

SECTION-2



मंगलूर रिफ़ाइनरि एंड पेट्रोकेमिकल्स लिमिटेड Mangalore Refinery and Petrochemicals Limited

(ऑइल एंड नेचुरल गैस कॉरपोरेशन की सहायक कंपनी
A subsidiary of Oil and Natural Gas Corporation Ltd.)

पंजीकृत कार्यालय: कुत्तेतुर पोस्ट, वाया काटीपल्ला, मंगलूरु, भारत - 575 030
Registered Office: Kuthethoor P.O., Via Katipalla, Mangaluru - 575030 (India)

TABLE OF CONTENTS

Sl. No.	DESCRIPTION
1.	General Purchase Conditions (GPC)
2.	A. Conditions for Micro and Small Enterprises (MSEs) or Conditions for Start-Up Companies. B. Purchase Preference (Linked with Local Content – Make in India) (PP-LC MII) Please refer revised PP-LC Order by MoPNG attached with tender documents as Annexure-1.
3.	Declaration & Undertaking By Micro & Small Scale Enterprises or Start-up Companies
4.	General Guidelines to Suppliers of MRPL on Environmental Performance, Energy Efficiency & Aerospace Standard Requirements
5.	Statement of Credentials or Declaration for Relationship with Directors
6.	Declaration for Holiday Listing or Blacklisting
7.	Undertaking by the Bidder
8.	Vendor Form For Electronic Funds Transfer Payment & Tax Details
9.	Format for EMD
10.	Format for Security Deposit & PBG
11.	Check – List
12.	Annexure-1 (Revised PP-LC Order by MoPNG)

INDEX

<ol style="list-style-type: none"> 1. DEFINITION 2. GENERAL GUIDELINES 3. LANGUAGE AND SIGNING OF BID 4. COST OF BIDDING & CURRENCY 5. PRICE 6. TAXES AND DUTIES 7. TRANSIT RISK 8. PRICE OR PURCHASE PREFERENCE 9. OFFER VALIDITY 10. DELIVERY PERIOD 11. EMD 12. DEADLINE FOR SUBMISSION OF BIDS 13. LATE BID 14. CLARIFICATION IN RESPECT OF INCOMPLETE OFFERS 15. EXAMINATION OF BID 16. MRPL'S RIGHT TO ACCEPT ANY BID AND REJECT ANY OR ALL BIDS 17. SPECIFICATION 18. MODIFICATION OF BID 19. VAGUE & INDEFINITE EXPRESSIONS 20. UNSOLICITED POST TENDER MODIFICATION 21. EVALUATION AND COMPARISON OF BID 22. CONTACTING THE MRPL 23. NOTIFICATION OF AWARDS (NOA) 24. AWARD OF CONTRACT 25. REFERENCE FOR DOCUMENTATION 26. CONFIRMATION OF PURCHASE ORDER 27. INSPECTION OR CHECKING OR TESTING 28. PROCESS SCHEDULE & EXPENDITURE 29. WEIGHTS AND MEASUREMENTS 30. SPARE PARTS 31. CONTROL REGULATIONS 32. PACKING AND MARKING 33. SHIPMENT AND SHIPMENT DOCUMENT 34. DISPATCH INSTRUCTION 35. INVOICING & NEGOTIATION DOCUMENTS 	<ol style="list-style-type: none"> 36. WARRANTY OR PERFORMANCE 37. BG TOWARDS SECURITY & PERFORMANCE 38. TERMS OF PAYMENT 39. RESPECT FOR DELIVERY DATES 40. PRICE REDUCTION SCHEDULE 41. PART ORDER OR REPEAT ORDER 42. RISK PURCHASE CLAUSE 43. SALES CONDITIONS 44. INCOME TAX LIABILITY 45. COMPLETE AGREEMENT 46. DELAYS DUE TO FORCE MAJEURE 47. RECOVERY OF SUMS DUE. 48. REJECTION, REMOVAL OF REJECTED GOODS AND REPLACEMENT. 49. NON-WAIVER. 50. NON ASSIGNMENT 51. VENDORS LIABILITY 52. CHANGES 53. HEADINGS 54. LIMITATION OF LIABILITY 55. PATENTS AND ROYALTIES 56. PERMITS & CERTIFICATES 57. VENDOR'S DRAWINGS & DATA REQUIREMENTS 58. TECHNICAL INFORMATION 59. SERVICE OF VENDOR'S PERSONNEL 60. CONFLICTS OF INTEREST 61. CANCELLATION 62. ARBITRATION AND CONCILIATION 63. JURISDICTION 64. DIFFERENCE IN MEANINGS OR TERMS 65. CONDITIONS FOR MSEs 66. CONDITIONS FOR STARTUPS 67. POLICY TO PROVIDE PP-LC 68. TERMS AND CONDITIONS FOR BIDDERS FROM A COUNTRY SHARING LAND BORDERS WITH INDIA
--	---

