiations. Normally the Tender Purchase Committees should recommend the award of contract on the basis of tenders, keeping in view the price, delivery period, past performance, reliability, capacity of the firm etc No decision to recommend award of contract can be taken by the Tender Purchase Committee in the absence of the Finance member. Negotiations may be resorted to in the case of items where competitions is lacking and prices are high. The decision to call parties for negotiations may be taken by the Chairman of the Tender Purchase Committee in consultation with Finance member.

12. Acceptance of Tender : A Tender is accepted by the issue of supply order and this concludes the contract between the purchaser and the contractor. In view of the short time at disposal, sometime, it may be necessary to conclude the contact by issue of letter of intent (advance acceptance letter). In such cases, the letter of intent concludes the contract and it is imperative that all important and relevant clauses such as description of the stores, the quantity, the price delivery period etc are included in the letter of intent and the supply order which should be issued as early as possible. The letter or intent should also specify that the contract is concluded by the letter of intent and that a formal supply order should follow.

13. Acknowledgement of Acceptance. The contract is brought into existence upon communication of acceptance of the tender within the time prescribed. A further acceptance of the contract by the firm is not necessary where the mode of communication is by post, the letter of intent or the supply order as also amendment should be sent by registered post, with acknowledgement due, so that there would be sufficient documentary proof of their receipt by the contractor.

14. Repeat Order. If a demand is received for an item or items of stores of identical description for which an earlier order has been placed, fresh tendering action may be dispensed with and the purchase may be made on repeat order basis, that is, either by an enhancing the quantity in the earlier purchase order by placing fresh purchase order or repeat basis provide that :-

(a) The original purchase order was placed on the basis of lowest price and technically acceptable offer and was not on delivery preference.

(b) The new purchase order is placed with in six months from the date of issue of the original purchase order.

- (c) The requirement is for stores of identical description.
- (d) The supplier concerned is willing to accept a purchase order on identical terms.
- (e) There is no downward trend of the prices since the original purchase order was placed which is to be certified by the purchase officer concerned.
- (f) The total quantity to be ordered/purchased on repeat basis does not exceed 100% of the quantity as per original purchase order or Rs. 5,00,000.00 (Rupees five lakhs only) which is less.

15. Terms of payment. Initial 90% payment will be made by the CDA (BR), Kashmir House, on proof of inspection and provisional receipt of stores by the consignee as applicable for delivery by road. Balance 10% payment shall be made after commissioning and final inspection of stores at consignee's place. In case of dispatches by goods train the standard terms as applicable in DGS & D contract manual will be followed.

16. Paying Authority. All payments against Cat 'A' stores will be made centrally by the CDA (BR), Kashmir House, New Delhi after necessary checks/verifications.

17. General conditions of contract. The general conditions of contract as laid down in DGS & D book- lot No. DGS & D-225 should be incorporated in tender enquiry for purchase of all stores.

GUIDELINES FOR ISSUE OF TENDER ENQUIRIES AND CONSIDERATION OF TENDERS FOR ITEMS OTHER THAN RATE CONTRACT AND PSU

1. Method of Purchase

(a) Normally contracts should be placed after 'Open tenders' have been invited. For advertising the demand, the advertisements should be given in the Indian Trade Journal setting out the requisite particulars, worded as concisely as possible. It should be ensured that the tender notice for publication in the Indian Trade Journal should reach the Director General of Commercial Intelligence and Statistics atleast 10 days in advance of the date of publication. Normally, 4-6 weeks time, depending on the nature of the stores, should be provided to the tenderers after publication tender notice in the Indian Trade Journal. Before issuing the enquiry, it should be ensured that adequate number of copies of specifications/drawings etc are available for distribution to prospective tenderers.

(b) Where the demand of an urgent nature or for any other special reasons, it is considered desirable to issue limited tender enquiry, the enquiries should be issued to Registered/known Suppliers only. Dte GBR may also consult the list maintained by the DGS & D, if required. Decision to resort to limited tender enquiry should have the approval of the Secretary, BRDB. Necessary arrangements for the supply/sale of tender forms as well as specifications/drawings to the prospective tenderers who apply, should be made by the DGBR HQrs.

2. Mode of Purchase. On receipt of the approval in principle from Sectt BRDB, the officer concerned shall obtain the approval of competent authority and invite tenders by adopting anyone of the following modes of purchase taking into account such relevant data as may be available in respect of the items :-

(a) Open Tender/Public Tender. Purchases shall normally be made by inviting Open Tenders in all cases where the estimated value of an item or items of similar nature, covered by the stores purchase demand, at a time exceeds Rs. 1,00,000/- (Rupees One lakh only).

(b) Limited Tender Limited Tender system can be adopted as the method of the purchase even when the estimated value of an item or items of similar nature covered by the stores demand at a time exceeds Rs. 1,00,000/- (Rupees one lakh only) by dispensing with the 'Open Tender' system in the following circumstances :-

- (i) When the requirement of stores is urgent and the desired delivery schedule is not likely to be met even if open tenders are invited.
- (ii) When the source of supply are definitely known and limited.
- (iii) When it is not in the public interest to call for open tenders.
- (iv) When stores are reserved for purchase from a specified category of industry as per the policy decision of the Govt.
- (v) When the field has already been explored in consultation with other department of Govt. undertakings.

(c) Single Tender. A single tender may be invited in respect of the following cases :-

- (i) When an item or items of store covered of procurement orders will be taken from Competent Financial Authority.

8. This sanction is valid upto 31 Mar'93.

9. This issues with the concurrence of Ministry of Defence, Fin (B/R) vide their UO No. F.10 (2)/2259/BRS/S/92 dated 12 January 1993.

Yours faithfully,

Sd/- x x x x
(M. Anjaneyulu)

Under Secretary to the Govt. of India

To,

The Director General Border Roads (10 copies)
Kashmir House
DHQ PO, New Delhi – 110 011

Copy to :-

1.	Min of Def (Fin/BR)	-	02 copies	
2.	CGDA, New Delhi	-	02 copies	
3.	DGQA, New Delhi	-	02 copies	
4.	DQA (Engrs), Kashmir House, New Delhi	-	02 copies	
5.	DADS, New Delhi	-	02 copies	
6.	CDA,WC, Chandigarh-	05 copies	(one copy signed in ink)	
7.	CDA, SC, Pune	-	05 copies	(one copy signed in ink)
8.	CDA, EC, Patna	-	05 copies	(one copy signed in ink)
9.	Sr.DADDS,WC,Chandigarh	-	05 copies	(one copy signed in ink)
10.	Sr.DADDS,EC,Patna	-	05 copies	(one copy signed in ink)
11.	CDA,NEZ,Guwahati	-	05 copies	(one copy signed in ink)
12.	CDA,NC,Jammu	-	05 copies	(one copy signed in ink)
13.	CDA (BR),New Delhi	-	05 copies	(one copy signed in ink)
14.	ADDS,Delhi Cantt	-	05 copies	(one copy signed in ink)

Sd/- x x x x
(M. Anjaneyulu)

Under Secretary to the Govt. of India

**COMPOSITION OF TENDER PURCHASE COMMITTEE
FOR CAT 'A' VEHS/EQPT/PLANTS/SPARES/CLOTHING ARTICLES**

Ser No	Value limits of each item	Composition of TPC
1.	Rs. 1 lakh to Rs. 25 lakhs	i) DDG (TA) - Chairman ii) Dir/E2 (Res) iii) Rep of DGQA iv) DCDA (B/R)/ACDA (B/R)/Nominee of CDA (B/R) v) Dir/Joint Dir – Secretary Section concerned
2.	Above Rs. 25 lakhs upto Rs. 1.50 crores	i) Addl DGBR - Chairman ii) DDG (Tech Plg) iii) DDG (Tech Adm) iv) Rep of DGQA v) JCDA (B/R)/DCDA (B/R)/Nominee of CDA (B/R) vi) Dir/Joint Dir – Secretary Section concerned

Note :- If the value of each item exceeds Rs. 1.50 crores, a separate Govt. sanction will be required to decide the composition of TPC.

DOCUMENT TO BE SUBMITTED TO THE CFA WITH DRAFT PR INDENT FOR APPROVAL

1. An agreed five years roll on plan for overhaul of Eqpt and major assemblies
2. Ten Nos provision review cards of highest unit cost.
3. Rate contract/quotation on the basis of which pricing has been done.

Appendix 'J'

DELHI TELE ; 622246

Dte Gen Border Roads
Kashmir House
DHQ PO, NEW DELHI -11

16210/DGBR/E4-Repairs

19 Apr 79

Eastern Base Workshop (GREF)
Tezpur
Western Base Workshop (GREF)
Pathankot

PROCEDURE : LOCAL PURCGHASE OF CAT A/B STORES

1. Instruction issued vide this HQ letter No.16210/1/EM/BRDB dated 16 Nov 63 amended from time to time have been reviewed in the light of the reorganized set up of the GREF Base Wksp and Store Divisions as well as the requirements on ground to achieve the desired results. Consequently, a revised local purchase procedure to be followed by the GREF Base Workshops, iss given at Appendix 'A' to this letter.
2. In addition to the documents specified to be maintained in the Appendix 'A", the base workshops will maintain the following documents in the formats given in appendices as follows:-
 - (a) Appendix 'B' - Supply order control register
 - (b) Appendix 'C' - Local purchase enquiry/supply order register
 - (c) Appendix 'D' - LP rate card
 - (d) Appendix "E' - Incoming stores daily receipt register
 - (e) Appendix 'F' - Bill control register
3. These instructions supercede all previous instructions on the subject and will be implemented by 01 Jun 79.
4. Please acknowledge.

