

**INSTRUCTIONS TO BIDDERS (ITB)**

INDIAN OIL CORPORATION LIMITED

**PURCHASER:** REFINERIES DIVISION

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## INSTRUCTIONS TO BIDDERS (ITB)

### **Ladies & Gentlemen,**

Bids are requested from bonafide bidders of sound financial standing and reputation for the subject item on e-procurement system in total compliance to technical specifications, scope, terms & conditions of enquiry documents / attachments.

These Instructions to Bidders (“Instructions”) may become a part of any Purchase Order that might result from submission of a Bid in response to this Bid Request.

The issue of these Bid Request documents shall not automatically create any relationship, contractual or otherwise, between Indian Oil Corporation Limited (IOCL) and the Bidder, and IOCL shall not be liable for any costs and expenses incurred by the Bidder in the preparation and submission of a Bid.

### **A) SALIENT POINTS**

1. Bidder should submit their bids strictly as per the requirements outlined hereunder and as specified in the Material Requisition/Technical Specifications/Scope of Tender or equivalent term /Technical Specifications/Scope of Tender or equivalent term.
2. Tender document (Non-Transferable) can be downloaded from IOCL e-tendering website <https://iocletenders.nic.in/> during the period, as specified under “Critical Dates” stated in the e-tender portal. Offer shall have to be submitted ONLY through online mode on above mentioned IOCL e-tendering website during the period, as specified under “Critical Dates” and the bids shall be opened on the date & time, as specified under “Critical Dates”.

3. Tender Opening:

The Un-priced offers shall be opened on the due date (appearing in under “Critical Dates” stated in the e-tender portal) and in subsequent corrigendum, if any) and price bid of techno-commercially acceptable bidders shall be opened on a suitable date, which will be communicated to bidders, through e-tendering interface.

Tender opening can be witnessed by bidders by logging into the e-tender website.

4. The bidders are required to submit their bids electronically on the **e-tender Portal** only (URL: <https://iocletenders.nic.in>) using valid Digital Signature Certificates, on or before the bid submission date and time. Bidders are required to register themselves at <https://iocletenders.nic.in>.

**Bidders to refer attached “Special Instructions to the Bidder for participating in e-Tender” for detailed instructions on registration and online bid submission.**

#### Help Desk Details:

Tel. No.: +91-124- 2471850

+91-22-2644-7708

Help Desk Email-id: [ethdmkhonic@indianoil.in](mailto:ethdmkhonic@indianoil.in) / [etenderinghelpdesk@indianoil.in](mailto:etenderinghelpdesk@indianoil.in)

Business Hours: Mon – Fri, 09:00 to 16:00 Hrs India Time (IST) (GMT + 5:30 Hrs)

5. Re-Submission / change of bid documents can be done till bid submission end date & time. Only the last successful bid will be available in system.

In e-Tendering bidder(s) can “Withdraw” their bids till bid submission end date & time. Once withdrawn, a bidder cannot participate for that tender further.

6. Bidders in their own interest are requested to register on **e-tender Portal** and upload/submit their bid well in time. Bidder will be responsible for any delay due to any issues. IOCL shall not be responsible for any delay in uploading the offer on the e-tender website. E-tender portal does not allow uploading and submitting the bid after due date and time.

7. Bidders are required to upload the complete bid comprising of Part-I:- Unpriced Bid along with all supporting documents & Part-II:- Priced Bid on the **e-tender portal** only.
8. Bidders shall set their quotations in firm figures and without qualifications or variations or additions in the terms of the tender documents. Bids containing qualifying expressions such as “subject to minimum acceptance” or “subject to prior sale”, or any other qualifying expression or incorporating terms and conditions at variance with the terms and conditions incorporated in the tender documents shall be liable to be rejected.
9. Technical specification should be strictly as per the Material Requisition/Technical Specifications/Scope of Tender or equivalent term as attached. It may be noted that the Bid shall be evaluated as received and technical queries may not be issued.
10. Clarifications required, if any, must be raised at least five working days prior to Bid submission end date and time.
11. Commercial requirements are specified in the Notice Inviting Tender (NIT), General Purchase Conditions, Special Purchase Conditions (SPC), Instructions to Bidders (ITB), Agreed Terms & Conditions (ATC) questionnaire and Terms & Conditions for Supervision (wherever applicable). The pre-filled Agreed Terms & Conditions Questionnaire should be duly filled with all requisite details and be a part of your un-priced bid.
12. For Limited tenders, if not bidding, please inform vide E-mail with attached acknowledgement letter titled “ACKNOWLEDGEMENT OF Tender” within the due date & time, with reasons(s) of not participating in the Tender. In case there is no response, IOCL reserves the right not to consider such vendors for issuance of future enquiries.
13. Direct bids only, without the involvement of an Indian Agent will be considered from foreign bidder.  
In case of involvement of foreign Vendors, tenders can be submitted either by the Vendor directly or through their Indian Agent / representative on behalf of them, but not both. The Indian Agent / representative should represent only one Vendor and he will not be allowed to quote on behalf of another Vendor for the same tender.
14. **Payment Terms will be as per SPC**
15. **For Price Reduction due to delay in supply (PRS) purpose:** LR date or Coastal Bill of Lading for Indian bidders & Date of Bill of Lading for foreign bidders shall be considered as the date of delivery.
16. **Basis of Evaluation:** Basis of Evaluation is as per the Evaluation Criteria, given in Special Purchase Conditions (SPC).  
Bidder to note that the tendered item is **critical** in nature and so **no** relaxation for Start Ups and MSEs for PQC is applicable for this tender.
17. **Performance Bank Guarantee (PBG) will be as per** Special Purchase Conditions (SPC)
18. Transit / Marine / Storage-cum-Erection insurance is excluded from Bidder’s scope, since the same shall be arranged by the Owner.
19. **The offer should be valid for 4 (Four) months from the scheduled unpriced bid opening date (including extensions, if any).**
20. Only E-Bids uploaded in the e-tender portal shall be acceptable. Physical bids and Bids/ Offer through Email or fax/ Courier or Bids received in open condition or Bids in any other mode shall not be accepted.
21. The bidder shall bear all costs associated with the preparation and submission of its bid, and the Purchaser/Purchaser’s Consultant shall in no case be responsible or liable for these costs regardless of the conduct or outcome of the bidding process.
22. The E-bids received online shall be opened at IOCL office on due date and time as specified above. Bidder can view online the name of the other bidders who have submitted their e-bids after opening is performed by IOCL.
23. All technically and commercially acceptable bidders will be advised of date and time of priced bid opening. In case of e-tender, Bids shall be opened online; hence bidders may review opening status at their places.

24. As Purchaser intends to contract directly with suppliers of the goods for which bids are invited, the bids should be prepared by the suppliers and submitted directly. Purchaser reserves the right to reject offers made by intermediaries.
25. Addendum / corrigendum to the tender documents if issued must be submitted along with the bid.
26. Bidders to note that such price changes, which are against Technical / commercial clarifications, and are in line with existing terms & conditions of enquiry documents are not allowed. In case any bidder gives revised prices / price implications against such clarifications, their bid shall be liable for rejection.
27. IOCL reserves the right to use in-house information for assessment of bidder's capability for consideration of bid.
28. Consortium bids are not acceptable.
29. In case unpriced bid opening date happens to fall on a Holiday, the next working day shall be deemed to be unpriced bid opening date
30. Owner reserves its right to allow Government Organizations, Public Sector Enterprises (Central/State), Micro & Small Enterprises (MSEs) and MSEs owned by Scheduled Caste (SC)/ Scheduled tribe (ST) entrepreneurs, and any other purchase preference as admissible/applicable from time to time under the existing Govt. policy. Bidder to submit documentary evidence for the same. In this regard, item wise quantity may be split and the quoted price shall remain valid. Declaration of Udyam Registration by MSE bidders is recommended to be a part of Bidder's Offer and also in e-Tender portal through the following methodology:  
Existing bidders can also update their MSME details including their Udyam Registration. To update the same in their account of IOCL E Tender Portal, they need to **login into the portal** -> Go to **My Account** -> Click on **Edit profile** -> there they can update their MSME details.
31. Purchaser reserves the right to make any changes in the terms and conditions of purchase and to reject any or all the bids. Indian Oil Corporation Ltd. reserves the right to accept/reject the tender in part or full without assigning any reason whatsoever. No compensation shall be paid for the efforts made by the bidder.
32. IOCL reserves the right to complete the evaluation based on the details furnished with the bid without seeking any additional information.
33. Any effort by Bidder or Bidder's Agents, Consultant or representative howsoever described, to influence the owner in any way concerning scrutiny consideration / evaluation / comparison of the bid or decision concerning the award of the contract shall entail rejection of the Bid.
34. Any Addendum / Corrigendum / Date extension in respect of above tender shall be issued on our website: <https://iocletenders.nic.in> only and no separate notification shall be issued.  
Bidders are therefore requested to regularly visit our website to keep themselves updated.
35. All documents submitted by the bidder against the tender requirement should be genuine. In case of any fraud, it shall be bidders responsibility and the bidder may be debarred from future tenders.
36. Authority of the person uploading the bids with his DSC shall be required to be submitted in the bids. Document required showing the authority of the person uploading & submitting the bid with his Digital Signature Certificate shall be as given in the following table

In case of Proprietary Concern	<p>If the bid is submitted by the proprietor, no Power of Attorney (POA) is required. However, he will upload undertaking certifying that he is sole proprietor.</p> <p>If the bid is submitted by person other than proprietor, POA authorising the person to submit bid on behalf of the concern</p>
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In case of Company	Certified copy of Board Resolution authorising the person submitting the bid on behalf of the company  OR  POA and the supporting Board Resolution authorising the person submitting the bid on behalf of the company
In case of Partnership Firm/ LLP	POA along with Deed of Partnership / LLP Agreement.
In case of Co-Operative Society	Copy of resolution passed as per Society Rules

POA to mention authorization to sign and submit offer & make correspondences against tender documents, participate in negotiations, sign and execute agreements, etc.

**37. The Applicability of Government of India Policies are as below:**

- **Micro & Small Enterprises (MSE's) –Applicable**
- **Relaxation w.r.t Pre-Qualification Criteria for Start Ups and MSEs – Not Applicable**
- **Purchase Preference (Public Procurement Preference to Make In India) –Applicable.**  
Bidder to submit appropriate UNDERTAKING (as per Format) by calculating quoted landed cost, considering quantity in unpriced bid.
- **Domestically Manufactured Iron & Steel Products- Not Applicable**

Yours faithfully,  
For and on behalf of India Oil Corporation Limited,

**Sushant Srivastava**  
**Dy. General Manager (Materials)**  
**Indian Oil Corporation Ltd.**

Enclosure: As per List Attached

## **LIST OF ENCLOSURES**

### **DOCUMENT**

- A) Notice Inviting Tender
- B) Technical Specifications
- C) Commercial document:
  - i) Special Purchase Conditions (SPC)
  - ii) Instructions to Bidders (ITB)
  - iii) "Bid\_Documents.xls"
  - iv) Integrity Pact
  - v) Format of Bid Security Declaration in Lieu of EMD
- D) Price Schedule Format (BOQ)
- E) General Purchase Conditions ( GPC)
- F) Special Instructions to the Bidder for participating in e-Tender
- G) FAQs-IOCL-Online-EMD.pdf
- H) Tender-Acceptance-Format.pdf

**CHECK LIST OF DOCUMENTS TO BE SUBMITTED WITH OFFER**

<b>Sr. No.</b>	<b>Description</b>	<b>Remarks (Yes / No)</b>
A	Documents towards compliance of Pre Qualification Criteria & EMD document	
B	Technical questionnaire + Datasheets duly filled with relevant data wherever required	
C	Duly filled " Bid_Documents.xls" containing <ol style="list-style-type: none"> <li>1. Compliance to Tender</li> <li>2. Questionnaire of Agreed Terms &amp; Conditions (ATC) along with its Annexure(s)</li> <li>3. Deviations Statement – Technical</li> <li>4. Deviations Statement – Commercial</li> <li>5. Reference of documents submitted against PQC</li> <li>6. Unpriced BoQ</li> <li>7. Holiday List Declaration</li> <li>8. Bank Mandate ( if not registered with IOCL )</li> <li>9. Non Tampering of Documents</li> <li>10. Contact Details</li> <li>11. Declaration on NCLT / NCLAT /DRT /DRAT/ Court Receivership / Liquidation</li> <li>12. Declaration on Land Border</li> </ol>	
D	Certificates / Undertakings/Declarations, etc in compliance to Government Policies <ol style="list-style-type: none"> <li>1. Undertaking related to Insolvency &amp; Bankruptcy Code, 2016</li> <li>2. Declaration related to restriction of Land border sharing with India</li> <li>3. MSE certificates for Micro and Small Enterprises as per tender, if applicable to a bidder</li> <li>4. Documents related to Start Ups</li> <li>5. Purchase Preference (Public Procurement Preference to Make In India) Declarations, Undertakings</li> <li>6. DOMESTICALLY MANUFACTURED IRON &amp; STEEL PRODUCTS- Declarations, Undertakings, etc</li> </ol>	
E	Integrity Pact	
F	Relevant Power of Attorney	
G	Miscellaneous Documents	
H	Price Schedule (BOQ) with prices duly filled in ( <i>in separate envelope/cover</i> )	

**Please ensure all documents are attached as per check list.**

**B) PRE -QUALIFICATION CRITERIA (PQC) {Applicability shall be as per NIT}**

1. All PQC documents duly scanned to be uploaded by bidder in separate electronic envelope on the portal.
2. For fulfilling the financial pre qualification criteria any one of the following documents may be considered as valid proof for meeting the criteria:
  - a. Audited Balance Sheet with profit & loss statement / Annual Report with Profit & Loss statement (with UDIN)
  - b. Balance sheet with Profit & Loss statement available in public domain
  - c. In case of foreign bidders, relevant tax returns of their country showing annual turnover
  - d. In case of GeM, pre verified turnover of bidder shown on GeM portal can be considered. (If applicable)
  - e. In case the NIT publication date is within September or last date for filing audited balance sheet as notified by CBDT, the bidder can submit the balance sheets of any of the previous three Financial Years (excluding the immediately preceding year).
3. For fulfilling the commercial Pre Qualification experience criteria any one of the following documents may be considered as valid proof for meeting the criteria:
  - a. Purchase Order along with Invoice(s) {with self-certification that supplies against invoice has been successfully executed}. Uploading the invoice(s) on the e-portal is considered as self certification by the bidder that supplies against the invoices have been successfully executed to the required value.
  - b. Purchase Order along with Bank Certificate indicating payment against the PO
  - c. Purchase Order along with Execution certificate by client indicating executed order value. In case the execution certificate does not mention the executed value, the bidder shall have to submit other documents as mentioned here indicating executed value.
  - d. In case bidder cites any reference of job executed for IOCL and bidder has not / is not able to furnish documentary evidence, the internal records of IOCL shall be considered against proof of fulfillment of commercial or technical experience criteria. LR date / RC (101/103 movement type in SAP) date (if LR date is not available in SAP) shall be deemed as date of execution.
  - e. In case multiple orders have been placed against a single rate contract and the cumulative order value satisfies the PQC, it may also be considered, subject to submission of other documents as mentioned above. Multiple GeM contracts against one GeM bid on a particular vendor is to be considered as a single PO for PQC evaluation.
4. Acceptance of PQ Documents of related / unrelated parties shall be as follows:

<b>Sl. No</b>	<b>Scenario</b>	<b>Financial credentials</b>	<b>Techno-commercial Experience Criteria</b>
1	A New Entity formed as a result of merger of two entities and the earlier entity cease to exist	New Entity can use previous financial credentials of any of the merged companies or of its own.	New Entity can use previous experience of any of the merged companies or of its own.