1. DEFINITIONS:

The following expressions used in the Tender Enquiry shall have the meaning indicated against each of these:

The "OWNER" means Mangalore Refinery & Petrochemicals Limited a company incorporated in India having its registered office at Mangalore, Karnataka and shall include its successors and assignees.

"Goods OR Materials": Goods and/or materials shall mean any of the articles, materials, machinery, equipments, supplies drawings, data and other property and all services including but not limited to design, delivery, installation, inspection, testing and commissioning specified to complete to the order.

"Vendor or Bidder or Party": Vendor or Bidder or Party shall mean the Person, firm or corporation to whom this Tender Enquiry is issued.

"Contractual Delivery Date": Contractual Delivery Date is the date on which goods shall be delivered F.O.R MRPL or destination in accordance with the terms of the Tender enquiry. This contractual delivery date or period is inclusive of all the lead time for engineering, procurement of raw materials, manufacturing, inspection, testing, packing and any other activity whatsoever required to be accomplished for affecting the delivery at the agreed delivery point.

The "Engineer-In-Charge" (EIC) shall mean the Engineer or other officer of the OWNER, Consultant or other organization for the time being nominated by the OWNER in writing to act as Engineer-in-charge for the purpose of the contract or any specific work.

The "Specification (s)" shall mean the various specifications, drawings etc. set out in the specification(s) forming part of the tender document (s) and as referred to and derived from the contract and any order(s) or instrument(s) there under, and in the referred to and specifications as aforesaid covering any particular supply or part or portion thereof, shall mean the specification(s) and codes of the Bureau of Indian Standards and other Organizations, including but not limited to British Standards Institution, ASTM, ASME, ANSI, API, IBR etc. with such modifications as may be applicable for the particular and industry practices and /or directed by the Engineer-in Charge.

2. GENERAL GUIDELINES:

Tender should be submitted in the prescribed form furnished by the company only and as given in this Tender Document.

- a. Every vendor must quote strictly in accordance with the conditions and specifications prescribed by MRPL in this tender document. Special conditions of vendor (if any) submitted along with the tender documents by the vendor shall be null and void to this Tender, in case they are in conflict with any of our terms and conditions.
- b. All entries in the tender must be written in permanent ink or typewritten without use of eraser or overwriting. Corrections if any should be attested under the full signature of the vendor.
- c. When person signing the Tender or agreement is not the sole Proprietor of the company the original Power of Attorney or a Notary certified copy thereof authorizing such person to act and sign on behalf of the company must be enclosed.
- d. All vendors are required to read these conditions carefully and return one set duly signed by them as token of having read, understood and accepted the conditions, along with information called for by MRPL.
- e. The vendor or their representative with necessary authorization letter can be present during the technical bid opening.
- f. Company will not be responsible for loss or late or non-receipt of tender documents.

g. The order of precedence-In the event of a conflict between terms of an agreement, the conflict will be resolved by the following order of precedence,

- i) Purchase Order
- ii) Letter of award or Fax of acceptance or Electronic Mail
- iii) Job specifications
- iv) Drawings
- v) Special Purchase Conditions
- vi) Technical Specifications
- vii) Instruction to Bidders
- viii) General Purchase Conditions

h. All the Financial documents or Reports or Certificates issued or certified by (Chartered Accountants (CAs) must have Unique Document Identification Number (UDIN).

