

**"THIS TENDER BOOKLET COMPLIES WITH PUBLIC PROCUREMENT POLICY
ORDER 2017 DT.15/06/2017"**



दक्षिण पश्चिम रेलवे

SOUTH WESTERN RAILWAY

भारतीय रेल

Indian Railways

सामग्री प्रबंधक विभाग, प्रधान कार्यालय, हुब्ल्ली -580020

Materials Management Department

New Zonal Head Quarters, East Block, Gadag Road, Hubli – 580 020.

फैक्स: 0836-2289987

FAX: 0836-2289987

इस निविदा प्रपत्र ई -निविदा के लिए लागू है
(This Document is applicable for E- tenders)

खुली निविदा / एसएलटी /एस टी /स

Advertised Tender / SLT/ST/ No.....

सीमा समय :14:00

ClosingTime: 14.00 hrs

देय तिथि

Due Date:.....

खोलने का समय : 14.30

Opening Time: 14.30 hrs

निविदाकर्ता का नाम और पता :

Tenderer's Name and Address:

.....

.....

कृते प्रधान मुख्य सामग्री प्रबंधक
FOR PRINCIPAL CHIEF MATERIALS MANAGER



SOUTH WESTERN RAILWAY

Indian Railways

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New Zonal Head Quarters, East Block, Gadag Road, Hubballi – 580 020.

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These documents are part of tender documents applicable for all tenders uploaded on IREPS and consist of the following:

- Section I - Instructions to tenderers
- Section II - General Conditions of Tenders
- Section III - Annexures

Note :

1. All tenderers are required to go through the tender documents carefully before submitting their offers.
2. This revised tender document is applicable for tenders issued from **01.04.2023** onwards.

PRINCIPAL CHIEF MATERIALS MANAGER

New Zonal Head Quarters, East Block,
Gadag Road, Hubballi – 580 020 (INDIA).

SECTION- I**INSTRUCTIONS TO THE TENDERERS****1. General:**

- 1.1 The Principal Chief Materials Manager, South Western Railway, New Zonal Head Quarters Building, East Block, 1st Floor, Gadag Road, Hubballi (Karnataka) - 580020 on behalf of the President of India (hereinafter referred to as the Purchaser), duly authorised, invites E- tenders from established and reliable manufactures or their authorised agents for the supply of the items as set forth in the "Tender Schedule".
- 1.2 Tenderers are advised to carefully read all the instructions, the general and special conditions of tender, and Indian Railway Standard (IRS) Conditions of Contract, before submitting the offer. By submission of offer with the tenderer's digital signature on the E-tender form, it will be considered that the tenderer has read, understood and accepted all conditions of the tender documents including techno commercial offer form and corrigendum if any, and those referred to therein and undertake to abide by the same.
- 1.2.1 For detailed instructions specific to tender conditions such as Price, Excise Duty, Sales Tax, GST, delivery terms etc., tenderers must refer to General Conditions of Tender given in section-II of the tender document.
- 1.3 All information in the E-tender Form must be in English. Information in any other language must be accompanied by its authenticated translation in English; failure to comply with this may render the offer liable to be rejected. In the event of any discrepancy between an offer in a language other than English and it's English translation, the English translation will prevail.
- 1.4 Tenderers must ensure that the conditions laid down for submission of E-tenders detailed in subsequent Paras, are completely and correctly fulfilled. Tenders, which are not complete in all respect as stipulated in the subsequent Paras, are liable to be rejected.
- 1.5 The Principal Chief Materials Manager or any other officer authorised on behalf of the President of India is not bound to accept the lowest or any tender or to assign any reason for doing so and reserves himself the right to cancel the tender, to reduce or divide the contract or to accept any tender in respect of the whole or any portion of the items specified in the tender schedule and the successful tenderer shall be required to supply the same at the rate quoted.
- 1.6 In case of any contradiction in the terms and condition appearing in IRS Conditions of Contract and General/Special Conditions specified in the tender documents, the latter will prevail. In case of any contradiction between the General Conditions and Special Conditions specified in the tender documents, the latter will prevail.

1.7 Local conditions:

It will be imperative on each tenderer to fully acquaint himself of all the local conditions and factors, which would have any effect on the performance of the contract and cost of the stores. The Purchaser shall not entertain any request for clarifications from the tenderer regarding such local conditions. No request for the change of price, or time schedule of delivery of stores shall be entertained after the Purchaser accepts the offer.

1.8 Pre-requisites for vendors desirous of participating in E- Tenders :

- 1.8.1 Vendors intending to participate in the e-tenders available on e-procurement web site "www.ireps.gov.in" will have to obtain a Digital Signature Certificate (DSC) 'Class III type' in Company's name from an approved certifying agency. The list of certifying authorities issuing the Digital Signature Certificates is available on the website www.cca.gov.in.
- 1.8.2 With the Digital Signature Certificate, vendors will have to register themselves on-line using the link "New Vendors" available in the home page of the website www.ireps.gov.in duly filling the complete information as required in the web page and attaching their digital signature duly using "Sign & Submit" button. Upon registration, the website will provide a registration number, which the vendors may note for future correspondence.
- 1.8.3 Vendors are advised that Centre for Railway Information Systems (CRIS)/ NEW DELHI, the Web Master, will require minimum of 3 (three) clear working days to provide the user-ID and password which will be sent to the e-mail address provided by vendor during the registration process. In case of any difference in the information provided by the vendor during registration on website and that available in the digital signature certificate, the request will be rejected and an e-mail will be sent duly assigning the reason for rejection.
- 1.8.4 The digital signature certificates (DSC) are issued with limited currency / validity date. The vendors are required to re-register themselves with the website 'www.ireps.gov.in' whenever their DSC is renewed.
- 1.8.5 Vendors are advised to familiarize themselves with the E-tendering process with the help of "User Manual" available at home page of "www.ireps.gov.in" under Learning Center and Help Desk/Frequently Asked Questions (FAQ)/ E-Tender on the same website.

2.0 Downloading of Tender Documents:

- 2.1 Tenderers can download E-tender documents from website "www.ireps.gov.in". The Purchaser will not be responsible for any delay/delays in downloading of tender documents from the website.

2.2 Corrigendum:

Purchaser reserves the right to issue any corrigendum to the tender document up-to five days prior to the due date of opening of the tender. It is the responsibility of the tenderer to check any correction or modifications published through corrigendum subsequently on the website and download the same and such corrigendum shall invariably be taken into account while submitting the offer. Tenderer can submit revised offer after considering the effect of corrigendum, in case he has already submitted any offer prior to publication of the corrigendum.

3. Cost of Tender Documents : Dispensed with for tender documents downloaded by bidders

4. Submission of Offers :

- 4.1 Tenderers are required to submit their offers by filling up the E-tender forms on the website itself after uploading the proof of payment of the requisite cost of tender documents and Earnest Money Deposit (EMD), unless exempted as per provisions under Para 3 above and Para 6 below respectively. It is therefore advised that evidences of payment of tender document cost and EMD are kept handy, before attempting submission of offer.

- 4.2 All the E-tenders in prescribed electronic tender form on the IREPS website "www.ireps.gov.in" should be submitted before the due date and time fixed for the receipt of E-tenders as set forth in the Tender Schedule. The offer is to be submitted with digital signature by the pre-authorized personnel of the tenderer already registered with IREPS website.
- 4.3 Manual offers sent by post/fax or in person shall not be accepted against such E-tenders, even if these are submitted on the firm's letter head and received in time. All such manual offers shall be considered as **invalid offers** and shall be summarily rejected without any consideration.
- 4.4 The offers should be submitted through website "www.ireps.gov.in" in the prescribed E-Tender Form duly filled in and digitally signed by the authorised signatory, and the scanned copies of all necessary documents must be uploaded with the offer. In case of offers are not accompanied with the required documents, same are liable to be rejected without assigning any reason. However, Railway reserves the right to consider the offers received without supporting documents, on merits in deserving cases.
- 4.5 On submitting the E-tender with Digital Signature Certificate (DSC), it shall be assumed that the personnel of the tenderer digitally signing the E-tender form is a legally authorized signatory, that is
- i) the sole proprietor of the concern or the authorized attorney of the sole proprietor,
 - ii) a partner or partners of the firm, or
 - iii) a Director, Manager or Secretary in the case of a Limited Company, duly authorised by a resolution passed by the Board of Directors or in pursuance of the Authority conferred by Memorandum of Association.
- 4.6 In the case of a firm not registered under the Indian Partnership Act, the attorney duly authorised by all the partners should digitally sign the E-tender and all other connected documents. A certified copy of power of attorney or other documents empowering the individual to digitally sign the E-tender, should be uploaded as a part of the offer.
- 4.7 The IREPS website does not permit submission of any offer after closing date and time of the E-tender. Hence there is no scope of any late or delayed offer in the online bidding process.

As the South Western Railway has started making payment through NEFT system for quick money transfer, tenderers are required to comply the following –

- i) To give consent for receipt of payment through NEFT/RTGS in a mandate form given in Annexure-I
- ii) To provide the details of their Bank Account in line with RBI guidelines for the same, including Bank Name, Branch name & address, Account type, Bank Account No., IFS Code as appearing on MICR cheques issued by the bank etc.

- 4.8 Tenderer to upload certificate from their bank certifying the correctness of the information as mentioned in (ii) above.
- 4.9 In case, any clarification is required by the tenderers for submitting offers, same should be sought from purchaser well before tender opening date. It may be noted that no clarification will be given on date of tender opening.

5. Specifications and Drawings:

- 5.1 The copy of design drawings will be provided for both Specifications and drawings pertaining to S.W Railway mentioned in the description and as mentioned in the list of exhibited drawings in the RDSO/ICF/RCF/DLW/CLW/CORE/BIS/IRS specification only after signing the MOU with the concerned Authority.

5.2 If tenderers happen to quote with their own Drawing No / Part No. / Specification, then they shall have to necessarily upload all the requisite documents and information in support of their offer to be in conformity with the tendered drawings/specifications. Furthermore, copies of such drawings/specifications/catalogues must also be uploaded as part of their offer failing which the offer will be liable to be rejected.

6. Earnest Money Deposit (EMD) :

6.1 EMD amount shall be mentioned in all tenders irrespective of the nature of the tender as per the EMD amount mentioned in clause 6.3 below or as decided by the purchaser under the policy. There shall be no exemption from submission of EMD for any tender or by any tenderer, subject to provisions under clause 16.11 below, except following:

- a)
 - i. EMD shall normally not be called against limited tenders with estimated value up to Rs.25 (Twenty five) lakh. (including Single Tenders, Global Limited Tenders).
 - ii. If considered necessary, authority competent to issue tender may incorporate the condition to call for EMD even in such limited tenders, on case to case basis.
- b) Micro and Small Enterprises (MSEs) registered for the tendered item,
- c) Other Railways and government departments,
- d) Indian Ordnance Factories,
- e) PSUs owned by Ministry of Railway and PSUs for the group of items that are manufactured by them.
- f) Vendors registered with Railways for the trade group of the item tendered.
- g) Vendors appearing on the approved vendor lists of RDSO/PUs/CORE, subject to approval status being valid on the date of tender closing.
- h) Vendors registered with Railways for supply of medicine, medical equipments and consumable shall be exempted from submission of EMD for these items.
- i) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting EMD. KVIC and ACASH shall be exempted from EMD for items supplied by them.

6.2 Tenderers seeking exemption from payment of EMD must upload requisite documentary evidence in support of their claim. Tenderers other than those who are eligible for exemption from paying Earnest Money as detailed in para 6.1, shall be required to pay Earnest Money Deposit on or before tender opening date, failing which their offers are liable to be rejected.

6.3	Estimated value of tender	EMD (rounded, off to nearest higher Rs. 10 (ten))
	Above Rs. 25 lakh and Upto Rs 50 cr.	@2% of the estimated value of the tender subject to Max. Rs. 20 lakh.
	Above Rs. 50 cr.	Rs. 50 lakh.

- 6.4 EMD should be furnished in the Electronic Form only as below:
In order to digitize the tendering process in Indian Railways, it has been decided that for all indigenous offers EMD will be accepted only via the online system as available on IREPS.
- 6.5 In no circumstances, cheques will be accepted towards EMD.
- 6.6 Neither the standing deposit, if any lodged with this Railways nor any other deposit against any other tender will be accepted as EMD for the purpose of this tender.
- 6.7 No interest will be payable by the Purchaser on the Earnest Money Deposit or any other payment made to Railways.
- 6.8 Automatic release of EMD wherever due.
- 6.8.1 EMD shall be refunded when any one of the following conditions is satisfied:
a) After finalization of tender the bidder is an unsuccessful bidder.
b) Validity of offer expires and validity extension is not sought.
c) Validity of offer expires and bidder refuses to extend validity of offer.
d) After finalization of the tender successful bidder submits required SD.
- 6.8.2 EMD of bidders or tenderers shall be released immediately after it is due for release as per above criterion. The Purchaser may initiate the process of release just after the EMD is due for release.
- 6.9 **Offers submitted by the bidders without EMD shall be summarily rejected.**
- 6.9.1 **Unless otherwise specifically called for in a particular tender.**
i. All bidders shall be exempted from submission of EMD in all tenders except those disqualified from such exemption vide note (ii) below.
ii. all bidders shall be required to sign the bid securing declaration as follows:
I/ we hereby understand and accept that if I/ we withdraw or modify my/ our bids during the period of validity, or if I/We are awarded the contract and on being called upon to submit the performance security/Security Deposit, fail to submit the performance security/ Security Deposit before the deadline defined in the request for bid document/ Notice Inviting Tender, I/ we shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security Deposit for a period of 6 (six) months, from the date I/ we are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published this period.
iii. above instructions of para 6.9.1 shall apply to all tenders issued till 31/12/2021.
- 6.10 **Forfeiture of Earnest Money:** The Earnest Money Deposited is liable to be forfeited, if the tenderer withdraws or amends, impairs or derogates from the offer in any respect within the period of validity of his offer or if the successful tenderer fails to submit the Security Deposits as per tender conditions.
- 6.11 **Acceptance of Bank Guarantee submitted by tenderer:**
- 6.11.1 Bank Guarantees (BGs) to be submitted by tenderer shall be sent to this office directly by the issuing bank under Registered Post AD/Speed Post/Courier.
- 6.11.2 In exceptional cases, where the BGs are received through the tenderers, the issuing bank shall be requested to immediately send by Registered Post AD/Speed Post/Courier an unstamped

duplicate copy of the Bank Guarantee directly to this office with a covering letter to compare with the original BG and to confirm that it is in order.

7. Compliance of IRS, General, Special and Commercial Conditions:

The offer shall be as per the IRS Conditions of Contract, General Conditions of Tender and Special Conditions of Tender, given in the tender documents. The details of deviations from the said tender conditions, if any, should be clearly indicated in the Techno Commercial offer form under the heading "**Part F: Commercial Deviation Statement**" of E-tender form and if space available is not adequate, tenderers can upload a Statement of Deviations which shall include remarks and justifications for deviations against various clauses of said tender conditions for each deviation and the scanned copy of the same must be uploaded as a part of their offer. The reference of uploaded deviation statement shall be given in "**Part F: Commercial Deviation Statement**". The Purchaser, however, reserves the right to accept or reject these deviations and his decision thereon shall be final. If there is no deviation, please indicate "No Deviation" in Part F: Commercial Deviation Statement.

8. Compliance of Technical Requirements:

8.1 The stores/equipments offered should be in accordance with the stipulated description, drawings and specifications mentioned in "Tender Schedule". The details of deviations from the drawings and specifications, if any, should be clearly indicated in the Techno Commercial Offer Form under the heading "**Part E: Technical Deviation Statement**" and if space available is not adequate, tenderers can upload a Statement of Deviations which shall include remarks and justifications for deviations against various clauses of technical specifications/drawings for each deviation and the scanned copy of the same must be uploaded as a part of their offer. The reference of uploaded deviation statement shall be given in "**Part E: Technical Deviation Statement**" of E-tender form. The Purchaser, however, reserves the right to accept or reject these deviations and his decision thereon shall be final. If there is no deviation, please indicate "No Deviation" in Part E: Technical Deviation Statement.

8.2 The Purchaser will accept internationally accepted alternative specifications which ensure equal or higher quality than the specifications mentioned in the tender specifications. However, the decision of the Purchaser in this regard shall be final.

8.3 Remarks such as "Best Make" etc. will be assumed to indicate 'Best Make' conforming to the tendered specification, unless it is specially mentioned by the tenderer that the material offered is not to the tendered specification.

8.4 The tenderer should avoid ambiguity in his offer, e.g., if his offer is to his standard sizes/length/dimensions, he should specifically state them in details without any ambiguity. Brief descriptions such as "standard lengths" etc. should be avoided in the offer.

9. Eligibility Criteria :

9.1 Offers directly from the actual manufacturers of the tendered item are desirable. The offers from the authorized dealers/agents of manufacturer of tendered item will be considered subject to compliance of the conditions given in para 9.2.2 below. The offers from brokers and middlemen are liable to be rejected.

9.2 The tenderers shall upload necessary scanned copies of documents to show that:

- i) he is a licensed manufacturer who regularly manufactures the items offered and has adequate technical knowledge and practical experience;

- ii) he has adequate financial stability and status to meet the obligations under the contract for which he is required to submit a report from a recognised bank or a financial institution;
- iii) he has adequate plant and manufacturing capacity to manufacture and supply the items offered within the delivery schedule offered by him;
- iv) he has an established quality control system and organization to ensure that there is adequate control at all stages of all manufacturing process.

9.2.1 For the purpose of para 9.2 above, the tenderers shall additionally submit/upload the scanned copies of the following documents :

- i) a performance statement giving a list of major supplies effected in the recent past for the tendered item/similar items in the proforma given in **“Part C : Performance Statement”** of E-tender form, in support of having executed the contract satisfactorily. While doing so, the tenderer should upload scanned copies of such documents i.e. Purchase order, Inspection Certificate and Receipt Note etc.
- ii) a statement indicating details of equipment employed and quality control measures adopted, including following:
 - a) Quality assurance plan proposed for manufacture of the tendered material.
 - b) Details of major machinery and equipments available and proposed to be used for manufacturing the tendered item.
 - c) Process chart.
 - d) Inspection stages and inspection plan.
 - e) Details of competent technical personnel employed at firm's premises and in the field.

9.2.2 In case, tenderer is not a manufacturer of tendered item and he quotes on behalf of his principal/manufacturer, he shall invariably comply with the following -:

- i) Indicate the manufacturer's/ Principal's name and address in his offer.
- ii) Upload the tender specific authorisation letter from his principal/manufacturer to submit offer against this tender.
- iii) Upload the details as mentioned in Para 9.2 and 9.2.1 above for his principal/manufacturer.
- iv) Upload his own past performance particulars if any, in the similar manner as for their principal/manufacturer with documentary evidence for same/similar items in the past 3 years.
- v) Upload the scanned copies of documents for his own credentials, such as, constitution of firm, Sales Tax/VAT/GST registration as applicable, banker's certificate and balance sheet of latest or previous three years duly certified by Chartered Accountant etc.

9.2.3 The OEM/ Authorized Dealers/Agents must comply the following conditions :

- i) In a tender, either the authorized agent/dealer on behalf of the Principal / OEM or the Principal / OEM itself can bid but both cannot bid simultaneously for the same item in the same tender.
- ii) If an authorized agent/dealer submits bid on behalf of the Principal / OEM, the same agent/dealer shall not submit a bid on behalf of another Principal / OEM in same tender for the same item/product.

9.2.4 In addition to the above, further information regarding his capacity/capability etc., if required by the Purchaser, shall be promptly furnished by the tenderer.