2 (i)	An entity (A) takes over another entity (B) and B ceases to exist	Bidder can use previous financial credentials of company taken over by bidder or of its o	Bidder can use previous experience of company taken over by bidder
2 (ii)	An entity (A) takes over another entity (B) partially and the said part of entity (B) vertical specific business vertical of B ceases to exist.	Bidder cannot use previous financial credentials of specific business vertical of company taken over by bidder .	Bidder can use previous experience of the business vertical which has been taken over by bidder (not entire experience of entity B).
3	Parent company (bidder) using the credentials of its subsidiary	Financial credentials of the bidding entity	Parent company can use the credentials of its subsidiaries. In such case, additional surety to be taken from parent and subsidiary for joint and several responsibility.
4	Indian subsidiary (bidder) using the credentials of its Foreign Principals	Financial credentials of the bidding entity. In case the bidding entity's Audited Balance Sheet (BS) is not yet made, BS of the Parent Company shall be acceptable	Credentials of the Foreign Principals can be used. However, the foreign principal shall be required to furnish a legally enforceable undertaking that they shall be jointly and severally liable, along with the bidder, for the successful execution of the order, if awarded.
5	Demerger of an entity B from another entity A by virtue of Corporate restructuring exercise	Demerged entity can use the credentials of original/ parent entity (based on the merit and circumstances of the cases like type of procurement, nature of de-merger, number of eligible bidders available etc) to satisfy the eligibility criteria in the tender for 5 years from the date of incorporation of the new entity. Government regulations, if any, may be followed.	Demerged entity can use the credentials of original/ parent entity to the extent of demerger scheme as approved by the competent authority and subject to verification (based on the merit and circumstances of the cases like type of procurement, nature of de-merger, number of eligible bidders available etc) to satisfy the eligibility criteria in the tender for 5 years from the date of incorporation of the new entity. (However, same experience cannot be used by the original entity).

6	A new entity formed has taken over all the assets and liabilities of the proprietorship concern or partnership firm wherein one or more of the Directors of the new entity were the proprietor or partners and the erstwhile proprietorship concern/ partnership firm has ceased doing business after taking over of the business by the new entity.	The new entity can use the financial credentials of the erstwhile proprietorship concern/partnership firm	The new entity can use the experience of the erstwhile
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In case a bidder is a group company of another company, either the Turnover / Experience of the bidder or the Turnover / Experience of the group company shall be considered for the purpose of Pre-Qualification criteria, subject to the following :

- a) Either the Holding company or any one of its Subsidiaries or the JV company only can participate in the tender.
  - b) The arrangement permitting the Bidder to quote and rely upon the Turnover/ Experience of the Group company shall be through an undertaking from the Group company whose Turnover/ Experience is considered, submitted with the tender. Such undertaking must be specific for this Tender. The arrangement must provide for continuous support from the Group Company whose Turnover/ Experience is considered, covering all aspects till such time this contract (including CAMC if applicable) is completed.
  - c) The Bidder as well as Group Company, whose credentials are being claimed, shall submit an irrevocable undertaking stating therein that both of them i.e. the Bidder as well as its Group Company, shall .be jointly and severally liable for due performance of the Contract and the acts done / not done by them (either individually or collectively) in pursuance thereof. The undertaking must be submitted by the bidder along with the bid.
  - d) Credentials of group company(s) currently on holiday list by Indian Oil Corporation or its administrative Ministry shall not be accepted.
  - e) Documents as required to establish Group Company (parent / subsidiary / JV) relationship shall be submitted with bid.
  - f) Usage of credentials of Group Company shall be restricted to technical, Commercial Experience Criteria, Financial Criteria, capability and commitment criteria.
5. Submission of authentic documents is the prime responsibility of the bidder.

*Submission of authentic documents is the prime responsibility of the bidder. However, IOCL reserves the right to verify the PQC documents submitted by the bidder(s). For the purpose of verification, bidders shall submit complete client details with names, address, phone numbers and e-mail id with the understanding that IOCL may contact the bidder's client to verify the PQC documents. Wherever required, bidders may have to submit notarized / verified copy of PQC documents. Non submission of these documents, if asked for, will lead to rejection of offer. Should IOCL decide to place order pending verification of PQC documents, payment shall be made only after completion of order. If at any stage, the PQC documents are found to be forged / false / fake, suitable action shall be taken, which may include offer rejection, EMD forfeiture (not by way of penalty or liquidated damages but by way of reimbursement of the pre-estimated costs likely to be incurred by the*

*OWNER towards bidding process and in the scrutiny and evaluation of bids), termination of order (wherever applicable) and holiday listing / suspension (in GeM) of the bidder / vendor.*

6. Notwithstanding any other condition / provision in the tender documents, bidders are required to submit complete documents pertaining to Pre-Qualification Criteria (PQC) along-with their offer.

IOCL reserves the right to complete the evaluation, with or without seeking any additional supporting documents / clarifications.

7. In case a foreign bidder submits any of the Pre Qualification support documents in any language other than English, then it will be the responsibility of such foreign Bidder to also provide the English translation copy of the same duly certified, stamped and signed by their Local Chamber of Commerce. Translation by Indian Embassy / High Commission or authorized / approved translation agencies (by Indian Embassy / High Commission) or any other independent authority shall also be acceptable apart from the Local Chamber of Commerce of country of origin. This clause shall also apply in case an Indian Bidder submits PQC document (full / part) in foreign language other than English.
8. For PQC, in case any other cost components are not indicated separately and are already included in the Purchase Order Value, as evident from the submitted Purchase order copies, then executed order value shall include such inclusive cost components also for the purpose of evaluation.
9. Last date of order execution may fall in the above mentioned period i.e. within last five years ending on the last day of the month immediately preceding the month in which the original bid submission end date falls.
10. A. Where a Foreign bidder, in its offer, made a request for assigning assigns part order to an Indian Entity, which is not its subsidiary, the same shall be accepted subject to such Indian entity having executed at least one order (irrespective of value) for the scope that is proposed to be assigned to it. However, for assigning to Indian Subsidiary no such experience is required. The order placed on the Indian party shall be interlinked to the foreign order. It has to be ensured that single point responsibility of the contract performance remains vested with the Foreign Supplier and the Foreign Supplier is responsible for furnishing PBG for the total order value (including Indian part) and PRS is applicable on the foreign party (considering the INR quantum as well). Suitable clause interlinking the two orders shall be incorporated.  
  
B. Assigning of orders shall not be allowed where specific PQC has been called for in the tender. Assignment of order will be allowed only if the assignee (sister firm or associate partner) meets the PQC. However, the same shall be subject to acceptance of IOCL.
11. For Global Tenders if bidders submit foreign orders in currency other than USD, same shall be converted to USD on the date of the said Purchase Order. For National Tenders if bidders submit foreign orders in currency other than INR, same shall be converted to INR on the date of the said Purchase Order.
12.
  - a. The requirement for submission of audited financial statement is sometimes not accepted by some foreign bidders due to their internal / local regulation (particularly in case such bidders are subsidiaries of other foreign company). Instead of this they prefer to submit CEO / CFO

certificate (the parent company for itself or for its subsidiary) for their turnover or the financial statement.

- b. In such case CEO / CFO's certificate in original from the company or from the parent company (in case bidder is a subsidiary) stating the turnover of the bidding entity along with a declaration that the bidding company is not in a position to submit its financial statement as per the local / internal regulation (clearly specifying the applicable regulation) with an endorsement by Chartered Accountant / Statutory Auditor / Certified Public Accountant (not being an employee or a Director or not having any interest in the bidder(s) company / firm) may be accepted.

Wherever Chartered Accountant / Statutory Auditor / Certified Public Accountant (not being an employee or a Director or not having any interest in the bidder(s) company / firm) is not in a position to endorse such CEO / CFO's certificate due to local regulations, CEO / CFO's certificate in original without endorsement may be accepted provided a reference of the local regulation restricting this endorsement is given in the CEO / CFO certificate.

13. Similarly in case where the bidder cites the reasons of Non Disclosure Agreement (NDA) for its inability to submit necessary documents in support of meeting the experience criteria, a certificate, in original, certifying all the required information, issued by CEO / CFO of the company along with a declaration that the bidding company is not in a position to submit the required documents owing to the NDA with an endorsement by Chartered Accountant / Statutory Auditor / Certified Public Accountant (not being an employee or a Director or not having any interest in the bidder(s) company / firm) may be accepted.
14. Wherever Chartered Accountant / Statutory Auditor / Certified Public Accountant (not being an employee or a Director or not having any interest in the bidder(s) company / firm) is not in a position to endorse such CEO / CFO's certificate due to local regulations, CEO / CFO's certificate in original without endorsement may be accepted provided a reference of the local regulation restricting this endorsement is given in the CEO / CFO certificate.

## C) OTHER INSTRUCTIONS

### 1.0 PAYMENT INSTRUCTIONS

- 1.1.1 Dispatches shall be made only after receipt of Dispatch Clearance from IOCL, If specified in the PO/Tender document. Unless otherwise specified / required by IOCL, part dispatches will not be allowed and vendor has to supply materials in one lot.
- 1.1.2 The dispatch document may be negotiated thru' bank or sent directly to IOCL for release of payment without any payment loading benefit. Further, when tender payment terms indicate milestone based payment schedules, and bidder offers payment terms as "100% within 30 days of receipt & acceptance of material at IOCL Refinery / Site", same shall be acceptable without any payment loading benefit. In case Purchase Order specifies milestone based advance payments and same are not claimed during order execution, vendor can claim these advance payment milestones along with payment against dispatch.
- 1.1.3 For indigenous vendors, in case of direct negotiation of dispatch documents payment shall be released only after receipt of materials at site.
- 1.1.4 CGST & SGST or IGST shall be released only on receipt of GST Invoice containing the following details:-
- (a) Name, address and GSTIN of the supplier;
  - (b) A serial number of the invoice;
  - (c) Date of issue;
  - (d) Name, address and GSTIN or UIN, if registered of the recipient;
  - (e) Name and address of the recipient and the address of the delivery, along with the State and its code,
  - (f) HSN Codes or Accounting Code of services;
  - (g) Description of goods or services;
  - (h) Total value of supply of goods or services;
  - (i) Taxable value of supply of goods or services taking into discount or abatement if any;
  - (j) Rate of tax (Central Tax, State Tax, Integrated Tax (for inter-state supply), Union Territory Tax or cess);
  - (k) Amount of tax charged in respect of taxable services (Central Tax, State Tax, Integrated Tax (for inter-state supply), Union Territory Tax or cess);
  - (l) Place of supply along with the name of State, in case of supply in the course of inter-state trade or commerce;
  - (m) Address of the dispatch point where the same is different from the place of supplier;
  - (n) Signature or digital signature of the supplier or his authorized representative;

- (o) It's the obligation on the part of Bidder / Vendor / Contractor / Consultant to discharge their liability by payment of GST to Government of India in cash OR utilisation of Input Tax credit in respect of such supply of services through GST Invoice under this Contract, so that Owner will avail Input Tax credit on such supply. Also it shall be the obligation on the part of the bidder / vendor to include the tax invoices in the return ensuring matching of the tax amount and to ensure timely filing of the return in the GSTN portal. In the event that the input tax credit of the GST charged by the Bidder / Vendor/ Contractor / Consultant is denied by the tax authorities to Owner due to reasons attributable to Bidder / Vendor, Owner shall be entitled to recover such amount from the Bidder / Vendor/ Contractor / Consultant by way of adjustment from the next invoice or from Bank Guarantee. In addition to the amount of GST, Owner shall also be entitled to recover interest and penalty, in case same is imposed by the tax authorities on Owner.
- (p) Any deductions in lieu of deviations to the terms and conditions of the purchase order shall be suitably incorporated by the vendor in the invoice presented, else the vendor shall have to necessarily provide a credit note upon intimation by IOCL within a stipulated time period and any delay in payment due to the delay in providing credit note shall be to the vendor's account.
- 1.1.5 No initial advance payment along with order shall be made by IOCL against supplies as well as services (i.e. transportation, erection, site work etc.).
- 1.1.6 Total progressive payments shall be limited to maximum as specified in SPC, against receipt of advance bank guarantee for equivalent amount. No progressive payments at any stage other than those milestones specifically mentioned above shall be payable by IOCL.
- 1.1.7 All Bank guarantee(s) shall be issued in line with format as per attached annexure of General Purchase Conditions.
- 1.1.8 All Bank guarantee will be issued directly to IOCL by the Bank and Vendor shall enclose copy of the same along with invoice. Banks shall be informed to send a separate confirmation immediately on request to IOCL to expedite processing at IOCL's end.
- 1.1.9 All payments shall be released within 30 days of receipt of invoice and all requisite documents, complete in all respects.
- 1.1.10 Billing schedule shall be submitted to IOCL by the vendor for approval within 45-90 days from the date of Letter of Acceptance / Purchase Order (whichever is earlier) wherever specified in the Purchase Order. No pro-rata dispatch shall be made without the approval of billing schedule.
- 1.1.11 Format for Performance Bank Guarantee (PBG) is enclosed as Annexure - C to the General Purchase Conditions.
- 1.1.12 **Transportation charges (Indigenous Bidders)**  
100% within 30 days after receipt of materials at site.