Sd/xxxx
(TBB LAHKAR)
Col
COL EME
For Director General Border Roads

Copy to :-

- ESD - for information and necessary action.
WSD - for information and necessary action.

Appx 'A' to HQ DGBR letter No.16210/DGBR/E4 Repair
Dated 19 Apr 79
LOCAL PURCHASE GREF BASE WORKSHOPS

INTRODUCTION

1. These instructions deal with the procedure for procurement of stores through local purchase.
2. MCO or any other officer detailed by Comdr Base Workshop will perform the duties of Local Purchase Officer. A Board of Officer may also be detailed if required in connection with LP duties. This duty will be changed at least once a year as deemed fit by base workshop Comdr. In no case will the LPO detailed in local purchase section be allowed to continue for more than 1 year. Similarly other staff of the local purchase will be changed at least once in 2 years.

GENERAL

3. These instructions are split up under the following sub-heads :-
 - (a) Responsibility of local purchase officer.
 - (b) Conditions for local purchase.
 - (c) Resources for local purchase.
 - (d) Initiation of local purchase action.
 - (e) Quotation for local purchase.
 - (f) Placing of supply order.
 - (g) Signing of supply order.
 - (h) Personnel permitted to effect local purchase.

RESPONSIBILITIES OF LOCAL PURCHASE OFFICER

4. The local purchase officer will ensure that the :-
 - (a) Provisions of Govt of India Min of Tpt and Communication Border Roads Development Board letter No.F-2(2)/BRDB/61 dated 23 Sep 63 or any other letter in force are carefully complied with.
 - (b) Extent of purchase is within the specified monetary limit in respect of any article or any number of similar articles purchased at one time on one work order. Articles of different makes and pattern, but serving the same purposes will be treated as different articles, for example paints of different shades/colours are different items, bearing of different sizes are different items and so on.
 - (c) That purchase is not split up into convenient amounts to agree with purchasing officer's financial powers. If amount exceeds the financial powers in such cases the purchases of the particular items will be effected for the quantities which can be purchased within the financial power to overcome immediate production hold ups, but for the purchase of balance of requirement of that item sanction of the Chief Engineer concerned will be obtained under BR Regs Para 904 which stipulates that the total amount for the entire requirement on each occasion should not exceed Rs.20,000/-
 - (d) Purchases are effected against specific requirements only, up to the financial powers of the Comdr Base Wksp/Chief Engineer.

CONDITION FOR LOCAL PURCHASE

5. Local purchases will not be resorted to unless the following conditions are fulfilled :-
- (a) The items required is not available in the store division as per equipment responsibility laid down vide inventory control procedure.
 - Or
 - (b) The items is immediately required to carry out emergent repairs and time does not permit to place the demand on the source of supply and wait. All such cases will be invariably certified by the Commander Base Workshop.
 - Or
 - (c) The item "in lieu" if held by the store divisions/Base Wksp is unsuitable for use.
 - (d) The repair to eqpt or manufacture of stores is actually held up or is likely to be held up for want of item intended to be purchased.
 - (e) The quantity of items required to be purchased is the care minimum and is not required for stock. However, it is quite possible that due to non availability or non-materialization of all the connected spares simultaneously or about the same time, the spares may not be consumed immediately and remain unutilized till the receipt of the connected spares. This will not be treated as purchased for stocking.
 - (f) In case of the items being of proprietary nature the purchase can be made to the financial limit of the CFA against single tender/quotation of the firm. A certificate to the effect of proprietary item should invariably be obtained from the firm.
 - (g) The item can be purchased from the authorized dealers of the manufacturer of equipment/vehs, assys or component or single quotation. A certificate to the effect that prices quoted are as per the current price list of the manufacturers will invariably be obtained from the authorized dealers along with the quotations.

RESOURCES OF LOCAL PURCHASE

6. Local purchase Officer will maintain trade Directory under the following heads and keep contact with the trade to obtain the publications on the advertisement appearing in the news papers and magazines :-
- (a) Advertisement from News papers and Magazines.
 - (b) MT Parts
 - (c) Electrical goods.
 - (d) Tool, machinery and plants.
 - (e) Paints.
 - (f) Nuts, Bolts Screws and washers.
 - (g) Hardware stores.
 - (h) Rubber goods
 - (j) Welding, brazing, soldering materials
 - (k) Cotton and Canvas, goods
 - (l) Bearings
 - (m) Electrical Motors and switch gears (Miscellaneous)
7. Local purchase may be made from :-
- (a) Firms in the station
 - (b) Firms outside the station

INITIATION OF LOCAL PURCHASE

8. Local purchase action will be initiated by MCO after the items have been declared NA by Store Divisions on the demands placed on them by the Base Wksp. The store s will only be purchased for commitments in hand in the base Wksp.

CALLING IN QUOTATION

9. Quotations will be called from a minimum of three responsible firms. Quotation will be called only from properly registered suppliers of the respective items. It will also be ensured that a fair chance is given to the likely registered suppliers to quote for supply the items. No non/availability certificate from the normal supplying department will, however be necessary for calling of quotations. A specimen of the quotations proforma to used is shown in Annexure 'I'.

10, When the sores are of proprietary nature are obtained from authorized dealers, calling of three quotations is not necessary, if the firm can produce authenticated dealership document from the principals.

11. Quotations will be received as under :-

- (a) By pot.
- (b) By personal collection by the LPO or Officer specially detailed for this purpose.
- (c) Personal delivery by the local firm. These will be collected in a box placed at the gate office.

OPENING OF QUOTATIONS

12. The quotations will be opened on the due under the arrangement of the Comdr Base Wksp by a board of officers. No quotations will be called from black listed firms.

PLACING OF SUPPLY ORDER

13. Immediately these quotations have been received and the LPO is satisfied that the items being offered at the lowest quotations are consistent with the wksp requirement he will prepare comparative statement on the form at Annexure 'II' for obtaining approval of the Comdr Base Wksp. When items of the lowest quotations are not consistent with the Wksp's requirements, the stores will be purchased from the next higher quotation. In such cases suitable endorsement will be made on the comparative statement by the WM/LPO/MCO. The LP rate cards will be put up along with the comparative statement when the same is put up for Commander's approval for the local purchase. The firm which the store are to be purchased will be indicated by Comdr Base Wksp on comparative statement.

14. Specimen of the supply order form is given at Annexure 'III'. This will be prepared in quintuplicate. Distribution of the copies will be as under :-

- (a) Original - to be submitted to the UA with firms bills.
- (b) Duplicate - to the firm.
- (c) Triplicate - Copy will returned by the firm with their bills.
- (d) Quadruplicate - office copy.
- (e) Quintuplicate - Store Division

15. The date by which the supplies have to be completed by the firms will be incorporated in supply orders. However, if supplies are made after delivery date and are acceptable by Wksp, being still required, it will be in order. No formal amendment to supply order to extend the date delivery need to be issued.

SIGNING OF SUPPLY ORDER

16. After obtaining Comdr Base Wksp's orders on comparative statement of quotations MCO will prepare the supply order and the same will be signed by WM/MCO on behalf of Commander Base Wksps for placing order on the firm. Before signing the supply order, endorsement "stores still NA" will be obtained on the office copy of the supply order from the local store division. The Store Division will give priority to such work so that the supply orders are not delayed for more than 3 days.

PERSONNEL PERMITTED TO AFFECT LOCAL PURCHASE

17. Local purchase transaction i.e contact with the civil firms will not be entrusted to any one below the rank of a JCO or a Civ Supvr of an equal or better status.

18. Wksps are permitted to purchase other than against items when original items (such as switches, head and tail lamps horns) are not available in the local market, subject to the following conditions :-

- (a) The performance of the veh/eqpt is in no way impaired by the fitment of other than original items and
- (b) The fitment of the other than original items does not necessitate a permanent modification of any part of the veh/eqpt.

ACCEPTANCE OF STORES

19. A Board of three Officers will be detailed by the Comdr Base Wksps to inspect the stores. The Board will be constituted for maximum period of one month at a time.

20. LPO will be responsible to produce the following, daily to the Board of Officers at a central place :-

- (a) Stores received during the previous day for inspection.
- (b) Inspection cum CRV form, in quintuplicate, complete in all respects (specimen form at Annexure 'IV')

ACTION BY THE BOARD

21. The Board will accept the stores by one or more of the following tests :-

- (a) By visual inspection, if possible.
- (b) By comparison with samples.
- (c) By testing in the Wksp, laboratory.
- (d) By functional tests carried out by the user group or by quality control section on actual equipment/assembly/subassembly on the shop floor.

22. The Board after acceptance will endorse their remarks on the inspection cum CRV form and then hand over the stores/inspection forms to the LPO. All members will sign legibly and endorse names in block letters and affix the date.