- 9.3 Specific Eligibility Criteria if any, mentioned in Tender Schedule/Special conditions shall also be applicable in addition to above.
- 9.4 Tenderers not uploading the requisite documents may note that their offers are liable to be ignored.
- 9.5 Participation in the tender is open to all, including unapproved, unregistered and/or untried firms. However, such tenderers will have to submit their offers electronically along with all the supporting documents as described in the tender documents to establish their capacity, including those brought out in para 9.2, 9.2.1 and 9.2.2 above. If the tenderer fails to upload the required documents, his offer will be rejected.

10. Price Basis:

- 10.1 Tenderers are required to quote only one rate for each item/consignee in prescribed fields of Financial Offer Form (i.e. rate page) of E-tender form and nowhere else. All the mandatory fields of the Techno Commercial Offer Form and Financial Offer Form have to be filled up by the tenderers. All inclusive rate on FOR destination basis shall be automatically calculated by the system and same will be shown to the tenderers before submission of offer.
- 10.2 The tenderers should quote their lowest possible price for each 'unit' specified in the "Tender Schedule" for the tendered item. Tenderers are not allowed to change the 'unit' of the tendered item and if they quote their price for any different 'unit', their offers are liable to be rejected.
- 10.3 The quoted rate should be firm and not subject to any variation, unless specified in the tender documents. Any deviation in this aspect may make the offer liable to be ignored.
- 10.4 Wherever multiple consignees and multiple items are mentioned in "Tender Schedule" of tender documents, tenderers shall quote separately for each consignee and for each item.

10.5 Discrepant Rates :

In case, the tenderer quotes any rate/or any condition which affects the all inclusive rate of the financial offer form; at any other place in the offer or in any document uploaded with their offer, such offers may be considered as invalid offers and same are liable to be rejected.

- 10.6 The rates quoted shall not be more than the Maximum Retail Price (MRP) of the product, if any.

11. Delivery Period :

- 11.1 Tenderers must refer to the delivery schedule specified in the Tender Schedule. Delivery period quoted must conform to the delivery requirement specified in the Tender Schedule and should not be vague such as "2 to 12 months".
- 11.2 Offer should clearly mention the starting time, monthly/quarterly rate of supply and completion time, such as, to commence in _____ days/ months @____ per month/week and completed in _____ days/months from date of issue of the purchase order. Delivery period may also be stated in terms of installments with definite date for each installment.
- 11.3 In case a monthly rate of delivery is quoted, the purchaser will have the right to define the separate delivery period for each installment.

11.4 The purchaser reserves the right to accept higher offer for part/full quantity for early delivery period.

12. Validity of the offer:

12.1 The offers shall be kept valid for acceptance for a minimum period of Ninety (90) calendar days (120 calendar days for M&P Items) from the date of opening of tenders or as specified in the tender, within which period, the tenderer shall not withdraw his offer. Offers with validity period of short duration may be taken as unresponsive and same are liable to be rejected, unless validity of offer is extended to tender condition.

12.1.1 Wherever the financial bids are submitted in Reverse Auction they should remain valid for 60 days (or as specified in the tender) beyond the date of Reverse Action.

12.1.2 Wherever negotiations are held, the negotiated rate should be valid for a period of 45 days (or as specified in the tender) from the date of submission of negotiated offer.

12.2 The purchaser may ask for the tenderer's consent for an extension of the period of validity of offer. If the tenderer agrees to the extension request, the validity of EMD provided, shall also be suitably extended. A tenderer granting the request will not be required or permitted to modify its tender.

12.3 Offers shall be deemed to be under consideration immediately after they are opened and until such time the official intimation of award is made by the Purchaser to the tenderer. While the offers are under consideration, tenderers and/or their representatives or other interested parties are advised to refrain from contacting the Purchaser by any means.

13. Benefits to Micro and Small Enterprises (MSEs):

13.1 As per the extant Public Procurement Policy of the Government of India, Micro and Small Enterprises (MSEs) having current and valid registration for the tendered item with any of the below specified agencies are entitled for benefits and preferential treatments specified in Clause 13.4 below. MSEs who are interested in availing themselves of these benefits must upload with their offer, the proof of their being MSE registered with any of the agencies mentioned in the notification of the Ministry of MSME and indicated below :

- i) District Industries Centers
- ii) Khadi and Village Industries Commission
- iii) Khadi and Village Industries Board
- iv) Coir Board
- v) National Small Industries Corporation (NSIC)
- vi) Directorate of Handicraft and Handloom
- vii) Any other body specified by Ministry of MSME

13.2. The MSEs must also indicate the terminal date of validity of their registration.

13.3 Registration of Udyog Aadhar Memorandum (UAM) by Ministry of Micro Small and Medium Enterprises (MSME) VENDORS ON Central Public Procurement Portal (CPPP): It is suggested that declaration of UAM number by the vendors on CPPP may be made mandatory from 01.04.2018. The bidders who fail to submit UAM number shall not be able to avail the benefits available to MSEs as contained in Public Procurement Policy for MSEs Order, 2012 issued by MSME. Therefore, all the bidders are advised to submit a copy of UAM registration

Certificate/Number issued by Ministry of MSME along with their offers (Ref: Rly.Brd. letter No. 2010/RS(G)/363/1 dated 25.04.2018)

- 13.4 Non compliance of requirements of para 13.1, 13.2 and 13.3 above, such offers will not be liable for consideration of benefits detailed in para 13.5 given below.
- 13.5 MSEs registered with any of the agencies mentioned in para 13.1 are entitled for the following benefits:
- i) Tender documents shall be provided free of cost to MSEs registered with the specified agencies for the item tendered.
 - ii) MSEs registered with any of the agencies for the item tendered will be exempted from payment of Earnest Money.
 - iii) In tenders, participating MSEs quoting a price within price band of L1 + 15% shall be allowed to supply a portion of the requirement by bringing down their price to L1 price, in a situation where L1 price is from someone other than a MSE and such MSEs can be together ordered up to 25% value out of the net procurement quantity
 - iv) Provide a minimum 3% reservation for women owned MSEs within the above mentioned 25% reservation
 - v) 20% out of 25% of above (over all 5%) of procurement will be from MSEs owned by Scheduled Caste/ Scheduled tribe (SC/ST) Entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet tender requirements and L-1 price, 5% sub target of procurement earmarked from MSEs owned by Scheduled Caste/ Scheduled Tribe (SC/ST) Entrepreneurs be met from other MSEs.
- 13.6 In case, the tenderer is a Micro or Small Enterprises (MSE), the tenderer shall furnish the following details in their offer:
- i) The category of the tenderer:
 - a) Whether vendor is Micro Enterprise or
 - b) Whether vendor is Small Enterprise.
 - ii) Each of the above categories must further mention the sub-classification whether the tenderer is an enterprise -
 - a) Owned by Scheduled Castes (SC)
 - b) Owned by Scheduled Tribes (ST)
 - c) Owned by other than the above two categories.
 - d) Owned by Women
 - iii) Confirm the following:
 - a) Whether documentary proof of being registered with any of the specified agencies indicated in Para 13.1 above has been submitted with their offer.
 - b) Whether the terminal date of validity of the registration with the specified agencies has been indicated in their offer.
- 13.7 **Relaxation of Norms for startups and Micro & Small Enterprises in public procurement on Prior Experience-Prior Turnover criteria:**
As "Startup India" initiative, for creating a conducive environment for Startups in India, the condition of prior turnover and prior experience with respect to Micro and Small Enterprises is relaxed subject to meeting of quality and technical specifications.
- 13.8 .1 **Implementation of Public Procurement (Preference to Make in India), Order 2017:**

The order contemplates for decisions on certain issues to be taken by Nodal Ministry. Accordingly, the decision of Ministry of Railways (as Nodal Ministry) on such issues is as under:

- A. Local content:** The minimum local content shall ordinarily be 50%. PHOD/CHOD of procuring department (Stores/Engineering), in consultation with indenting department shall however be competent to vary the minimum local content below the prescribed level on case to case basis.
- B.** PHOD/CHOD of procuring department shall have full power to take decisions on complaints relating to implementation of this order these powers can further be delegated by PHOD/CHOD to one level higher than the tender accepting authority or PHOD/CHOD of procuring department, whichever is lower in hierarchy of procuring department.
- C.** PHOD/CHOD of procuring department may constitute committee with internal and external experts (as provided in Para 9(d) of the subject order) to assist the competent authority to take decision on the complaints.
- D. Fee for complaints:** Fee for filing a complaint under the order shall be Rs.10,000/-, per case. The complaint shall be filed in the office of the PHOD/CHOD of procuring department concerned, the fee shall be deposited with the office of the Associate Finance of the concerned PHOD/CHOD of procuring department.
- E.** All procuring entities will upload the name of debarred bidder/supplier along with duration and reasons of debarment of their own website. Apart from this, they will also send this information to Member-convenor of the standing committee in DIIP and government e-Marketplace (GeM) & Central public procurement portal (CPPP) for uploading such information on their portals. GeM/CPPP will create one separate page on their portal for displaying this information.
- F.** 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 CPPP so as ongoing procurements are not disrupted. (This is in replacement of Para 9(h)(iii) of the subject order).

13.8.2 Public Procurement (Preference to Make in India), Order 2017:

1. This order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions for the purpose 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, has minimum local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has minimum local content more than 20% but less than 50%, as defined under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has minimum local content less than or equal to 20%, as defined 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.

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, 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, 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 exempted 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-market place: In respect of procurement through the Government E-market place (GeM) shall, as far as possible, specifically mark 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. 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. **Bidders may please Note that:-** 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 Ministry/Department 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.

The term entity of a country shall have the same meaning as in the FDI policy of DPIIT as amended from time to time.

11. 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.

13.8.3. Conditions for bidders from countries sharing land border with India:

I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.

A. The Competent Authority for the purpose of registration under this clause shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT)*.

B. Validity of registration: In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance / placement of order, registration shall not be a relevant consideration during contract execution.

C. This clause shall not apply to cases falling as under:

i. Till 31' December 2020, procurement of medical supplies directly related to containment of the Covid-19 pandemic shall be exempt from the provisions of this Order.

ii. Bona fide small procurements, made without knowing the country of the bidder, shall not be invalidated by these tender conditions.

iii. In projects which receive international funding with the approval of the Department of Economic Affairs (DEA), Ministry of Finance, the procurement guidelines applicable to the project shall normally be followed, notwithstanding anything contained in this Order and without reference to the Competent Authority. Exceptions to this shall be decided in consultation with DEA.

II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

III. "Bidder from a country which shares a land border with India" for the purpose of this Order means: -

a. An entity incorporated, established or registered in such a country; or

b. A subsidiary of an entity incorporated, established or registered in such a country; or

c. An entity substantially controlled through entities incorporated, established or registered in such a country; or

d. An entity whose beneficial owner is situated in such a country; or

e. An Indian (or other) agent of such an entity; or

- f. A natural person who is a citizen of such a country; or
- g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

IV. The beneficial owner for the purpose of (iii) above will be as under:

1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation—

a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. of shares or capital or profits of the company;

b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

VI. Exclusion of Restrictions of clause:

1. Notwithstanding anything contained therein, it is hereby clarified that the said clause will not apply to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects.

2. Updated lists of countries to which lines of credit have been extended or in which development projects are undertaken are given in the website of the Ministry of External Affairs.

VII. Certificate regarding compliance:

a. A certificate shall be taken from bidders in the tender documents regarding their compliance with para 13.8.3. If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

b. Model Certificate for Tenders (for transitional cases):

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I hereby certify that this bidder is not from such a country and is eligible to be considered."

c. Model Certificate for Tenders:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]"

14. The tenderers who are large Scale vendors of Railway Units or who come under consortia of MSEs (as vendors to Railway Units) formed by NSIC, are also required to upload with their offers, the procurement and percentage of sub-contract to be made from MSEs for goods to be supplied against this tender.

15. Preference to Domestically Manufactured Electronic Products :

15.1 The Purchaser reserve the right for providing preference to Domestically Manufactured Electronic Products (DMEP) in terms of the Department of Electronics and Information Technology (DeitY) Notification No. 33(3)/2013-IPHW DT.23.12.2013 read with Notifications and Guidelines issued there under which can be downloaded from DeitY website, i.e., URL www.deity.gov.in/esdm. Purchase preference for domestic manufacturer, methodology of its implementation, value addition to be achieved by domestic manufacturers, self certification, and compliance and monitoring shall be as per the aforesaid guidelines/notifications. The guidelines/notifications may be treated as an integral part of the tender documents.

15.2 The preference for Domestically Manufactured Electronic Products (DMEPs) shall be operated as follows :

- i) The electronic products for which preference will be provided to domestic manufacturers shall be as notified by the Concerned Ministry/Department which are as under –

Sl. No.	Product name	Notifying Ministry/Department	Notification No. and date	Copy placed at
1	Telecom Products	DOT	18-07/2010-IP dt.05.10.2012	Annexure - VIII
2	Desktop PCs and Dot Matrix Printers	Department of Electronics and Information Technologies, Ministry of Communication and IT	F.No.33(3)/2013-IPHW dt. 22.5.2014	Annexure - IX
3	Laptop PC	Department of Electronics and Information Technologies, Ministry of Communication and IT	F.No.33(3)/2013-IPHW dt. 22.5.2014	Annexure - X
4	Tablet PC	Department of Electronics and Information Technologies, Ministry of Communication and IT	F.No.33(3)/2013-IPHW dt. 22.5.2014	Annexure - XI
5	Smart Card	Department of Electronics and Information Technologies, Ministry of Communication and IT	F.No.33(3)/2013-IPHW dt. 22.5.2014	Annexure - XII
6	LED Products	Department of Electronics and Information Technologies, Ministry of Communication and IT	F.No.33(3)/2013-IPHW dt. 22.5.2014	Annexure - XIII

- ii) The quantity of procurement for which the preference will be provided to domestic manufacturers
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shall be percentage of the total tendered quantity as specified in the notifications issued by Concerned Ministry/Department indicated in Sub Para (i) above.

- iii) Percentage of domestic value addition which qualifies the electronic product to be classified as domestically manufactured shall also be as specified in the notifications issued by Concerned Ministry/Department indicated in Sub Para (i) above
- iv) The preference to Domestically Manufactured Electronic Products (DMEP) shall be subject to meeting technical specifications and matching L1 price.
- v) Only those domestic manufacturers whose bids are within 20% of the L1 E-bid would be allowed an opportunity to match L1 E-bid.

- 15.3 In terms of aforesaid guidelines, domestic manufacturers are required to upload the scanned copy of documents for domestic value addition in terms of Bill of Materials (BOM) for the quoted product along with their offer in the following format –

Item No.	Item Description	Manufacturer/ Supplier	Country of Origin	Value	Domestic value addition percentage	in
1						
2						

- 15.4 The tenderers, claiming to bid in the status of domestic manufacturer are required to give and upload an undertaking in the format as given as 'Form 1' of the guidelines, copy at Annexure VII. Furnishing of false information on this account shall attract penal provisions as per guidelines/notifications.

15.5 Procedure for award of contracts involving procurement from domestic manufacturers :

“For each electronic product proposed to be procured, among all technically qualified offers, the lowest quoted price will be termed as L1 and rest of the offers shall be ranked in ascending order of price quoted as L2, L3, L4 and so on. If L1 offer is of a domestic manufacturer, the said tenderer will be awarded full value of the order. If L1 offer is not from a domestic manufacturer, the value of the order awarded to L1 tenderer will be the balance of procurement value after reserving specified percentage of the total value of the order for the eligible domestic manufacturer. Therefore, the lowest tenderer among the domestic manufacturers, whether L2, L3, L4 or higher, will be invited to match L1 offer in order to secure the procurement value of the order earmarked for the domestic manufacturer. In case first eligible tenderer (i.e. domestic manufacturer) fails to match L1 offer, the tenderer (i.e. domestic manufacturer) with next higher offer will be invited to match L1 offer and so on. However, Railway may choose to divide the order among more than one successful tenderer as long as all such tenderer match L1 and the criteria for allocating the tender quantity amongst a number of successful tenderer is clearly articulated in the tender document itself. In case, all eligible domestic manufacturers fail to match the L1 offer, the actual tenderer holding L1 offer will secure the order for full procurement value. Only those domestic manufacturers whose offers are within 20% of the L1 offer would be allowed an opportunity to match L1 offer”.

- 15.6 In case of turnkey/system integration projects, eligibility of a tenderer as a domestic manufacturer would be determined on the domestic value addition calculated only for the value of notified DMEPs forming part of the turnkey/system integration projects and not on the value of whole project.

16. Tender Opening :

- 16.1 No vendor shall be required to be present in the Railway office for any E-Tender opening process. They can obtain totally transparent bid tabulation statement by logging on to the website.
- 16.2 Railway does not guarantee opening of tenders at the specified Date and Time due to reasons beyond control and hence tenders can be opened after due date and time also. It will, however, be ensured that no bids are submitted after tender closing Date and Time. Vendors can not submit any offer or attach any file after the due date and time as stipulated under the tender notice.

16.3 Guidelines for Electronic Reverse Auction:

A.1. Selection criteria for tender cases of stores proposed through Reserve Action (E-RA) route:

1.1 In the first phase, following method of purchase through Reverse Action shall be the preferred method for procurement for Stores tenders valued more than Rs. 5 Cr. in each case.

1.2 The process of procurement through Reverse Auction shall be followed only in cases where there are at least Three approved vendors (where work to be executed/service to be provided/bulk procurement is to be from vendors approved by RDSO/CORE/PUs etc.) or at least Three proven/likely competitive sources, prima facie competent for execution of work/provision of service/bulk ordering.

1.3 Financial Bids in single currency /parameter only shall be allowed.

1.4 Even for cases which do not satisfy the selection criteria as detailed above, Railways may follow the process of Reverse Action, as detailed herein if they so desire.

2. Procedure for award of contracts through Reverse Auction:

2.a. The procedure discussed herein shall be fully implemented through IREPS. Any reference to Reverse Action in these instructions shall imply e-RA.

2.b. No deviation to essential technical and commercial conditions shall be permitted to the vendors in the electronic bid form.

2.1. Technical Bid and Initial Price Offer :

a) In case of Stores Tenders procuring authority shall decide the bid evaluation criteria in the tender itself, i.e. whether the evaluation shall be item wise, consignee wise or overall tender value wise.

b) Bidder shall be simultaneously required to electronically submit a Technical & Commercial Bid and Initial Price Offer : In case of Stores tenders, offers found eligible for bulk order shall be categorized as Qualified for Bulk Order for the purpose of RA and offers found eligible for Developmental order shall be categorized as Qualified for Development Order for the purpose of RA.

c) Offers not complying with essential technical & commercial requirements of the tender shall be declared as Ineligible for award contract.

d) Initial Price Offer of only those bidders categorized as Qualified for Award of contract in case of Works and Services Tenders shall be opened and tabulated by system separately. In case of Stores tenders Initial Price Offer of only those bidders categorized as Qualified for Developmental

Order or Qualified for Bulk Order, shall be opened and tabulated by system separately, category wise. Extant instructions for electronic tabulation shall apply for tabulation of Initial Price Offers.

2.2 Financial Bid: a) Selection of vendors for Reverse Auction for award of Contract in Works and Services tenders and bulk ordering in Stores tender:

Number of Tenderers Qualified for Award of contract/ Bulk Order	Number of tenderers to be selected for Reverse Auction	Remarks
<3	Nil*	The bids disallowed from participating in the Reverse Auction shall be the highest bidders in the tabulation of Initial Price Offer. In case the highest bidders quote the same rate, the Initial Price Offer received last, as per time log of IREPS. Shall be removed first, on the principle of last in first out, by IREPS system itself.
3 to 6	3	
More than 6	50%of Vendors Qualified for Bulk Order/award of contract(rounded off to next Price higher integer).	