## **2.0 EVALUATION CRITERIA FOR COMPARISON OF BIDS:**

- 2.1 Following costs, taxes, duties etc., as applicable, shall be used for evaluation of bids:
- Basic ex-works cost
  - Packing & Forwarding charges [P&F] and TPI, if extra {Biodegradable packing material should preferably be used for supply of materials}
  - All taxes and duties applicable

- Freight
- Technical and commercial loadings, as defined in the Tender document.
- Any other charges indicated by the bidder

**Bid evaluation will be done considering GST rates and HSN quoted by the bidder. GST rates and HSN quoted by the bidder shall be treated final and bids shall be evaluated on Gross tax basis i.e. after including amount of GST. Bidder to note that any higher rate of tax actually invoiced shall be adjusted in price.**

In case of SINGLE BID Tender, if the bidder is silent on any Tender Clause which calls for commercial loading, it will be assumed that the bidder has not accepted the specific clause and specified commercial loading shall be done for evaluation purpose. No confirmation shall be sought by IOCL after opening of bids. {If Deviation Sheet is filled with No Deviations or Nil or Blank, then it will be assumed vendor has accepted such clauses}

Suo moto price discounts and discounts for prompt payments shall not be used for evaluation.

Following shall be the procedure (in order of precedence) in case of a tie of evaluated cost between two or more bidders

- In case quantity can be equally divided, the same shall be divided equally amongst the bidders.
- In case quantity cannot be equally divided / does not make commercial sense to divide, discount may be taken from all the lowest bidders and ordered on the lowest bidder (after discount). Seeking such discount shall not require any further approval.
- In case there is still a tie, the bidder with the maximum turnover in the immediately preceding Financial Year may be ordered the full quantity.
- In case of procurement through GeM, provision available on GeM is to be followed.

The above shall be governed by Government preference policies (like MSE, PPP-MII etc.) in vogue.

Evaluation shall take into consideration Government of India guidelines with respect to Purchase Preference applicable to Central PSUs, MSEs, Preference to Make In India as well as any applicable Government of India Guidelines.

Ministry of Micro, Small and Medium Enterprises, Government of India have notified the public procurement policy (PPP), 2012 for facilitating promotion and development of Micro and Small Enterprises. Guideline for the same is appended under Miscellaneous Policies, which shall be complied with for evaluation and ordering.

## **2.2 Where only Indian Bids are under comparison**

- 2.2.1** Bids shall be evaluated after considering prices quoted for the components relevant to indigenous supplies as indicated above and the SGST & CGST or IGST quoted by the Bidder in ATC.
- 2.2.2** Bidders shall have to quote firm freight charges upto Refinery (Stores) / Project site.
- 2.2.3** If a supplier/bidder does not quote freight charges and indicates that the freight is on to pay basis or “extra at actual” then his ex-works price shall be loaded with the maximum freight charges quoted by other bidders or pro-rated (with respect to approximate distance) on maximum freight charges quoted by other bidders. After loading, if the same Bidder becomes L1 (lowest) then the order will be placed based on Freight Charges payable extra at actual subject to maximum freight charges by which the prices of the L1 bidder has been loaded.

- 2.2.4** When a bidder does not mention anything about the freight component, the same shall be considered as “nil” and no further confirmation from vendor shall be sought. Evaluation and ordering shall be done considering freight charges as Nil.
- 2.2.5** If bidder has mentioned freight as “quoted” in the unpriced bid / Annexure to Agreed terms & Conditions (ATC) but has not mentioned freight charges in priced bid / stated the Percentage Freight in Annexure to ATC, as asked to quote in the tender (*bidder may be asked to quote freight charges in the priced bid or the bidder may be asked to quote freight charges in percentage of basic price in Annexure to ATC*), then the basic price quoted shall be considered as inclusive of freight charges and no further confirmation from vendor shall be sought. Evaluation and ordering shall be done considering freight charges as Nil.
- 2.2.6** Where bidder has quoted firm freight charges, documentary evidence of freight is not required. Bidder shall be paid as per freight quoted by them.
- 2.2.7** In case a Bidder declares that he is not required to be registered under GST laws and Rules, he shall be treated as “Unregistered Taxable Person”. In such case, Owner is liable to pay GST under reverse charge and therefore for the purpose of evaluation, bid shall be evaluated after considering GST Rates and Service Accounting Code (SAC) as determined by the Owner.
- 2.2.8** In case a Bidder declares that he has applied for GSTIN registration at the time of submission of Bid but GSTIN is not available, he must attach a copy of Application Reference Number (ARN) as proof of his declaration. And in such cases, Bid shall be evaluated after considering GST Rates and HSN Code / Service Accounting Code (HSN / SAC) as determined by the Owner if Bidder has not confirmed or quoted the same.

### **3.0 COMMERCIAL LOADING OF OFFERS IN CASE OF DEVIATIONS**

It may be noted that deviation to commercial terms indicated in this tender document may not be allowed even though loading has been indicated in this section. This loading shall be applicable only if Owner allows the deviation to any of the indicated commercial terms.

#### **Basis of Loading**

**3.1** Loading and ordering shall normally be done on FOT Despatch Point basis for Indian vendors and FOB Port of Exit basis for foreign vendors. In case the bids are on FOR Destination or CFR/CIF basis, with no break-up available, then loading shall be done accordingly.

**3.2** Bidders are requested to submit the offer in line with terms and conditions provided in Tender document.

#### **3.3 Loading in case of deviation in Price Adjustment clause on account of delay in delivery**

The difference between the quantum as per GPC and that offered by the bidder shall be loaded. For non-acceptance of this clause or for offering Liquidated Damages in lieu of Price Adjustment Clause of GPC, loading of 5% shall be done. In case the clause as per IOCL GPC is accepted but with maximum limit indicated as 5% of undelivered order value, loading of 2.5% shall be done.

#### **3.4 Loading in case of deviation in Payment Terms**

The applicable payment terms should be clearly indicated in the tender documents and bidders should be informed that if they take deviations to the specified payment terms, loading shall be done for interest

implication at Benchmark Rate of State Bank of India (SBI)+ 1% per annum simple interest applicable on the date of issuance of tender document which shall be mentioned in the tender documents.

Following period shall be considered for loading in case of deviations:

- i. Drawing approval – 80% of the delivery period.
- ii. Receipt of raw materials at Supplier's works – 50% of the delivery period.
- iii. Final 10% payment also against dispatch – 30 days

### **3.5 Loading in case of deviation in Performance Bank Guarantee (PBG)**

In case a supplier offers to give a PBG for less than the required amount, loading shall be done for the differential amount. In case a bidder gives PBG for less than the required period, the offer shall be loaded considering PBG not given.

### **3.6 Price Variation Clause (PVC)**

Prices mentioned in the Bid shall remain firm and fixed and valid until contractual completion except in the specific cases where Price Variation Clause with Price Variation Formula has been incorporated in the Bidding Document.

However if a bidder on his own gives a price variation formula without ceiling or gives a different Price Variation Formula other than the one given in the Bidding Document, offers of such bidders is liable to be rejected on the sole discretion of IOCL. Ceiling shall be loaded for evaluation purpose.

### **3.7 Variation in operating cost**

Wherever operating costs are required to be assessed while evaluating the offers of the parties, the basis of evaluation of operating cost must form part of tender documents. Wherever variation in the power consumption to be loaded, incremental cost of power consumption to IOC to be considered. The incremental power consumption should be based on cost sheet of previous year for fuel and other utilities. Maximum Limit should be prescribed.

In all cases of technical loading, there shall be a corresponding clause on penalty in case of not meeting the guaranteed parameters. The parameters used for calculating the loading component shall be the same as those used in calculating the penalty amount. Technical loading and penalty shall ordinarily be limited to maximum of 10% of the capital cost.

### **3.8 Input Tax Credit (ITC) benefit**

For the purpose of evaluation of offers, ITC benefit shall normally not be considered.

### **3.9 Royalty Inflow**

In case of any benefit to IOC R&D for the usage of IOC R&D formulations by the bidder in the form of royalty, such royalty inflow net of prevailing taxes / surcharges, should be deducted from the quoted price as specified in the tender documents.

### **3.10 Freight components**

Quoted rates shall be inclusive of Freight charges.

Where the freight charges are asked separately or quoted by bidder separately, the same shall be loaded for

evaluation.

### **3.11 Taxes & Duties**

When a bidder does not mention Taxes & Duties, the same shall be considered as “Borne by vendor”. For procurement through GeM, quoted prices are inclusive of taxes and duties.

### **3.12 Third Party Inspection (TPI) charges**

Quoted rates shall be inclusive of TPI charges, wherever required.

### **3.13 Components / spares / accessories**

If a vendor does not quote for some components / spares / accessories specifically indicated in the tender for consideration along with the main equipment, the same shall be considered as “free supply”.

### **3.14 Transit Insurance**

Transit insurance shall be covered by IOCL unless otherwise specified in specific cases like bulk chemicals, GeM tenders etc. However, no loading of transit insurance shall be done at the time of evaluation. For Marine Insurance, loading of 1% shall be done to arrive at CIF price for calculation of CD, GST and other charges and it will be later deducted for evaluated cost calculation.

## **4.0 DELIVERY PERIOD**

IOCL reserves the right to reject any deviation to delivery terms not meeting IOCL’s requirement after giving one chance to the bidder to accept IOCL’s requirement.

## **5.0 VALIDITY OF OFFER**

**5.1.1** In case a bidder does not give validity as required in tender, the offer shall be liable for rejection.

## **6.0 CUSTOMS DUTY AND INVALIDATION LETTER**

**6.1** IOCL shall not be availing the benefit of EPCG scheme under the Foreign Trade Policy (FTP) of Government of India. Hence EPCG benefit shall not be considered.

## **7.0 FOREIGN EXCHANGE RATE VARIATION / CUSTOM DUTY VARIATION FOR INDIAN BIDDERS (ON BUILT-IN IMPORT CONTENT)**

**7.1** Not Applicable.

## **8.0 SUO MOTO CHANGES IN PRICES**

**8.1** Suo moto price change: In case of any suo moto change in price, following shall apply:

<b>Stage</b>	<b>Price Increase</b>	<b>Price Decrease</b>
After opening of un-priced bid	Not Acceptable. Bid shall be rejected. Action regarding Holiday Listing may be taken. EMD shall be forfeited. In case of GeM, IM Policy of GeM shall be applicable	In case of suo moto price decrease: 1. Tender evaluation shall be done without considering suo moto price decrease. 2. Ordering shall be done considering suo moto price decrease.

**9.0** **DOCUMENTS COMPRISING THE BID**

**9.1** The offer must be complete in all respects, leaving no scope for ambiguity. Bidder is fully responsible for the bid submitted and no relief or consideration can be given for errors and omissions.

**9.2** Deviations to terms and conditions, presumptions etc. shall not be stipulated in Price part of bid and price bids shall also not contain any stapled slips. In case of any conditions stipulated in price bids or the price bid containing any stapled slips, the bids of such bidders shall be liable for rejection of which IOCL shall be the sole judge.

**9.3** Bidders must ensure submission of prices without any erasures or corrections. Use of white fluid for correcting the rates is banned. Wherever rates are corrected with white / erasing fluid and bids are invited on overall basis then those bids shall be rejected. However if the bids are invited on line item basis and the correction is done on a particular line item, then that line item will be rejected.

Cutting and corrections in the bid document should be avoided and if it is unavoidable, it should be kept at the bare minimum and it should be neatly cut and re-written without over-writing and use of erasing fluid. All corrections should be duly signed by the bidder.

IOCL reserves the right to accept or reject the offer either in part or full wherever white / erasing fluid is used.

**10.0** **CURRENCY OF BID**

**10.1** Wherever PO is required to be placed on Indian bidders, offer in foreign currency is not allowed.

**10.2** Bidding currency may be US Dollar / Euro / GBP / JPY / SGD for Foreign bidders. In case of any Indian supply or services, the same shall be quoted only in INR clearly indicating in the offer the name and contact details of the Indian party on whom the order has to be placed. However, acceptance of such supplies / services shall be subject to IOCL's acceptance.

**11.0** **CONVERSION TO SINGLE CURRENCY**

**11.1** To facilitate evaluation and comparison, IOCL will convert all bid prices quoted in various currencies (in which the bid price is payable) to single currency and that will be Indian Rupees

only, at the Bill selling exchange rate published by the State Bank of India on the day of price bid opening.

**12.0 UNSOLICITED BIDS / BID SUBMISSION AT OTHER PLACE**

**12.1** Unsolicited bids or bids being submitted to address other than one specifically stipulated in the bid document will not be considered for opening / evaluation / award.

**12.2** Unsolicited bids received from the bidders who were not issued the enquiry shall not be opened. However in case such a bid is accompanied with authorization letter from one of the bidders to whom enquiry was issued, the same shall be opened.

**13.0 CONTACTING IOCL REPRESENTATIVE**

**13.1** From the time of the bid opening to the time of the award, if any bidder wishes to contact IOCL for any matter relating to the bid, it should be done in writing.

**13.2** Any effort by a bidder to influence IOCL in any manner in respect of bid evaluation or award will result in the rejection of that bid.