3. LANGUAGE AND SIGNING OF BID:

The bid prepared by the vendor and all correspondence and documents relating to the bid exchanged by the vendor and MRPL shall be written in English language. Supporting documents and printed literature furnished by the bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in English, in which case, for purpose of interpretation of the bid, the translation shall prevail.

4. COST OF BIDDING & BID CURRENCY:

The Bidder shall bear all costs associated with the preparation and submission of its bid and MRPL will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process. Bidders should quote firm prices in Indian rupee only. Prices quoted in any other currency shall not be considered.

5. PRICE:

Unless otherwise agreed to in the terms of the Purchase Order, the price shall be firm and not subject to escalation for any reason whatsoever till the execution of entire Purchase order, even though it might be necessary for the Purchase order execution to take longer than the delivery period specified in the Purchase order.

- a. Inclusive or Exclusive of adequate road worthy packing and forwarding charges up to effecting delivery at F.O.T. dispatch point in all cases. Freight up to MRPL, Mangalore shall be fixed on Lump sum basis and firm throughout the period of the contract and shall be mentioned separately.
- b. Inclusive or Exclusive of GST and or such taxes imposed which are leviable by law on sale of finished goods to owner if any leviable at destination project site. The nature and extent of such levies shall be shown separately along with Technical Bid under 'Commercial Terms'. Vendor shall submit, "Duplicate for Transporter copy of Invoice" or relevant documents for availing GST benefits. Benefit of GST will be considered in Bid evaluation.

6. TAXES & DUTIES:

A. INDIAN TAXES OR DUTIES

a) Goods and Services Tax (GST)

- i) The price quoted in the tender or RFQ shall be inclusive of all Taxes or duties or cess or levies or fees etc. except "Goods and Services Tax" (hereinafter call GST) (i.e. IGST or CGST and SGST or UTGST) as levied with respect to Contractors' scope of work or scope of supply, till the completion of the work or supply and shall be borne and paid by the **contractor** or supplier.
- ii) Applicable IGST or CGST or SGST as quoted shall not be considered for evaluation as MRPL will claim Input credit % (as applicable) on the same. Balance % of Tax (as applicable) of IGST or CGST or SGST shall be considered for evaluation.
- iii) Contractor or vendor shall be required to issue tax invoice in accordance with GST rules so that input credit can be availed by MRPL. In the event that the contractor or vendor fails to provide the invoice in the form and manner prescribed under the GST Act read with GST Invoicing Rules thereunder, MRPL shall not be liable to make any payment on account of GST against such invoice.
- iv) Contractor or Vendor shall forthwith upload the appropriate document at GSTN portal complying with all GST regulations including but not limited to payment of GST by contractor or vendor and submit proof of payment of GST. In case of non-receipt of tax invoice or non-payment of GST by the contractor or vendor, MRPL shall withhold the payment.
- v) GST payable under reverse charge, if any, shall not be paid to the contractor or vendor. If the same has already been reimbursed or paid to the Contractor for any reason whatsoever, the said amount shall be deducted or recovered or adjusted from the payment due to the Contractor.
- vi) Notwithstanding anything contained anywhere in the Purchase Order or Work Order, in the event that the input tax credit of the GST charged by the Contractor or Vendor is denied by the tax authorities to MRPL, due to reasons attributable to Contractor or Vendor, MRPL shall be entitled to recover such amount from the Contractor or Vendor by way of adjustment from the next invoice or from Bank Guarantee. In addition to the amount of GST, MRPL shall also be entitled to recover interest and/or penalty, as the case may be, imposed by the tax authorities on MRPL.
- vii) TDS under GST, if applicable, shall be made from contractor's or vendor's bill at applicable rate and a certificate as per rules for tax so deducted shall be provided to the contractor or vendor.

b) Statutory Variation of Taxes & Duties.

No variation on account of taxes and duties, statutory or otherwise, shall be payable by MRPL to contractor or vendor except for GST. However, any statutory variation for GST shall be payable up to date of completion against documentary evidence. Any reduction in Taxes or Duties or cess or levies or fees shall be passed on to MRPL.

c) New Taxes & Duties.

All new taxes or duties or cess or levies or fees notified or imposed after submission of last or final Price bid but before the date of completion of work or supply shall be to MRPL account.