Note:

i) *If the number of tenderers qualified for Bulk Order/ Award of Contract is less than 3, RA shall not be done and tender may be decided on the basis of Initial Price Offer(s).

ii) In case of Stores tenders, selection of vendors for Reverse Auction for developmental ordering:

- (1) Offers Qualified for Development Order, with initial price offer lower than the highest initial price offer of a vendor Qualified for Bulk Order and selected for Reverse Auction after elimination, shall be allowed to participate in RA.
- (2) However, for the items where it is considered essential to also consider the offers for placement of developmental order from vendors categorized as Qualified for Development Order, whose received rates are higher than the rate applicable for offers categorized as qualified for Bulk Order (ref Para 2.1 (b)(ii) of Board's letter dated 28.03.2018, all bids categorized as Qualified for Developmental Order shall be allowed to participate in Reverse Auction.

iii) MSE Criteria (Not applicable for Works): All MSEs (Micro & Small Enterprises) found Qualified for Bulk/Development Orders/Award of Contract but could not be selected for Reverse Auction as per criteria stipulated in para 2.2 (a) and 2.2 (a) Note (ii) above, but are within the range of 15% of lowest Initial Price Offer of the bidder qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price Offer. Such MSEs shall be over and above the number of vendors selected for Reverse Auction, as per para 2.2 (a) and 2.2 (a) Note (ii) above. In case of Stores tenders, lowest initial price bid shall mean lowest initial price bid of vendor qualified for bulk order. However, in case all the bidders qualifying for bulk as well as for developmental order (before applying elimination criteria) are within MSE category, this clause shall not apply.

iv) **Make in India criteria:** All bidders eligible for benefits under Public Procurement (Preference to Make in India) Order — 2017, found qualified for Bulk/Developmental Order/Award of Contract and are within the specified range of price preference, under the Make in India Policy, of lowest Initial Price offer of the vendor qualified for bulk order shall be permitted to participate in the Reverse Auction, irrespective of their inter-se ranking on the basis of Initial Price offer. Such bidders shall be over and above the number of vendors selected for Reverse Auction, as per para 2.2 (a) and 2.2

(a) Note (ii) above. However, if all the bids qualified for bulk order as well as for developmental order (before applying elimination criteria) also qualify under "Make in India Order, 2017" criteria, this clause shall not apply.

b) During Reverse Auction process, bidders shall not be allowed to bid a rate higher than the lowest Initial Price Offer.

2.3 Reverse Auction among bidders categorized as Qualified for Developmental Order and Qualified for Bulk Order shall be conducted concurrently on IREPS/Suitable Platform in Stores tenders. Qualified Bidders shall be able to see both the auction screens i.e. auction screen of Reverse Auction amongst bidders qualified for bulk order and auction screen of Reverse Auction amongst bidders qualified for developmental order. However, bidders shall only be permitted to bid on the respective screens relevant to them as per their qualification. Purchaser shall not be permitted to see any of the auction screens. Purchaser should only be intimated on website about the status of Reverse Auction, i.e. when the auction will start/ had started, whether the auction is live or whether the auction has closed.

2.4 In case of Stores Tenders, quantity to be covered on developmental orders shall be limited to 20% of the net procurable quantity. Developmental orders shall be placed in terms of Railway Board letter no.99/RS(G)/709/1/Pt. Dated 13/01/2015. The quantity covered on developmental orders may be within or outside NPQ which may be decided by TC/TAA, before conduct of Reverse Auction.

2.5 After obtaining the final price offers through Reverse Auction, the lowest bid of only those bidders who had participated in the Reverse Auction shall be tabulated and considered for ordering. The offers of bidders which were eliminated from Reverse Auction in terms of Para 2.2 shall be tabulated separately and shall not be considered for any ordering. All the relevant policies of Government of India at the relevant time shall be applicable.

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SECTION - II**GENERAL CONDITIONS OF TENDER****1. Price :**

- 1.1 Tenderers should quote their rates for free delivery (Door Delivery) at premises of consignees as mentioned in the E-tender. Break up of such price must be given completely and unambiguously in the prescribed E-Tender Offer Form as per Tender Schedule of the tender documents. In case the tenderers quote prices on ex-works or ex-godown basis, specific amount of freight charges must invariably be quoted instead of vague freight charges, such as 'extra at actuals'. The quoted freight charges shall include Service Tax/ GST on freight, if any and same will be paid by suppliers to concerned authorities.
- 1.1.1 The rate or amount of taxes and duties/ GST, must be spelt out separately in the break-up to be furnished in the prescribed E-Tender Offer Form. Even where the rate or amount of taxes/duties included in the rate is Nil, this should be specifically stated in the offer.
- 1.1.2 Packing and forwarding charges, wherever applicable, should be quoted separately. Applicability of excise duty, GST and sales tax on the packing and forwarding charges must be clearly stated. ED and ST/GST will be considered only on packing charges, and not on forwarding charges. If consolidated amount or percentage of packing and forwarding charges is quoted, ED and ST/ GST will not be considered on such consolidated packing and forwarding charges and will not be payable
- 1.1.3 In case the tenderer does not specifically state anything about the place of delivery or does not quote freight charges in his offer/E-Bid, it shall be assumed that the tenderer shall bear the freight charges and that the offer is for free delivery at the destination, i.e., for door delivery at consignees' premises as mentioned in the tender document. This assumption shall be final and binding on the tenderer and will not be subject to any legal dispute or arbitration in future.
- 1.1.4 If there is any ambiguity in respect of rates of taxes and duties/ GST, such as, sales tax/ excise duty/GST, the purchaser shall evaluate the offers by taking into account the highest rate of such taxes and duties/GST as known to the purchaser for determining the inter-se ranking of the offers. Purchaser's decision in this regard shall be final and no claim regarding applicability of taxes/duties or otherwise will be entertained after opening of the E-tenders. The purchasers will, however, reserve the right not to pay such taxes and duties/GST not specifically claimed or not indicated clearly/unambiguously by the tenderers in the prescribed E-Tender Offer Form.
- 1.1.5 The purchaser will not be responsible for any incorrect evaluation and consequent impact on inter-se ranking, if the tenderer does not fill the prescribed E-Tender Offer Form or submits incomplete, ambiguous or misleading rates of taxes, duties and other charges.

1.2 Price Variation Clause:

- 1.2.1 Normally, tenderers should submit their offers/E-Bids on fixed price basis only, that is, the quoted prices should be firm and not subject to any variation, unless specified in the tender documents.
- 1.2.2 If any price variation clause (PVC) is specified in the tender documents, tenderer shall submit offer /E-Bid according to such PVC.

- 1.2.3 Wherever no price variation clause is specified, tenderers should submit offers/E-Bids with 'fixed' prices. However, there may be cases of procurement of stores which are raw-material (Steel/Non-Ferrous) intensive and prices of such raw-materials may be subject to frequent fluctuations, In such cases, the tenderers may quote with price variation clause. Such price variation clause must be unambiguous, that is, the tenderer must state the PVC, which shall include the base price of raw materials with base date, and the formula by which price variation would be worked out. Tenderer must also upload along with the offer/E-Bid, a copy of the relevant documents for the base price, such as, raw material price circulars of reputed organizations such as IEEMA, SAIL, HCL, HZL, etc. so that variation in prices can be exactly worked out.
- 1.2.4 The Railways generally recognize following standard PVCs:
- i) IEEMA formulae.
 - ii) Railway Board's PVC for items covered by such formulae.
 - iii) DGS&D's PVC for the items which are covered by such formulae.
- Tenderers, whose offers/E-Bids are with IEEMA, Railway Board's or DGS&D's PVC, must quote the prices with base date as stipulated in the relevant PVC. For example, in case of IEEMA PVC, if the tender opening date falls in May of a year, the applicable prices of input raw materials should be those prevailing on the 1st April of that year. If any tenderer quotes with prices of input raw materials ruling on a base date other than 1st April of that particular year, quoted rates shall be updated to the base date of 1st April of that particular for the purpose of evaluation of offers and determination of inter-se ranking of the offers.
- 1.2.5 For those items which are not covered by any of the aforesaid standard PVCs, other PVC specific for the tendered stores may be considered and accepted if found to be in order. However, in all such cases, the contract prices upward/downward will be regulated with reference to the date on which the stores are tendered for inspection and price variation will be calculated on the price of input material by the specified government agencies, like SAIL, HZL, HCL etc., prevailing one month prior to date on which the stores are tendered for inspection. The date on which stores are offered for inspection will be treated as the date of supply for the purpose of price variation clause. Furthermore, the base month for such input materials will be one month prior to that of tender opening. Admission of any claim in this regard will be subject to the suppliers furnishing all the supporting documentary evidence for price variation. If any tenderer quotes with any other base month, for input materials, then all the offers shall be updated to the common base month of one month prior to that of tender opening or the base date specified in the tender documents for evaluation of offers/E-Bids and determination of inter-se ranking.
- 1.2.6 Tenderers who quote with price escalation on account of raw material in the tenders must note that any escalation claims will be subject to verification by the Financial Adviser and Chief Accounts Officer of South Western Railway (SWR) with reference to the records that may be called for from them, such as, records of position of ground stocks available at the time of submission of tender for verification/examination of their claims under price variation clause before their claims are accepted. If the tenderer fails to establish his claim by producing satisfactory records before the Principal Financial Advisor of this Railway, their claim will be disallowed and/ or proportionately reduced.
- 1.2.7 Ambiguous conditions, such as, "Price Variation Clause applicable", will not be acceptable and such offers will be summarily rejected.
- 1.2.8 For Price Variation Clause (PVC) payment in the cases where supply is made in the extended period of D.P. (with or without LD), it is clarified that unless otherwise specified – In case of delayed supply, Price Variation (PV) as applicable on the terminal date of the original D.P. is payable unless Price has decreased after the terminal date of the original Delivery Period, in which case, the decreased rate will be applicable.

2. Excise Duty (ED): (As applicable)

- 2.1 Wherever Excise duty (ED) is to be charged extra, the exact rate of ED to be charged must be stated. Vague offers/E-Bids in respect of ED, such as, ED extra at actual or as applicable at the time of supply, without giving the exact rate shall be loaded with the maximum applicable rate of ED for that item as known to the purchaser, for the purpose of evaluation and determining inter-se ranking. The purchaser's decision in this respect shall be final. Wherever Excise duty (ED) is included in the offered price, the exact rate of ED included, must be stated. If it is not done so, then the offer will be taken as inclusive of ED at the highest rate obtained in the tenders or known to the purchaser.
- 2.2 Tenderers must note that the ED is not applicable on forwarding charges and freight charges from the place of despatch to the place of delivery and unless the break-up is furnished, the Excise Duty actually leviable cannot be ascertained.
- 2.3 If the percentage of ED being charged extra or included in the rate is at a concessional rate, reasons for the same should be clarified without any ambiguity. In the absence of clear reason regarding rate of ED being charged by the tenderers, evaluation of offers/E-Bids will be carried out on the basis of full rate of E.D. applicable/chargeable for the item, as known to the purchaser.
- 2.4 Claim of ED due to increased turn over after entering into contract shall not be entertained, unless variation of ED on account of increase in turnover has been specifically claimed in the offer. If concessional ED based on the turnover is applicable at the time of quoting and the tenderer desires that the increased ED as applicable at the time of supply should be paid, then the tenderer must clearly indicate that the rates of ED based on the slabs of turnover and must indicate the maximum rate of ED applicable. In these circumstances, the offers will be evaluated and the inter-se positions of the tenderers will be determined on the basis of such maximum rate of ED.
- 2.5 If tenderers quote a lower rate of ED due to misclassification of the goods under Excise tariff rules or misapprehension of law or subsequent re-classification under actual tariff, the purchaser will not pay increased ED payable due to such misclassification.
- 2.6 ED will be reimbursed at actuals and within the upper ceiling of the maximum ED rate considered for evaluation purpose. Only statutory variation in the ED during original delivery period will be permitted and would be admissible on production of the documentary evidence. Tenderers must submit a certificate as per Annexure-V to claim Excise Duty along with their bills. The bills must be submitted as per standard format of Annexure-VI.
- 2.7 In case of any reduction in the rate of ED at the time of supply, actual amount of ED only shall be payable, wherever ED has been claimed in the tender and included in the purchase order.
- 2.8 If ED is not claimed in the offers/E-Bids and no mention is made about Excise duty, then no ED will be payable.

3. MODVAT / CENVAT: (As applicable)

- 3.1 Whenever rates are quoted inclusive/exclusive of Excise Duty, the tenderer shall quote the price after taking into account the credit available on inputs under MODVAT scheme introduced from 1-3-86, as amended from time to time. The claim for ED on each bill should be supported by the certificates at Annexure V.

3.2 The tenderers must give the following declaration in their offers/E-Bids:

"We hereby declare that in quoting the above price, we have taken into account the entire credit on duty set-offs available under the MODVAT Scheme introduced w.e.f. 1-3-86 as amended time to time. We further agree to pass on such additional duties and set offs as may become available in future in respect of all the inputs used in the manufacture of the final product on the date of the supply under the MODVAT by way of reduction of price and advise the purchaser accordingly.

4. Sales Tax/VAT: (As applicable)

4.1 State Sales Tax/Central Sales Tax (ST/CST), or Value Added Tax (VAT) wherever applicable, and intended to be claimed from the purchaser, must be clearly quoted. Sales Tax Registration Nos. must be furnished in the e-tender; else claim for the payment of ST/CST/VAT may not be admitted.

4.2 In case, VAT is applicable and is being claimed, the tenderers should quote the exact percentage of VAT they will be charging extra.

4.2.1 While quoting the rate of VAT, tenderer should pass on (by way of reduction in the prices) the set off/input tax credit that would become available to them by switching over to the system of VAT from the existing system of Sales Tax, duly stating the quantum of such credit per unit of the item quoted for.

4.2.2 The tenderer while quoting, should give the following declaration in their offers/E-Bids :

" We agree to pass on such additional set off/ input tax credit as may become available in future in respect of all the inputs used in the manufacturer of the final product on the date of supply under the VAT scheme by way of reduction in price and advise the purchaser accordingly."

4.2.3 The suppliers while claiming the payment will furnish the following certificate to the paying authorities:

"We hereby declare that additional set offs/input tax credit to the tune of `.._____ has accrued and accordingly the same is being passed on to the purchaser and to that effect the payable amount may be adjusted."

4.2.4 Even for contracts where CST is payable, this input tax credit may become admissible to the supplies where the supplier happens to be located in the state in which VAT has been implemented. Accordingly the certificate under Para 4.2.3 above should also be submitted in all such tenders where CST is payable.

4.2.5 For the States in which the VAT has not yet been introduced, the existing system of sales tax shall continue.

4.3 Facility of Inter State purchases by Government Departments against Form-D has been withdrawn by the Government with effect from 01.04.2007. As such, SWR shall not issue Form-D or Form-C and the rate of CST on inter State sale shall be the rate of ST/VAT applicable in the State of the seller. Hence, tenderers are required to quote actual percentage of the Sales Tax or VAT as applicable for the tendered item in their state duly enclosing the documentary proof, i.e., notification of the concerned State Govt., for quoted rate of ST/VAT.

4.3.1 If Sales Tax is not quoted in the offers/E-Bids, it shall be assumed that no sales tax is applicable.

5. **Statutory Variation.** (As applicable)

Statutory variation will be considered during the original delivery period and against documentary evidence only. However increase in taxes or duties/ GST on account of increase in turnover, or misclassification or

misapprehension of law shall not be allowed. Tenderers are thus advised to include Statutory Variations Clause in their offers/E-Bids.

6. Octroi Duty: (As applicable)

Purchaser will not pay any Octroi duty. If required, Purchaser will issue the Octroi Exemption Certificate, in respect of road deliveries. Where the Municipal/Local authorities do not accept the Octroi Exemption Certificate, the Octroi duty shall be borne by the Seller.

7. Entry Tax: (As applicable)

Tenderer must quote specific rate of Entry Tax/GST, if any. The inter se ranking of the tenderers shall be determined after adding Entry Tax/GST in their quoted prices. The payment of Entry Tax/GST shall be made against documentary evidence. In case rate of Entry Tax/GST is not specified, Purchaser will not pay any Entry Tax/GST.

7.1 Compliance with GST Act 2017:

For the tenders due to open before roll out of GST- All the bidders/tenderers while quoting the rates should clearly indicate the rate of applicable duties and taxes included in the prices quoted by them. Any variation in tax structure/rate due to introduction of GST shall be dealt with under Statutory Variation Clause.

For the tenders opening after roll out of GST- All the bidders/tenderers should ensure that they are GST compliant and their quoted tax structure/ rates are as per GST Law.

- i) Tenderers will examine the various provisions of The Central Goods and Services Tax Act, 2017(CGST)/ Integrated Goods and Services Tax Act, 2017(IGST)/ Union Territory Goods and Services Tax Act, 2017(UTGST)/ respective states State Goods and Services Tax Act (SGST) also, as notified by Central/State Govt. & as amended from time to time and applicable taxes before bidding. Tenderers will ensure that full benefit of Input Tax Credit (ITC) likely to be availed by them is duly considered while quoting rates.
- ii) The successful tenderer who is liable to be registered under CGST/IGST/UTGST/SGST Act shall submit GSTIN along with other details required under CGST/IGST/UTGST/SGST Act to railway immediately after the award of contract, without which no payment shall be released to the contractor. The contractor shall be responsible for deposition of applicable GST to the concerned authority
- iii) In case the successful tenderer is not liable to be registered under CGST/IGST/UTGST/SGST Act, the railway shall deduct the applicable GST from his/ their bills under reverse charge mechanism (RCM) and deposit the same to the concerned tax authority.
- iv) The firm shall , however, comply with following for supplies effected after 30.06.2017:
 - i) Submit Invoice/bill clearly indicating the appropriate HSN and applicable GST rate thereon duly supported with documentary evidence.
 - ii) Give a declaration that any additional Input Tax Credit benefit, if become available to supplier, the same shall be passed on to purchaser without any undue delay.

8. Delivery Period Extension and Liquidated Damages :

8.1 The time and the date specified in the contract for the delivery of the stores shall be the essence of the

contract and the delivery must be completed not later than the date so specified.

- 8.2 However extension of delivery period may be considered in deserving cases where genuine reasons exist. Such extensions of delivery period may be considered with liquidated damages and denial clauses as per IRS Conditions of Contract by which the contract shall be governed. Recovery of Liquidated Damage (LD) shall be levied @1/2% (half percent) of the price of the store per week or part of the week during which delivery is accepted and the upper limit for recovery of LD in supply contracts is 10% (ten percent) of the value of contract irrespective of delays, unless otherwise provide, specifically in the contract.

9. Terms of Delivery:

Material should be delivered by road transport or personal courier service, direct to the consignee on freight prepaid and door delivery basis.

10. Risk in Transit and Insurance:

- 10.1 Risk in transit will be to the supplier's account.
- 10.2 The Purchaser will not pay separately for transit insurance and the supplier will be responsible till the entire stores contracted for arrive in good condition at destination. Where the tenderer intends to insure the goods, the insurance charges should be clearly indicated, separately in the break-up in the prescribed E-Tender Offer Form.
- 10.3 The consignee will advise the supplier within 45 (forty five) days of the arrival of goods at the destination, any loss/damage etc. of the goods and it shall be the responsibility of the supplier to lodge the necessary claim on the carrier and/or insurer and pursue the same. The supplier shall, however, at his own cost replace/rectify the goods lost/damaged immediately, to the entire satisfaction of the consignee, without waiting for the settlement of the claim. In case, supplier fails to give replacement against lost/damaged goods within 45 days from the date of intimation, the Purchaser may arrange procurement at the risk and cost of supplier.