**13.3** **Advise IOCL of any questions as quickly as possible and in any event no later than five working days prior to the Closing Date for submission of Bids.**

**14.0 EXAMINATION OF BIDS AND DETERMINATION OF RESPONSIVENESS**

**14.1** IOCL will examine the bids to determine whether they are complete, whether any computational errors have been made, , and whether the bids are generally in order.

**14.2** Prior to the detailed evaluation, IOCL will determine whether each bid is of acceptable quality, is generally complete and is responsive to the Tender Documents. For the purposes of this determination, a responsive bid is one that conforms to all the terms, conditions and specifications of the Tender Documents without deviations, objections, Conditionality or reservations.

**14.3** Bidder shall not be allowed to submit any Price Implication or Revised Price after submission of Bid, unless there is change in the stipulations of the Tender Document and such changes are incorporated through an Amendment. In case Exceptions and Deviations submitted by Bidder along with Bid are not considered as acceptable and no Amendment is issued, then in such a case the Bidders would be required to withdraw such Exceptions/Deviations in favour of stipulations of the TENDER document and Bidders would not be eligible for submission of Price Implication/Revised Price, failing which such Bid(s) shall be considered as non responsive and rejected.

**14.4** IOCL's determination of a bid's responsiveness shall be based on the contents of the bid itself without recourse to extrinsic evidence. If a bid is not responsive, it will be rejected by IOCL, and may not be subsequently made responsive by the bidder by correction of the nonconformity.

**15.0 PRICE BID OPENING**

**15.1** Price part of only those bidders, whose bids are considered techno-commercially acceptable, shall be opened. Bidders selected for opening of their price bids shall be informed about the date of price bid opening. Price Bid opening shall be done on e-tender portal only and bidders can also witness bid opening by logging in to the e-tender portal through their system using their valid digital signature / certificate.

**16.0 SPLITTING OF ORDERS**

Order for supply and site work shall not be split and only single order covering the entire scope of work on each supplier shall be placed. However , IOCL reserves the right to place multiple orders interlinked with each other for ease of execution.

**17.0 NEGOTIATION**

Negotiations will not be conducted with the bidders as a matter of routine. However, IOCL reserves the right to conduct negotiations. Bidders should quote competitive prices considering the fact that price negotiations, if required, to be held with the lowest bidder only.

**18.0 AWARD OF WORK**

IOCL will award the order to the bidder who has been determined as a lowest evaluated bidder. Although normally the lowest responsive bid amongst the bids submitted by bidders and considered by IOCL to be qualified and competent shall be preferred, IOCL reserves the right not to accept the lowest bid if in its opinion this is not in the interest of IOCL.

**19.0 IOCL'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY BID**

Tendering can be abandoned without assigning any reason. No compensation shall be paid for the efforts made by the bidder  
IOCL reserves the right to accept or prefer any tender or to abort the bidding process without assigning any reason whatsoever.

**20.0 NOTIFICATION OF AWARD**

**20.1** Prior to the expiration of period of bid validity IOCL will notify the successful bidder in writing by fax/e-mail that his bid has been accepted. The notification of award / Letter of Acceptance (LOA) will constitute the formation of the Order.

**20.2** The Delivery Schedule shall commence from the date of notification of award / Letter of Acceptance (LOA).

**20.3** LOA / PO will contain price, delivery and other salient terms of bid and Tender Document. Bidder will be required to confirm receipt of the same as a token of acknowledgement.

**21.0 FRAUDULENT PRACTICES**

**21.1** IOCL requires that Bidders observe the highest standard of ethics during the award/ execution of Contract. "Fraudulent Practice" means a misrepresentation of facts in order to influence the award of a Contract to the detriment of IOCL, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive IOCL of the benefits of free and open competition.

- a. IOCL will reject a proposal for award if it determines that the bidder recommended for award has engaged in fraudulent practices in competing for the Contract in question.
- b. Bidder is required to furnish the complete and correct information/ documents required for evaluation of their bids. If the information/ documents forming basis of evaluation is found to be false/ forged, the same shall be considered adequate ground for rejection of bids and forfeiture of Earnest Money Deposit.
- c. In case, the information/ document furnished by the Bidder/ Contractor forming basis of evaluation of his bid is found to be false/ forged after the award of the contract, IOCL shall

have full right to terminate the contract and get the remaining job executed at the risk & cost of such Bidder/ Contractor without any prejudice to other rights available to IOCL under the contract such as forfeiture of PBG/ Security Deposit, withholding of payment etc.

- d. In case, this issue of submission of false documents comes to the notice after execution of work, IOCL shall have full right to forfeit any amount due to the Bidder/ Contractor along with forfeiture of PBG/ Security Deposit furnished by the bidder/ contractor.
- e. Further, such bidder/ contractor shall be put on Holiday/ Suspension List of IOCL debarring them from future business with IOCL for a time period, as per the prevailing policy.

21.2 Vendor may be put on "Holiday List/ Suspension List" If a party

- a) has indulged in malpractices such as bribery, corruption, fraud, pilferage, bid rigging/price rigging, injury to reputation or property of the Corporation, acting dishonestly causing wrongful financial loss to the Corporation or wrongful gain to the Party.
- b) is bankrupt or insolvent or is being dissolved or has resolved to be wound up or proceedings for bankruptcy or liquidation or insolvency resolution process or winding up or dissolution have been initiated
- c) has submitted fake, false, fabricated, or forged documents/ certificates
- d) has substituted materials in lieu of materials supplied by IOCL or has not returned or has short returned or has unauthorizedly disposed off materials/ documents/ drawings/tools or plants or equipment supplied by IOCL.
- e) has obtained official company information or copies of documents, in relation to the tender/contract, by questionable methods / means.
- f) has violated and circumvented the provisions of laws including labor laws/ regulations/ rules, safety, environment norms or other statutory requirements.
- g) has indulged in construction and erection of defective works or supply of defective materials
- h) has not cleared IOCL's dues
- i) has committed Breach of Contract or has failed to perform a contract or has abandoned the contract
- j) has not accepted Notice of Acceptance / Letter of Acceptance / Purchase Order / Work Order after the same is issued by IOCL within the validity period and /or as per agreed terms & conditions.
- k) After opening of Bid, the techno-commercially qualified and acceptable bidder withdraws / revises his bid upwards within the validity period.
- l) has parted with, leaked or provided confidential/ proprietary information of IOCL to any third party without prior consent of IOCL
- m) if the security consideration, including questions of loyalty of the party to the State, so warrants
- n) if the Director/ Owner of the party, proprietor or partner of the party is convicted by a Court of Law under process of law for offences involving moral turpitude in relation to its business dealings during the last five years.
- o) If the party uses intimidation/ threatening/coercion or brings undue pressure on IOCL or its official(s) in acceptance/ performances of the job under the contract.
- p) Poor/unsatisfactory performance of the party in one or several contracts.
- q) Transgression of Integrity Pact for which in the opinion of IOCL makes it undesirable to deal with the party.
- r) Based on the findings of the investigation report of any investigative agency, Government Audit, any law enforcement agency or government regulator.
- s) If CBI, or any other investigating agency(ies) recommends such a course along with credible evidence in respect of a case under investigation and If a prima-facie case is made out that the party is guilty of criminal negligence or an offence involving moral turpitude in relation to business dealings which if established may result in business dealing with it being banned.
- t) Any other ground which in the opinion of the Corporation makes it undesirable to deal with the Party.

**Note:** The grounds/ reasons for holiday listing indicated above are merely illustrative.

## **22.0 CARTEL FORMATION / POOL RATES/BID RIGGING/COLLUSIVE BIDDING**

*Cartel formation, bid rigging, collusive bidding are against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices are severely discouraged. Suitable administrative actions which include but no limited to rejecting the offers, forfeiture of EMD (not by way of penalty or liquidated damages but by way of reimbursement of the pre-estimated costs likely to be incurred by the OWNER towards bidding process and in the scrutiny and evaluation of bids), holiday listing action as per policy in vogue for breach of integrity pact may be initiated in such cases.*

## **23.0 REJECTION CRITERIA:**

**A Tender is liable for rejection in the following circumstances, if a bidder:**

- (a) Does not fulfill minimum qualification criteria prescribed in the tender documents.
- (b) In case the bidder misrepresents facts or submits, forged, false or fabricated document.
- (c) Bidder is holiday listed as per prevailing holiday listing guidelines.
- (d) If insolvency resolution process has commenced (viz. application has been admitted by Adjudicating Authority and moratorium has been imposed and IRP has been appointed) or liquidation or bankruptcy proceedings have commenced in respect of bidder in terms of Insolvency and Bankruptcy Code, 2016 or any other applicable law (in cases where code is not applicable) at any stage of evaluation of bid.
- (e) Indulges in tampering of document
- (f) Offer from joint bidders / consortium, unless specifically permitted in the tender for such bidding.
- (g) Bidder is not eligible to participate
- (h) The bidder does not sign the IP Agreement (if applicable)

Tender is also liable for rejection if the bidder:

- (i) If the Earnest Money Deposit/ Bid Security Declaration is not deposited or exemption document (if applicable) is not uploaded before closing date and time of tender
- (ii) Stipulates the validity period of the bids lesser to what is stated in the tender document.
- (iii) Stipulates his own conditions and refuse to withdraw them.
- (iv) Does not fill in and sign the tender acceptance formats as specified in the tender.
- (v) If the bids contain unacceptable terms and conditions.
- (vi) Any discrepancy done with the BOQ uploaded on the e-tender portal.

## **24.0 INTEGRITY PACT**

**24.1** Bidder to submit the 'Integrity Agreement' in the format enclosed in the tender , duly signed and stamped along with the un-priced offer. Scanned copy with duly authorized signature should be uploaded in the e-procurement website under e-bidding. Price bids of bidders refusing to submit the duly signed and stamped Integrity Pact may not be opened.

**24.2** Submission of duly signed IP, along with tender, is a mandatory prerequisite for Bids to be eligible for further evaluation. The signed IP should be complete in all respect and is required to be uploaded in the e-tender portal along with the Bid. Bid not having the duly signed IP attached with it will be rejected. Partial submission of IP document will also not be considered. The "Integrity Pact document" should be included in the "list of documents" to be submitted with the tender.

The details of IndianOil's Nodal Officer & Independent External Monitors (IEMs) are available on [iocl.com](http://iocl.com) and the URL for the same is given below :<https://www.iocl.com/Talktous/IntPact.aspx>

Common e-mail ID of all Independent External Monitors (IEMs) is [iem- iocl@indianoil.in](mailto:iem-iocl@indianoil.in)

## **25.0 RESOLUTION OF DISCREPANCY IN QUOTED RATES / CHARGES**

If the bidder has quoted rates / charges at more than one place in the bid document, then in case of discrepancy between the quoted rates / charges, higher(st) shall be considered for evaluation and lower(st) for ordering.

## **26.0 LANGUAGE OF BID**

**26.1** The Bid prepared by the bidder, all correspondence/drawings and documents relating to the bid exchanged by the bidder with IOCL shall be in English Language alone provided that any document furnished by the bidder may be written in another language so long as accompanied by an English translation, in which case, for the purpose of interpretation of the bid, the English translation shall govern.

**26.2** In the event of submission of any document/ certificate by the Bidder in a language other than English, the English translation of the same duly authenticated by Chamber of Commerce of Bidder's country shall be submitted by the Bidder. Translation by Indian Embassy / High Commission or authorized / approved translation agencies (by Indian Embassy / High Commission) or any other independent authority shall also be acceptable apart from the Local Chamber of Commerce of country of origin.

## **27.0 EARNEST MONEY DEPOSIT**

### **EMD for Indian Bidders: wherever EMD is taken instead of BSD**

a) In case of procurement through GeM:

EMD to be submitted by the bidders in the form of Bank Guarantee (irrespective of EMD value) or Insurance Surety bond on GeM portal in the prescribed format of GeM. Scanned copy of the same shall be uploaded by Seller in the online bid and hard copy of the same will have to be submitted directly to the buyer within 5 working days of bid opening. This is in line with GeM GTC.

b) In case of procurement through e-tender portal:

**EMD amount upto Rs. 1 lac.:** EMD to be submitted through online payment at IOCL e- tender portal along with the offer. EMD payment through Demand Draft, Bankers Cheque and Swift Transfer shall not be accepted.

**EMD amount more than Rs. 1 lac:** EMD can be submitted through online payment at IOCL e-tender portal along with the offer or through Bank Guarantee (BG) or Insurance Surety Bond (ISB). Validity of BG/ISB in lieu of EMD shall be at least 3 months beyond bid validity. Bank Guarantee must be strictly as per IOCL format as per IOCL GPC. Insurance Surety Bond must be strictly as per IOCL format. Scanned Copy of EMD instrument i.e., Bank Guarantee/ Insurance Surety Bond has to be uploaded in the un-priced bid and the bidder should also ensure that the above-mentioned Original BG/ISB in physical form duly enclosed in a sealed envelope super-

scribed with "Offline EMD", Bidder's Name, Tender No., Bid Submission End Date & Item, is received at the Office of Tender issuing authority as per following schedule

- I. Single Bid Tenders: Before due date and time of opening of bids.
- II. Two Bid Tenders: Within 7 working days from the date of opening of technical bids.

**Note:**

- i. For the purpose of receipt of BG/ISB, the time recorded in the Receipt / Dispatch section against receipt shall be considered as receipt time.
- ii. Only those Physical BG/ISB instruments found matching with the copy submitted in the e-portal shall be considered as valid.
- iii. IOCL shall not be responsible for postal/courier delay, non-receipt or loss in transit.
- iv. In case bidder does not submit EMD as mentioned above, then the bid shall be liable for rejection.

**27.1 EMD for Foreign Bidders**

- 27.1.1.1 EMD amount upto Rs. 1 lac: EMD to be submitted through online payment at IOCL e-tender portal along with the offer. EMD payment through Demand Draft/ Bankers Cheque/Swift Transfer shall also be accepted.
- 27.1.1.2 EMD amount more than Rs. 1 lac: EMD can be submitted through online payment at IOCL e-tender portal along with the offer/Demand Draft/Swift Transfer or Bank Guarantee (BG). Validity of BG in lieu of EMD shall be at least 3 months beyond bid validity. Bank Guarantee must be strictly as per IOCL format as per IOCL GPC.