23. The Base Wksps TSS will take the stores on charge physically after acceptance by the board of officers.

DISPOSAL OF STORES/INSPECTION FORMS BY THE LPO

24. The LPO will dispose off the Inspection cum CRV form as under :-

Original	- Store section for ledger accounting.
Duplicate	- To be sent to UA with bills
Triplicate	
Quadruplicate	- Office copy.
Quintuplicate	- Store Division.

25. After inspection by the board of officers, the approved stores will be handed over to the technical stores section of Base Wksp along with Inspection cum CRV forms for accounting in the ledgers

26. Stores locally purchased for a specific requirement and held in the stores section of Base Wksps pending issue to the shop floor will not be taken as stock available against any other specific requirement for which additional local purchase may be necessary. This should, however, not prohibit use of stores on jobs other than the one for which the stores were procured when it becomes obligatory for expediting overhaul.

27. Once in every 2 months the OIC TSS will send a list of L.P stores lying unconsumed for more than two months and indicating the reasons thereof to the Comdr Base Wksp to take action for consumption of items lying unutilized.

METHOD OF PAYMENT

28. After the stores have been inspected and accepted, crossed cheques will be drawn with the concurrence of Accounts Officer or Accountant on the basis of pre-audited bills.

ADJUSTMENT OF EXPENDITURE

29. The cost of local purchase effected will be adjusted against cash assignment.

SUBMISSION OF BILLS TO ACCOUNTS OFFICER

30. All bills from the firms will be scrutinized immediately on receipt and will be forwarded to Accounts Officer Unit Account for payment. The following documents will accompany the bills :-

- (a) Local purchase enquiry letter - copy
- (b) Quotations in original.
- (c) Comparative statement duly approved by Comdr Base Wksps.
- (d) Supply Order.
- (e) Copy of the inspection/CRV form.
- (f) Firms Bill

31. It will be ensured that payment of bills to the firms are cleared promptly to avoid complaints from the firms.

GENERAL CONDITIONS

32. (a) It will be ensured that local purchase is made on minimum basis.

(b) Avenues such as alternate use of existing items by minor modifications, items availability under commonality, repair, techniques are explored.

(c) Production meetings are held once every 2 months with OC Store Division to take steps to arrest repetition of local purchase of the same item indefinitely, by expediting ' dues-in' initiation of indents, amendments to scales and other such steps which can reduce local purchase.

(d) Samples may be obtained along with the quotations or subsequently to ascertain suitability or acceptability of the items quoted for before placing supply orders. However, such items obtained as samples will not be consumed for overhaul/production in the workshop before they are received and accounted for against formal supply orders.

33. The specimen formats at Annexure I to IV have been made out as applicable for western base wksps. Corresponding entries for name of units, station and so on will have to be changed when the format issued for Eastern Base Workshops.

ANNEXURE – I

NB : Envelope containing quotations will be marked as under on left hand corner.

- (a) Workshop reference _____
 - (b) Due on _____
- _____
- _____

Telephone : 535/7,334/7 Civ
292/7,292/7 Mil
Eng No . 81282/LP/

Western Base Workshop (GREF)
Pathankot

INVITATION OF QUOTATION FOR SUPPLY OF STORES

Dear Sir,

1. You are invited to quote your MINIMUM rates for the supply of the following items :

Spares for _____

S/No	Part No	Nomenclature	A/U	Qty	Remarks

(Items _____ only)

2. For instructions governing submission of quotations, please see everleaf.

Yours faithfully,

For Commander

Job No : _____

INSTRUCTIONS

1. Quotations must be submitted in duplicate in a sealed cover so as reach this officer not later than 1300 hrs on _____.
2. Quotations received after due date will not be considered.
3. The rates submitted will be considered veiled for a period of 3 months from the date of opening of quotations in this Wksps.

4. The rates should be quoted FOR Pathankot inclusive of all expenses. Firms of stations from where we usually collect stores through our transport will quote rates ex their godown in addition.
5. Makes of the items quoted should be clearly indicated against each item, otherwise the rates may not be considered.
6. Discount, taxes, surcharge and other charges should be shown separately.
7. Sales tax should be quoted against Form 'D'.
8. Erasures, overwriting, amendment and any other form of defacement may render the quotation invalid.
9. Whenever an item is not quoted for, REGRET should be marked in capitals in the rate and amount columns.
10. When it is not possible to quote for any item at all, regret letter or this letter endorsed with regret duly stamped and signed must reach this wksp on due date.
11. Accounting unit such as number, set, pair, litre, Kg, Ketre, as applicable, should be indicated against each items.
12. Samples, if asked for or considered necessary should accompany the quotations.
13. Serial No of your quotation must agree with the srl No of item of our enquiry.
14. Full payment will be made soon receipt of entire consignment in good condition by the consignee and on 30 days' credit basis against pre-receipted bill.
15. Stores supplied, are liable to be returned freight-to-pay basis if rejected during inspection by the wksp.
16. The quantities mentioned in the enquiry, are subject to increase/decrease.
17. In case you are proprietary rights to the items mentioned in the enquiry, certificate to that effect will be endorsed in your quotation. Similarly if you are authorized dealer/distributor for items being quoted, the certificate should clearly be endorsed on quotation form. It should be certified that the prices quoted are As per the current price list of the manufacturers.
18. Only one quotation should be placed in one envelops.
19. If quotation is not accepted, no formal intimation will be given, nor any correspondence will be entertained.

Appendix 'B' to HQ DGBR letter No.16210/DGBR/E4 Repairs
Dated Apr 1979

SUPPLY ORDER CONTROL REGISTER

S/No	Supply Order No	Date	Firm	Cost	Remarks

Appendix 'B' to HQ DGBR letter No.16210/DGBR/E4 Repairs
Dated Apr 1979

LOCAL PURCHASE ENQUIRY/SUPPLY ORDER REGISTER

S/No	Demand No & Date	Part No	Nomenclature	Qty	No & date of enquiry
1	2	3	4	5	6

Due date	SO issued to	SO No & date	Initial of Officer signing SO	Remarks
7	8	9	10	11

Appendix 'B' to HQ DGBR letter No.16210/DGBR/E4 Repairs
Dated Apr 1979

INCOMING STORES DAILY RECEIPT REGISTER

Receipt Contro,l No	Date	Challan No & Date	Supply order No & Date	Nomenclature	Qty Recd	Name of firm
1	2	3	4	5	6	7

Date & control No of Inspection note	Stores suitable/not suitable	Disposal of stores	Initial of LPO
8	9	10	11

Appendix 'B' to HQ DGBR letter No.16210/DGBR/E4 Repairs
Dated Apr 1979

BILL CONTROL REGISTER

S/No	SO No	Date	Amount	Make & Tye of Veh/Eqpt	Date stores recd	Challan and date	Inspection Note No and date	CRV No & Date
1	2	3	4	5	6	7	8	9

Bill No & date	Fate bill recd in MCO office	Amount	Date bill sent o UA/AO	Date bill recd duly passed	Date bill sent to accounts office	Cheque No & date of payment	Remarks
10	11	12	13	14	15	16	17

TIME FRAME FOR ACQUISITION**(TWO BIDS)**

<u>PROCUREMENT ACTION</u>		
1.	Time allowed for submission of offers in a Two bid system (Commercial bid and tech bid)	21 Days (LTE)* 28 Days (OTE)* 36 Days (GTE)* *irrespective of number of working days
2.	Opening of Tech Bids and Technical Evaluation by TEC.	10 Days
3	Seeking technical clarification if needed	10 Days
4.	Proposal for opening commercial offer & Opening of Commercial offers,	5 Days
5.	Preparation of CST and Proposal	5 Days
6.	Scheduling of PNC with CFA approval.	5 Days
7.	Brief for PNC, notice for PNC and PNC meetings	5 Days
8.	PNC minutes and signature	5 Day
9.	IFA concurrence and CFA Approval of Purchase Proposal	10 Days/30 Days *
10.	Preparation of SO and Despatch of SO	5 Day
	Total	91-106 Days/111-126 Days

* 10 Days if the CFA is DGBR/ADGBR

30Days if the CFA is RRM/Secy BRDB

DTE GENERAL BORDER ROADS, SEEMA SADAK BHAWAN
RING ROAD, DELHI CANTT, NEW DELHI – 110 010

51104/Bud/----- /DGBR/E3ES

Dated : -----

From :

Joint Director/E3ES
Room No.140 HQ DGBR
Seema Sadak Bhawan
Ring Road, Delhi Cantt
New Delhi - 110 010

To,

M/s

SUBJECT: FORMATE FOR GLOBAL TENDER ENQUIRY
(PURCHASE OF SNOW CUTTER)

Dear Sir,

1. It is proposed to purchase about ----- of (Equipment Nomenclature) for the Border Road Organization of Government of India.
2. Please find enclosed herewith a copy of our tender document . If you are interested, you may submit your offer in sealed cover as prescribed in the tender documents.
3. Tenders not accompanied with demand draft as EMD shall be summarily rejected.
4. The sealed offer may reach the undersigned on or before ----- by 1000 hrs. The tender shall be opened immediately thereafter, in Room No 140, Director General Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt New Delhi -110010, India. Tenders received after 1000 Hrs on ----- shall not be opened and shall be summarily rejected.