11. Weighment clause:

In case of stores ordered on weight basis, the net weight recorded at the consignee's premises or the net weight indicated in the supplier's invoice whichever is less shall be considered for accountal and payment.

12. Unloading:

Unloading will be done by consignee unless otherwise specified in the Special Conditions of Tender or elsewhere in the contract.

13. Evaluation of the Offers:

- 13.1 To facilitate evaluation and comparison, all inclusive rate will be automatically worked out by system comprising of the basic rate, quoted taxes and duties/GST, packing /forwarding charges, insurance and other charges, if any, and freight charges upto destination.
- 13.2 In case of offers received with price variation clauses with different base dates/prices, all-inclusive rates/prices shall be calculated corresponding to a common base date/price which shall be corresponding to the tender opening date, unless otherwise specified, for all the tenderers in respect of the various inputs indicated in the price variation clause quoted so that the tenders are not vitiated on account of variations in

the prices of various inputs due to different base dates/prices.

- 13.3 Conditional discounts, such as, discounts for quantity, early payment, delivery at other than specified location, etc., will not be considered for the purpose of determining inter-se ranking of the offers. That is, the rates quoted without any conditions attached, such as, discounts linked to quantity, early payment, etc., will only be considered for the evaluation purpose. Purchaser however, reserves the right to use the any of discounted rate(s) appropriate for acceptance or to counter offer to the successful tenderer(s).
- 13.4 In case of tender for multiple items, multiple consignees, the inter-se position of the bidders will be decided item wise/consignee wise and not on the basis of total value of tender as a whole.
- 13.5 For evaluation of inter-se ranking of tenders, the tax regime as applicable on the date of tender opening for statutory taxes/duties/GST, shall be applicable.
- 13.6 All offers will be arranged in the ascending order of the all-inclusive rate.
- 13.7 In cases, where delivery is required to multiple consignees, if the tenderers do not offer delivery to all the consignees given in the tender schedule, such offers shall be considered valid only for quantity required as per tender schedule for the consignee or consignees to whom delivery is offered by the tenderers and it shall be considered that there is no offer for remaining consignees.
- 13.8 In case of Machinery and Plant (M&P) Item, the Net Present Value (NPV) of Annual Maintenance Charges (AMC) for various years will also be added to arrive at all inclusive FOR Destination rate as per clause 29.3 (iii) of Special Conditions for Machinery and Plant (M&P) Items..The rate of discounting for the NPV calculation shall be pre-disclosed in the "Tender Schedule."
- 13.9 Evaluation of tender under GST Regime: Purchaser shall incorporate HSN number in the tender document. However, it shall be the responsibility of the bidders to quote correct HSN number and corresponding GST rate.
- 13.9.1 Where however, bidders quote different GST rates in offers, during transition phase, the following conditions will be applicable.
- i. The offers shall be evaluated based on the GST rate as quoted by each bidder and same will be used for determining the inter-se ranking. While submitting offer, it shall be the responsibility of the bidder to ensure that they quote correct GST rate and HSN number.
 - ii. Purchaser shall not be responsible for any misclassification of HSN number or incorrect GST rate if quoted by the bidder.
 - iii. Whenever the successful bidder invoices the goods at GST rate or HSN number which is different from that incorporate in purchase order, payment shall be made as per GST rate which is lower of the GST rate incorporated in the purchase order or billed.
 - iv. Vendor is informed that she/he would be required to adjust her/his basic price to the extent required by higher tax billed as per invoice to match the all inclusive price as mentioned in the purchase order.
 - v. Any amendment to GST rate or HSN number in the contract shall be as per the contractual conditions and statutory amendments in the quoted GST rate and HSN number, under SVC.

14. Consideration of Offers:

- 14.1 The Controller of Stores is not bound to accept the lowest or any offer/E-Bid nor to assign any reason for doing so and reserve to himself the right to accept any offer in respect of the whole or any portion of the item specified in the tender and contractor shall be required to supply at the rate quoted. In case of items of critical nature, the purchaser reserves the right to order the entire or bulk quantity on sources with proven

past performance.

- 14.2 Railways reserves the right to cancel the tender for full or part quantity tendered without assigning any reason. The rates quoted by the tenderers for the full quantity would be taken as valid for acceptance of part quantity.
- 14.3 Offers of only manufacturers or their authorised dealers/distributors/agents with the tender specific authorisation from the manufacturers will be considered. Offers of authorised dealers/distributors/ agents without tender specific authorisation are liable to be ignored.
- 14.4 Railways reserves the right to make bulk procurement from the established and regular suppliers of Railway/Production Unit who comply with the eligibility criteria and tender conditions, and whose offers are found technically suitable and otherwise acceptable.
- 14.5 In case of unregistered/untried firms, developmental order can be given upto 20% of the Net Procurable Quantity (NPQ) about whom Railway is prima facie satisfied that they are capable of executing the order, in case there is no system of approving the firms **as Approved/Registered Vendors** by nominated approving agency, depending upon the credentials and/or experience with SWR, provided that their offers are technically suitable and competitive and they have submitted/uploaded adequate evidence towards their capacity-cum-capability, past performance etc., subject to verification of the capability claimed/exhibited in the tender, if considered necessary by the Purchaser. However, there may be some cases of procurement of materials where Railway may not be willing to undertake the risk of the failure on the part of the supplier on whom the developmental orders have been placed. In such cases, Railway may go in for increased purchase quantity and keeping in view of budgetary and other aspects, so that 100 percent order could be placed on registered/approved suppliers and quantity not more than 20% of NPQ could be placed as a developmental orders outside the NPQ.
- 14.6 In case proven suppliers of Railway/Production Unit do not respond in the tender or the performance of such suppliers not satisfactory or exorbitant rates are quoted by them or cartel formation is suspected, then offers of the untried/new firms or the SWR past suppliers for similar items may be considered for regular order for bulk or entire quantity or part quantity where prima-facie the purchaser feels and is satisfied about their capability to supply tendered items based on the information submitted by the tenderers along with the offer. Otherwise, SWR reserves the right to re-invite the tender depending upon the merit of the case.
- 14.6.1 Railways reserves the right to procure up to 20% quantity with preferential treatment from Micro and Small Enterprises (MSEs) as per the extant Public Procurement Policy of Government of India brought out under Para 14 of the 'Section-I, Instructions to Tenderers'.
- 14.6.2 Offers not conforming to the Tender Schedule and not complying to tender conditions, may be rejected outright without further reference.
- 14.6.3 **Clarifications :**
- If necessary, the purchaser may seek commercial clarifications on the offers by requesting for such information from any or all the tenderers, either in writing or through personal contact, as may be considered necessary. However, tenderers will not be permitted to change the substance of their offers after the offers/E-Bids have been opened.
- 14.7 **Ordering on approved sources:**
- 14.7.1 Wherever necessary, as per procurement policy of the Govt., Purchaser reserves the right to order either

the entire or bulk quantity from firms for such items which are reserved for procurement of entire/bulk requirements from approved sources who have been approved by RDSO, Production Units (PUs), CORE, etc. as **Approved Vendors** to manufacture and supply of the tendered item. The tenderers are required to upload copies of such approval letters along with their offers/E-Bids. The approval status of the tenderer will be reckoned as on the date of opening of the E-tender and not thereafter. However, in case of downgrading/removal/suspension/banning after opening of E-tender, such changes shall be taken into account while considering the offers.

14.7.2 Wherever sources have been approved by nominated agency, the placement of developmental orders can be considered in the following circumstances –

- i) where the approved sources are not adequate and it is desirable to develop more sources for bringing in more competition or improvement in quality or indigenization.
- ii) where the rate received from new sources are lower than those applicable to approved sources and where new sources are having potential for supply of quality material and are having infrastructure of plant and machinery and testing equipment.
- iii) whose offers are technically suitable.
- iv) who have submitted adequate evidence towards their capacity-cum-capability, past performance, infrastructure details such as Machinery and Plant, Testing facilities, Quality Assurance Plan (QAP), Technical Manpower etc. subject to confirmation of their capacities/capabilities by nominated vendor approving agency such as, RDSO/CORE/PU etc. Failure to furnish requisite credentials as mentioned above will make their offer liable to be ignored.

14.7.3 Stands modified as:

Wherever there is no Approved vendor for an item in vendor list/directories and where tender conditions stipulates bulk ordering on approved sources only, in such cases, the same tender conditions would apply for placement of bulk orders to firms not in approved list without any quantity restrictions. However, while considering such firms same considerations as stipulated for approved vendors would apply subject to rates being reasonable and firms otherwise considered capable.

14.7.4 when the vendor approving agency grades vendors only as approved vendors–

Developmental order can be given upto 20% of the Net Procurable Quantity (NPQ) on unregistered/untried firms about whom Railway is prima facie satisfied that they are capable of executing the order, depending upon the credentials and/or experience with SWR, provided that their offers are technically suitable and competitive and they have submitted/uploaded adequate evidence towards their capacity-cum-capability, past performance etc., subject to verification of the capability claimed/exhibited in the tender, if considered necessary by the Purchaser. However, there may be some cases of procurement of materials where Railway may not be willing to undertake the risk of the failure on the part of the supplier on whom the developmental orders have been placed. In such cases, Railway may go in for increased purchase quantity and keeping in view of budgetary and other aspects, so that 100 percent order could be placed on registered/approved suppliers and quantity not more than 20% of NPQ could be placed as a developmental order outside the NPQ.

14.7.5 All the approved vendors must upload attested photo copies of purchase orders, inspection certificates and receipt notes/certificates related to the material under procurement, successfully supplied by them to any zonal Railway/P.U.

14.7.6 **Ordering on Sources Assessed/Developed/Approved by RDSO for various Safety/vital items:**

These instructions shall apply to procurement of items reserved for procurement from RDSO approved sources only.

1. Categorization of Vendors: For the purpose of these instructions, the vendors shall be categorized into following two categories:

i) Developmental Vendors: Such vendors shall include vendors found by RDSO as capable to develop the item under consideration. Erstwhile Part-II sources of RDSO (as on 31/12/2016, but not yet approved by RDSO, shall also be considered as developmental vendors, till they complete the pre-defined requirement as to be qualified as approved source. Such vendors shall be listed as developmental vendors by RDSO in RDSO vendor directory. Pre-defined requirement for being qualified as approved source shall be made available by RDSO on their website. New/ Untried vendors shall approach RDSO for registration/ approval.

ii) Approved Vendors: Sources categorized as approved vendors by RDSO

2. Ordering on the vendors Assessed/Developed / Approved by RDSO

2.1) Status to be taken as on tender opening date: The status of the vendor (i.e. approved or developmental vendor) shall be reckoned as on the date of tender opening and not thereafter. However, cases of downgrading/ removal/ suspension/ banning etc., after opening of tender, shall be taken into account while considering the offers.

2.2) Orders on developmental vendors shall be developmental orders and treated as such, specifically, with regard to applicability of liquidated damages for delayed supplies and levy of general damages.

2.3) Quantity Allocation:

a) Developmental Vendors shall be eligible for developmental order of 20% of NPQ in regular tenders. Total quantity to be ordered on developmental sources shall be limited up to 20% of NPQ in regular tenders.

b) Approved Vendors shall be eligible for bulk order, as per predefined tender conditions.

c) Where there are not more than three Indian Suppliers categorized as Approved vendor for a particular item, developmental vendors can be considered for placement of bulk order without any quantity restrictions. However, while considering such vendors, factors including past performance, capacity, delivery requirements, Quantity under procurement, nature of item, outstanding order load etc. shall be considered in a transparent manner, subject to rates being reasonable. Quantity allocation among eligible vendors shall be based on pre-decided tender criteria. Such orders shall be treated as bulk orders.

Indian Supplier shall be as defined in Preference to Make in India Order, 2017 which is as follows:

A Supplier or bidder shall be considered to be from India if (i) the entity is incorporated in India, or (ii) a majority of its shareholding of effective control of the entity is exercised from India, or (iii) more than 50% of the value of the item being supplied has been added in India.

d) Where there is no approved vendor for an item, developmental vendors can be considered for placement of bulk order without any quantity restrictions. However, while considering such vendors, factors including past performance, capacity, delivery requirements, quantity under procurement, nature of item, outstanding order load etc. shall be considered in a transparent manner, subject to rates being reasonable. Quantity allocation among eligible vendors shall be based on pre decided tender criteria. Suitable condition in this regard shall be made part of tender conditions.

3. Splitting of Tender Quantity:

Order on developmental vendors shall be developmental orders and shall not amount to splitting. Splitting of quantity for bulk order shall be governed by Tender Booklet Para 30.0

4. RDSO shall continue to do prototype inspection of the items supplied by developmental vendors. The balance supplies executed by the developmental vendors after clearance of prototype by RDSO can be inspected by any agency as decided by the purchaser.

14.7 Cartel Formation:

14.7.1 Wherever all or most of the approved firms quote equal rates and cartel formation is suspected, Railway reserves the right to place order on one or more firms with exclusion of the rest without assigning any reasons thereof.

14.7.2 Firms are expected to quote for quantity not less than 50% of tendered quantity. Offers for a quantity less than 50% of tendered quantity will be considered unresponsive and liable to be rejected.

14.7.3 The firms who quote in cartel are warned that their names may be deleted from list of approved sources.

14.7.4 Whenever tender is floated with purchase restriction from sources approved by nominated authorities and there exists a suspected cartel situation by approved sources or the rates available from approved source/sources are adjudged unreasonably high, despite fair efforts as permissible, after recording reasons, the purchaser reserves the right to place orders on firms outside the approved vendors list without any restrictions (even beyond the prescribed limits if any) subject to rates being reasonable and firms otherwise considered capable.

14.8 Discharge of Tenders: (In the event of lowest (L1) bidder withdrawing from the procurement process):

If the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, *the Procuring Entity shall cancel the procurement process and retendering in a transparent and fair manner. The authority may in such a situation call for limited or short notice tender if so justified in the interest of work and take a decision on the basis of lowest tender.*

15. Communication of Acceptance:

Acceptance of tender will be communicated by Cable, Telex, digitally signed email, FAX or formal acceptance of tender direct to the tenderer or through his authorised agents. In case where acceptance is indicated by Cable, Telex, email or FAX, the formal acceptance of tender will be forwarded to the contractor as soon as possible, but the communication of Cable, Telex, email or FAX shall be deemed to conclude the contract.

16. Security Deposit:

16.1 Time for deposit of SD:

SD from successful tenderer should be received in purchase office within 21 days from the date of communication of acceptance with respect to the purchaser.

16.2 Security Deposit (SD) shall be furnished in any one of the following forms:

- i) By depositing cash with the Chief Cashier, South Western Railway, Hubballi. & Fixed Deposit Receipts (FDR), Pay Orders, and Demand Drafts, in favour of "Principal Financial Advisor, South Western Railway, Hubballi". The FDR must be issued with auto renewal facility.
- ii) Guarantee Bonds issued by Nationalised or Scheduled Commercial Banks as per Annexure-III.
- iii) Bonds of Indian Railway Finance Corporation or KRCL Bonds. (In case of Bonds issued under non-cumulative interest scheme, post dated interest warrants should be submitted along with the bonds and the interest warrants could be given back as and when the interest becomes due).
- iv) Government Securities and
- v) A deposit in the Post Office Saving Bank.

16.2.1 Bank Guarantees (BGs) to be submitted by tenderer shall be sent to this office directly by the issuing bank under Registered Post AD/Speed Post/Courier.

16.2.2 In exceptional cases, where the BGs are received through the tenderers, the issuing bank shall be requested to immediately send by Registered Post AD/Speed Post/Courier an unstamped duplicate copy of the Bank Guarantee directly to this office with a covering letter to compare with the original BG and to confirm that it is in order.

16.3 There shall be no exemption from submission of Security Deposit (SD) for any tender or by any tenderer except following:

- a) The Store contract cases of value upto Rs 25 (Twenty Five) lakh,
- b) Other Railways and Government departments,
- c) Indian Ordnance Factories,
- d) PSUs owned by Ministry of Railways and PSUs for the group of items that are manufactured by them.
- e) In tenders issued against PAC, OEM in whose favour PAC has been issued shall be exempted from submitting SD. KVIC and ACASH shall be exempted from SD for items supplied by them.
- f) Vendors registered with Railways for the trade group of the item tendered shall be exempted from SD for orders valued up to their monetary limit of registration.
- g) Vendors appearing on the approved vendor lists of RDSO/PUS/CORE, subject to approval status being valid on the date of tender closing.
- h) Vendors registered with Railways for supply of medicine, medical equipments and consumables shall be exempted from submission of SD for these items.

Note: Apart from claiming damages from vendors, in case of failure to comply with the contractual obligations, Railways shall record poor performance of the vendors for taking suitable penal action as per extant instructions.

16.4	Contract value	SD (rounded off to nearest higher Rs. 10 (ten))
	Above Rs. 25 lakh and Up to Rs 50 cr	@5% of contract value subject to Max. Rs. 50 lakh
	Above Rs. 50 cr.	Rs. 1 cr.

16.5 Railway reserves right to enhance the upper limit on amount of SD up to 10% for high value tender cases and such upper limit will be specified in the tender documents, if any.

16.6 Security Deposit (SD) shall remain valid for a period of 60 days, beyond the date of completion of all contractual obligations.

16.7 No claim shall lie against the Purchaser in respect of interest on cash deposits or Government

Securities or depreciation thereof.

- 16.8 The successful tenderer shall have to deposit SD within 21days of issue of Letter of Acceptance. No Extension of time for submission off SD shall be granted.
- 16.8.1 In the event of successful tender(s) failing to deposit/submit SD in acceptable form within the prescribed period as aforesaid, the EMD submitted by such successful tenderer(s) shall be automatically adjusted towards SD in view of the fact that in most of the cases, EMD amount would be adequate to meet the SD amount. In case where available EMD amount is less than required SD and the successful tenderer does not deposit the balance SD amount within stipulated time, then EMD shall be forfeited and case be dealt with as that of withdrawal of offer by the tenderer as per extant instructions.
- 16.9 Security deposit will be returned to the successful supplier after completion of all contractual obligations.
- 16.10 The Purchaser shall be entitled and it shall be lawful on his part to forfeit the said security deposit in whole or in part in the event of any default, failure or neglect on the part of the Contractor in the fulfillment or performance in all respects of the contract under reference or any other contract with the Purchaser or any part thereof to the satisfaction of the Purchaser and the Purchaser shall also be entitled to deduct from the said deposits any loss or damage which the Purchaser may suffer or be put by reason of or due to any act or other default, recoverable by the Purchaser from the Contractor in respect of the contract under reference or any other contract and in either of the events aforesaid to call upon the contractor to maintain the security deposit at its original limit by making further deposits, provided further that the Purchaser shall be entitled to recover any such claim from any sum then due or which at any time thereafter may become due to the Contractor under this or any other contracts with the Purchaser.
- 16.11 i.) All vendors, exempted from submitting EMD, as per para 6.1 above, irrespective of type of tender, i.e. Single, Limited or Open, shall be required to sign a bid securing declaration as per Annexure- XIV.
ii.) There shall be no exemption for such bidders from submitting EMD and SD for all tenders published during the period of time they are so disqualified as per the declaration signed by them.
iii.) This para shall not be applicable for Govt. Departments/Ordnance Factories/ other Railways/ Railway PSUs/ KVIC/ ACASH and matter shall be taken up with them departmentally/ administratively.
- 16.11.1 Wherever SD has been exempted, for any reason, and the supplier fails to supply goods as per conditions of contract, as amended from time to time, Purchaser shall have right to levy damages from the supplier for failing to comply with the contractual conditions, not by way of penalty, an amount equal to SD amount, as would have been applicable if the contract was with a non-exempted vendor. These damages shall be treated as recoveries outstanding against the vendor and dealt with accordingly.
- 16.12 In case of Severable Contract (Staggered delivery), SD amount shall be adjusted proportionately for every lot separately. In case of failure by contractor to meet deliveries for any lot, Railways may cancel the contract for defaulted part by forfeiting SD commensurate to that lot.
- 16.13 Risk Purchase clause: Deleted.
- 16.14 Unless otherwise specifically called for in a particular tender.
i. Further, all tenders/contracts issued/concluded **till 31.03.2023** shall have performance security as per existing instructions or 3% whichever is lower.
ii. In all contracts where performance security has been reduced to 3% in view of above stipulations, the reduced percentage of performance security shall continue for the entire duration of the contact and there should be no subsequent increase of Performance Security even **beyond 31/03/2023**. Similarly, In all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even **beyond 31/03/2023**.