In case of submission of physical EMD instrument i.e. Demand Draft/ Bankers Cheque/Bank Guarantee, scanned Copy of EMD instrument has to be uploaded in the un-priced bid and the bidder should also ensure that the Original EMD instrument in physical form duly enclosed in a sealed envelope super-scribed with "Offline EMD", Bidder's Name, Tender No., Bid Submission End Date & Item, is received at the Office of Tender issuing authority as per following schedule:

- I. Single Bid Tenders: Before due date and time of opening of bids.
- II. Two Bid Tenders: Within 7 working days from the date of opening of technical bids.

**Note:**

- i. For the purpose of receipt of Physical EMD instrument, the time recorded in the Receipt / Dispatch section against receipt shall be considered as receipt time.
- ii. Only those Physical EMD instrument found matching with the copy submitted in the e-portal shall be considered as valid.
- iii. IOCL shall not be responsible for postal/courier delay, non-receipt or loss in

- transit.
- iv. EMD shall be in equivalent US Dollar. Based on authorization by foreign bidder, their Indian associates may be allowed to submit EMD in INR in form of only online payment at IOCL e-tender portal.
  - v. In case bidder does not submit EMD as mentioned above, then the bid shall be liable for rejection.

**EMD is not required in the following cases:**

- a) Single tender (Proprietary/ Non-Proprietary).
- b) Limited Tender Enquiries with estimated values upto Rs.100 Lac
- c) Micro & Small Enterprises (MSE). EMD benefit shall not be given to traders registered as MSEs
- d) Government organization & Public Sector Undertaking of the Central / State Government
- e) JV/subsidiary companies of IOCL
- f) Startups
- g) In case of procurement through GeM, EMD exemptions shall be applicable as per GeMGTC.

**27.2 Release of EMD**

In case of procurement through GeM: EMD shall be released in line with GeM GTC as defined below:

- i. EMD of unsuccessful bidders shall be returned within 15 days after the award of contract or expiry of bid validity whichever is earlier.
- ii. In case of two bid system, EMD of unsuccessful bidders during first stage i.e. technical evaluation should be returned within 15 days of declaration of result of first stage itself i.e. technical evaluation.
- iii. EMD of successful bidder shall be returned within 15 days after receipt of Performance Security / e-PBG.

In case of other than GeM procurement:

- i. EMD of bidders disqualified during techno-commercial bid evaluation shall be released within 30 days of approval of Price Bid Opening.
- ii. EMD of bidders qualified in the techno-commercial bid but unsuccessful in the price bid stage shall be released within 30 days of issuance of order/ LOA.
- iii. EMD of the successful bidder shall be released after receipt of an acceptable PBG (if applicable) or on order acceptance, wherever PBG is not applicable.

**27.3 Forfeiture of EMD:** Following shall form part of the tender documents:

Earnest Money shall be forfeited in the following circumstances:

- i. In case the bidder tampers the tender document, alters / modifies / withdraws the bid suo- moto after opening the bids (Technical bids in case of two bid system) within the validity period.
- ii. In case the bidder submits false/fraudulent/fake/ forged documents.  
In case the tender is accepted, and the vendor fails to deposit the PBG or to execute the contract.

In (i) and (ii) above the tender submitted by the bidder shall be rejected. In all the above cases suitable penal action may be taken which may include EMD forfeiture and / or holiday listing action as per the discretion of IOCL. In case of procurement through GeM, relevant policy of GeM shall be applicable.

27.4 EMD in original shall be submitted at address as mentioned in SPC.

**28.0 INFORMATION REQUIRED FROM FOREIGN SUPPLIERS / CONTRACTORS / CONSULTANTS**

28.1 It is mandatory for the foreign supplier/contractor/consultant to furnish the following information in case their receipts are subject to tax deduction at source in India:

- a. PAN Number as per the Indian Income Tax requirements failing which the Supplier/Contractor/Consultant shall be responsible for any additional tax deduction at source as per the provisions of the Indian Income Tax Act/Rules and the same shall be deducted from the payment made to supplier/contractor/consultant.
- b. Tax Residency Certificate (TRC) containing prescribed particulars as per the enclosed Annexure C from the Government of foreign country in order to claim the benefits of Double Taxation Avoidance Agreement (DTAA) as per the Indian Income Tax requirements failing which the relief under DTAA will not be available and consequently the higher rate of withholding tax @25% will be applicable and deducted from the payment made to supplier/contractor/consultant (i.e., non-resident taxpayer). The TRC shall be duly verified by the Government of the country of which the assessee claims to be a resident for the purposes of tax.
- c. In addition to TRC, bidder in order to claim the benefits of DTAA shall also submit additional information in form number 10F (enclosed in "Bid\_Document.xls"). Form 10F has to be signed & verified by the assessee himself.

28.2 If some information is already contained in TRC, the bidder shall not be required to provide that information in Form no. 10F but even then Form no. 10F is required to be provided by the bidder.

28.3 However, the bidder may write Not Applicable in the relevant column in case that information is already contained in TRC.

28.4 The above shall be furnished before release of any payment or within one month of the release of Order, whichever is earlier.

**29.0 REQUIREMENT OF EMPLOYMENT VISA FOR FOREIGN NATIONALS**

29.1 All Foreign nationals coming to India for execution of Projects/ Contracts will have to apply for Employment Visa only and that grant of Employment Visa would be subject to strict adherence of following norms:

- a. Employment Visa is granted only for the skilled and qualified professionals or to a person who is being engaged or appointed by a Company, Organization, Industry or Undertaking etc. in India on contract or employment basis at a senior level, skilled position such as technical expert, senior executive or in managerial position etc.
- b. Request for Employment Visa for jobs for which large number of qualified Indians are available, is not considered.
- c. Under no circumstances an Employment Visa is granted for routine, ordinary jobs.

**29.2** Bidders are advised in their own interest to check latest Visa rules from Indian Embassy/ High Commission in their country in case Foreign nationals are required to be deputed to India during execution of the Contract.

**30.0** **ARBITRATION & CONCILIATION**

Arbitration & Conciliation shall be as per clause 34 of GPC and its amendment.

**31.0** **PRE PRICE BID MEETING**

IOCL reserves the right to conduct Pre Price Bid Meeting.

No technical issues shall be raised / discussed by either side during Pre-Price Bid meeting.

Based on discussions in the pre-price bid conference, deviations, if any, from tender terms and conditions shall be communicated in writing to all the bidders /uploaded on e-portal and they shall be asked to submit price implication when substantial changes are made after taking into account the modified terms and conditions including deviations, within stipulated period. If bidders take any further deviations, their offer shall be rejected outright. Price implications received after the stipulated date are not to be considered. Bidders unable to comply with IOCL's terms and conditions including proposed deviations will be allowed to withdraw and withdrawal and EMD of such bidder shall be returned.

If a bidder takes any further deviations other than those agreed, while submitting the revised price bids, its bid shall be rejected outright without any reference. In case it is found after opening that any deviation is incorporated in the revised price bid, bidder is also liable to be placed on holiday list for future tenders in IOC after following the laid down policy in this regard.

**32.0** **ONE BID PER BIDDER**

A Bidder shall submit only one bid in the same bidding process. A Bidder who submits or participates in more than one bid will cause all the offers in which the bidder has participated to be disqualified.

Alternative price bids are not acceptable.

Each tenderer / bidder can submit only one tender / bid for one package. The names of specialized sub-contractor(s) (sub-vendors, if any) may, however, appear in different offers submitted by different tenderers.

i. A person shall be deemed to have submitted more than one bid if a person bids in an individual or proprietorship format at and/or in a partnership or association of persons format and/or in a company format.

ii. A company shall for this purpose include any artificial person whether constituted under the laws of Indian or of any other country.

iii. A person shall be deemed to have bid in a partnership format or in association of persons format if he is a partner of the firm which has submitted the bid or is a member of any association of persons which has submitted a bid.

iv. A person shall be deemed to have bid in a company format if the person holds more than 10% (ten percent) of the voting share capital of the company which has submitted a bid, or is a director of the company which has submitted a bid, or holds more than 10% (ten percent) of voting share capital in and/or is a director of a holding company of that company which has submitted the bid.

By making a bid pursuant to the Tender Documents, the bidder / tenderer shall be deemed to have declared that the bidder / tenderer has not made any other bid or a multiple bid as understood or deemed in terms of this clause.

All the multiple bids of a bidder shall be rejected and the Earnest Money Deposit for all such bids shall be forfeited, not by way of penalty or liquidated damages but by way of reimbursement of the pre-estimated costs likely to be incurred by the OWNER towards bidding process and in the scrutiny and evaluation of bids.

**33.0 AUTHORIZATION TO SUBMIT BIDS:**

In tenders, either the manufacturer or its authorized dealer can be considered as valid bidders. Where bids have to be taken only from the manufacturer, suitable reasons shall be recorded. However, one bidder shall not be allowed to submit multiple bids as authorized agent from different manufacturer. In other than proprietary / branded item tenders, where the manufacturer has submitted the bid, the bids of its authorized dealer will not be considered and EMD, if any, will be returned.

**34.0 COMPLIANCE TO TENDER DOCUMENT**

Bidder shall submit the compliance to the TENDER document as per the proforma attached in "Bid\_Document.xls". Non-compliant bids may be rejected and clarifications may not be sought if sufficient compliant bids are received.

**35.0 ROYALTY INFLOW**

In case of any benefit to IOC R&D for the usage of IOC R&D formulations by the bidder in the form of royalty, such royalty inflow net of prevailing taxes / surcharges, should be deducted from the quoted price as specified in the tender documents.

**36.0 REVERSE AUCTION (If Applicable)**

"Bidders are advised to quote their best competitive rate(s) in the price bid (BoQ) as the L1 bidder shall be decided on the basis of price quoted in the price bid (BoQ) subject to evaluation criteria. However, IOCL Reserves the right to go for Reverse Auction. In that case L1 bidder shall be decided based on the lowest bid rate(s) against the auction and quoted rate(s) in the price bid (BoQ) subject to evaluation criteria". For example, if the lowest evaluated price of BoQ is X and the lowest evaluated price obtained during Reverse Auction is Y. Then Minimum of (X, Y) will be the L1 price.

In case of Reverse auction, the RA shall start with an initial Starting Price. Any Bidder can quote his price below the Current price only. Bidders will quote the price considering the loading factor for evaluated price as per evaluation criteria.

For example if Basic Price to be quoted by bidder is: Rs.100.00, GST is: 18% extra.

Then Landed price shall be  $100 \times 1.18 =$  Rs. 118 shall be Landed price and Loading factor shall be  $118/100 = 1.18$ .

The above example is only for understanding purpose and may not be applicable in all cases. The evaluation factor shall be worked out in every case separately based on tender conditions and Techno-Commercial offer of the specific bidder.

Wherever required the Loading factor shall be informed to the bidders before start of RA. In other cases the bidder shall calculate his loading factor as per evaluation criteria mentioned in the

tender document. The bidder has to quote only evaluated price based on already informed loading(s) relevant to that bidder or by applying loadings as per evaluation criteria mentioned in Tender conditions wherever the loading factor is not conveyed prior to start of Reverse Auction.

Criteria of Qualifying for Reverse Auction (Elimination Clause):

a) In case of tenders without preferential bidding:

If there are more than three (3) techno-commercially acceptable bids, bidder having highest quote (H1 bidder) will be rejected.

b) In case of tenders with preferential bidding and if there are more than three (3) techno-commercially accepted bidders:

I. H1 bidder will be rejected if he is a non-preferential bidder

II. In case if H1 bidder is a preferential bidder, H1 bidder will be rejected if his quote is beyond the defined tolerance limit of L1 price as per his preferential category.

c) In case of more than one H1 bidders (H1 tie), latest bid received (bidder whose bid is received at the last) out of all H1 bidders will be rejected as per provisions mentioned above.

d) In case of multi-lot auction, itemwise H1 bidder will be disqualified as per the provision mentioned above.

e) An intimation by mail/SMS shall be provided to the eligible bidders for Reverse Auction

For the purpose of extending MSME or any other preference /benefit as per guidelines, the latest quote of respective MSME bidder(s) during the tender-cum-auction process shall be considered.

IOCL reserves the right to conduct price negotiation with overall L1 bidder based on price quoted in BoQ and RA.

## **37.0 SAFETY PROCEDURES AND PRACTICES:**

### **37.1 PENALTIES FOR VIOLATION / NON-ADHERENCE OF SAFETY PROCEDURES AND PRACTICES**

For execution of Purchase Orders involving site work based on the job requirements, all security/ safety rules/ regulation/ statutes as prevailing at work site at the time of execution of the job will have to be strictly complied with. All safety equipment like fire hoses, fire extinguishers, safety belts, safety shoes, safety helmets etc. are to be provided by the successful bidder to its site personnel. In the event of any damage or loss or sufferance caused due to non-observance of any such rules/ regulations, the bidder shall be solely responsible for the same and shall keep IOCL indemnified against all such claims or losses arising out of the same. Penalties shall be imposed for violation of safety norms as under, in addition to Holiday Listing if deemed fit by IOCL.

I. For violation of applicable Safety, Health and Environment related norm, a penalty of Rs.5000/per occasion.

II. Violation as above resulting in any physical injury, a penalty of 0.5% of the contract value (maximum of Rs.2,00,000) per injury in addition to Rs.5000 / per occasion as in item-I.

III. Fatal accident, a penalty of 1% of the contract value (maximum of Rs.10,00,000) per injury in addition to Rs.5000/per occasion as in item-I.

All labour law/ statutes/ rules/ regulations including minimum wages act, employees state insurance, payment of bonus act, employees provident fund, contract labour law etc. are to be strictly complied with. Bidder will be solely responsible for any claim/ liability arising due to/ on account / consequent to the workmen engaged by him. Bidder shall keep IOCL indemnified against all such claims of whatsoever nature.