5. It is necessary to have the security clearance for entry in the Seema Sadak Bhawan Building. You may, therefore, intimate sufficiently in advance the names and designations of your executives, who may like to be present on your behalf at the time of opening of tenders, so that the necessary entry passes may be provided to them. Without entry passes, your executives would not be allowed to enter the building of Seema Sadak Bhawan.

Yours faithfully,

(-----)

Col

Director/E3ES

For Dir Gen Border Roads

TENDER DOCUMENT FOR SUBMITTING THE SEALED OFFERS
FOR SUPPLY OF -----

1. GENERAL REQUIREMENTS

1.1. The tender should be submitted in the format enclosed vide Appendix-I, alongwith a demand draft as **Earnest Money Deposit (EMD) for Rs.----- (Rupees ----- only)** in favour of CDA (BR) payable at New Delhi, India .

1.2. The equipment should fulfil the technical specifications/requirement enclosed vide **Appendix-II.**

1.3. The Seller must offer the service support at least for ten years after the machine is supplied in terms of supply of spares and accessories.

1.4. The tender must be submitted in `two-bids` - format – each in a separate sealed cover. One cover should contain the detailed technical specification with necessary literature, to be called the `Technical Bid`. The price should be quoted in a separate sealed cover to be called the `Commercial Bid`. The phrases `Technical Bid` and `Commercial Bid` should be clearly written in Block letters on the sealed envelopes containing these bids. The name of the seller should also be written on the sealed cover to avoid mix-up in handling.

1.5. The `Technical Bids` will be opened first and scrutinized. The `Commercial Bids` will be opened only if the T bids are found acceptable after technical evaluation by TEC.

1.6. The `Commercial Bid` should, contain the selling price of the machines quoted CIF at a Mumbai port in India from where the machine will be shipped. The selling price should also include the cost of consumables (Oil/lub filters, fan belts and special greases etc). Required for periodical servicing during **1000 hours** of operation. A list of such consumables and their quantity should also be enclosed with `Commercial bid`.

1.7. The full capacity of machine at an altitude of 3000 meters above MSL with casting distance of 15 meters should not be less than 2500 Tonnes per hour (TPH)

2. PRICE EVALUATION

2.1. The evaluation and comparison of responsive bids shall be done on CIF prices of the goods offered at Mumbai Port in India and shall be compared to arrive at lowest- cost offer.

2.2. The commercial evaluation of price quoted at para 2.1 will be done by converting the quoted currency in Indian Rupees . The sale price shall not include the Custom Duty, cost of transportation and transit insurance. The conversion of foreign currency to Indian rupee shall be made by using the prevailing selling (exchange) rate quoted by an official source (RBI) rate on the date of opening of tender.

2.3. The lowest (selling price) offer may be negotiated further with the concerned seller. No such negotiations shall be conducted with the other sellers.

2.4. The stipulated time for supply shall be within six months from the date of opening of Letter of Credit.

2.5. The prices quoted should be valid for a period of **not less than 12 months** counted from the date of opening of tenders.

3. DELIVERY TERMS

3.1. All the taxes, duties and levies payable in the country of the seller, before the machine is put on the board of ship at port of embarkation, shall be payable by the seller.

3.2. All the taxes, duties and levies payable in India will be borne by the buyer. The seller will bear the sea freight from the convenient port of shipping to the port of disembarkation in India. The inland transportation cost in India will be paid by the buyer. The seller will provide for the insurance cover till the port of disembarkation.

3.3. The machine shall be suitably packed and insured by the seller till it is installed/mounted and commissioned in India. The machine shall be shipped duly packed in sea transit worthy condition by engaging the shipping company to be nominated by the seller.

4. **OPTION**

4.1 The purchaser shall have option to place supply order upto 100 % qty of equipment on the agreed terms and conditions valid upto twelve months from the date of placing of supply order.

5. **PRE-DESPATCH INSPECTION**

5.1 The inspection of the machine covered by the contract shall be carried out by the seller's inspection organisation in accordance with the technical specification for the machine and inspection certificate shall be issued.

5.2 The original certificate of inspection signed by the seller's authorised inspection organisation will be supplied to the buyer through the Bank, as designated by HQ DGBR.

5.3 The machine, spare parts, tools and literature on arrival in port of disembarkation (Mumbai), shall be inspected by the buyers representative for completeness in number, quantity and specification in the presence of the seller's representatives. On satisfactory completion of such inspection, an

inspection/acceptance certificate shall be issued to the seller in respect of the machine and each consignment of spares assemblies and literature. The machine, spare parts and literature shall be inspected within 30 days of unloading at the port of disembarkation (Mumbai). The equipment will be commissioned in at the sites, as decided by the buyer and its functioning shall be demonstrated by the seller before it is finally accepted by the buyer.

6. **TERMS OF PAYMENT**

6.1. The payment of the machines which shall be put CIF at a port of destination, shall be effected as follows: -

(a) Initial payment, as specified in the Supply Order will be made on the basis of Inspection Note and landing certificate certifying receipt of stores at port of disembarkation through an irrevocable letter of credit. This letter of credit shall be opened by the BUYER in favour of the SELLER through the designated Bank, as specified by HQ DGBR.

(b) The letter of credit shall be valid for **270 days** from the date of opening and shall not be extended except at the cost of SELLER.

(c) The balance cost shall be paid through the same letter of credit after **250 hrs** of operation of machine or six months from the date of successful commissioning of machines, on production of consignee satisfactory certificate, whichever is earlier. Certificate signed by the authorised signatory of the BUYER will be required for the release of balance 20% payment.

7. **TRAINING**

7.1 The seller shall train on repair/maintenance and overhauling of the machine for every machine sold, at least **two pers** of the buyer for a period of not less than **21 days** at a place to be decided by the buyer in India. The both ways airfare, of the rep will be borne by the seller. However, boarding/lodging and local transport of the firm rep shall be borne by the buyer.

7.2 The seller will also train at least **two employees** of the buyer for every machine sold in operating the machine at the time of its erection and commissioning. This training will be for **seven days** at the consignee location.

8. **PERFORMANCE WARRANTY AND GUARANTEE**

8.1. The seller will give the performance warranty for trouble-free operations for **500 hours** or **24 months** from the date of commissioning whichever is earlier. The performance warranty should be backed with a bank guarantee for **10%** of the all inclusive value of machine. The performance warranty will cover the spare parts as well to be supplied as and when ordered.

8.2. In case of defects developing during the warranty period, if the machine is not put back in the running condition (by seller) after a period of 21 days from the date of receipt of notification the seller shall bear **idling cost as specified in the Supply Order** (not exceeding **8 hours** per day).

8.3. If during the first **500 hours** of operation or **24 months** from the date of commissioning, whichever is earlier, the equipment does not fulfill the claimed technical and operational specifications, the buyers shall have the right to reject the machine and claim the refund of the entire payment made to the seller.

8.4. The seller would be required to execute a Contract Agreement in writing covering the detailed terms and conditions for sale and supply as agreed upon.

9. **ADDITIONAL CLAUSES**

9.1. Separate sets of bids must be submitted for different models of machine of the same manufacturer-cum-supplier.

9.2. The eqpt offered shall be a current standard production which shall be same model in successful use with any department of India for a period of 2 years or more. The tenders shall produce performance certificate from such reputed users along with the tender. In case the equipment is being offered for the first time use in India, the equipment shall be trial evaluated for 250 hrs or one snow season which ever is earlier, without any liabilities towards budget. Procurement will be made only on successful trial of machine.

10. **LIQUIDATED DAMAGES**

10.1 In the event of the seller's failure to have the stores delivered by the date/dates specified in the contract, the Buyer may, at his discretion withhold any payment until the whole of the stores have been supplied, and the buyer may also deduct from the seller as agreed, liquidated damages and not by way of penalty the sum of 0.5% of the Contract price of the undelivered stores for each and every week or part of a week for which the stores have been delayed subject to a maximum of 5% of the value of delayed stores, in case the delay in delivery is acceptable to the buyer.

11. **ARBITRATION**

11.1 All disputes or differences arising out of or in connection with the present Contract including the ones connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

11.2 Any dispute, disagreement or question arising out of or relating to this contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which can not be settled amicably, shall within sixty days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, shall be decided in accordance with the rules of procedure set forth in the Arbitration and conciliation Act 1996 as amended from time to time.

11.3 The arbitration tribunal shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.

11.4 The award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

12 **FORCE MAJEURE**

12.1 If delay in supply arises for any cause, which the purchaser may deem to be on reasonable ground, such as wrong supplies, losses in the transit from the main suppliers to the suppliers or any cause beyond the control of supplier/seller such as strikes, lockouts, fire, acts of God, or other similar eventualities constituting the recognised "FORCE MAJEURE" such additional time as may be considered under the circumstances of the case by the purchaser, may be allowed by him, provided that an intimation of such circumstances is given by the supplier/seller to the purchaser not later than **10 days** of their happenings. The decision of Secy BRDB shall be final and binding on the seller.