17. Inspection:

- 17.1 The inspection will be conducted by the agency nominated by the Purchaser, such as, M/s RITES/RDSO/DQA or the representative of the SWR or any other agency as specified in the contract at the manufacturer's/vendor's premises and/or on receipt of the stores at the destination. The tenderer's acceptance of the same will be implied unless his offer stipulates inspection clause to the contrary.
- 17.2 Authorised dealers/agents of manufacturers should indicate the source of supply in their quotation and confirm inspection of stores at the manufacturer's premises. Change of inspection place to warehouse or Godown is not desirable. Name of the Vendor and manufacturers premises with clear address to be mentioned in the tender by the tenderer.
- 17.3 Stores shall be despatched directly from the premises of the manufacturer to the consignee after inspection and acceptance by the nominated inspection agency. Manufacturer's Test and Guarantee Certificate, wherever applicable, will be submitted with each lot of supplies.
- 17.4 The inspection agency will not inspect the material where the material does not have the date of manufacture and name of manufacturer on material.
- 17.5 In case the purchase order is placed on the traders/agents for items which are peculiar to the railways, railway reserves the right to carry out the inspection at the manufacturer's premises.
- 17.6 Material peculiar to railways, such as, parts and fittings of rolling stock except raw materials, which have been found rejected by the inspecting agency and could not be rectified during inspection, are required to be defaced by the inspection authority to avoid recycling of such rejected material and to avoid ultimate failure of assets. All such rejected materials peculiar to railways should be mechanically defaced to prevent sale to railways again.
- 17.7 In case the firm fails to offer the materials for inspection against inspection call issued to inspection agency or if the materials have to be re-inspected due to rejection of the material at firm's premises by inspection agency or due to non-dispatch of material within validity of inspection certificate, then 50% of the inspection charges applicable for the offered quantity and the actual test charges incurred will be paid by the supplier to the inspecting agency.
- 17.8 Wherever the inspecting authority is specified in the tender documents, tenderers are requested to quote accordingly. At a later date any request for change in inspection clause will not be considered, except in exceptional circumstances to be decided by the Purchaser.

18. Registration with Karnataka Government Commercial Taxes Department web site and E-Sugam Number: (As Applicable)

All firms located out-side of Karnataka are required to obtain E-Sugam Number from consignee before dispatch of material. They are required to register themselves on web site of Department of Commercial Taxes, Karnataka, and to get conversant with the related provisions.

19. Advice of dispatch of Stores:

- 19.1 The supplier should ensure that Lorry Receipt under which the material is sent to the Railway consignee are prepared in the favour of "consignee" and on door delivery basis only" failing which they will be required to take the delivery themselves and deliver the consignment to the consignee.
- 19.2 All dispatch documents i.e. Lorry Receipt (LR), Invoice cum challan, Inspection certificate etc. must be sent

to the consignee and copies of advice of dispatch should also be sent to the Principal Chief Materials Manager, South Western Railway, Hubballi.

- 19.3 The supplier on whom contract is placed shall submit monthly report covering the progress of the contract and/or supply of stores to the Purchaser and Consignee. The submission and acceptance of such report shall not prejudice the rights of the Purchaser in any manner.

The provision is available in "ireps" website to upload dispatch particulars by the suppliers.

20. Payment Terms:

- 20.1 Unless otherwise agreed upon, 100% payment shall be made after receipt and acceptance of stores by the consignee. Payment will be made on submission of bills in the prescribed format, given in Annexure-VI which may be obtained from the Purchaser's Office or downloaded from SWR's website, accompanied with the required documents and in accordance with the instructions given in the letter of acceptance/purchase order.

- 20.2 In deserving cases, payment up-to 95% against receipted delivery challan duly signed/counter signed by a Gazetted Officer, and original copy of the Inspection Certificate may be considered as per IRS Conditions of Contract. In such cases, balance payment will be made after receipt and acceptance of stores by the consignee. The purchaser's decision as to whether a tenderer is of repute and of sound financial standing will be the final.

- 20.2.1 In exceptional cases, 98% and 2% payment can also be considered within the framework of extant rules and procedures.

20.3 Payment through EFT / RTGS:

- i) Tenderers are required to give consent in a mandate form as per Annexure-I for receipt of payment through EFT/RTGS.
- ii) Tenderers must provide the details of their Bank Account in line with RBI guidelines for the same. These details will include Bank Name, Branch name & address, Account type, Bank Account No., and Banks & Branch Code as appearing on MICR cheques issued by the bank.
- iii) Tenderer to attach certificate from their bank certifying the correctness of all the information as mentioned in (ii) above.

- 20.4 Payment terms for Machinery & Plant (M&P) items shall be as specified in the Special Conditions for procurement of M&P items specified separately under subsequent Para.

- 20.5 The payment shall be subject to recoveries, if any, under the Liquidated Damages clause of the IRS Conditions of Contract or deduction of any amounts for which the Contractor may be liable under the contract against this tender or any other contract in respect of which the President of India is the Purchaser.

- 20.6 Request for making payment before 30 days etc will not be accepted.

- 20.7 Payment for the stores or each consignment thereof will be made to the Contractor on submission of bill accompanied with the prescribed documents mentioned in the contract. In cases where Price Variation Clause (PVC) is part of the contract, a working sheet along with documents in support of the PVC must be submitted at the time of claiming any payment.

20.8 Instructions for tenderers on LC mode of payments

Scheme of letter of Credit for domestic supplies (including all service and maintenance contracts) tenders having estimated value of Rs 10 lakhs and above:

- a. All tenders invited by Zonal Railways and production units, having estimated value of Rs 10 lakhs and above, shall have an option for the supplier/contractor to take payment from Railways through a letter of credit (LC) arrangement.
- b. The LC will be a sight LC.
- c. The bidder, at the time of bidding itself shall exercise an option, in favour of taking payment due against the said tender, through LC arrangement. The option so exercised, shall be an integral part of the bidder's offer.
- d. Option once exercised shall be final and no change shall be permitted thereafter, during execution of contract.
- e. The incidental cost @ 0.15% of LC value, towards issue of LC and operation thereof shall be borne by the supplier/contractor and shall be recovered from their bill.
- f. State Bank of India through its branches shall be the Banker for Railways for opening domestic letter of credit for ensuing year. The arrangement would cover all such contracts finalized against tender issued during the said period and shall extend till final execution of these contracts.
- g. The schedule of payment liability arising in the contract shall be established by the Railways based on the prescribed delivery schedule/stages of supply.
- h. The acceptable, agreed upon document for payments to be released under the LC so opened, shall be a Document of Authorization.
- i. The supplier/Contractor shall submit their bills for completed supply to the bill processing authority mentioned in supply/ contract agreement to issue Document of Authorization to enable supplier/ Contractor to claim the authorized amount from their Banker.
- j. Accounts Officer responsible for passing the claim will issue the Document of Authorization.
- k. The Supplier/ Contractor shall take print out of the Document of Authorization. IREPS portal and present his claim to his banker (advising bank) for necessary payments as per LC terms and condition. The claim shall comprise LC Document of Authorization, bill of exchange and Invoice.
- l. The Bank shall also recover any amount as may be advised by railway against the contractor/ Supplier.
- m. The Contractor/Vendor shall indemnify and save harmless the Railway from and against all losses, claims and demands of every nature and description brought or recovered against the railways by reason of any act or omission of the Contractor/Vendor, his agents or employees in relation to the letter of Credit (LC). All sums payable/borne by Railways on this account shall be considered as reasonable compensation and paid by Contractor/Vendor.

21. Option Clause:

- 21.1 The Provision of **+(Plus) 30% Option** Clause shall be inserted in tenders as a Special Condition of Contract with a minimum purchase value of **Rs. 1.5 Crores**, for fixed quantity contracts for procurements of materials of which the requirements are of continuing nature. However, railways are not debarred from inclusion of **+(Plus)** quantity option clause in tenders for fixed quantity contracts valuing **below Rs. 1.5 Crores**, wherever so required in the railways own interest provided the requirements of such material are of continuing nature.
For running contracts, Para 3800 of IRS Conditions of Contract on contractual quantity variations will apply.
- 21.2 Option Clause can be exercised anytime within the Delivery period, by giving reasonable notice.
- 21.3 'Reasonable notice' as mentioned above is only for the purpose of allowing the contractor suitable time to make necessary arrangements for the supplies and not for seeking any consent from the contractor towards exercise of the contractual option clause. To this end, a reasonable delivery schedule for the enhanced ordered quantity stipulated in the relevant Modification Advice to the contract will suffice.

- 21.4 Where the + **(Plus) 30%** quantity option leads to fractional quantities, these may be rounded off to the next higher number, if the fraction obtained is 0.5 or more.
- 21.5 Option Clause may be operated only where there is clear demand for additional quantities and benefits accrue to Railways in terms of existing contractual rates being reasonable/ lower than newly opened Tendered rates, if available,
- 21.6 While exercising Option Clause on firm/ firms, it must be ensured that the performance of the firm/ firms on whom option is proposed to be exercised is satisfactory in the present contract vis-a-vis the firm/firms on whom also the orders have been placed in the same tender for the same item.

22. Warranty:

- 22.1 Unless otherwise specified in the tender documents, the warranty clause shall be as specified in the IRS Conditions of Contract.
- 22.2 Suppliers are advised to ensure that the materials are invariably stamped with manufacturer's, name, month and year of manufacture as may be detailed in the drawing/specification of material, so that warranty can be correctly acted upon.

23. Identification Mark:

All manufactured stores must carry identification mark of the manufacturer and month/year of manufacture in embossed form at the location specified in drawing/specification. In case this is not mentioned in drawing or specification, the location should not be subject to wear and should not affect the functionality, utility, operation and structural stability of the item. Inspecting agency and consignee will be entitled to reject the supplies not conforming to this clause.

24. Procurement of Stores with ISI marking:

In case of tenders for procurement of goods as per BIS specifications, the Purchaser intends to purchase only ISI marked stores against the tender. However, the Purchaser reserves the right to purchase stores strictly conforming to BIS specifications though not ISI marked. In the event of placement of order for ISI marked stores, it shall be the responsibility of the Contractor to ensure that only such stores are supplied against the contract. Failure to do so will entitle the Purchaser for action in terms of the provisions of the governing terms and conditions. Firms offering stores with ISI marking should indicate details of BIS Licence held by them and its validity period. A copy of the BIS Licence should also be submitted with the offer.

- 24.1 If the order is placed directly on an ISI certified manufacturer, the material shall be accepted on firm's WTC. In such cases, there will be no need for any 3rd party inspection for ISI marked product from ISI certified manufacturer and Inspection clause will indicate "acceptance on firm's WTC".

25. Purchase according to Samples:

- 25.1 When samples are required, this fact will be indicated in the tender documents. Samples must strictly conform to the tendered specification, drawing and description. Any sample submitted will
- 25.2 be considered as supplement and not to supersede the tendered specification unless otherwise specifically indicated. In the absence of a specified acceptance in writing of any variation, the Purchaser shall be entitled to reject a claim for acceptance of a supply embodying such variation.

25.3 Samples where called for, should be sent duly sealed to the Materials Management Department of SWR before the date and time of opening of tender failing which offer is liable to be rejected. Samples should be supplied without any charge and on freight paid basis.

25.4 The tenderers are required to collect their samples within 15 days from the date on intimation to do so. If the samples are not collected within the specified period, they will be disposed off and no claims whatsoever will be entertained thereafter.

26. Time for making Risk Purchase: Deleted.

27. Force Majeure Clause:

27.1 If at any time during the continuance of the contract, the performance in whole or in part by either party of any obligation under this contract shall be prevented or delayed by the reasons of any war, hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosion, epidemics, quarantine restrictions, strikes, lockouts or act of God (hereinafter referred to as such acts) provided notice in writing of happening of any such event is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall by reasons of such event, be entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such non-performance or the delay in performance, and deliveries under the contract shall be resumed as soon as practicable after such event has come to an end or ceased to exist, and the decision of the Purchaser as to whether the deliveries have been so resumed or not, shall be final and conclusive,

PROVIDED FURTHER that if the performance in whole or part of any obligation under this contract is prevented or delayed by reason of any such event for a period exceeding 60 days, either party may at its option terminate the contract provided also that the purchaser shall be at liberty to take over from the Contractor at a price to be fixed by Purchaser, which shall be final, all unused, undamaged and accepted material, bought out components and stores in course of manufacture in the possession of the Contractor at the time of such termination or such portion thereof as the Purchaser may deem fit excepting such materials, bought out components and stores as the contractor may with the concurrence of the Purchaser elect to retain.

27.2 Force Majeure Clause will not be used by any party to effectively escape liability for bad performance and Contractor shall seek all reasonable alternative means for performance not prevented by Force majeure events.

27.3 There may be a Force Majeure situation affecting the Railway Organization and in such a situation, Force Majeure Clause shall be available and applicable to the Railway also and Purchaser shall be entitled to cancel the contract.

28 Fall Clause:

28.1 The price charged for the stores supplied under the Contract by the contractor shall in no event exceed the lowest price at which the contractor sells the stores or offer to sell stores of identical description to any persons/organizations including the purchaser or any Department of Central Government or any Railway Office or any Railway undertaking, as the case may be, during currency of the contract. The lower price will be applicable to supplies made after the date of coming into force of such reduction or sale or offer to sell at a reduced rate

28.2 If at any time during the said period the contractor reduces the sale price, sells or offers to sell such stores to

any persons, organizations including the purchaser or any Department of Central Government or any Railway Office or any Railway Undertaking as the case may be at a price lower than the price chargeable under the contract, they shall forthwith notify such reduction or sale or offer of sale to the purchaser and the price payable under the contract for the stores supplied after the date of coming into force of such reduction or sale or offer of sale, shall stand correspondingly reduced.

28.3 The Contractor shall furnish the following certificate to the concerned Accounts Officer along with each bill for payment of supplies made against the contract.

"I/We certify that there has been no reduction in sale price of the stores of description identical to the stores supplied to the Government under the contract herein and such stores have not been offered / sold by me/us to any person/ organization including the purchaser or any Department of Central Government or any Railway Office or any Railway Undertaking as the case may be, up to the date of bill, at a price lower than the price charged to the Government under the contract."

28A Waiver of Risk purchase: Deleted.

29. Special Tender Conditions pertaining to procurement of Machinery and Plant (M&P) Items :

29.1 Timely Commissioning of M&P:

- i) The supplier has to conduct joint inspection along with the consignee's representative at the time of opening the cases after receipt of the cases at consignee's site.
- ii) The installation, commissioning & demonstration will have to be done by the supplier Immediately after the joint inspection at the consignee's site.
- iii) In the event of Contractors' failure to have M&P commissioned by the time or times respectively specified in the letter of acceptance or contract, purchaser may withhold, deduct or recover from the contractor as penalty, a sum @ 2% (two percent) of the price of M&P which the Contractor has failed to commission as aforesaid for each and every month (part of a month being treated as a full month) during which the M&P may not have been commissioned, subject to an upper limit of 10% (ten percent) of contract value.

29.2 Warranty:

- i) Warranty period for M&P will be 24 (twenty-four) months from the date of commissioning and proving out of M&P. A maximum period of 2 (two) weeks will be allowed for attending and rectification of faults during the warranty period.
- ii) Maximum down time during the warranty period will be 2% (two percent) for on line M&P and 10% (Ten percent) for off line M&P calculated on quarterly basis.
- iii) A penalty of 0.5% (Zero point five percent) per week of the contract value will be levied for delay in response time for attending and rectification of faults beyond specified time during the warranty period as detailed above.
- iv) Maximum penalty to be levied on account of warranty failure will be 5% (Five percent) of the contract value calculated during whole of warrantee period and after that if there is any delay on the part of supplier, Purchaser shall be entitled for encashment of Warrantee/Guaranty Bonds. In such cases the bad performance of firm during the warranty period will be recorded and circulated to all Railways for deciding future orders on the firm and when evidence to the contrary is not available, the firm's offer may be even rejected.

29.3 Annual Maintenance Contract:

- i) Tenderers are required to quote for post warranty Annual Maintenance Contract (AMC) for a period of five years after expiry of the warranty period of the M&P along with their offers. The scope of AMC will include preventive and break down maintenance. AMC charges will include all costs of personnel, spares etc., except the cost of consumables required for day-to-day operation and daily maintenance checks.
- ii) The maximum downtime and maximum response time as also penalties for failure to adhere to the same will be as specified in the Tender Schedule. AMC payment terms should be linked to these performance parameters.
- iii) The tenderers should quote AMC rates for each of the five years. The AMC price for each year will be firm. The AMC charges shall be separately payable in Indian Rupees only. The AMC charges would be added to the FOR destination price quoted for M&P for the purpose of comparative evaluation of offer, if so specified in the tender documents/ Tender Schedule. In order to equitably compare different AMC charges for different years. The concept of NPV (Net Present Value) will be used at a predetermined rate of discounting to bring the AMC charges at the same footing in the assessment of FOR destination price. The rate of discounting and the of NPV calculation shall be pre-disclosed in the tender document /Tender Schedule.
- iv) The post-AMC maintenance of machines will be dealt with by the end users. In order to facilitate the same, tenderers are required to give the current cost of spares required for maintenance of machine after AMC period and the current service charges for each items of work of repair of M&P beyond the AMC period. These charges will not be included in the price of M&P for the purpose of comparative evaluation of offers
- v) Tenderers who are OEM, must give undertaking for supply of spare parts for a period of expected life of the machine/equipment. Other tenderers must submit undertaking from OEM for supply of spare parts for a period of expected life of the machine/equipment.
- vi) The actual contract Agreement must show the AMC charges as a separate schedule/annexure to distinguish it from the transaction value of M&P, to avoid undue Custom Duty/Charges.

29.4 Validity:

The Tenderers should keep the offer for M&P item valid for a minimum period of 120 calendar days from the date of opening of tender.

29.5 Payment Terms for M&P items:

- i) **Payment to foreign suppliers:** Payment against foreign supplies shall be made through Letter of Credit. All charges, including the confirmation charges of L.C., levied by foreign Banks, shall be borne by the supplier. The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under:
 - a) 80% of the payment against irrevocable Letter of Credit (L.C.) on proof of inspection certificate and shipping documents within 30 days of receipt of shipping documents as specified.
 - b) Balance 20% payment within 90 days after installation/ commissioning and proving out test of M&P subject to submission of Bank Guarantee/Warranty Guaranty Bond for an amount of 10% of contract value as per Annexure-IV towards warranty performance/warranty security.

ii) **Payment to indigenous suppliers:**

The standard payment terms subject to recoveries if any, under the liquidated damages clause and general condition of contract will be as under:

- a) 80% of the payment on proof of inspection certificate and Receipted Delivery Challan to be made within 30 days of receipt of documents as specified.
- b) Balance 20% payment within 90 days after satisfactory installation/ commissioning and proving test of M&P subject to submission of Bank Guarantee/Warranty Guaranty Bond for an amount of 10% of contract value as per Annexure-IV towards warranty performance/warranty security.