Bidder at its own expenses shall take out workers compensation insurance to cover any claim that may be made by bidder's employees and/ or their heirs and dependents alleging bodily injuries sustained or death suffered by employees as a result of or in connection with the performance of any bidder's obligations under this agreement and will hold IOCL and its employees and representatives harmless from any and all such claims. Bidder's insurance policy shall include a waiver clause as to any insurer's actions against IOCL, its employees and representatives.

The vendor should be advised to take appropriate insurance policy for the effective implementation of the above penalty provision.

In case of accidents depending on the seriousness of injury etc. in addition to the hospitalization / treatment charges and group insurance amount, compensation shall be paid by the vendor to the affected person / his family members in presence of Engineer-in-charge as per Workmen Compensation Act.

The bidder shall keep IOCL both during and after the term of agreement, fully & effectively indemnified against all losses, damages, injuries, deaths, expenses, actions, proceedings, demands and costs & claims, including but not limited to, legal fees & expenses, suffered by IOCL or any third party for such losses, damages, injuries or death as the result of a wrongful action, negligence or violation of the job site regulations by the bidder or its subcontractors or the personnel or agents or either of them.

### **37.2 SAFETY PROCEDURES AND PRACTICES FOR CHEMICALS, ETC.**

For hazardous chemical/item, all precautionary measure as per regulation from the point of transportation/ handling/ storage/ safety/ health/ environment to be undertaken/ specified before dispatch. During dispatch, proper symbol for the hazard/ MSDS/ Batch No./ date of manufacturing/ Gross Weight/ Net Weight/ shelf Life etc are to be written/ printed/ pasted on the body of the packing.

### **37.3 SAFETY PRACTICES IN MATERIAL DISPATCH**

Refinery being sensitive establishment from fire and safety point of view therefore vehicle shall be allowed in battery area only equipped with fire extinguisher and spark arrestor. The personal entering Refinery area shall be equipped with PPEs. Site work safety to be ensured by complying with safety norms.

Truck / Tanker should report at IOCL gate as per Unit's instruction (excluding Sundays or holidays as per Refinery norms) in order to facilitate unloading at the earliest and release of trucks.

Motor vehicle act: Vehicles shall follow motor vehicle act 1988 & its latest updated revision and all other applicable laws of land during transportation of the material from bidder's works to IOCL site.

Successful Vendor to also ensure availability of required original and valid documents like RC Book, Insurance Papers, Fitness certificate of Vehicle (Tanker/Truck/Container), Driving License and Cleaner's photo pass etc. at the time of dispatch of Materials & delivery at IOCL site. This shall enable CISF at IOCL site to allow them inside Refinery/ Naphtha Cracker due to security reasons and avoiding any hassles at IOCL Gate. In case of non availability of original RC Book in the vehicle, Notarised (True Copy) of RC Book will also be accepted. **Vehicle propelled by CNG/LPG or vehicles having less than 4 wheels viz. 3 wheelers etc. may not be allowed in Refinery.**

**38. NET WORTH REQUIREMENT (APPLICABLE- FOR EQUIPMENT/PACKAGES OF TENDER VALUE > INR 75 Cr / NOT APPLICABLE)**

- Bidder shall have positive Net worth. To establish the same, the bidder shall furnish the latest Audited Financial Statement including Auditors reports, Audited Balance Sheet, Profit & Loss Account, Notes, Annexures (if any) etc. In case the NIT publication date is within September or last date for filing audited balance sheet as notified by CBDT, the bidder can submit the audited statements of the immediate previous Financial Year of the preceding year after giving a self-certification stating that the audited balance sheet of preceding year is not yet available.
- The net worth means paid up share capital, share application money pending allotment\* and reserves # less accumulate losses and deferred expenditure to the extent not written off.  
# Reserves to be considered for the purpose of net-worth shall be all reserves created out of the profits and securities premium account but shall not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.  
\*Share application money pending allotment will be considered only in respect of share to be allotted. Accordingly, the definition of net-worth shall be as follows:  
Paid up share capital XXXX  
Add: Share application money pending allotment XXXX  
Add: Reserves (as defined above) XXXX  
Less: Accumulate Losses XX  
Less: Deferred revenue expenditure to the extent not written off XX  
Net-worth XXX
- All documents furnished by the bidder in support of Net Worth Compliance above shall
- be:
  - a) Duly audited by Statutory Auditor of the bidder or a practicing Chartered Accountant (not being an employee or a Director and not having any interest in the bidder's company) where audited accounts are not mandatory as per law.  
OR
  - b) Duly notarized by any notary public in the bidder's country or certified true copies duly signed, dated and stamped by an official authorized for this purpose in Indian Embassy/ High Commission in Bidder's country."  
OR
  - c) Self-certification in original from CEO or CFO or Company Secretary of the bidder (Limited company only) as per Annexure 17. This option shall not be applicable to Proprietorship/ Partnership firms.
- The failure to meet Net-Worth Criteria as mentioned above will render the bid to be summarily rejected.

**(Letter from Statutory Auditor/CA)**

***(To be printed on Letter Head of Statutory Auditor/CA)***

**FINANCIAL DETAILS**

We, \_\_\_\_\_, a CA firm having our registered office address \_\_\_\_\_ and certificate number \_\_\_\_\_ certify that we are statutory auditor of the Company M/s \_\_\_\_\_, having its registered office at \_\_\_\_\_.

OR

We, \_\_\_\_\_, a CA firm having our registered office address \_\_\_\_\_ and certificate number \_\_\_\_\_ certify that statutory auditor is not mandatory for the company M/s \_\_\_\_\_, having its registered office at \_\_\_\_\_ as per prevailing law and we are practicing Chartered Accountant, not being an employee or a Director or not having any interest in the company.

Financial details of the above mentioned Company, as per latest available audited balance sheet are as follows: Auditor/CA to select either of the following options and strike off the other.

- a. In case bidder is a parent company, i.e., having its wholly owned subsidiaries: Auditor to select either of the following options and strike off the other.
  - i. Financial details are of parent company without the financial data of subsidiaries
  - ii. Financial details are of parent company including the financial data of subsidiaries. It is certified that separate annual report of bidder, without the financial data of subsidiaries, is not prepared and audited.

OR

- b. In case bidder is a subsidiary company: Auditor to select either of the following options and strike off the other.
  - i. Financial details are of subsidiary company
  - ii. Financial details are of parent company including the financial data of subsidiaries. It is certified that separate annual report of bidder, i.e., subsidiary, is not prepared and audited.

OR

- c. In case bidder does not have any subsidiary or parent company, Financial details of are of the company itself.

S no.	Description	Year	Value Currency (_____)
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1.	Turnover	Latest financial year (_____)	
		Preceding 1 <sup>st</sup> year (_____)	
		Preceding 2 <sup>nd</sup> year (_____)	
2.	Net Worth	Latest financial year (_____)	(*)

(\*) – Indicate Positive or Negative (Value is not Mandatory)

Note:

1. In case the financial year closing date is within 9 months of bid due date and audited annual report of immediate preceding financial year is not available, bidder has the option to submit the financial details of the three previous years immediately prior to the last financial year. Otherwise, it is compulsory to submit the financial details of the immediate three preceding financial years.

Example, In case, audited annual report of immediate preceding financial year (year ending 31<sup>st</sup> March) is not available and where bid closing date is up to 31<sup>ST</sup> December, the financial details of the three previous years immediately prior to the last financial year may be submitted. However, in case the bid closing date is after 31<sup>st</sup> December, it is compulsory to submit the financial details of the immediate three preceding financial years only..

2. In case a bidder (Parent Company) is having wholly owned subsidiaries but only a single consolidated annual report is prepared and audited, which includes the financial details of their wholly owned subsidiaries, consolidated audited annual report shall be considered for establishing the financial criteria subject to statutory auditor of the bidder certifying that separate annual report of bidder (without the financial data of subsidiaries) is not prepared and audited.
3. Further, in case a bidder is a subsidiary company and separate annual report of the bidder is not prepared and audited, but only a consolidated annual report of the Parent Company is available, consolidated audited annual report shall be considered for establishing the financial criteria subject to statutory auditor of the parent company certifying that separate annual report of bidder is not prepared and audited.
4. **Networth calculation:** Networth means paid up share capital, Share Application Money pending allotment\* and reserves# less accumulated losses and deferred expenditure to the extent not written off. Networth has been calculated using the following formula, as per provisions of the enquiry document:

# Reserves to be considered for the purpose of networth shall be all reserves created out of the profits and securities premium account but shall not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

\*Share Application Money pending allotment will be considered only in respect of share to be allotted.

Paid up share capital	XXXX	
Add: Share Application Money pending allotment	XXX	
Add: Reserves (As defined Above)	XXXX	
Les: Accumulated Losses	XX	
Less: Deferred Revenue Expenditure to the extent not written off		<u>XX</u>
Networth	<u>XXXX</u>	

5. **Turnover:** Turnover shall be calculated including GST but excluding other Incomes.
6. Networth and Turnover has been calculated using the above mentioned formulae and after giving effect to the impact of Audit Qualifications given in the Audit Report.

Signature

Name & Designation

**39. Withdrawal of bid and refusal to accept order placed within validity**

*If a bidder withdraws its bid within validity period for any reason, their bid shall not be further evaluated, and suitable penal action taken which may include EMD forfeiture (if any) (not by way of penalty or liquidated damages but by way of reimbursement of the pre-estimated costs likely to be incurred by the OWNER towards bidding process and in the scrutiny and evaluation of bids) and / or holiday listing action as per the discretion of IOCL.*

**40. Time barred Claim:**

All claims are time barred after a period of three years calculated from the date when the payment falls due unless claim has been acknowledged to be payable, in writing.

**41. Cancellation for Convenience**

After placement of the contract, there may be an unforeseen situation compelling IOCL to cancel the contract. In such a case, a suitable notice will be sent to the supplier for cancellation of the contract, in whole or in part, for IOCL's convenience. Depending on the merits of the case, the supplier may be suitably compensated on mutually agreed terms for cancelling the contract.

**42. HOLIDAY LISTING:**

The holiday listing shall be bidder specific & when the bidder is put on holiday, all the offices of the bidder shall be on holiday for all locations of IOCL & for all Services / locations of the bidder. If the bidder placed on holiday is a proprietary concern, all the concerns of the same proprietor shall also be considered to be on holiday and if that proprietor is the managing partner of any firm, such firm shall also be considered to be on holiday.

**43. BIDDERS UNDER INSOLVENCY OR LIQUIDATION OR BANKRUPTCY PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

Offers from the following type of bidders shall not be considered:

- (a) Bidder(s) who are undergoing insolvency resolution process or liquidation or bankruptcy proceeding under Insolvency and Bankruptcy, Code 2016
  - (b) Bidder(s) whose insolvency resolution process or liquidation or bankruptcy proceeding is initiated under the Code at any stage of evaluation of the bid.
- It will be responsibility of the bidder to inform IOCL within 15 days from the date of order of insolvency resolution process or liquidation or bankruptcy proceeding passed by the Adjudicating Authority namely, National Company Law Tribunal (NCLT) or Debt Recovery Tribunal (DRT) under the code.
  - If bidder refuses or fails to share the information regarding their status of insolvency resolution process or liquidation or bankruptcy proceeding in their bid or at any later stage, their offer is liable to be rejected by IOCL.
  - IOCL reserves the right to cancel/terminate the contract without any liability on the part of IOCL immediately on the commencement of insolvency resolution process or liquidation or bankruptcy proceeding of any party under the contract.
  - IOCL reserves its right to evaluate and finalize the bid without considering the bid of any party undergoing insolvency resolution process or liquidation or bankruptcy proceeding under the Code

regardless of the stage of tendering.

- A Declaration / Undertaking shall be submitted by the bidder in the attached format along with the techno-commercial bid.
- If the supplier becomes bankrupt or becomes otherwise insolvent or undergoes liquidation or loses substantially the technical or financial capability (based on which he was selected for award of contract), at any time, the contract may be terminated, by giving a written notice to the supplier, without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to IOCL. All advance / milestone payments shall be recovered / reconciled and EMD, if any, forfeited.

**PERFORMA FOR DECLARATION ON NCLT / NCLAT /DRT /DRAT/ COURT RECEIVERSHIP/ LIQUIDATION) { to submitted in Bid\_Documents }**

Tender No : .....

Bidder Name: .....

I/ We hereby declare that I/We /M/s \_\_\_\_\_, declare that :

(i) I / We am/are not undergoing insolvency resolution process or liquidation or bankruptcy proceeding as on date.

Or,

(ii) I / We am/are undergoing insolvency resolution process or liquidation or bankruptcy proceeding as on date as per details mentioned below. (Attached detail with technical bid)

**Note :- Strike out which is not applicable.**

It is understood that if this declaration is found to be false, Indian Oil Corporation Ltd. shall have the right to reject my/our bid, and forfeit the EMD. If the bid has resulted in a contract, the contract will be liable for termination without prejudice to any other right or remedy (including black listing or holiday listing) available to Indian Oil Corporation Ltd.

Place:

Signature of Bidder

Date:

Name of Signatory

**PANEL OF BANKS FOR ACCEPTANCE OF BANK GUARANTEE FROM CUSTOMERS / SUPPLIERS / CONTRACTORS**

1. Bank Guarantees shall be as per IOCL format. For GeM, BG format available on GeM portal shall be applicable.
2. BGs less than Rs. 2 cr may be accepted from any scheduled bank (including nationalized banks, other scheduled commercial banks, scheduled cooperative banks and scheduled regional rural banks) as appearing in the Second Schedule to the RBI Act 1934
3. Bank Guarantee(s) shall be submitted as per the following details:

**i. Selection of Bank**

- a) BG upto Rs. 2 Crore can be accepted if it is issued by an Indian branch of any scheduled bank appearing in the Second Schedule to the RBI Act, 1934.
- b) BG of above Rs. 2 Crore can be accepted if it is issued by an Indian branch of:
  - i. Any Nationalized / PSU bank appearing in the Second Schedule to the RBI Act, 1934.