13 **PENALTY FOR USE OF UNDUE INFLUENCE**

13.1 The Seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or

for having done or forborne to do any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf(whether with or without the knowledge of the seller) or the commission of any offers by the seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act, 1947 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the seller.

13.2 Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/penalty as the Buyer may deem proper, including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.

14. **AGENTS/AGENCY COMMISSION**

14.1 The Seller confirms and declares to the Buyer that the Seller is the original manufacturer or authorized dealer of the stores referred to in this contract and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the contract to the seller, nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation. The seller agrees that if it is established at any time to the satisfactions of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the seller will be liable to refund that amount to the Buyer. The seller will also be

debarred from entering into any supply contract with the Government of India for a minimum period of 5 years. The Buyer will also have a right to consider cancellation of the contract either wholly or in part, without any entitlement or compensation to the seller who to shall in such event be liable to refund all payments made by the Buyer in terms of the contract along with interest at the rate of 2% per annum above LIBOR rate. The Buyer will also have the right to recover any such amount from any contracts concluded earlier with the Government of India.

(Sig of Tenderer)
Name (in Block capital)
Capacity in which the
tender is signed

(-----)
Col
Director/E3ES
For DGBR

FORMAT OF TENDER DOCUMENT

1. Name, full address, Fax No and E-Mail address of the manufacturer-cum-supplier
2. Name and the model of the machine, offered.
3. When was this model introduced first.
4. How long this model is likely to remain in production.
5. How many machine of this model of the machine have been sold in the last three years ? Enclose the names and addresses of the customers to whom it was sold and when.
6. What is the capacity of the machine in tons per hour (TPH) of snow, while operating at an altitude of 3000 meters above MSL. Presume the availability of full width and height of the naturally compacted column of accumulated seasonal winter snow. (If during actual operations, this capacity is found to deviate more than 10% from the quoted figures, it will be treated as a case of false statement to mislead the buyer).
7. Whether the machine offered fulfills all the specified and required technical specifications. If no bring out details of deviations.
8. Whether the sealed `Technical Bid` has been enclosed.
9. Whether the empirical/graphical relationships between various parameters as mentioned/specified in the Technical Specifications, are enclosed with the Technical Bid submitted.
10. Whether the sealed `Commercial Bid` has been enclosed?

11. Whether the sealed `Commercial Bid` contains the approximate annual diesel consumption, presuming five hundred hours of working at an altitude of 3000 mtrs. And the casting distance of 15 m.
12. How many equipment can be shipped within two months from the date of placing of supply order.
13. How many equipment can be shipped within four months from the date of placing of supply order.
14. Whether you have agreed to terms and conditions including payment schedule, mentioned in the tender documents. Specify the disagreements, if any. Give reasons also.
15. Whether the sale price quoted includes the price of consumables (Oil/Lub filters, fan belts, special greases etc.) required for periodical servicing during first 1000 hours of operations.
16. Whether the current price list of various spare parts of the machines enclosed with the `Commercial Bid` .

(Sig of Tenderer)
Name (in Block capital)
Capacity in which the
tender is signed

(-----)
Col
Director/E3ES
For DGBR

TECHNICAL SPECIFICATIONS: -----

GRAPHS/INTER RELATION OF PARAMETERS

1. The empirical/graphical relationship between one or more of the parameters explained above may be provided with explanations.

2. If not already included in the above, please provide specifically the empirical/graphical relationship between the following parameters for various altitudes between 3000m to 5500m :

(i) Engine power out put. etc

GENERAL

Please specify the reliability of machine in terms of the Mean Time Between Failures (MTBF).

Please describe safety devices installed to prevent damage to the machine due to stones and pebbles found embedded in the snow during operations.

ACCESSORIES AND OPTIONAL ITEMS

Delhi Tele: 25686866

: 25687116

Dte General Border Roads
Seema Sadak Bhawan
Ring Road, Delhi Cantt
New Delhi – 110 010

51104-Bud/-----x -----/200—200-/DGBR/E3ES -----

CONTRACT PURCHASE ORDER

1. Parties to the contract

BUYER	President of India
SELLER	M/s -----

2. Conditions of the contract : Payment and other terms and conditions of the contract are as contained in the Annexure containing Appendix 'A' through 'H' to this contract purchase order.

3. Law :This contract will be governed by and construed in accordance with Indian Law.

4. Relevant Documents : SELLER's Offer No -----

5. Description/Price/Delivery :As per Annexure Schedule of stores contracted.

6. Total No of items : -----

- | | | |
|-----|-----------------------------|---|
| 7. | Prices | Firm and fixed which are inclusive of packing charges, insurance charges, inland freight charges in Seller`s country, port handling charges at port of embarkation and sea freight charges upto port of disembarkation. |
| 8. | Terms of delivery | CIF upto Mumbai Port in India. |
| 9. | Mode of despatch | By Sea |
| 10. | Total value of the contract | ----- |

(-----)

Brig

Deputy Director General (Border Roads)

For & on behalf of President of India

M/S -----

ANNEXURE TO CONTRACT PURCHASE ORDER NO.51104-BUD/-- x -----
/DGBR/E3ES DATED ----- 200-

1. Contract made on ----- day of -----200-- between the President of India, represented by the Deputy Director General (Technical Administration), Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt, India (here-in-after referred to as the "BUYER", the term which shall mean and include its heads, administrator , executers and assignees) of the first part and M/s ----- here-in-after referred to as the SELLER, the term which shall mean and include its heads, administrators, executers and assignees) of the second part.

2. WHEREAS the SELLER represents that it is well reputed manufacturer of a wide range of ----- to international standards and is possessed of design, engineering and production knowledge, data and information in manufacture of ----- meeting the system requirement as described in Appendix `A` hereto.

3. And WHEREAS the SELLER has offered to the BUYER to manufacture and supply --- ----- units of -----(here-in-after referred to as the machine).

And WHEREAS the BUYER agrees to purchase and the SELLER agrees to sell and deliver in accordance with the terms and conditions here-in-after contained, the two units of machines together with associated equipments, tools, spare parts, literature and render services thereafter including training and technical assistance in India, it is hereby agreed and declared as follows :-

CLAUSE -1

SCOPE AND OBJECT OF THE CONTRACT

- (a) Supply of ----- units of ----- complete in all respects and in ready for road condition as described by and conforming strictly to the technical specifications annexed as Appendix `A` hereto.
- (b) First fill of oil and lubricants shall be done by the SELLER without charging any extra cost.
- (c) Supply of all technical handbooks, publications, maintenance, operation and repair manuals in English and any other technical literature/handbooks and information (in English) necessary for care, maintenance, operation and repair of the said machines (See Clause 8).
- (d) Training of BUYER`s personnel minimum for seven days at least two personnel for every snow plough sold in operating the eqpt at the time of installation/mounting and commissioning on site in India (see Clause 8).

CLAUSE -2

PRICES

- (a) Referring to SELLER`s offer No ----- and PNC Meeting held on -----
----- the total CIF price per unit of the said ----- shall be as under :-

The following will be supplied at no extra cost :-

- (aa) Consumables (wear parts) for one thousand working hours, as listed in Appendix `B` with every -----
- (bb) Set of tools as listed in Appendix `C` with every -----.
- (cc) Complete literature, as listed in Appendix `D` with every -----
- (b) The total contract value CIF at Mumbai port in India is amounting to -----

- (c) All prices are in ----- (according to Inco-terms 2000, shall apply). The prices given in Clause-2 hereof are fixed and are not subject to variation under any circumstances.
- (d) All taxes, impost or duties imposed upon the parties as a result of this contract or as a result of money received or paid by the parties to this contract in respect thereof shall be discharged by the party in whose country such taxes, impost or duties arise.
- (e) The CIF prices referred in Clause- 2 (b) above include :-
- (i) Cost of transportation from the works of the SELLER to the port of shipment, as well as, all other charges for putting the said ploughs, spares, tools and literature on board a ship under deck.
 - (ii) Seaworthy packing and adequate preservation for overseas transport.
 - (iii) Export taxes or other fees or charges, if any on account of export levies.
 - (iv) Expenses to obtain any Government authorisation necessary for export of the said machines.
 - (v) Cost of acceptance tests as stipulated in clause-6 of this contract.
 - (vi) Cost of insurance and freight up to Mumbai port.
- (f) All the taxes, duties and levies payable in India will be borne by the BUYER. Buyer will also bear the inland transportation cost in India from Mumbai Sea Port to consignee.
- (g) The machines shall be insured by the SELLER at his cost till it is erected and commissioned in ----- State in India. The machine shall be shipped duly packed in sea transit worthy condition by SELLER
- (h) The SELLER shall give an undertaking as in Appendix `E` to the effect that he has not engaged any individual, agent or firm, whether in India or abroad, to intercede, facilitate or in any way to recommend to the Government of India the award of this contract to him.

CLAUSE-3

TERMS OF PAYMENT

(a) The payment for the two snow ploughs, which shall be put CIF at Mumbai port in India, shall be effected as follows:-

(b) 80% of the CIF price shall be paid on shipment against receipt of bill of lading through an irrevocable letter of credit. This letter of credit shall be opened by the BUYER in favour of the SELLER through the bank designated by HQ DGBR.