29.6 Training:

The Contractor during commissioning of the equipment will also train the Railway staff in operation and maintenance of equipment supplied.

29.7 Maintenance manual, consumables and spare parts :

- i) Contractor is required to supply 2 copies of operation and maintenance manual to enable the railway staff in operation and maintenance to be conversant with the machine.
- ii) Consumables that may be required during the warranty period and are not covered in the warranty, same needs to be listed out including the quantity required along with the price.

29.8 Site preparations for installation:

- i) The accepted tenderer whose offer is accepted and PO is placed, will immediately provide all the requisite details relating to the site preparations, including the lay out drawings and details of the foundations/ superstructure/ shed/ roof as may be required, but not later than 6 weeks unless otherwise specified, to avoid delay in site preparation and installation and commissioning.
- ii) If the circumstances so warrant, the supplier will be permitted to work in more than one shift for commissioning the machine, provided a request is made by the supplier. This may be permitted if the same leads to reduction of commissioning time.

29.9 Performance / Warranty Bank Guarantee:

For machinery and Plant items, costly equipment, and capital spares, the contractor will have to furnish a Performance/Warranty Bank Guarantee of 10% value of the contract value to cover their warranty obligations, valid for warranty period plus six (6) months claim period.

Xxxxxxx

30.0_SPLITTING CRITERIA

SPLITTING CRITERIA

(The applicability of the clause is to be stipulated in the tender schedule. Unless it is mentioned that pre-decided splitting is applicable in the tender schedule under remark/instructions ,this clause shall not be applicable)

Splitting of tendered quantity

1.1 Case of no prior decision to split the order -

1.1.1 Normally full order should be placed on L-1 firm. however, if after due processing, it is discovered that the quantity to be ordered is more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then this aspect should be recorded in TC minutes/acceptance in direct acceptance cases. The quantity being finally ordered will be distributed among the other bidders in a manner that will be fair, transparent and equitable. The manner of splitting will take specific note of the following parameters.

- (i) Past Performance of bidders
- (ii) Capacity of bidders
- (iii) Delivery requirements in the tender
- (iv) Quantity under procurement
- (v) Vital/safety nature of the items.

1.1.2 In the absence of any differentiation on the above parameters, the manner of splitting will be based on the stipulation given in para 1.2.2 below

1.2 Case of pre-decided split ordering –

1.2.1 Railway may decide in advance to have more than one source of supply on account of delivery requirement in tender, past performance and capability of bidders, quantity under procurement and vital/safety nature of items.

1.2.2 Following provisions (1.2.2 (A) to 1.6) shall be applicable in all such cases of pre decided split ordering:.

(A) The purchaser reserves the right to distribute the procurable quantity on one or more than one of the eligible tenderers. .Zone of consideration of such eligible tenderers will be the right of the purchasers. The zone of consideration will be a dynamic mix of inter-se position of firms, supply performance of the firms, quantity being procured, criticality of and lead time of supply of the item, number of established suppliers, their capacity etc.,

(B) Whenever such distribution/splitting of the Tenderer/procurable quantity is made, the quantity distribution will depend (in an inverse manner) upon the differential of rates quoted by the Tenderers (other aspects i.e. adequate capacity – cum – capability, satisfactory past performance of the Tenderers, outstanding orders load for the Railway making the procurement, quoted delivery schedule vis-à-vis the delivery schedule incorporated in the tender enquiry etc., being same/similar) in the manner detailed in the table below.

Price differential between L1 and L2	Quantity distribution ratio between L1 and L2
Upto 3%	60 : 40
More than 3% and upto 5%	65 : 35
More than 5%	At least 65% on the L1 tenderer. For the quantity to be ordered on the L-2 tenderer. TC/TAA shall decide.

In the phrase 'differential rates quoted by the tenderers', the quoted rate would mean

- (i) When no price negotiation has been called for, the original rates as obtained at the time of tender opening. However, the rate of the highest eligible tenderer within the zone of consideration has to be per se reasonable.
- (ii) When price negotiation has been called for, the reference L1 rate for assessment of ratio will be the original rate of L1 firm (suitable for bulk quantity) - say firm "A" - as obtained at the time of tender opening.

B(I) If splitting of quantity is required to be done by ordering on Tenderers higher than the L2 tenderer, then the quantity distribution proportion amongst the Tenderers will be decided by transparent/logical/equity based extrapolation of the model as indicated in the above para.

B(II) There could be situation when between the lowest firm considered suitable for bulk qty (L1 firm "A" and another firm considered suitable for bulk quantity order, there are firms who are considered suitable only for part quantity. For example, say L1 firm "A" is Pt.I firm, L4 is Pt I firm (and both considered suitable for bulk quantity order) and splitting is to be done between these two Pt I firms. But there are two Pt.II firms in between who are suitable for part quantity. In such cases, L1 should be given its proportion based on its rate differential with respect to L4, (say by this, L1 gets 65% of NPQ). The balance quantity (say 35% of NPQ) is to be distributed among other firms. The balance quantity is to be distributed as follows:

- (a) Allocate the Pt.II L2 and Pt. II L3 within the overall ceiling of 15%/25% (of 35% of NPQ)
- (b) Allocate the balance quantity to L4 firm.

Since the Pt II firms are being given the order in relation to its lower position w.r.t L4 (Pt. I firm), it will not attract the provision of 'order on Pt II firm should not be at a higher rate than Pt I firm' as the reference rate for comparison of L2 Pt II and L3 Pt II rate is the L4 Pt I rate.

1.2.3 In cases of pre-decided splitting, if the purchaser decides not to split the ordered quantity, the reason for

the same should be recorded in TC minutes/acceptance in direct acceptance cases.

- 1.3 For cases where the Rlys/Pus had entered into ToT/JV agreements, the following clause should be stipulated as tender conditions:

As the Rly has entered into TOT/JV agreement with ____ no. of firms, they reserve the right to place orders on all such ToT/JV agreement partners. However, for ratio/proportion of quantity distribution among such agreement partners, conditions as detailed in Para 2.2.2. (B) shall apply with the exception that the aspect of 'per-se reasonability' will not be applicable.

- 1.4 In the case of inadequate capacity-cum-capability, dissatisfactory past performance, large quantity of outstanding orders (liquidation of which will take very long time) etc., the Purchaser shall have the right to distribute the procurable quantity amongst tenderers with due consideration to these constraints and in such a manner that would ensure timely supply of material in requisite quantity to meet the needs of operation, maintenance, safety etc. of the Railways, regardless of inter-se ranking of the tenderers and in a fair and transparent manner with due conformity to the Principles of Natural Justice and Equity.

SECTION - III**ANNEXURE - I****ELECTRONIC FUND TRANSFER (EFT) MANDATE**

<p>I/We _____ am/are expressing my/our consent for getting my/our payment directly credited to my/our Bank Account/s towards supply of stores to South Western Railway, Hubballi -580020,</p> <p style="text-align: right;"><u>Company's Seal & Signature of Authorised Signatory</u> ----- ----- Date -----</p>	
Name of the Company/Supplier	
Vendor/Supplier's Code	
Postal Address	
Name of the Bank & Branch Address (with Telephone No.)	
09 Digits MICR Code of the Bank :	
IFSC (IFS Code) of Bank	
Account No. (15 Digits only)	
Type of Account	
Income Tax P A N No.	
Please attach following:	1. Copy of Cancelled cheque leaf. 2. Copy of PAN Card
	Signature of Tenderer's Authorised Signatory & Date
<p>The above Account No. has been verified and details furnished above are found correct.</p> <p style="text-align: right;">Bank Seal & Signature -----</p>	

ANNEXURE - II**PROFORMA OF BANK GUARANTEE FOR EARNEST MONEY DEPOSIT**

To:
 The President of
 India Acting through
 The Principal Chief Materials Manager,
 South Western Railway,
 New Zonal Head Quarters Building
 East Block, Gadag Road, Hubballi -580020,

In consideration of the President of India (hereinafter called " the Government ") having agreed to accept from (hereinafter called "the said Tenderer(s)") earnest money in the form of Guarantee Bond, under the terms and conditions of tender

..... dated in connection with
 (hereinafter called "the said Tender") for the due observance by the said Tenderer of the stipulation to keep the offer open for acceptance for a period of 90 days from the date of opening of tenders, to execute an agreement within the time specified, to start work within the period specified after notification of the acceptance of his/their tender and the deposit of Earnest Money in cash or furnish fresh Bank Guarantee for the said amount as part of security for the due and faithful fulfilment of the contract on acceptance of the tender on production of a Bank Guarantee for Rs..... (Rupees.....only), we,
 Bank Ltd., do hereby undertake to pay on demand to the Government, the sum of Rs in the event of the said tender having incurred forfeiture of Earnest Money as aforesaid for the breach of any of the terms or conditions of the stipulations aforesaid and contained in the said tender under an order of the authority competent to invite tender.

We Bank Ltd. further agree that the guarantee herein contained shall remain in full force and effect till the authority competent to invite the tender discharges the guarantee, subject however that the Government shall have no right under this Bond after the expiry of one year from the date of its execution and our liability under the bond shall be discharged if the demand for payment is not made within this period, we,..... Bank Ltd, lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Dated.....day of

ForBank Ltd.

PROFORMA OF BANK GUARANTEE FOR SECURITY DEPOSIT

To:
 The President of India
 Acting through
 Principal Chief Materials Manager,
 South Western Railway,
 New Zonal Head Quarters Building
 East Block, Gadag Road, Hubballi -580020,

GUARANTEE BOND

In consideration of the President of India (hereinafter called "the Government") having agreed to exempt ----- (hereinafter called "the said Contractor(s)") from the demand under the terms and conditions of an Agreement dated ----- made between ----- and ----- for ----- (hereinafter called "the said Agreement"), of security deposit for due fulfilment by the said Contractor (s) of the terms and conditions contained in the said Agreement on production of a bank Guarantee for Rs ----- (Rupees ----- only) we ----- (Indicate the name of the bank) (hereinafter referred to as "the Bank") at the request of ----- contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. ----- against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said agreement.

2. We ----- do here by undertake to pay the amounts due and payable under

(Indicate the name of the bank)

this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damages caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. -

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

The payment so made by us under this Bond shall be a valid discharge of our liability for payment thereunder and the Contractor(s)/ Supplier(s) shall have no claim against us for making such payment.

4. We ----- further agree that the Guarantee herein contained shall remain

(Indicate the name of the bank)

in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till ----- (Office/Department) Ministry of ----- certifies that the terms and conditions of the

said Agreement has been fully and properly carried out by the said Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the ----- we shall be discharged from all liability under this Guarantee thereafter.

5. We ----- further agree with the Government that the Government shall

(Indicate the name of the bank)

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

6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/ Supplier(s).

7. We -----lastly undertake not to revoke this Guarantee during its currency

(Indicate the name of bank)

except with the previous consent of the Government in writing.

Dated the ----- day of ----- 20---

For -----

(Indicate the name of Bank)

PROFORMA FOR WARRANTY GUARANTEE BOND

To
 THE PRESIDENT OF INDIA
 Acting through the Principal Chief Materials Manager,
 The Principal Chief Materials Manager,
 South Western Railway,
 New Zonal Head Quarters Building
 East Block, Gadag Road, Hubballi -580020,

Sub: Guarantee No. ----- for ----- (Amount) Covering Machine(s) Serial No-----
 supplied to (Consignee/s) -----

Ref: Contract No----- dated -----Placed on M/s -----

1. WHEREAS M/s ----- one of our constituents, (hereinafter called the "Sellers") have agreed to sell to you (hereinafter referred to as the "Government") ----- Nos. of ----- (give description) as per Contract No ----- dated ----- (hereinafter called "the said contract").

2. AND WHEREAS according to the terms of said contract, it has been stipulated that payment of 10 per cent of the value of the stores would be made, provided that the Sellers furnish to the Purchaser a Bank Guarantee from a recognised Bank, acceptable to the Purchaser for 10 per cent of the value of the said contract, valid for a period covering in full the Guarantee Period as per the Warranty clause of the said conditions of the contract, being the conditions attached to and forming part of the said contract.

3. AND WHEREAS the Sellers have approached us to give the said Bank Guarantee on their behalf in your favour for an amount representing 10 per cent of the value of the contract which you have agreed to accept.

4. That in consideration of the promises and at the request, of the said Sellers, we hereby irrevocably undertake and guarantee to pay to the Government of India or at such other place as may be determined by you forthwith on demand and without any demur, any sum upto a maximum amount of ----- (Rs. -- -----) representing 10 per cent of the value of the Stores despatched under the said contract in case the Sellers make default in paying the said sum or make any default in the performance observance or discharge of the guarantee contained in the said contract.

5. We agree that the decision of the Government whether any default has occurred or has been committed by the Sellers in the performance, observance or discharge of the guarantee aforesaid shall be, conclusive and binding on us.

6. Government shall be at liberty, from time-to-time, to grant or allow extension of time or give other indulgence to the said Sellers or to modify the terms and conditions of the contract with the said Sellers without affecting or impairing this guarantee or our liability hereunder.

7. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Sellers in any suit or proceeding pending before any Court or Tribunal relating there to our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be a valid discharge to our liability for payment thereunder and the Sellers shall have no claim against us for making such payment.

8. This Bank guarantee comes in to force when the balance ten percent of the value of the stores shipped per Vessel ----- *vide* Bill of Lading No. ----- dated ----- or R/R No. ----- dated - ----- (in the case of indigenous contracts) under the said contract, has been paid and will remain in full force and effect up to ----- i.e. for ----- months counted from the date of placing the stores in services, and shall continue to be enforceable for further six months i e. upto ----- (date), hereinafter called the said date.

9. This guarantee will not be discharged due to the change in the constitution of the Bank or the Sellers

10. That no claim under this guarantee shall be entertained by us unless the same has been preferred by the Government within the said date.

Date -----

Signature -----

Place -----

Printed Name -----

Witness -----

(Banks common Seal)

CERTIFICATE TO CLAIM EXCISE DUTY

The claim for Excise Duty on each bill should be supported by the following certificates.

- (i) The rate of ED is advalorem. The ED at present legally leviable in this case is Rs. ----- i.e on Rs. -----
being the unit value of the stores assessed by the concerned authority of excise department.
- (ii) Certified that the ED charged on this bill is not more than that is legally leviable and payable under the provision of the relevant act or rules made there under.
- (iii) Certified that the amount of Rs. ----- claimed as ED in this bill is in accordance with the provision of the rules in all respects and the same has been actually paid to the excise authorities in respect of the stores covered by the bills.
- (iv) Quarterly certificate to the effect that no refund of ED already reimbursed against this contract has been obtained during the quarter ending -----in the event of any such refund being obtained by the seller, the same should be passed on to the purchaser.

Company's Seal & Signature of
Authorised Signatory

Date -----

ANNEXURE - VI**S.W.R. Bill Format**

S.B./2/ Revised
IGRC/S.2817
S.276.B

ORIGINAL

Stores Bill No.....of..... PCMM's Order No.....

Date.....

The South Western Railway (PFA, Stores A/cs Branch, Hubballi) DR

To Mr./Messrs.....

Address.....

SWR

Vender

.....

Reg.Code

(For the Supply of the following stores on the above order)

Description of Stores	Qty (Units)	Rate in (Figures and words)	Amount Rs.....P.
GST Registration No.....			
Total			

Certified for Rs.....

Stores delivered on.....

Despatched under R.R.....

Address of the Vendor.....

.....

Signature of the Vendor
(in Ink)

Store consigned against PCMM's Order No.....

dt:..... has/have been received in good condition.

Stores received on.....

Bill received on.....and forwarded to the.....

vide (Ref)..... dt.....

Allocation :

Note: PCMM's sanction for the late delivery of stores have been obtained.

PCMM's sanction No..... dated.....

Extension granted with/without the levy of liquidated damages.

Ref..... Vide.....

Consignee.....

Signature and Designation.....

Quantity, quality and rate examined. The Supplier's Bill No.....dt.....
 Certified for Rs.....

Signature of the Controlling officer.....
 Designation.....

(Note: Suppliers are requested to quote their Vendor Registration Code on the top of each bill)
 (For Accounts Office Use Only)

C.O6 No.....date.....
 C.O7 No.....date.....
 Voucher No.....
 Allocation Dr.IX9321-B.G/M.G = Rs.....
 Dr.G.3101-B.G/M.G = Rs.....
 Dr.G 3102-B.G/M.G= Rs.....

S.W.R Passed forRs..... Less Deduction... Rs..... Net Amount Payable.....Rs... Rupees..... Date: For (PFA)

Clerk

Sub Head

Accountant

ACKNOWLEDGEMENT

Received from the South Western Railway the sum of (in words) Rupees.....

In payment of my/Our Bills mentioned herein.
 Rs.....

(In Figures)

Entries to be made by the Pay department
 Cash entry dated..... Amount
 Paid Rupees.....
 Amount unpaid Rupees.....

Payee's Signature

Office Stamp.....

Dated.....

.....
Signature of Disbursing pay Clerk

Instruction to the Suppliers

1. Full Address must be given clearly by the Vendor on the bill.
2. The Bill should be prepared in ink or type written and signed in ink for and on behalf of the firm.
3. Where sales tax is claimed in the bill, along with the sales tax registrations. No. a certificate should be given as follows "Certified that sales tax as claimed in this bill is legally payable by us to the Sales Tax Authorities Our Sales Tax Registration No. is....."
4. PCMM's reference to extension of delivery date etc. should be quoted on the bill.
5. One bill should be marked as original and duplicate should be defaced in Bold letter duty quoting "NOT FOR PAYMENT"
6. Any discrepancy or dispute should be settled with PCMM Office before submission of the bill.
7. Revenue stamp of 1 Rupee must be affixed and signed when the amount exceed Rs.5, 000/-. Failure to do this will result in payment being delayed.

Form - 1

Format for Affidavit of Self Certification regarding Domestic Value Addition in an Electronic Product to be provided on Rs.100/- Stamp paper.

Date : _____

I, _____ S/o., D/o., W/o _____,
Resident of _____ do hereby solemnly affirm and declare as under:

That I will agree to abide by the terms and conditions of the policy of Government of India issued vide Notification No. 8(78)/2010-IPHW, dt: 10.02.2012.

That the information furnished hereinafter is correct to the best of my knowledge and belief and I undertake to produce relevant records before the procuring authority or any authority so nominated by the Department of Electronics and Information Technology, Government of India for the purpose of assessing the domestic value-addition.

That the domestic value addition for all inputs which constitute the said electronic product has been verified by me and I am responsible for the correctness of the claims made therein.

That in the event of the domestic value addition of the product mentioned herein is found to be incorrect and not meeting the prescribed value addition norms, based on the assessment of an authority so nominated by the Department of Electronics and Information Technology, Govt. of India for the purpose of assessing the domestic value addition. I will be disqualified from any Government tender for a period of 36 months. In addition, I will bear all costs of such an assessment.

That I have complied with all conditions referred to in the Notification No., wherein preference to domestically manufactured electronic products in Government procurement is provided and the procuring authority is hereby authorize to forfeit and adjust my EMD and other security amount towards such assessment cost and I undertake to pay the balance, if any, forthwith.