**Or**

- ii. Any scheduled bank (other than a Nationalized Bank / PSU bank) having at least desired Credit Rating at the time of acceptance of BG

**ii. Desired credit rating is defined as under:**

- a) In case of foreign banks:
    - 1) If the tenor of BG is more than 1 year: credit rating of 'A' of Moody's or equivalent
    - 2) If the tenor of BG is upto 1 year: credit rating of 'P-1' of Moody's or equivalent i.e. highest short term rating
  - b) In case of Indian banks:
    - 1) If the tenor of BG is more than 1 year: credit rating of: 'AA' of CRISIL or equivalent.
    - 2) If the tenor of BG is upto 1 year: credit rating of 'A 1 +' of CRISIL or equivalent i.e. highest short term rating
4. Apart from above, BG, irrespective of its amount, issued by any other bank including but not limited to non-scheduled banks, foreign branches of scheduled banks and

foreign branches of foreign banks, can be accepted provided such BG is counter guaranteed by any bank mentioned above at (i) b.

5. Credit Rating

The Vendor shall note that, in case of acceptance of BG issued or counter guaranteed by a bank mentioned at para (i) b (ii), if the credit rating of such bank falls below the Credit Rating mentioned under clause (i) b (ii) during the validity period of BG, the Vendor shall either submit a fresh BG or get the existing BG counter guaranteed, at its own cost, through a bank mentioned above at (i) b (having at least desired Credit Rating as mentioned above, if applicable). In case of non-submission of bank guarantee(s), without prejudice to any other right or remedy available to the owner, the owner shall be entitled to encash the bank guarantee(s).

6. Bank Guarantee is an agreement between Bank and beneficiary (IOCL) and the same is issued directly by the bank in favor of beneficiary. Accordingly, the stamp paper of appropriate value is required to be purchased in the name of the bank issuing the guarantee.
7. In the stamp paper, First Party to the Bank Guarantee should be the Bank issuing the Guarantee and the Second Party should be the Beneficiary i.e. IOCL.

**Beneficiary Bank details for BG purpose shall be as per SPC.**

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**INTEGRITY PACT**

**Covering Letter with each tender on IOCL Letter Head**

Ref: Dated: To,

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Sub: Tender no. for

Dear Sir

**Declaration by Indian Oil Corporation Limited**

Indian Oil Corporation Limited (IOCL) hereby declares that IOCL has signed an MOU dated 18<sup>th</sup> January 2008 with Transparency International India for the adoption of the Integrity Pact Program and stands committed to following the principles of transparency, equity and competitiveness in public procurement. The said MOU can be accessed at the IOCL website i.e. <http://www.iocl.com/Aboutus/DraftMOU.pdf>

The subject Notice Inviting Tender (NIT) is an invitation to offer made on the condition that the Bidder will sign the Integrity Agreement, which is an integral part of tender documents, failing which the tenderer/bidder will stand disqualified from the tendering process and the bid of the bidder would be summarily rejected.

Yours faithfully,

For and on behalf of Indian Oil Corporation Limited

(Authorized Signatory)

**Covering Letter required to be signed and submitted by the tenderer**

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Ref: Dated:

To,

Indian Oil Corporation Limited

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Sub: Submission of Offer for Tender no. for

Dear

Sir

The Bidder acknowledges that Indian Oil Corporation Limited (IOCL) has signed the MOU with Transparency International India for the adoption of the Integrity Pact Program and stands committed to following the principles thereof as enumerated in the Integrity Agreement enclosed with the tender document.

The Bidder agrees that the Notice Inviting Tender (NIT) is an invitation to offer made on the condition that the Bidder will sign the enclosed Integrity Agreement, which is an integral part of tender documents, failing which the tenderer will stand disqualified from the tendering process. The Bidder acknowledges that the Bid would be kept open in its original form without variation or modification for a period of days (state the number of days from the last date for the receipt of tenders stated in the NIT) AND THE MAKING OF THE BID SHALL BE REGARDED AS AN UNCONDITIONAL AND ABSOLUTE ACCEPTANCE of this condition of the NIT.

Bidder confirms acceptance and compliance with the Integrity Agreement in letter and spirit and further agrees that execution of the said Integrity Agreement shall be separate and distinct from the main contract, which will come into existence when bid is finally accepted by IOCL. The Bidder acknowledges and accepts the duration of the Integrity Agreement, which shall be in line with Article 8 of the enclosed Integrity Agreement.

Bidder acknowledges that in the event of Bidder's failure to sign and accept the Integrity Agreement, while submitting the Bid, IOCL shall have unqualified, absolute and unfettered right to disqualify the tenderer and reject the Bid in accordance with the terms and conditions of the tender.

Yours  
faithfully,

(Duly authorized Signatory of the  
Bidder)

(Note - One copy of this letter along with the Integrity Agreement duly signed must be returned alongwith offer).

## **Government Procurement Policies**

Following Public Procurement Policies are applicable during procurement.

### **(A) Public Procurement Policy for Micro and Small Enterprises (MSEs).**

The Procurement Policy for Micro and Small Enterprises, 2012 [amended 2018 and 2021] has been notified by the Government in exercise of the powers conferred in Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Details of the policy along with the amendments issued in 2018 and 2021 are available on the MSME website.

Micro and Small Enterprises (MSEs) registered under Udyam Registration are eligible to avail the benefits under the policy.

<https://dcmsme.gov.in/pppm.htm.aspx>

<http://www.dcmsme.gov.in/schemes/Listof358itemsReserved.pdf>

### **(B) Relaxation of Norms for Startups and Micro & Small Enterprises-2016**

The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document (*Rule 173 (i) of GFR 2017*). As per Department of Expenditure's OM No.F.20/2/2014-PPD dated 20.09.2016, relaxation regarding the prior turnover and prior experience is applicable only to all startups recognized by Department of Industry & Internal Trade (DPIIT) subject to meeting of quality and technical specifications. Startups may be MSMEs or otherwise.

<https://dpe.gov.in/sites/default/files/R-86.pdf>

### **(C) Public Procurement (Preference to Make in India), Order 2017**

To encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, Department of Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India, issued Public Procurement (Preference to Make in India), Order 2017. Latest revision to the Order notified vide OM No. P-45021/2/2017-PP (BE-II) issued by DPIIT, dated 16.09.2020. The Order is applicable on the procurement of Goods, Works and Services. Relevant circular link given below.

<https://dpiit.gov.in/public-procurements> . This is to be read in conjunction with MoPNG.

### **(D) Procurement Preference for Domestically Manufactured Electronic Products (Deleted)**

**(E) POLICY FOR PROVIDING PREFERENCE TO DOMESTICALLY MANUFACTURED IRON AND STEEL PRODUCT IN GOVT PROCUREMENT (DMI&SP)**

The policy shall be applicable to projects where the procurement value of iron and steel products is greater than Rs. 5 lac. The policy shall also be applicable for other procurements (non-project), where annual procurement value of iron and steel products for that Government organization is greater than Rs. 5 lac.

**<https://steel.gov.in/policies/policy-providing-preference-domestically-manufactured-iron-and-steel-product-govt>**

**(F) Restrictions on procurement from land border sharing countries**

Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non consultancy services) or works (including turnkey projects) only if the bidder is registered with the competent authority. Relevant guidelines and subsequent circulars are available in DoE portal. Link given as under:

**<https://doe.gov.in/sites/default/files/OM%20dated%2023.07.2020.pdf>**

<https://doe.gov.in/procurement-policy-divisions>

**UNDERTAKING (to be submitted on Company's Letterhead)**

(Where the total quoted value is less than INR 10 Crore)

I \_\_\_\_\_, Son/ Daughter of \_\_\_\_\_, do solemnly affirm and state as under:

1. That I am the \_\_\_\_\_ <<Designation of the authorized signatory>> of \_\_\_\_\_ and I am duly authorized to furnish this undertaking declaration on behalf of \_\_\_\_\_.
2. That \_\_\_\_\_ has submitted its bid no \_\_\_\_\_ dated \_\_\_\_\_ against bidding document no \_\_\_\_\_ dated \_\_\_\_\_ for \_\_\_\_\_ item / works for \_\_\_\_\_ ..... Project/Refinery of IOCL.
3. That the Company is fully aware of the provisions of PPP-MII Policy, enclosed in the above bidding document.
4. We hereby confirm that our offer is achieving the minimum local content target of \_\_\_\_% (Year 20\_\_\_\_-20\_\_) as per of PPP-MII Policy.
5. I confirm that I am aware of the implication of the above undertaking and our liability on account of wrong declaration.

(Authorized signatory of Supplier)

Note: This undertaking shall be certified by the authorized signatory of the bidder, signing the bid.

(Where the total quoted value is INR 10 Crore or above)

Certification by the bidder

I \_\_\_\_\_, Son/ Daughter of \_\_\_\_\_, do solemnly affirm and state as under:

1. I am the \_\_\_\_\_ <<Designation of the authorized signatory>> of \_\_\_\_\_ and I am duly authorized to furnish this undertaking declaration on behalf of \_\_\_\_\_.
2. That \_\_\_\_\_ has submitted its bid no \_\_\_\_\_ dated \_\_\_\_\_ against bidding document no \_\_\_\_\_ dated \_\_\_\_\_ for \_\_\_\_\_ item / works for \_\_\_\_\_ Project / Refinery of IOCL.
3. That the Company is fully aware of the provisions of PPP-MII Policy, enclosed in the above bidding document.
4. We hereby confirm that our offer is achieving the minimum local content target as per of PPP-MII Policy and the break-up of the same is provided in the Priced bid.
5. I confirm that I am aware of the implication of the above undertaking and our liability on account of wrong declaration.

(Authorized signatory of Supplier)

Certification by the statutory auditor / Cost auditor of the company (In case of Company) OR a practicing cost accountant or practicing Chartered Accountant (in respect of suppliers other than companies)

We, \_\_\_\_\_, a CA firm having our registered office address \_\_\_\_\_ and certificate number \_\_\_\_\_ certify that we are statutory auditor of the Company M/s \_\_\_\_\_, having its registered office at \_\_\_\_\_.

OR

We, \_\_\_\_\_, a CA firm having our registered office address \_\_\_\_\_ and certificate number \_\_\_\_\_ certify that statutory auditor is not mandatory for the company M/s \_\_\_\_\_, having its registered office at \_\_\_\_\_ as per prevailing law and we are practicing Chartered Accountant, not being an employee / Director and not having any interest in the company.

We have understood the provisions of PPP-MII Policy, enclosed in the above bidding document.

We hereby certify that offer is achieving the minimum local content target of \_\_\_% (Year 20\_\_ - 20\_\_) as per of PPP-MII Policy.

Certification by the statutory auditor / Cost auditor of the company (In case of Company) OR a practicing cost accountant or practicing Chartered Accountant (in respect of suppliers other than companies)

Note: This undertaking shall be certified by:

The Proprietor and an independent Chartered Accountant, not being an employee of the firm, in case of a proprietorship firm.

ii. Any one of the partners and an independent Chartered Accountant, not being an employee of the firm, in case of a partnership firm.

iii. Statutory auditors in case of a company (as stated in Clause 7 of the said Policy in this Tender Document.)

**TENDER CONDITIONS FOR BENEFITS / PREFERENCE**  
**FOR MICRO & SMALL ENTERPRISES (MSEs)**

1. As per Public Procurement Policy for Micro & Small Enterprises (MSEs) Order, 2012 issued vide Gazette Notification dated 23.03.2012 by Ministry of Micro, Small and Medium Enterprises of Govt. of India and Gazette Notification no. 2119(E) dated 26.06.2020 in supersession of Gazette Notification no. 1702(E) dated 01.06.2020 , Micro and Small Enterprises (MSE's) must have Udyam Registration Certificate (<https://udyamregistration.gov.in>) permitted by GOI w.e.f., 01.04.2021, to avail the benefits / preference available vide Public Procurement Policy MSEs Order, 2012.
2. As per Gazette Notification No. 4714 dated 18.10.2022, In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category (micro or small or medium) it was in before re-classification, for a period of three years from the date of such upward change.
3. MSEs participating in the tender must submit the Udyam Registration Certificate. Policy is meant for procurements of only goods produced and services rendered by MSEs. However, traders / distributors / sole agent / Works contract are excluded from the purview of Public Procurement Policy for MSEs Order, 2012.
4. The benefits of the Policy in respect of a particular item shall be given only to those MSEs which are registered for that item group (NIC Code) under Udyam Registration.
5. The Udyam Registration Certificate must be valid as on original close date of the tender.
6. The MSEs who do not have the Udyam Registration Certificate as on original close date of the tender, are not eligible for exemption / preference.
7. The MSEs having valid Udyam Registration Certificate are exempted from payment of Earnest Money Deposit (EMD).
8. Purchase Preference – In tender, participating MSEs quoting price within the band of L1+15% shall also be allowed to supply a portion of requirement by bringing down the price to L1 price in a situation where L1 price is from some one other than an MSE. Such MSEs shall be allowed to supply at least 25% of total tendered value.

In case L1 is not an MSE and there is more than one MSE within the range

of L1+15%, only the lowest MSE shall be considered for 25% order in case of divisible item (or 100% in case order quantity is not divisible), subject to matching the L1 prices. Only on refusal of such lowest MSE to accept L1 price, second lowest MSE within the range of L1+15%, shall be considered. The process shall be continued till a MSE in the range accepts the L1 price or the MSEs in the L1+15% range are exhausted. In case no MSE accepts the L1 price or there is no MSE available, in L1+15% range, the order shall be placed without applying the principle.

9. The value of Performance Bank Guarantee (PBG) shall be relaxed by 50% of the requirement as per tender terms in case of MSEs owned by SC/ST & Women entrepreneurs.

**NOTE: -**

1. In case where MSE bidder is already getting order for more than 25% of the tender value, no additional purchase preference will be given in that tender.
2. In case MSE bidder is already getting order for less than 25% of the tender quantity, purchase preference to this and other MSE bidders (together) shall be given only up to the differential quantity to make total as 25% to MSE vendor.