(i) The letter of credit shall be valid for 270 days from the date of opening and shall not be extended except at the cost of SELLER.

(ii) The balance 20% of the cost shall be paid through the same letter of credit after 250 hrs of operation of machine or six months from the date of successful commissioning of machines, on production of consignee satisfactory certificate, whichever is earlier. Certificate signed by the authorised signatory of the BUYER will be required for the release of balance 20% payment.

(b) All the payments shall be made in freely convertible currency. Initial payment shall be made against production of the following documents:-

(i) Invoice in quadruplicate showing full value of the said machines delivered in that particular consignment.

(ii) Inspection certificate as provided for in Clause-6 (b) issued by the SELLER.

(iii) Full set of on board bill of lading.

(iv) Performance cum warranty bank guarantee for 10% of the CIF value of each machine issued by any recognised bank duly confirmed by HQ DGBR as per specimen at Appendix 'F' as provided in Clause-7. The bank guarantee will be opened by the SELLER within 15 days of receipt of letter of credit.

(v) Certificate of origin.

(vi) Packing list.

(vii) The above referred documents shall be forwarded by the SELLER to the BUYER through the designated bank. In addition three sets of copies of the aforesaid documents shall be sent directly to the Director General Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt-110 010 (India).

(c) If the machine does not fulfill the claimed technical and operational specification, the BUYER shall have the right to reject the machines and claim the refund of the entire payment made to the SELLER.

CLAUSE -4

ASSEMBLES SPARES AND COMPONENTS

(a) The SELLER undertakes to supply all spares for the said ploughs for lifetime thereof but in any case for not less than a period of 10 years from the date of delivery of the last consignment of the machines.

(b) In case the SELLER decides at any time to stop production of any of the spare parts of the said machines, he shall give the BUYER a clear 12 months notice in advance, during which the BUYER shall be entitled to place its order for the lifetime requirement of such spare parts. Similar notice shall be given in respect of "bought out" items also. The SELLER shall also supply spare parts against orders placed by the BUYER for the lifetime requirement, within one year of the placement of supply orders. All possible assistance to the BUYER shall be rendered in future for procurement of such spare parts through other suppliers/manufacturers and shall pass on all such benefits received from such vendors to the BUYER.

(c) The SELLER undertakes to supply all assemblies, spares and components to the BUYER at reasonable prices which shall not in any case exceed the lowest and privileged price charged from any other customer.

(d) The SELLER shall supply to the BUYER names and complete addresses of all the vendors from whom the SELLER obtains the assemblies, spare parts and components, which are not of his own manufacture. The BUYER shall have the right to purchase assemblies, components and spares from aforesaid vendors directly at his discretion. No objection to this shall be raised by the SELLER.

(e) Consumables/wear parts as listed in Appendix` for 1000 hrs of working of the machine shall be supplied free of cost along with each machine.

CLAUSE -5

LITERATURE

(a) The SELLER shall supply free of cost alongwith the said snow ploughs all technical handbooks, publications, maintenance, operation and repair manuals as described in Appendix `D` annexed hereto and any other technical literature/handbooks, which are necessary for care, maintenance, operation and repair of the said machines (in English). Any additional quantity required by the BUYER shall be supplied at actual cost of the SELLER of the above.

The SELLER also undertakes to supply free of charge detailed information on repair and reclamation techniques wherever not available in the aforesaid literature and whenever requested by the BUYER.

CLAUSE -6

INSPECTION AND ACCEPTANCE

(a) All equipment to be supplied under this contract, shall be new and from current production and be of quality, including design and performance, fully conforming to the technical specifications contained in Appendix `A`. The original certificate of inspection signed by the SELLER`s authorised inspection organisation as per Appx `G` thereof will be supplied by the BUYER through the State Bank of India, 11, Sansad Marg, New Delhi- 110001. The machines will be commissioned in J&K state of India, or as decided by the BUYER and its functioning shall be demonstrated by the SELLER before it's finally accepted by the BUYER.

(b) The machines, spare parts, tools and literature on arrival in port of disembarkation (Mumbai), shall be inspected by the BUYER's representative for completeness in number, quantity and specifications in the presence of SELLER's representatives. On satisfactory completion of such inspection, an inspection/acceptance certificate shall be issued to the SELLER in respect of each plough and each consignment of spares, assemblies and literature. The plough, spare parts and literature shall be inspected within 30 days of unloading at the port of disembarkation (Mumbai).

CLAUSE -7

WARRANTY

(a) The SELLER guarantees to perform/execute the said contract with specified time-frame.

(b) The SELLER guarantees that machines supplied here shall be from current production and of quality including design and performance, conforming fully to the technical specifications in Appendix 'A'. The ploughs, parts and components supplied by the SELLER are also warranted against defective material and workmanship, provided the BUYER or its authorised representatives adhere to the SELLER's instructions on maintenance, handling and servicing.

(c) The SELLER will give performance warranty for trouble free-operation of machines for a period of 24 months from the date of commissioning of the machines in India or 500 hours of operation whichever is earlier. The performance warranty should be backed up with a bank guarantee for 10% CIF value of machines. This Bank guarantee shall be furnished to the Bank as designated by HQ DGBR

(d) If within the period of 24 months from the date of commissioning of the machine or 500 hrs of operation whichever is earlier, the complete plough or any assemblies or any parts or components thereof are found and proved defective in design, material or workmanship, the seller shall repair or replace the defective machine/assembly/part/component free of cost. All expenses including transportation

cost upto site location of the defective ploughs connected with such replacements shall be borne by the SELLER.

(e) Warranty under this clause is not applicable for consumable items like oils and similar items, commercial items like bolts, nuts, washers etc. Sealed units shall be opened and repaired during the warranty period only by the authorised persons of the SELLER.

(f) **Settlement of defect/discrepancy claims**

(i) A defect/discrepancy report shall normally be made by the BUYER to the SELLER on detection of defect. The SELLER undertakes to settle a claim most expeditiously. In case the snow plough is not put back in the running condition after a period of 21 days from the date of receipt of notification the SELLER shall bear idling cost @Rs 4130 per hour (as applicable) (not exceeding 8 hours per day). If required, the SELLER shall take back the defective parts. The defect/discrepancies shall be intimated as and when noticed by the BUYER through fax to the SELLER. SELLER should make all arrangements for insuring/spares/assemblies against transit damages.

(ii) In the event of any deviation from technical specifications in the snow plough being noticed by the BUYER the same shall be notified immediately to the SELLER who is obliged within 30 days of receipt of such discrepancies, to furnish his opinion to the BUYER in writing and/or its authorised technical experts and for its authorised technical experts and to establish with the authorised technical experts of the BUYER, the actual state of facts; failing which the BUYER's findings shall be final and binding on the SELLER.

(iii) The final acceptance of such claims shall be established within 6 months by the authorized experts of the BUYER and the SELLER. The snow ploughs/assemblies/components/parts finally agreed to be replaced shall remain the property of the SELLER. The BUYER shall forward the above said items for despatch to M/S ----- .

(iv) For establishing existence of discrepancies on the disputed snow ploughs, experts of the BUYER and the SELLER shall, at their own cost, ascertain beforehand whether the discrepancies are not due to inappropriate or careless treatment in transportation, handling, maintenance and storage and/or by inappropriate production and/or mounting of the units. In case of failure to reach an agreement, the case shall be finally settled through Arbitration in accordance with Clause-13.

(v) If during the first 500 hours of operation or 24 months from the date of commissioning, whichever is earlier, the equipment does not fulfill the claimed technical and operational specifications, the buyers shall have the right to reject the machine and claim the refund of the entire payment made to the seller.

CLAUSE – 8

TRAINING

(a) The SELLER shall train for every equipment sold minimum for seven days atleast two persons in operating the eqpt at the time of installation/mounting and commissioning at the site in India.

(b) The BUYER shall himself carry out servicing and maintenance of the equipment after receipt thereof in accordance with the instructions provided in the literature supplied as listed in Appendix 'D'.

CLAUSE – 9

DELIVERY SCHEDULES

(a) The said equipment covered by the contract shall be shipped by the SELLER as per specifications mentioned in Appx 'A' and parts mentioned in Appendix 'B' & 'C' within six months from the date of opening of LC .

(b) The literature listed in Appendix `D` shall be delivered by the SELLER, CIF at Mumbai port in India alongwith the concerned consignment of the said machines.

Consignment instructions

(c) The goods covered by this contract shall be consigned by the SELLER to the BUYER as under:-

Marking - Director General Border Roads

Intermediate Consignee - Embarkation Headquarters,
Mumbai

Ultimate consignee - As per Appendix `H`

(d) Invoices and other documents shall be made out in the name of Director General Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt, New Delhi-10 (India) Fax o. 011-25696026.

(e) The SELLER is entitled, wherever feasible, to deliver the said snow ploughs, tools, spares and before the delivery schedule stated in clause – 9 (a) hereof, but with the express consent of the Director General Border Roads, in writing.