I agree to maintain the following information in the Company's record for a period of 8 years and shall make this available for verification to any statutory authorities. Further I am submitting the following details -

- i. Name and details of the Domestic Manufacturer (Registered office, Manufacturing unit, location, nature of legal entity).
- ii. Date on which this certificate is issued.
- iii. Electronic Product for which the certificate is produced.
- iv. Procuring agency to whom the certificate is furnished.
- v. Percentage of domestic value addition claimed.
- vi. Name and contact details of the unit of the manufacturer.

- vii. Sale Price of the product.
- viii. Ex-Factory Price of the product.
- ix. Freight, Insurance and handling.
- x. Total Bill of Material.
- xi. List and total cost value of inputs used for manufacture of the electronic product.
- xii. List and total cost of inputs which are domestically sourced. Please attach certificates from suppliers, if the input is not in-house.
- xiii. List of cost of inputs which are imported, directly or indirectly.

For and on behalf of _____ (Name of firm/entity)

Authorized signatory (To be duly authorized by the Board of Directors)
<Insert Name, Designation and Contact No.>

ANNEXURE – VIII

Ministry of Communication and Information Technology
Department of Telecommunication

5th October, 2012

Sub : Policy of preference for domestically manufactured telecom products in procurement due to security considerations and in Government procurement – Notifying Telecom Products for Government Procurement in furtherance of the policy.

1. No.18-07/2010-IP: Department of Information Technology (DIT) has issued a notification No. 8(78)/2010-IPHW dated 10th February 2012 for providing preference to domestically manufactured electronic products as a part of procurement process for the electronic products that have security implications for the country, and are to be utilized in Govt. own use while ensuring that no commercial resale is involved. As per the notification, telecom products which are procured across sectors would be notified by the Department of Telecommunications (DoT).
2. in furtherance of the policy notified vide reference cited above, the Department of Telecommunications has accordingly laid down the following policy for providing preference to domestically manufactured telecom products in Govt. procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale and the policy shall come into force from the date of its publication in the gazette of India and shall be in force for a period of ten years thereafter.
3. It is hereby notified that each Ministry or Department will procure minimum percentage of their telecom product requirement fulfilling minimum value addition prescribed against each item. For all the Ministries or Departments (except the Ministry of Defence) of Government and the agencies under their administrative control and for all Government funded telecom projects (e.g. NFS and projects funded by USOF like NOFN etc.). the list of telecom products indicating preferential market access and criteria to qualify as domestically manufactured product year wise is given in Table-A.
4. The Preferential Market Access (PMA) and Value Addition (VA) indicated against each year are minimum and efforts should be made by domestic manufacturers to achieve higher value addition. The formula for calculation of value addition for telecom products shall also be as notified by Department of Electronics and Information Technology from time to time. All the telecom products which do not meet the minimum value addition criterion for that year shall be treated as imported telecom products and dealt accordingly.

5. Based on the availability of domestic products, the list of products as well as value addition for each product would be reviewed and notified by the Department of Telecommunications on periodic basis.

Table – A

Sl. No.	Telecom equipment description	Year 2012-13 & 2013-14		Subject to periodic review based on new industry inputs/ developments							
				Year 2014-15		Year 2015-16		Year 2016-17		Year 2017-18	
		PMA	VA	PMA	VA	PMA	VA	PMA	VA	PMA	VA
1	Encryption/UTM platforms (TDM and IP)	100	45	100	50	100	55	100	60	100	65
2	Core/Edge/Enterprise routers	50	35	60	40	70	45	80	50	80	55
3	Managed leased line network equipment	75	35	100	40	100	45	100	50	100	55
4	Ethernet switches (L2 and L3) Hubs etc	50	35	100	40	100	45	100	50	100	55
5	IP based soft switches, media gateways	50	35	100	40	100	45	100	50	100	55
6	Wireless/Wireline PABXs	100	45	100	50	100	55	100	60	100	65
7	CPE (including WiFi Access points and Routers, Media Converters) 2G/3G Modems, Leased-line Modems etc.,	75	25	100	30	100	35	100	40	100	45
8	Set-Top boxes	50	35	60	40	70	45	80	50	80	55
9	SDH/Carrier-Ethernet/ packet optical transport equipments.	100	45	100	50	100	55	100	60	100	65
10	DWDM/CWDM systems	50	35	60	40	70	45	80	50	80	55
11	GPON equipments	75	35	100	40	100	45	100	50	100	55
12	Digital Cross-connects/MUXs	50	35	100	40	100	45	100	50	100	55
13	Small size 2G/3G GSM based Base Station Systems	75	35	100	40	100	45	100	50	100	55
14	LTE based broadband wireless access systems (eNodeB, EPC, etc.)	50	35	100	40	100	45	100	50	100	55
15	Wi-Fi based broadband wireless access systems (Access Point, Aggregation Block, Core, Block, etc.)	100	35	100	40	100	45	100	50	100	55
16	Microwave Radio	75	35	100	40	100	45	100	50	100	55

	systems (IP/Hybrid)										
17	Software defined radio, cognitive radio systems	50	35	100	40	100	45	100	50	100	55
18	Repeaters (RF/RF-over-optical), IBS and distributed Antenna system	75	35	100	40	100	45	100	50	100	55
19	Satellite based systems – Hubs, VSAT etc.	50	35	100	40	100	45	100	50	100	55
20	Copper access systems (DSL/DSLAM)	50	35	60	40	70	45	80	50	80	55
21	Network management systems	100	45	100	50	100	55	100	60	100	65
22	Security and surveillance communication systems (video and sensors based)	100	35	100	40	100	45	100	50	100	55
23	Optical Fiber cable	100	45	100	50	100	55	100	60	100	65

PMA = Minimum Preferential Market Access to Domestically Manufactured Telecom Products in indicated financial year.

VA = Minimum domestic Value addition to qualify as domestically manufactured telecom products in indicated financial year.

6. Telecom has emerged as a key driver of economic and social development in an increasingly knowledge intensive global scenario, in which India will play a leadership role. The Government has targeted to increase broadband coverage in the country up to 175 million by 2017 and 600 million by 2020. Additional Spectrum of about 500 MHz is proposed to be made available by 2020. In same way, the mobile subscriber base is targeted to reach 1200 million by 2017. Based on the TRAI report on Manufacturing Policy for Telecom Equipment, the demand of various telecom equipment in India and abroad is estimated as indicated in Table-B below:-

TABLE – B

S. No.	Year	Global Total Demand (Rs. millions)	Indian Demand (Rs. millions)	% of Global Demand
1	2012-13	18382550	769400	6.2%
2	2014-15	19108610	965140	6.6%
3	2016-17	22288280	1210670	7.1%
4	2019-20	28076820	1700910	7.9%

The demand of various verticals of telecom equipment in India is estimated and detailed in Table-C as follows :-

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TABLE – C

Wireless equipment demand (Rs. millions)		2015-16	2019-20
	Wireless equipment	264440	444380
i)	2G Wireless equipment	25320	-
	BTS Antenna	10130	-
	BSC	9110	-
	MSC/GMSC/HLR/VLR/EIR	6080	-
ii)	3G wireless	101280	26450
	Node B	40510	10580
	RNC	36460	9520
	GGSN/SGSN	24310	6350
iii)	LTE/Mobile Wi-MAX/5G	126590	238100
	eNode B	75960	142860
	MME/SGW/PDG/SAE	50640	95240
	FAP	11250	27990
iv)	Mobile handsets	384020	613100
	Total	648460	1057380

Wire-line equipment		2015-16	2019-20
i)	switches		
	Local	1640	1480
	Transit	1840	1660
ii)	STP	990	900
iii)	In Platforms	500	450
	Total	4960	4480

IP & Packet switching		2015-16	2019-20
i)	Switching		
	LAN switches	107520	130690
	Ethernet/IP Aggregation	8060	12680
	Carrier Ethernet (incl. above)	2020	9510
ii)	Routing		
	Edge IP/MPLS Routing	19350	30440
	Core IP/MPLS Routing	4840	7610
iii)	Packet voice	7130	20890
	Soft switch	2850	8360
	SGW.MGW	2140	6270
	Session border controller	1070	3130
	Media/voice App servers	1070	3130
	Total	146890	201310

Broadband Equipment		2015-16	2019-20
i)	FTTX	38810	208700
	ONT/ONU	15520	83480
	OLT	23280	125220
ii)	DLS Broadband	31040	29810
	DSL modem	15520	14910

	SDLAM	10870	7450
	MSAN	4660	7450
iii)	CMTS	7760	59630
	Total	77610	298150
Backhaul and Transmission		2015-16	2019-20
1	Fibre/optical		
	Optical	58110	79220
	SDH	31880	35880
	DWDM	19730	34880
	POTP (Incl. within SDH, DWDM/DXC)	27460	66770
	DXC	3300	3430
	Submarine Systems	3200	5030
2	Microwave Backhaul	27240	39890
	PDH/SDH/Microwave	1360	800
	Ethernet Microwave	25880	39090
	Total	78380	109600

7. The procuring agencies shall follow the standard laid down procurement procedures. subject to meeting the requirement related to specified percentage of procurement being made from domestically manufactured telecom products as per this policy.
- (i) aggregation of annual requirements and such other procurement practices, which facilitate the implementation of this policy. may be adopted by procuring agencies.
 - (ii) adhere the procurement of Telecom products by Government Ministries/ Departments or agencies under their administrative control and in Government Telecom Projects.
 - (iii) wherever the domestically manufactured telecom products are procured under this policy by a Government Ministry or Department or an agency thereof or for telecom products, such procurement shall be subject to matching of L-1 price and on satisfying technical specifications of the tender.
 - (iv) In case of the domestic manufacturer is not lowest bidder (L1). the specified part of the tender would be awarded to the lowest technically qualified domestic manufacturer, subject to matching with L1 price, if such bidder is available. The remaining part will be awarded to L1 bidder.
 - (v) It is not necessary that each tender for the procurement of telecom product is split between domestic and non-domestic manufacturer. If a tender cannot be split, either because the unit of procurement is small or because of technical reasons, or because no domestic manufacturer is available for the product, the procuring agency may ensure that the annual requirement of procuring the specified extent of telecom products from domestically manufactured products is achieved through suitable

enhancements in other tenders.

- (vi) The tender conditions would ensure that domestically manufactured telecom products are encouraged and are not subjected to restrictive products specifications are mandatory requirement of prior experience. The procuring agency may also rationally identify and evaluate predatory pricing by any bidder. However, procuring Department or Agency may incorporate such stipulations as may be considered necessary to satisfy themselves of the security, production capability and product quality of the manufacturer.

8. In case of a question whether an item being procured is a telecom product to be covered under the policy, the matter would be referred to the Telecommunications Engineering Centre (TEC), Department of Telecommunications for clarification.

9. The guidelines as notified by the Department of Electronics and Information Technology shall be followed for this purpose. In case of any doubt in respect of Telecom Products, reference shall be made to Telecommunications Engineering Centre (TEC), Department of Telecommunications or technical auditor as accredited by the Telecommunication Engineering Centre, Department of Telecommunications for the purpose

10. The expressions or abbreviations used in this Notification have been detailed in the list below for easy understanding.

List of Acronyms used in the notification

S.No.	Acronyms	Expansion
1.	2G	Second Generation
2.	3G	Third Generation
3.	4G	Fourth Generation
4.	5G	Fifth Generation
5.	ADSL	Asymmetrical Digital Subscriber Line
6.	ATMP	Assembly, Testing, Packing And Marking
7.	BOM	Bill Of Material
8.	BSC	Base Station Controller
9.	BSS	Base Station Subsystem
10.	BTS	Base Transceiver Station
11.	BWS	Broadband Wireless Access
12.	CDMA	Code Division Multiple Access
13.	CN	Core Network
14.	CPE	Customer Premises Equipment
15.	CWDM	Course Wavelength Division Multiplexing
16.	DAS	Distributed Antenna System
17.	DeitY	Department of Electronics and Information Technology

18.	DSL	Digital Subscriber Line
19.	DSLAM	Digital Subscriber Line Access Multiplexer
20.	DWDM	Dense Wave Division Multiplexing
21.	DXC	Digital Cross Connect
22.	EIR	Equipment Identity Register
23.	EMS	Electronic Manufacturing Services
24.	EPABX	Electronic Private Automatic Branch Exchange
25.	FTTH	Fiber To The Home
26.	GGSN	Gateway GPRS Support Node
27.	GMSC	Gateway Mobile Switching Centre
28.	GPON	Gigabit Passive Optical Network
29.	GPRS	General Packet Radio Service
30.	GSM	Global Standard For Mobile
31.	HLR	Home Location Register
32.	HSPA	High Speed Packet Access
33.	IMS	IP Multimedia Subsystem
34.	IP	Internet Protocol
35.	LAN	Local Area Network
36.	LTE	Long Term Evolution
37.	MGW	Media Gate Way
38.	MME	Mobility Management Entity
39.	MPLS	Multi-Protocol Label Switching
40.	MPLS-TP	MPLS Transport Profile
41.	MSAN	Multi-Service Access Node
42.	MSC	Mobile Switching Centre
43.	MUX	Multiplexer
44.	NGN	Next Generation Network
45.	NG-PON	Next Generation Passive Optical Network
46.	NFS	Network For Spectrum
47.	NOFN	National Optical Fiber Network
48.	OAN	Optical Access Network
49.	ODF	Optical fiber Distribution Frame
50.	OFC	Optical Fiber Cable
51.	OLT	Optical Line Terminal
52.	ONT	Optical Network Termination
53.	ONU	Optical Network Unit
54.	OTN	Optical Transport Network
55.	PABX	Private Auto Branch Exchange
56.	PDH	Plesiochronous Digital Hierarchy
57.	PON	Passive Optical Network
58.	POTP	Packet Optical Transmission Platform
59.	RAN	Radio Access Network
60.	RLC	Radio Link Control
61.	RNC	Radio Network Controller
62.	ROADM	Reconfigurable Optical Add-Drop Multiplexer
63.	SDH	Synchronous Digital Hierarchy
64.	SONET	Synchronous Optical Networking
65.	STM	Synchronous Transport Modules

66.	STP	Signal Transfer Point
67.	TDM	Time Division Multiplexing
68.	USOF	Universal Service Obligation Fund
69.	VDSL	Very High Data Rate Digital Subscriber Line
70.	VLR	Virtual Location Register
71.	VSAT	Very Small Aperture Terminal
72.	WCDMA	Wideband Code Division Multiple Access
73.	WDM	Wavelength Division Multiplexing
74.	Wi-Fi	Wireless Fidelity
75.	Wi-Fi AP	Wireless Access Point
76.	Wi MAX	Worldwide Interoperability For Microwave

(F.No.18-07/2010-IP)

Sd. (Malay
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**F.No. 33(3)/2013-IPHW
Ministry of Communication and Information Technology
Department of Electronics and Information Technology**

Dated 22nd May, 2014

NOTIFICATION

Subject: Policy for Preference to domestically manufactured electronic products in Government procurement-Notifying electronic products for Government Procurement in furtherance of the Policy.

Reference: Notification No.33(3)/2013-IPHW, dated 23.12.2013

1. The Government has notified the policy for providing preference to domestically manufactured electronic products in Government procurement vide the Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2013-IPHW dated 23.12.2013 (hereinafter called the Policy).

2. As per Clause 2.1.1, the policy will be applicable to all Ministries/Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.

3. In furtherance of the policy notified vide reference cited above, DeitY hereby notifies that preference shall be provided by all Ministries/Departments (except Ministry of Defence) and agencies under their administrative control to domestically manufactured Desktop PCs and Dot Matrix Printers as per the said policy. The details are as follows:

(I) Desktop Personal Computers (PCs)

I(A) Definition:

For the purpose of this Notification, a Desktop PC shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Mouse and a separate or integrated display unit and should be able to operate independently.

I(B)

Percentage of procurement for which preference to domestically manufactured Desktop PCs is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Desktop PCs to qualify as domestically manufactured
50%	30% in year-I

I(C) Criteria for BOM to be classified as domestic:

The domestic BOM of Desktop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Desktop PC	Value addition required for the input to be classified as domestic BOM
1	2
Processor	Domestic ATMP /fabrication or both
Memory	Domestic assembly of imported memory chips on imported / indigenously manufactured bare PCB/ Domestic ATMP/ fabrication/ or combination
Hard disk drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
LCD Monitor	Domestic assembly from imported LCD Panel wherein plastic moulding and stamping of metal parts is done domestically and testing / Domestic fabrication of LCD Panel or both
DVD drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Cabinet + SMPS	Domestically manufactured Cabinet and domestic assembly and testing of SMPS from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 10% (of the total value of parts and components used in the manufacture of "SMPS") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "SMPS") in Year 3 and subsequent years.

Keyboard/Mouse	Domestic assembly and testing from imported / indigenously manufactured parts and components
Mother board	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB
Bare PCB	Domestically manufactured
Final assembly/ testing and design/ development	Domestically assembled/tested and any Intellectual Property (IP) resident in India

II. Dot Matrix Printers

II(A) Definition:

A Dot Matrix Printer is a type of impact printer that forms dot on paper by a metal pin of diameter 0.2 mm to 0.3 mm which is driven by electromagnet based on solenoid principle and required character matrix is produced by horizontal and vertical resolution of dot matrix printhead. Dot matrix Printer can create carbon copies and carbonless copies based on mechanical pressure of pin.

II(B)

Percentage of procurement for which preference to domestically manufactured Dot Matrix Printers is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Dot Matrix Printers to qualify as domestically manufactured
50%	40% in Year 1

II(C) Criteria for BOM to be classified as domestic:

The domestic BOM of Dot Matrix Printer would be the sum of the cost of main inputs specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/ stages for manufacture of Dot Matrix Printer	Value addition required for the input to be classified as domestic BOM
1	2
Main PCB	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that value of domestically

	manufactured parts and components used in the assembly of "Main PCB" will be minimum 10% (of the total value of parts and components used in the manufacture of "Main PCB") in Year 2, which will increase to minimum 15% (of the total value of parts and components used in the manufacture of "Main PCB") in Year 3 and subsequent years except value of bare PCB
Bare PCB	Domestically manufactured
SMPS	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that value of domestically manufactured parts and components used in the assembly of "SMPS" will be minimum 10% (of the total value of parts and components used in the manufacture of "SMPS") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "SMPS") in Year 3 and subsequent years
Carriage Motors & Paper Feed Motors	Imported as sub assembly and tested domestically along with main Printer Mechanism
Front Control Panel	Domestic assembly and testing from imported / indigenously manufactured parts and components
Home Position/Paper End Sensors	Domestic assembly and testing from imported / indigenously manufactured parts and components
Main Printer Cabinet and other small plastic components	Domestic moulding of Printer Cabinet and other parts
Printer Mechanism Assembly	Domestic assembly using indigenously manufactured Rubber Platens, small rubber parts, sheet metal components, plastic gears and other plastic parts with turned steel shafts and above mentioned sensors and Motors
Print Heads and Interconnecting Cables	Domestic assembly and testing from imported /indigenously manufactured parts and components
Final Assembly/Testing and Design/ Development	Domestically assembled/tested and any Intellectual Property (IP) resident in India

4. For reasons to be recorded in writing, a Government Ministry / Department or agencies under their administrative control may choose to procure a higher percentage of domestically manufactured electronic products than specified in the Notification. This would enable Ministries / Departments such as Atomic Energy, Space, Home Affairs, etc. to meet their special requirements or wherever a special policy provision exists / decision is taken by the Government to meet the demand from domestic manufacturers.
5. The notification comes into effect immediately. The Year 1 for the purpose of this notification would be upto 31.3.2015.
6. The domestic value addition for Year 2 onwards shall automatically increase by 5% in terms of Policy referred to as above.
7. The implementation of this notification will be based on self-certification regarding value-addition in terms of Para 5.1 of the Policy cited as reference above.
8. The notification would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government as per the policy referred above.
9. This notification is issued in supersession of the Notification No.8(41)/2012-IPHW dated 17.12.2012 on the subject.