No. P-45021/2/2017-PP (BE-II)  
Government of India  
Ministry of Commerce and Industry  
Department for Promotion of Industry and Internal Trade  
(Public Procurement Section)

Udyog Bhawan, New Delhi  
Dated: 16<sup>th</sup> September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

**Subject: Public Procurement (Preference to Make in India), Order 2017– Revision; regarding.**

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019 and Order No.P-45021/2/2017-B.E.-II dated 04.06.2020, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 16.09.2020 effective with immediate effect.

**Whereas** it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

**Whereas** procurement by the Government is substantial in amount and can contribute towards this policy objective, and

**Whereas** local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

**Now therefore the following Order is issued:**

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

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

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

.....Contd. p/2

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

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

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

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

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

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

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

### **3. Eligibility of 'Class-I local supplier' / 'Class-II local supplier' / 'Non-local suppliers' for different types of procurement**

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

.....Contd. p/3

### 3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

**3B. Applicability in tenders where contract is to be awarded to multiple bidders -**

In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

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

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher

percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

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

- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
  - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
  - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
  - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

**10. Specifications in Tenders and other procurement solicitations:**

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

**d. Reciprocity Clause**

- i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

- ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
  - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
  - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
  - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

**10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

**11. Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

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

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

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

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

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman  
Secretary, Commerce—Member  
Secretary, Ministry of Electronics and Information Technology—Member  
Joint Secretary (Public Procurement), Department of Expenditure—Member  
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

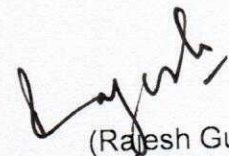
**17. Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

**18. Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

**19. Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1<sup>st</sup> January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

**20. Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Rajesh Gupta)  
Director

Tel: 23063211

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Government of India  
Ministry of Petroleum and Natural Gas  
(Flagship Programme Cell)

\*\*\*\*

Shastri Bhawan, New Delhi  
Dated 26<sup>th</sup> April, 2022

To,

1. Chairman, IOCL
2. C&MD, BPCL/ HPCL/ ONGC/ OIL/ GAIL/ EIL/ Balmer Lawrie
3. Managing Director, MRPL/NRL/CPCL// BCPL/ OVL
4. DG, DGH
5. DG, PPAC
6. Secretary, OIDB
7. ED, PCRA
8. ED, OISD
9. ED, CHT
10. Director, RGIPT
11. Secretary, PNGRB
12. CEO & MD, ISPRL

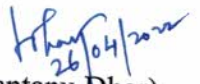
**Sub: Public Procurement (Preference to Make in India) (PPP-MII) Order, 2017-reg.**

Sir/Madam,

I am directed to refer to this Ministry's letter of even number dated 23.02.2022 regarding Policy to Provide Purchase Preference (linked with local content) (PP-LC) in all Public Sector Undertakings under the Ministry of Petroleum and Natural Gas (MoP&NG) and to say that Public Procurement (Preference to Make in India) Order, 2017 issued by DPIIT and as amended time to time shall be applicable to all the Public Sector Undertakings and their wholly owned subsidiaries under MoP&NG; Joint Ventures that have 51% or more equity by one or more Public Sector Undertakings under MoP&NG; attached and subordinate offices of MoPNG w.e.f. 01.04.2022.

2. Moreover, as per para 14 of the PPP-MII Order, the following modifications in the order shall be applicable on the procuring entities under this Ministry:
  - a. Limit for exemption of small purchase under para 4 of the PPP-MII Order, 2017 shall be Rs. 1 crore.
  - b. Local value addition through services such as transportation, insurance, installation, commissioning, training and after sales services support like AMC/ CMC etc. shall continue to be considered in local content calculation.
  - c. HP-HT operations in upstream oil and gas business activities shall be exempted from applicability of the Order.
3. This issues with the approval of Hon'ble Minister, Petroleum and Natural Gas.

Yours faithfully

  
(Santanu Dhar)

Under Secretary to the Govt. of India  
Tel.: 011-23388652

**Copy to:**

- a. PS to Minister, PNG
- b. PPS/ PS to Secretary/ AS&FA/ Sr. Economic Advisor, MoPNG
- c. PPS/ PS to AS (E)/ JS(R)/ JS (M& GP)/ OSD (IC)/ JS (G)/ JS (IFD)/ DDG (ED), MoPNG
- d. PPS/PS to Dir.(BR)/Dir.(E-II)/Dir.(E-I)/DS(GP)/DS(Mkt.)/DS(LPG)/DS(Admn.)/DS(RTI)/ DS (Gen) MoPNG

**Copy for information to:**

Secretary, DPIIT

F. No. DPE/3(3)/10-Fin.  
Government of India  
Ministry of Finance  
Department of Public Enterprises

Block No. 14, CGO Complex,  
Lodi Road, New Delhi-110003  
Dated the 29<sup>th</sup> May, 2023

To,

Chief Executives of all CPSEs

Subject:- Concurrent application of Public Procurement Policy for Micro and Small Enterprises Order, 2012 and Public Procurement (Preference to Make in India) Order, 2017 - regarding

Sir/Madam,

The undersigned is directed to forward herewith a copy of Department of Expenditure O.M. dated 18<sup>th</sup> May, 2023 on the subject mentioned above for information and strict compliance.

Encl : As stated

  
(Kailash Bhandari)  
Deputy Director  
Tel : 2436-6247

Copy to :- Shri Kanwalpreet, Director, Department of Expenditure, Room No. 264-C,  
North Block, New Delhi.

**OFFICE MEMORANDUM**

**Subject: Concurrent application of Public Procurement Policy for Micro and Small Enterprises Order, 2012 and Public Procurement (Preference to Make in India) Order, 2017.**

The undersigned is directed to refer two Preferential Procurement Orders mandated for the Public Procurement in India, namely:

- i. Public Procurement Policy for Micro and Small Enterprises (MSEs) Order dated 23.03.2012 (PPP-MSE Order) issued by Ministry of Micro, Small and Medium Enterprises (MoMSME) in exercise of the powers conferred in Section 11 of the MSME Development Act, 2006. (Last revised on 09.11.2018)
  - ii. Public Procurement (Preference to Make in India) Order, 2017 (PPP-MII order), under Rule 153(iii) of the General Financial Rules (GFRs) 2017, approved by the Cabinet. Implementation of this PPP-MII order is monitored by Department for Promotion of Industry and Internal Trade (DPIIT). (Last revised on 16.09.2020.)
2. It has been brought to the notice of this Department that concurrent application of these two orders are creating confusion to the procuring entities and different procuring entities interpret them differently. In order to bring predictability both to the procuring entities as well as bidders, following guidelines are being issued.

**Guidelines**

3. The Class-I local suppliers, under PPP-MII Order, participating in any government tender, may or may not be MSEs, as defined under the MSME Act. Similarly, MSEs participating in any government tender, may or may not be Class-I local suppliers. Suppliers may be categorised in following four broad categories for consideration or applicability of purchase preference:

<b>Category</b>	<b>Terminology</b>
Supplier is both MSE & Class-I local supplier.	"MSE Class-I local supplier"
Supplier is MSE but not Class-I local supplier.	"MSE but non-Class-I local supplier"
Supplier is not MSE but is Class-I local supplier.	"Non-MSE but Class-I local supplier"
Supplier is neither MSE nor Class-I local.	"Non-MSE non-Class-I local supplier"

4. The applicability of PPP-MSE Order and PPP-MII Order in various scenarios, involving simultaneous purchase preference to MSEs and Class-I local suppliers under PPP-MSE Order and PPP-MII Order respectively, shall be as under:

a) *Items covered under Para 3(a) of PPP- MII Order, 2017 for which Nodal Ministry has notified sufficient local capacity and competition:* For these items, only Class-I local suppliers are eligible to bid irrespective of purchase value. Hence, Class-II local suppliers or Non-local suppliers, including MSEs which are Class-II local suppliers/ Non-local suppliers, are not eligible to bid. Possible scenarios can be as under:

- (i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.
- (ii) L-1 is "Non-MSE but Class-I local supplier" - Purchase preference is given to MSEs as per PPP-MSE Order. Balance quantity is to be awarded to the L-1 bidder.

b) *Items reserved exclusively for procurement from MSEs as per PPP-MSE Order:* These items are reserved exclusively for purchase from MSEs. Hence, non-MSEs are not eligible to bid for these items. Possible scenarios can be as under:

- (i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.
- (ii) L-1 is "MSE non-Class-I local supplier" - Purchase preference is to be given to Class-I local supplier as per PPP-MII Order. Balance quantity, is to be awarded to L-1 bidder.

c) *If items are neither notified for sufficient local capacity nor reserved for MSEs, then the process will be as follows:*

c (a) Items covered under Para 3A(b) of PPP-MII Order are divisible items and both MSEs as well as Class-I local suppliers are eligible for purchase preference. Possible scenarios can be as under:

- (i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.
- (ii) L-1 is "Non-MSE but Class-I local supplier" - Purchase preference is to be given to MSEs, if eligible, as per PPP-MSE Order. Balance quantity is to be awarded to L-1 bidder.
- (iii) L-1 is "MSE but non-Class-I local supplier" - Purchase preference is to be given to Class-I local suppliers, if eligible, as per PPP-MII Order. Balance quantity is to be awarded to L-1 bidder.
- (iv) L-1 is "Non-MSE non-Class-I local supplier" - Purchase preference is to be given to MSEs as per PPP-MSE Order. Thereafter, purchase preference is to be given to Class-I local suppliers for "50% of the tendered quantity minus quantity allotted to MSEs

above” as per PPP- MII Order. For the balance quantity, contract is to be awarded to L-1 bidder. (Kindly refer to the illustrative example in the annexure).

- c (b) Items covered under Para 3A(c) of PPP-MII Order, 2017 are non-divisible items and both MSEs as well as Class-I local suppliers are eligible for purchase preference. Possible scenarios can be as under:
- (i) L-1 is “MSE Class-I local supplier” - Contract is awarded to L-1.
  - (ii) L-1 is not “MSE Class-I local supplier” but the “MSE Class-I local supplier” falls within 15% margin of purchase preference - Purchase preference is to be given to lowest quoting “MSE Class-I local supplier”. If lowest quoting “MSE Class-I local supplier” does not accept the L-1 rates, the next higher “MSE Class-I local supplier” falling within 15% margin of purchase preference is to be given purchase preference and so on.
  - (iii) If conditions mentioned in sub paras (i) and (ii) above are not met i.e. L-1 is neither “MSE Class-I local supplier” nor “MSE Class-I local supplier” is eligible to take benefit of purchase preference, the contract is to be awarded/ purchase preference to be given in different possible scenarios as under:
    - A. L1 is “MSE but non-Class-I local supplier” or “Non-MSE but Class-I local supplier” – Contract is awarded to L1.
    - B. L1 is “Non-MSE non-Class-I local supplier” - First purchase preference to be given to MSE as per PPP-MSE Order. If MSE not eligible/ does not accept - purchase preference to be given to Class- I Local supplier as per PPP-MII Order. If Class-I Local supplier also not eligible/ does not accept – contract to be awarded to L-1.
- d) *Items reserved for both MSEs and Class-I local suppliers:* These items are reserved exclusively for purchase from MSEs as well as Class-I local suppliers. Hence, only “MSE Class-I local supplier” are eligible to bid for these items. Non-MSEs/Class-II local suppliers/ Non-local suppliers cannot bid for these items. Hence the question of purchase preference does not arise.
- e) Non-local suppliers, including MSEs falling in the category of Non-local suppliers, shall be eligible to bid only against Global Tender Enquiry.

  
(Kanwalpreet)  
Director

Tel.:-223093811; email: - kanwal.irss@gov.in

To

1. Secretaries of all Central Government Ministries/ Departments.
2. Secretary Department of Public Enterprises with a request for issuing suitable instructions to all Central Public Sector Enterprises in this regard.

**Example explaining applicability in scenario explained in para 4 c (a)(iv)**

(Scenario: Divisible items, both MSEs as well as Class-I local suppliers eligible for purchase preference and L-1 is "Non-MSE non-Class-I local supplier")

**Item** – Desktop computer

**Qty** – 50 Nos.

**Details of bids received**

Sr. No.	Name of bidder	Rates quoted	Price Ranking	Status of bidder
1.	A	100	L1	"Non-MSE non- Class-I local supplier"
2.	B	110	L2	"Non-MSE but Class-I local supplier"
3.	C	112	L3	"MSE but non- Class-I local supplier"
4.	D	115	L4	"Non-MSE but Class-I local supplier"
5.	E	118	L5	"MSE but non- Class-I local supplier"
6.	F	120	L6	"MSE Class-I local supplier"

1. In this case, first purchase preference is to be given to MSEs as per PPP-MSE Order for 25% of tendered quantity of 50 Nos. i.e. 12.5 Nos. (rounded off to the next whole number say 13 Nos). Accordingly, invite L3 (bidder C), whose quoted rates falls within 15% margin of purchase preference to match L1 price i.e. Rs. 100/- for quantity of 13 Nos. Bidder "E" and "F", although MSEs, will not get purchase preference since their quoted rates don't fall within 15% margin of purchase preference. Bidder C will be considered for order of 13 Nos. on confirmation of reduction of price.
2. For 50% of balance quantity of 37 number (tendered quantity of 50 – 13 awarded to bidder C; assuming bidder C has confirmed to accept L1 rates), purchase preference will be given to lowest Class-I local supplier as per PPP-MII Order. Accordingly, bidder B will be invited to match L-1 price for 50% of 37 Nos i.e. 18.5 (say 19 Nos of computers). If bidder "B" does not accept the L1 price i.e. price of Rs. 100/- per unit, next higher Class-I local supplier falling within 20% margin of purchase preference, i.e. bidder "D", may be invited to match L-1 price for 19 Nos. of computers and so on.
3. For remaining quantity i.e. 18 Nos (50-13-19), the contract will be awarded to lowest quoting bidder i.e. Bidder "A", who is L-1 in the example.

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