CLAUSE – 10

SHIPPING ARRANGMENTS

- (a) Shipping arrangements shall be made by the seller.
- (b) The shipping will be done by Indian Flag Vessel only.
- (c) The SELLER shall intimate the BUYER 30 days in advance of the anticipated date of CIF delivery of the consignment. A copy of each intimation shall be sent to Embarkation HQ, Mumbai.
- (d) The information shall consist of the quantities of the supplies and all other details including dimensions of packages and weight of consignment. On receipt of this information, the BUYER or their aforesaid nominee shall arrange inland transportation in India.
- (e) The SELLER will then bring the cargo to the port of loading as per the shipping instructions received from the forwarding agents. The snow ploughs shall be handed over to the BUYER through Embarkation Headquarters, Mumbai.

CLAUSE-11

INSTALLATION, COMMISSIONING AND AFTER SALES SERVICE

- (a) The machines will be installed/mounted by the seller and commissioned at various sites in -----State of India or as decided by the BUYER and its functioning shall be demonstrated by the SELLER before it is finally accepted by the BUYER.
- (b) The SELLER shall render complete after sales service in the shape of warranty assistance, assistance in commissioning of the said machines and other technical advice in the operation, maintenance and repair of the said machines during the warranty period, at no additional cost to the BUYER. After the warranty period, the services of the experts of the SELLER will be made available on demand for attending

to any failures of problems in operation, maintenance, repair and overhaul of the said machines on terms and conditions as may be mutually agreed upon.

(c) The SELLER shall make available to the BUYER drawings specifications of any components, which may be asked for investigation of defects or for developing repair/reclamation techniques.

(d) The firm shall make available the technology and expertise for mid life/general overhaul, when the first lot of equipments are ready for overhaul. Information regarding upgradation of technology for the machine should be made available/offered.

CLAUSE-12

DELAY IN DELIVERY

(a) Should any of the said machines and/or stores not be delivered as specified in Clause-9 thereof, or within such other period as may hereafter be agreed to in writing between the parties, the BUYER shall in respect of any delays, have the right to claim and deduct from the final payment affected by such delay as agreed, liquidated damages in respect of such said machines, an amount calculated as follows:-

1% of CIF price of such said machine(s) for each and every week or part of week for which the stores have been delayed subject to maximum of 10% of the value of delayed stores, in case the delay in delivery is acceptable to the buyer.

(b) Should the said subsequent delay in respect of delivery of the said machines and/or spares exceed six months, the BUYER shall have the right to terminate this contract in so far as it relates to the machines which are subject matter of such delay, by sending written notice to that effect to the SELLER. In which event both the parties shall be released from their respective obligations hereunder in so far only as they relate to the sale and purchases of the said machines (the subject matter of such cancellation) except that the SELLER shall repay to the BUYER any sum received from the BUYER in respect of the purchase price of the said machines so cancelled together with interest @ 18% per annum.

(c) The BUYER is also entitled to cancel this contract either in whole or in part in case rejection/defective machines/assemblies/part of machines have not been replaced within six months of such notification, the SELLER shall then refund to the BUYER any sum received by him together with interest at the rate of 18% per annum.

CLAUSE-13

FORCE MAJEURE

If any delay in supply arises for any cause, which the purchaser may deem to be on reasonable ground, such as wrong supplies, losses in the transit from the main suppliers to the suppliers or any cause beyond the control of supplier/seller such as strikes, lockouts, fire, acts of God, or other similar eventualities constituting the recognized "FORCE MAJEURE" such additional time as may be considered under the circumstances of the case by the purchaser, may be allowed by him, provided that an intimation of such circumstances is given by the Supplier/seller to the purchaser not later than 10 days of their happenings. The decision of Secy BRDB/DGBR shall be final and binding on the seller.

CLAUSE 14

OPTION

The purchaser shall have option to place supply order upto 100% qty of equipment on the agreed terms and conditions valid upto twelve months from the date of placing of supply order.

CLAUSE-15

ARBITRATION

(a) Any dispute, disagreement or questions arising out of or in consequence of this contract or relating to its construction or performance which cannot be settled amicably, shall within 60 days from the date either party informs the other in writing

that such disputes or disagreement exists (or such longer period as may be mutually agreed upon), be referred for the arbitration by three arbitrators, within 60 (sixty) days of the said notice. One arbitrator each shall be nominated in writing by the SELLER and BUYER. The third arbitrator, who shall not be a citizen of the countries of the parties to this contract purchase agreement, shall be nominated by agreement between the parties within 90 days of the said notice. However, if no agreement is reached, the third arbitrator may be nominated by the President of International Chamber of Commerce at the request of any of the parties. The third arbitrator so nominated shall not be regarded or act as an umpire.

(b) The arbitration tribunal shall meet at New Delhi or at such other place as may be decided by the arbitrators unanimously.

(c) The arbitration shall be conducted in accordance with the rules of procedure set forth in the Arbitration and Conciliation Act, 1996, as amended from time to time. The decision of the majority of the arbitrators shall be final and binding on both the parties. Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration (including the fees and expenses of the arbitrators) shall be shared equally by the parties unless the Award provides otherwise. The parties shall continue to fulfill their obligations under this contract during the arbitration proceedings. The arbitrators may from time to time, with the consent of the parties, enlarge the time for making the award. In the event of an arbitrator resigning or becoming incapable or unable to act, the party nominating such arbitrator shall be entitled to appoint another in the place of the outgoing arbitrator and the arbitration proceedings shall continue without recommencing as if such arbitrator had been originally nominated.

CLAUSE-16

NOTICES

Any notice to be served under this contract shall be deemed to be validly served if sent by registered post or cable followed by a letter to the SELLER's registered office herein before mentioned or in respect of the BUYER, to the Director General Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt – 110 010, as the case may be. Any notice so posted or

sent by cable as aforesaid shall be prima-facie proof of serving at the expiration of the time within which in the normal course of posting or cabling, it would have reached the address to which it was sent.

CLAUSE-17

LICENSES

The SELLER shall obtain and maintain the necessary export license and shall pay at his cost any fees connected therewith and the BUYER shall obtain the respective import license, if any, from the competent authorities. Failure to obtain and maintain export licenses shall not be considered as force majeure. In case the SELLER fails to obtain or maintain the license, or if the licenses are withdrawn, to restore them within 2 months from the date of such cancellation/withdrawal, the BUYER shall have the right to cancel the contract and the SELLER shall forthwith return the amount paid in advance, in excess of the value of the equipment and the service already delivered/rendered, with interest @ 18% per annum.

CLAUSE-18

BANKRUPTCY

If the SELLER commits any act of bankruptcy or goes into liquidation or shall commence winding up by reasons of its insolvency or shall make an assignment for the benefit of creditor or goes into liquidation, this agreement may be terminated wholly or in part by the BUYER and all payments received by the SELLER shall become due to the BUYER.

CLAUSE 19

MISCELLANEOUS

(a) This contract or any interest there under shall not be assignable to any third party by the SELLER unless such assignment is mutually agreed to in writing by both the BUYER and the SELLER.

(b) No modification to this Contract shall be binding unless it is in writing and signed by both the parties to the Contract.

(c) The terms and conditions herein contained and those in the tender document and the bids submitted and accepted constitute the entire Contract Agreement between the parties hereto and shall supersede previous communications, representations or agreements either oral or written between the parties hereto with respect to the subject matter of this Contract Agreement and no agreement or understanding varying or extending this Contract Agreement shall be binding on either the BUYER or the SELLER. Contract shall have to be executed in writing and signed by duly authorised officers or representatives of both the parties.

(d) All the provisions of this contract purchase agreement including the Appendices, shall be harmoniously construed. In case of variation between certain points in the Tender document and the attached specifications for the inspection and acceptance of the machines, the provisions contained in Contract Purchase Agreement shall have and overriding effect.

(e) To this Contract are attached the following appendices :-

(i) Appendix `A` : Technical specifications of the said machines

(ii) Appendix `B` : List of consumables (wear parts) for 1000 hours of operation to be delivered free of cost with machine.

- (iii) Appendix 'C' : Set of tools to be delivered free of cost with each machine.
 - (iv) Appendix 'D': Complete literature –
 - (v) Appendix 'E': Text of undertaking in respect of agents/agency commission.
 - (vi) Appendix 'F': Text of bank guarantee to be furnished with the delivery of each unit of the said machine.
 - (vii) Appendix 'G': Text of the certificate of the inspection of the machines.
 - (viii) Appendix 'H': List of ultimate consignees.
- (f) All appendices and annexures attached to this contract form an integral part of the contract.
- (g) This contract is concluded in good faith and shall be kept confidential by both the contracting parties.
- (h) This contract is signed in seven copies in English language.
- (j) The headings of Clauses are for the purposes of reference only and shall have no effect on the meaning or substance of any clause of the contract.
- (k) Any further modifications or improvements in the machines and other supplies desired by the BUYER shall be carried out by the SELLER on terms to be mutual agreed to.
- (l) This contract shall be governed, interpreted and executed according to the Indian Law.

CLAUSE – 20

COMING INTO FORCE

This contract shall come into force with effect from the date of its signing by both the contracting parties. This contract purchase agreement will be operated by the Director General Border Roads on behalf of the President of India.