B. Imports & Custom Duties.

a) Import Duties, i.e., Basic Customs Duty, GST & Edu. Cess on imported materials

- i) MRPL shall import all Goods considering Merit rate of custom duty.

b) Direct imported supplies by Foreign suppliers

- i) For imported materials sold & supplied directly by foreign suppliers to MRPL and consigned to MRPL, Import Duties, i.e., Basic Customs Duty, Custom Cess, IGST applicable in India shall be directly paid by MRPL to tax authority.
- ii) The vendor must ascertain and confirm along with supporting documents in the bid, if any Customs Duty exemption or waiver is applicable to the products being supplied by him under any multi-lateral or bi-lateral trade agreement between India and bidder's country.
- iii) The bidder shall be liable to provide all documentation to ensure availment of the exemption or waiver. In case the bidder defaults on this due to any reason, whatsoever, he shall be liable to bear the incremental Customs Duty applicable, if any.
- iv) Any Customs Duty applicability on account of any change in the bi-lateral or multi-lateral agreement shall be to bidder's account.
- v) Documentation to be furnished for availing the exemption or waiver of customs duty shall be specifically listed in the Letter of Credit also as the pre-requisite for release of payment against shipping documents and this documentation shall necessarily form part of shipping documents.
- vi) Any additional levies or duties on Imports (viz. Anti-Dumping Duty, Safeguard Duty, etc.) as notified by Govt. of India from time to time shall also be considered for evaluation.

C. General

- a) In case GST is stated as not applicable on freight charges presently, and if they are applicable at the time of delivery due to any reasons other than statutory, the same will be borne by the Supplier.
- b) The benefit of any Tax exemption, concessions, rebate or any other incentives available when the Supplier or its Sub supplier or vendor are performing their obligations under the Purchase Order, shall be passed on to MRPL.
- c) Any error of interpretation of applicability of taxes or duties by the supplier shall be to supplier's account.
- d) The classification of goods as per GST act should be correctly done by the supplier to ensure that Input Tax Credit benefit is not lost to MRPL on account of any error on the part of the supplier.
- e) Bidder to ensure that the benefit of a reduction in the tax rate or the input tax credit availed by any registered taxable person has resulted in commensurate reduction in the price of goods or service supplied by such person. Failure on the part of bidder to ensure the same shall attract the provision of Anti Profiteering as notified by the Govt. of India.

D. LOADING OF TAXES OR DUTIES

Taxes and duties will be loaded as quoted by the bidder. However, if a BIDDER states that taxes or duties are not applicable at present and will be charged as applicable at the time of delivery then his bid shall be loaded by the maximum rate of taxes or duties applicable at the time of evaluation of Bids.

7. TRANSIT RISK:

Transit Risk insurance shall be covered by the Owner unless otherwise specified. The Vendor shall advise the dispatch particulars to the buyer and Insurance Company specified in the Purchase Order immediately after shipment.

8. PRICE PREFERENCE OR PURCHASE PREFERENCE OR OTHER GOVT GUIDELINES:

MRPL reserves the right to grant Purchase or Price preference to Micro and Small Enterprises (MSEs) and other tender conditions for bidders registered with NSIC or other specified agencies registered under the Ministry of Micro, Small and Medium Enterprises or other Govt. Ministries. **Please refer separate section on Conditions for MSE's.**

9. OFFER VALIDITY:

As mentioned in Instructions to Bidders. The rate quoted against this tender shall be valid for a period as mentioned in Instructions to Bidders and once the quotation is accepted and order placed on the successful tenders, the rate shall be valid for the full period of the contract. (INCLUDING THE EXTENDED PERIOD, IF OPTED BY MRPL). Necessary extension shall be sought in case of any extension is required at that stage.

10. DELIVERY PERIOD:

As mentioned in Instructions to Bidders. Please quote for best delivery period possible if it is not mentioned in Technical Specification sheet or SCC.

11. EARNEST MONEY DEPOSIT (EMD): An EMD of value mentioned in Notice Inviting Tender (NIT) shall be enclosed with the technical bid in the form of Electronic fund transfer (NEFT or RTGS or Any Other Mode of Internet Banking Transfer) or BG or DD.