Sd.
(Dr. Ajay Kumar) Joint Secretary to Government
of India Tel : 24360160

New Delhi, Dated 22.05.2014

**F.No. 33(3)/2013-IPHW
Ministry of Communication and Information Technology
Department of Electronics and Information Technology**

Dated 22nd May, 2014

NOTIFICATION

Subject: Policy for Preference to domestically manufactured electronic products in Government procurement - Notifying electronic products for Government Procurement in furtherance of the Policy

Reference: Notification No33(3)/2013-IPHW dated 23.12.2013

1. The Government has notified the policy for providing preference to domestically manufactured electronic products in Government procurement vide the Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2010-IPHW dated 23.12.2013 (hereinafter called the Policy).
2. As per Clause 2.1.1, the policy will be applicable to all Ministries/Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.
3. In furtherance of the policy notified vide reference cited above, DeitY hereby notifies that preference shall be provided by all Ministries/Departments (except Ministry of Defence) and agencies under their administrative control to domestically manufactured Laptop PCs as per **the** said policy. The details are as follows:

Laptop Personal Computers (PCs)

(A) Definition:

For the purpose of this Notification, a Laptop PC (commonly known in the market as Laptop/Notebook/Netbook/Ultrabook, etc.) shall necessarily consist of a CPU, Memory, Hard disk drive, Keyboard, Touchpad and / or Trackpoint, an integrated display unit, integrated battery and should be able to operate independently.

(B)

Percentage of procurement for which preference to domestically manufactured Laptop PCs is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Laptop PCs to qualify as domestically manufactured
50%	25% in year 1

(C) Criteria for BOM to be classified as domestic:

The domestic BOM of Laptop PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Laptop PC	Value addition required for the input to be classified as domestic BOM
1	2
Hard Disk Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Display Panel (LCD, LED, etc.) + Back cover + Bezel	Domestic assembly and testing from imported/ indigenously manufactured Display Panel, Back cover and Bezel or combination subject to the condition that from Year 3 onwards: (i) back cover shall be domestically manufactured and (ii) backlight assembly and testing of Display Panel shall be done domestically.
DVD Drive	Domestic assembly and testing from imported / indigenously manufactured parts and components
Cabinet + Motherboard + Power Module	Domestic assembly and testing from imported / indigenously manufactured Cabinet, Motherboard, Power Module or combination except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and Modules on Motherboard) subject to the conditions that: (i) value of domestically manufactured parts and components used in the assembly of "Motherboard + Power Module" will be minimum 10% (of the total value of parts and components used in the manufacture of "Motherboard + Power Module") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "Motherboard + Power Module") in Year 3 and subsequent years and (ii) Cabinet shall be domestically manufactured from Year 3 onwards
Semiconductors (i.e. the Semiconductor Chips and Modules on Motherboard)	The value of only those Semiconductor Chips and Modules (including Processor and Memory) of the Motherboard less the value of their indigenous design (for which IP is resident in India), on which

	ATMP operations are carried out domestically, will be taken as domestic BOM*
Bare PCB	Domestically manufactured
Power adapter	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 20%, (of the total value of parts and components used in the manufacture of "Power Adapter") in Year 2, which will increase to minimum 30%, 40% and 50% in Years 3, 4 and 5 respectively
Key board/ touch pad and/or Trackpoint	Domestic assembly and testing from imported / indigenously manufactured parts and components
Battery	Domestic assembly and testing from imported / indigenously manufactured parts and components
(i) Final Assembly/Testing and (ii) Design/ Development	(i) Domestically assembled/tested and (ii) intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

** This shall be reviewed when the Semiconductor Fab in India is operational*

4. For reasons to be recorded in writing, a Government Ministry / Department or agencies under their administrative control may choose to procure a higher percentage of domestically manufactured electronic products than specified in the Notification. This would enable Ministries / Departments such as Atomic Energy, Space, Home Affairs, etc. to meet their special requirements or wherever a special policy provision exists / decision is taken by the Government to meet the demand from domestic manufacturers.

5. The notification comes into effect immediately. The Year 1 for the purpose of this notification would be upto 31.3.2015.

6. The domestic value addition for Year 2 onwards shall automatically increase by 5% in terms of Policy referred to as above.

7. The implementation of this notification will be based on self-certification regarding value-addition in terms of Para 5.1 of the Policy cited as reference above.

8. The notification would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government as per the policy referred above.

9. This notification is issued in supersession of the Notification No.8(41)/2012-IPHW dated 22.1.2013 on the subject.

Sd.
(Dr. Ajay Kumar) Joint Secretary to Government
of India Tel : 24360160

New Delhi, Dated 22.05.2014

**F.No. 33(3)/2013-IPHW
Ministry of Communication and Information Technology
Department of Electronics and Information Technology**

Dated 22nd May, 2014

NOTIFICATION

Subject: Policy for Preference to domestically manufactured electronic products in Government procurement - Notifying electronic products for Government Procurement in furtherance of the Policy

Reference: Notification No. 33(3)/2013-IPHW dated 23.12.2013

1. The Government has notified the policy for providing preference to domestically manufactured electronic products in Government procurement vide the Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2013-IPHW dated 23.12.2013 (hereinafter called the Policy).
2. As per Clause 2.1.1, the policy will be applicable to all Ministries/Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.
3. In furtherance of the policy notified vide reference cited above, DeitY hereby notifies that preference shall be provided by all Ministries/Departments (except Ministry of Defence) and agencies under their administrative control to domestically manufactured Tablet PCs as per the said policy. The details are as follows:

Tablet Personal Computers (PCs)

(A) Definition:

For the purpose of this Notification, a Tablet PC shall necessarily consist of an Integrated Motherboard with on board CPU/Processor, Memory and Power Module; Display Panel (Touch Panel + LCD/LED Module) and integrated battery and should be able to operate independently.

(B)

Percentage of procurement for which preference to domestically manufactured Tablet PCs is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the Tablet PCs to qualify as domestically manufactured
50%	30% in year I

(C) **Criteria for BOM to be classified as domestic:**

The domestic BOM of Tablet PC would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for manufacture of Tablet PC	Value addition required for the input to be classified as domestic BOM
1	2
Display Panel (Touch Panel LCD/LED Module)	Domestic assembly and testing from imported / indigenously manufactured Touch Panel, LCD/LED Module or combination subject to the condition that from Year 3 onwards backlight assembly and testing of Display Panel shall be done domestically.
Integrated Motherboard with board CPU/Processor, Memory and Power Module	Domestic assembly and testing from imported / indigenously manufactured parts and components except value of bare PCB and Semiconductor BOM (i.e. the Semiconductor Chips and Modules on Integrated Motherboard) subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Integrated Motherboard" will be minimum 10% (of the total value of parts and components used in the manufacture of "Integrated Motherboard") in Year 2, which will increase to minimum 20% (of the total value of parts and components used in the manufacture of "Integrated Motherboard") in Year 3 and subsequent years

Semiconductors (i.e. the Semiconductor Chips and modules on Integrated Motherboard)	The value of only those Semiconductor Chips and Modules (including Processor and Memory) of the Integrated Motherboard less the value of their indigenous design (for which IP is resident in India), on which ATMP operations are carried out domestically, will be taken as domestic BOM*
Bare PCB	Domestically manufactured
Power adopter	Domestic assembly and testing from imported / indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components used in the assembly of "Power Adapter" will be minimum 20%, (of the total value of parts and components used in the manufacture of "Power Adapter") in Year 2, which will increase to minimum 30%, 40% and 50% in Years 3, 4 and 5 respectively
Casing	Domestically manufactured Casing
Battery	Domestic assembly and testing from imported / indigenously manufactured parts and components
Accessories (Camera, Speaker, Antenna, etc.)	Domestic assembly and testing from imported / indigenously manufactured parts and components
(i) Final Assembly/Testing and (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

* This shall be reviewed when the Semiconductor Fab in India is operational

4. For reasons to be recorded in writing, a Government Ministry / Department or agencies under their administrative control may choose to procure a higher percentage of domestically manufactured electronic products than specified in the Notification. This would enable Ministries / Departments such as Atomic Energy, Space, Home Affairs, etc. to meet their special requirements or wherever a special policy provision exists / decision is taken by the Government to meet the demand from domestic manufacturers.
5. The notification comes into effect immediately. The Year 1 for the purpose of this notification would be upto 31.3.2015.
6. The domestic value addition for Year 2 onwards shall automatically increase by 5% in terms of Policy referred to as above.
7. For customized Tablet PCs / handheld devices based on Tablet technologies which involve additional (or different) accessories / components, the Department may issue a separate Notification.
8. The Department may review the Notification in case of technology / manufacturing, ecosystem evolving differently from the one envisaged for this Notification.
9. The implementation of this notification will be based on self-certification regarding value-addition in terms of Para 5.1 of the Policy cited as reference above.
10. The notification would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government as per the policy referred above.
11. This notification is issued in supersession of the Notification No.8(41)/2012-IPHW dated 22.1.2013 on the subject.

Sd.
(Dr. Ajay Kumar) Joint Secretary to Government
of India Tel : 24360160

New Delhi, Dated 22.05.2014

**F.No. 33(3)/2013-IPHW
Ministry of Communication and Information Technology
Department of Electronics and Information Technology**

Dated 22nd May, 2014

NOTIFICATION

**Subject: Policy for Preference to domestically manufactured electronic goods in
Government procurement - Notifying electronic products
for Government Procurement in furtherance of the Policy**

Reference: Notification No.33(3)/2013-IPHW dated 23.12.2013

1. The Government has notified the policy for providing preference to domestically manufactured electronic products in Government procurement vide the Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2010-IPHW dated 23.12.2013 (hereinafter called the Policy).
2. As per Clause 2.1.1, the policy would be applicable to all Ministries/Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.
3. In furtherance of the policy notified vide reference cited above, DeitY hereby notifies that preference shall be provided by all Ministries/Departments (except Ministry of Defence) and agencies under their administrative control to domestically manufactured Smart Cards as per the said policy. The details are as follows:

Smart Cards

I(A) Definition:

For the purpose of this Notification, Smart Card is usually a Credit Card sized plastic Card with an Integrated Circuit (IC) contained inside. The IC contains a microprocessor and memory. Smart Cards can be contact, contactless or dual interface (both contact and contactless). Some of the applications of Smart Card are Identity Card, Banking Card, Health Card, Vehicle Registration Card etc.

I(B) Contact Smart Cards

Percentage of procurement for which preference to domestically manufactured Contact Smart Cards is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for Contact Smart Cards to qualify as domestically manufactured
50%	30% in Year 1 45% in Year 2 65% in Year 3 onwards*

I(C) Criteria for BOM to be classified as domestic for Contact Smart Cards

The domestic BOM of Contact Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table:

Main inputs in BOM/stages for Value addition required for the input to manufacture of Contact Smart be classified as domestic BOM Card	
1	2
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ indigenously manufactured raw material, parts and components
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported /indigenously manufactured raw material, parts and components *
Milling and Embedding of IC Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM.

* This shall be reviewed when the Semiconductor Fab in India is operational

II(B) Contactless Smart Cards (includes dual interface cards)

Percentage of procurement for which preference to domestically manufactured Contactless Smart Cards is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for Contactless Smart Cards to qualify as domestically manufactured
50 %	40% in Year 1 50% in Year 2 70% in Year 3 onwards*

II(C) Criteria for BOM to be classified as domestic for Contactless Smart Cards

The domestic BOM of Contactless Smart Card would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table :

Main inputs in BOM/stages for manufacture of Contactless Smart Card	Value addition required for the input to be classified as domestic BOM
1	2
Plastic Card Body	Domestic manufacturing including sheet cutting & punching, printing, lamination and testing using imported/ indigenously manufactured raw material, parts and components
Card inlay (Antenna)	Domestic assembly and testing from imported / indigenously manufactured raw material, parts and components
IC Chip Module	Domestic assembly, packaging and testing of IC Chip Module using imported / indigenously manufactured raw material, parts and components *

Milling and Embedding of IC Chip Module on Plastic Card	Milling and Embedding of IC Chip Module on Plastic Card done domestically
(i) Final Assembly and Testing (ii) Design/ Development	(i) Domestically assembled/tested and (ii) Intellectual Property (IP) resident in India for any of the above items, including fusion of domestically developed Operating System. The value of IP resident in India for any of the above items shall be reduced from its value in domestic BOM

** This shall be reviewed when the Semiconductor Fab in India is operational*

4. For reasons to be recorded in writing, a Government Ministry / Department or agencies under their administrative control may choose to procure a higher percentage of domestically manufactured electronic products than specified in the Notification. This would enable Ministries / Departments such as Atomic Energy, Space, Home Affairs, etc. to meet their special requirements or wherever a special policy provision exists / decision is taken by the Government to meet the demand from domestic manufacturers.

5. The notification comes into effect immediately. The Year 1 for the purpose of this notification would be upto 31.3.2015.

6. The implementation of this notification will be based on self-certification regarding value-addition in terms of Para 5.1 of the Policy cited as reference above.

7. The Department may review the Notification in case of technology / manufacturing ecosystem evolving differently from the one envisaged for this Notification.

8. The notification would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government as per the policy referred above.

9. This notification is issued in supersession of the Notification No.8(41)12012-IPHW dated 12.03.2013 on the subject.

Sd. (Dr. Ajay Kumar)
Joint Secretary to Government of India

New Delhi, Dated 22.05.2014

ANNEXURE – XIII

**F.No. 33(3)/2013-IPHW
Ministry of Communication and Information Technology
Department of Electronics and Information Technology**

Dated 22nd May, 2014

NOTIFICATION

Subject: Policy for Preference to domestically manufactured electronic products in Government procurement - Notifying electronic products for Government Procurement in furtherance of the Policy

Reference: Notification No. 33(3)/2013-IPHW dated 23.12.2013

1. The Government has notified the policy for providing preference to domestically manufactured electronic products in Government procurement vide the Department of Electronics and Information Technology (DeitY) Notification No.33(3)/2013-IPHW dated 23.12.2013 (hereinafter called the Policy).
2. As per Clause 2.1.1, the policy will be applicable to all Ministries/Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.
3. A Light Emitting Diode (LED) is an electronic device, which is essentially a PN junction opto-semiconductor that emits light when operated in a forward biased direction. LEDs convert electrical energy into light energy. Their applications encompass Illumination, Displays, Indicators, Back Lighting, Signage, Signalling, Mobile, Automotive, etc. Since LED products cut across sectors, they have been classified as generic electronic products in terms of the aforesaid policy.
4. In furtherance of the policy notified vide reference cited above, DeitY hereby notifies that preference shall be provided by all Ministries/Departments (except Ministry of Defence) and agencies under their administrative control to domestically manufactured LED Products as per the said policy. The details are as follows:

LED Products

(A) Definition:

For the purpose of this Notification, LED products are those whose function is to utilize light produced by LEDs and spanning applications in the areas of: (i) Illumination, (ii) Optical Displays including True LED TVs, (iii) Backlighting, (iv) Signalling & Indication and (v) Transportation.

(B)

Percentage of procurement for which preference to domestically manufactured LED Products is to be provided (in value terms)	Percentage domestic value addition in terms of Bill of Material (BOM) required for the LED Products to qualify as domestically manufactured
50%	50% in year 1

(C) Criteria for BOM to be classified as domestic:

The domestic BOM of LED Products would be the sum of the cost of main inputs as specified in Column 1 of the following table, provided the inputs individually satisfy the value addition requirement specified in Column 2 of the table. However, the weightage of total cost of (d) Heat Sink or Thermal Management Solutions, (e) Secondary Optics and (f) System Fixture and Fitting shall not exceed 20% of the domestic BOM of the LED Product:

Main inputs in BOM/stages for manufacture of LED Products	Value addition required for the input to be classified as domestic BOM
1	2
(a) LED Emitter	Packaging from imported/domestically fabricated Bare LED Die subject to the condition that from Year 2 onwards, the Bare LED Die shall be domestically fabricated using imported/ indigenously manufactured inputs
(b) Driving Electronics	Domestic assembly from imported/ indigenously manufactured parts and components subject to the condition that the value of domestically manufactured parts and components (excluding the value of bare PCB) used in the assembly of "Driving Electronics" will be minimum 10% of the total value of parts and components used in the manufacture of

	"Driving Electronics" in Year 1, which will increase to minimum 20% of the total value of parts and components used in the manufacture of "Driving Electronics" in Year 2 and minimum 30% of the total value of parts and components used in the manufacture of "Driving Electronics" in Year 3 and in subsequent years.
(c) Bare PCB including MCPCB	Domestically manufactured using imported/indigenously manufactured inputs
(d) Heat Sink or Thermal Management Solutions	Domestically manufactured using imported/indigenously manufactured inputs
(e) Secondary Optics	Domestically manufactured using imported/indigenously manufactured inputs
(f) System Fixture and Fitting	Domestically manufactured
(g) Final Assembly / Testing	Domestically assembled / tested meeting Indian Standards as notified from time to time.

5. For reasons to be recorded in writing, a Government Ministry / Department or agencies under their administrative control may choose to procure a higher percentage of domestically manufactured electronic products than specified in the Notification. This would enable Ministries / Departments such as Atomic Energy, Space, Home Affairs, etc. to meet their special requirements or wherever a special policy provision exists / decision is taken by the Government to meet the demand from domestic manufacturers.

6. The notification comes into effect immediately. The Year 1 for the purpose of this notification would be upto 31.3.2015.

7. The domestic value addition for Year 2 onwards shall automatically increase by 5% in terms of Policy referred to as above.

8. The Department may review the Notification in case of technology / manufacturing ecosystem evolving differently from the one envisaged for this Notification.

9. The implementation of this notification will be based on self-certification regarding value-addition in terms of Para 5.1 of the Policy cited as reference above.

10. The notification would also be applicable for procurement of electronic products made under all Centrally Sponsored Schemes and grants made by Central Government as per the policy referred above.

11 . This notification is issued in supersession of the Notification No.8(49)/2012-1PHW dated 27.5.2013 on the subject.

Sd.
(Dr. Ajay Kumar) Joint Secretary to Government
of India Tel : 24360160

New Delhi, Dated 22.05.2014

Annexure-XIV**Bid securing declaration to be signed by bidders availing exemption from submission of EMD/SD.**

"I/we certify that my/our offer is eligible for exemption from submission of bid security/ Earnest Money Deposit, in terms of the tender conditions.

In case my/our claim to exemption from submission of bid security/ Earnest Money Deposit is not found valid as per terms of the tender, I/we understand and accept that Railways has unquestionable right to summarily reject my bid and my offer shall not be considered for ordering. Further, I/ we hereby understand and accept that if I/ we withdraw or modify my/ our bids during the period of validity, or if I/ we are awarded the contract and on being called upon to submit the performance security/ Security Deposit, fail to submit the performance security/ Security Deposit before the deadline defined in the request for bid document/ Notice Inviting Tender, I/ we shall be debarred from exemption of submitting Bid Security/ Earnest Money Deposit and performance security/ Security Deposit for a period of 6 (six) months, from the date I/ we are declared disqualified from exemption from submission of EMD/SD, for all tenders for procurement of goods issued by any unit of Indian Railways published during this period."

Firm's Signature and Seal

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