CLAUSE-21

ADDRESS AND COMMUNICATION

- (a) All communications to the BUYER are to be addressed to the Director General Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt-110 010.
- (b) All communications to the SELLER are to be addressed to M/S -----

Appendix `A` to the Annexure of the Contract
PurchaseOrder No 51104/Bud/--- x -----/200---0--/
DGBR/E3ES dt -----200-- (See Clause 1)

DESCRIPTION OF THE SYSTEM

Appendix `B` to the Annexure of the Contract

Purchase Order No 51104/Bud/-- x -----/200—0-

DGBR/E3ES dt ----- 200--

LIST OF CONSUMABLES(WEAR PARTS) FOR FIRST 1000 HRS OF OPERATION TO BE SUPPLIED ALONGWITH EACH MACHINE

Appendix `C` to the Annexure of the Contract

Purchase Order No 51104/Bud/-- x --/200---0—

DGBR/E3ES dt----

LIST OF TOOLS TO BE SUPPLIED WITH EACH EQUIPMENT

Appendix `D` to the annexure of the Contract

Purchase Order No 51104/Bud/-- x---/2006-

07DGBR/E3ES dt ----

LITERATURE TO BE SUPPLIED WITH EACH MACHINE

Appendix `E` to the Annexure of the

Contract Purchase Order No 51104/Bud/-- x

----- /200—0-/DGBR/E3ES dt ----- (See

Clause 2)

UNDERTAKING BY THE FIRM

1. It is unequivocally confirmed/declared by the SELLER to the BUYER that the Seller have not engaged any individual, agent, firm or body corporate, what-so-ever in India or abroad to arrange in any way to the Government of India or any of its functionaries, whether directly or indirectly, in the award of the contract to it nor has any amount been paid or intended to be paid to any such individual, agent, firm or body corporate or to pay or give whether directly or indirectly any commission, fee, perquisites, benefits or other considerations of any kind whatsoever for the purpose of negotiating, procuring, making, entering into or enforcing this contract.

2. The SELLER further unequivocally undertake that the above confirmations/declarations shall be binding on the SELLER until the full and complete discharge of the contractual obligations of the SELLER under the present contract, and if it were established that the above declaration is in anyway incorrect, the BUYER shall have, without prejudice to any other rights or remedy available to him under the law:-

(a) to forthwith terminate the contract without any notice whatsoever.

(b) to invoke the performance Guarantee Bond to recover all advances or payments made to the SELLER, whether jointly or severally, along with interest thereon at the rate of 18% per annum, and

(c) to recover from the SELLER damages, which shall not exceed the total contract price.

3. The SELLER further declares that the terms of this undertaking shall form a part of and be deemed to be one of the conditions of the Contract and notwithstanding anything contained in the provisions relating to the arbitration in the contract, the decision of the BUYER regarding the fulfillment by the SELLER of the terms of this undertaking shall be final and binding on the SELLER and shall not form the subject matter of any arbitration proceedings under the contract.

Appendix F` to the annexure of the
Contract Purchase Order No 51104-Bud/---
x -----/200—0--/DGBR/E3ES dt ----- (See
Clause 3)

SPECIMEN BANK GUARANTEE

(Specimen for Bank Guarantee in respect of -----)

BANK GUARANTEE

1. Whereas M/S ----- (hereinafter called "SELLER") in pursuance of Contract Purchase Agreement No ----- dt 200-- made between The Director General Border Roads, Seema Sadak Bhawan, Ring Road, Delhi Cantt -110010 on behalf of the President of India, (herein after called "BUYER") and M/S -----

2. AND WHEREAS it has been stipulated in the said Contract Purchase Agreement that the said contractor shall furnish a Bank Guarantee for the sum of ----- as security for the due fulfillment by the said SELLER of the terms and conditions contained in the said Contract Purchase Agreement.

3. -----(Name and address of Banker)(hereinafter referred to as "The Bank" at the request of the said SELLER do hereby undertake to pay to the BUYER an amount not exceeding ----- against performance guarantee cum Bank Guarantee any loss or damage caused to or suffered by The Bank by reason of any breach by the said seller of any of the terms and conditions in the said Contract Purchase Agreement.

4. -----(Name and address of Banker's) do hereby undertake to pay the amount due and payable under this guarantee without any demur, merely on a receipt of demand from the BUYER stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the BUYER by reason of breach by the SELLER or any of the terms or conditions contained in the said Contract Purchase Agreement. 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 -----

5. (Name and address of Banker) undertake to pay to the BUYER any money so demanded up to a maximum of ----- notwithstanding any dispute or disputes raised by the SELLER in any suit or proceeding pending before any court or tribunal or relating there to liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment thereafter and the SELLER shall have no claim against us for making such payment.

6. -----(Name and address of Banker) further agree that the guarantee herein contained shall remain in full force and effect during warranty the period that would be taken for the performance of the said Contract Purchase Agreement and that it shall continue to be enforceable till all the dues of the BUYER under or any virtue of the said Contract Purchase Agreement have been fully paid and its claims satisfied or discharged and accordingly discharges this guarantee, subject however unless a demand or claim under this guarantee is received by us in writing on or before the expiry of warranty period, we shall be discharged from all liability under this guarantee thereafter.

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

8. -----(Name and address of Banker) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the BUYER in writing.

9. Notwithstanding anything contained herein :-

(i) Our liability under this bank guarantee shall not exceed -----This bank guarantees equivalent to 10% of total CIF value of 2 numbers of machines shall be valid up to (date to be fixed based upon expiry of warranty period for two machines.)

(ii) We are liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if you serve us a written claim or demand on or before the expiry of the warranty period for two machines.

Dated this day of -----200--.

Appendix `G` to Contract Purchase

Order No 51104/Bud/---x---/200---0---

/DGBR/E3ES dt -----

INSPECTION CERTIFICATE

It is certified that the following snow ploughs to be supplied under this contract are new and from current production and are of quality including design and performance confirming to the specification in Appendix `A` of the Contract Purchase Agreement. The ploughs have been inspected at the stage of production as well as final assembly in India.

Model

Chassis No

Year of Manufacture

(a)

(b)

Appendix `H` to Annexure of the Contract
Purchase Order No 51104/Bud/--x----/200---
0--/DGBR/E3ES dt -----(see clause 9)

LIST OF ULTIMATE CONSIGNEES

<u>Name of Ultimate consignee</u>	<u>Location</u>	<u>Qty</u>	<u>Project</u>
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SPECIMEN BANK GUARANTEE

(Specimen for Bank Guarantee in respect of -----)

BANK GUARANTEE

From: Bank

To: Directorate General Border Roads
Seema Sadak Bhawan
Ring Road,
Delhi – Cantt. – 110 010

BG No.

Amount:

In consideration of the President of India (hereinafter called “the Government”) having agreed to exempt (hereinafter called “the said Contractor”) from the demand of Earnest Money Deposit under the conditions of an Tender Enquiry bearing No. due on for depositing earnest money deposit and offer made between CDA (BR), directorate General Border Roads, Seema Sadak Bhawan, Ring Road, New Delhi and for depositing Earnest Money deposit for the due fulfillment by the said contractor of the conditions contained in the said Tender Enquiry, on production of a bank guarantee for Rs. (Rupees), we, Bank, (hereinafter referred to as “the Bank”) at the request of do hereby undertake, if demanded in writing in terms hereof before the expiry of the guarantee, to pay to the Government an amount not exceeding Rs. against any loss of damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said Contractor of any of the terms or conditions contained in the said Tender Enquiry.

We Bank, do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand, which has to be served on us before the expiry of this guarantee. Any such demand made on us within the time stipulated above shall be conclusive as regards the amount due and payable by us under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. (Rupees).

We undertake to pay to the beneficiary any money so demanded notwithstanding any dispute of disputes raised by the contractor in any suit or proceeding pending before any court or tribunal relating thereto, our liability under these presents being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the contractor shall have no claim against us for making such payment.

We, Bank, further agree that, if demand, as stated above is made on us within the stipulated period, the guarantee herein contained shall remain in full force.

This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor.

We, Bank, lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Beneficiary.

Notwithstanding anything contained herein above

- i) Our liability under this guarantee shall not exceed Rs. (Rupees).
- ii) This Bank Guarantee shall be valid upto and including
- iii) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before the expiry of this guarantee.

Dated the

For Bank

Annexure II

The present rates of EMD are as under:-

S/No	Estimated cost of works	Earnest money
(i)	Up to Rs. 15 Lakhs	2% of the amount subject to a minimum of Rs. 3000/-
(ii)	Over Rs. 15 Lakhs and up to Rs. 30 Lakhs	2% of the amount subject to a maximum of Rs. 45000/-
(iii)	Over Rs 30 Lakhs and up to Rs. 60 Lakhs	1.5% of the amount
(iv)	Over Rs. 60 Lakhs and upto Rs. 150 Lakhs	1.5% of the amount
(v)	Over Rs. 150 Lakhs and up to Rs. 300 Lakhs	Rs.2,25,000/- plus 1% of the amount in excess of Rs. 150 lakhs subject to a maximum of Rs. 300000/-
(vi)	Over Rs. 300 Lakhs and up to Rs. 1200 Lakhs	Rs. 3,00,000/- plus 0.5% of the amount in excess of Rs. 300 lakhs subject to a maximum of Rs. 6,00,000/-
(vii)	Over Rs. 1200 Lakhs	0.5% of the estimated cost