(A) In case of Electronic fund transfer, UTR or Remittance Details, EMD Amount, Transaction date etc. to be submitted as per attached format.

(B) In case of BG or DD, EMD to be drawn in favour of MRPL Mangaluru, to be sent directly to Materials Department, MRPL, Kuthethoor PO, Via Katipalla, Mangaluru. Please super-scribe on envelope "EMD for Tender No dated".

For unsuccessful vendors, the EMD will be refunded on finalization of tender. For successful bidder EMD shall be released once Security Deposit is submitted. EMD will be forfeited in case of:

- i. Failure of the bidder to honor their offer.
- ii. Withdraw their offer before expiry of validity period.
- iii. Inability to perform satisfactorily after receipt of order in case of successful bidder.

No interest is payable on EMD.

PSUs or firms registered with NSIC or MSE (Micro & Small) vendors registered with District Industries Centre (DIC) or Udyog Aadhaar Memorandum for indented item or supplies are exempted from

submission of EMD. The benefits of PP Policy are not applicable to bidders who are traders or dealers or resellers or distributors or authorised agents for the indented items as per MSME guidelines and therefore such bidders are NOT EXEMPTED from submission of EMD as applicable. MSME bidders shall be manufacturers of indented items to claim MSE Benefits.

Bank Guarantee in prescribed format (enclosed) which is enclosed, executed by scheduled or Nationalized Bank and valid for a period of 180 days from the bid closing date (extended due date if any).

Tender will be summarily rejected under following circumstances

1. EMD submitted in form of cheque.
2. The name of tender mentioned in the BG is different from the tender for which bids have been invited.
3. The firm on whose behalf the BG has been furnished is different from the bidder.
4. The EMD is not of prescribed value.

12. DEADLINE FOR SUBMISSION OF BIDS:

The bid must be received by MRPL at the address specified in the Invitation for Bids not later than 15.00 hours Indian Standard Time (IST) on the notified date of closing of the Tender.

13. LATE BID:

The vendors are advised in their own interest to ensure that bid reaches at the address specified well before the closing date and time of the bid. Any bid received after dead line for submission of bid, will be rejected.

14. CLARIFICATION IN RESPECT OF INCOMPLETE OFFERS:

MRPL has to finalize its purchase within a limited time schedule. Prospective vendors are advised to ensure that their bids are complete in all respects and confirm to MRPL's terms, conditions and Bid Evaluation Criteria of the tender. Bids not complying with MRPL's requirement may be rejected without seeking any clarification.

15. EXAMINATION OF BID:

MRPL will examine the bids to determine whether they are complete, whether any computational error have been made, whether required sureties have been furnished, whether the documents have been properly signed and whether the bids are generally in order. MRPL will determine the conformity of each bid to the bidding documents. Bids falling under the purview of "Rejection Criteria" of the Bid Evaluation Criteria of the bidding document will be rejected.

16. MRPL'S RIGHT TO ACCEPT ANY BID AND REJECT ANY OR ALL BIDS:

MRPL reserves the right to reject, accept or prefer any bid and to annual the bidding process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected vendor (s) or any obligation to inform the affected bidder or Bidders of the ground for MRPL's action. MRPL also reserves to itself the right to accept any bid in part or split the order between two or more vendors.

17. SPECIFICATION:

The Bidder must note that its bid will be rejected in case the tender stipulations are not complied with strictly or the services offered do not confirm to the required specifications indicated therein. The lowest bid will be determined from those bids, which are in full conformity with the required specifications.

18. MODIFICATION OF BID:

No Bid may be modified after the deadline for submission of Bids.

19. VAGUE & INDEFINITE EXPRESSIONS:

Bids qualifying vague and indefinite expressions such as "Subject to Availability" will not be considered.

20. UNSOLICITED POST TENDER MODIFICATION:

Unsolicited post-tender modification will lead to straight away rejection of the offer.

21. EVALUATION AND COMPARISON OF BID:

Evaluation and comparison of bids will be done as per provisions of Bid Evaluation Criteria.

22. CONTACTING MRPL:

No Bidder shall contact MRPL on any matter relating to its bid, from the time of the opening till the time the contract is awarded, unless requested to do in writing, any effort by bidder to influence the Owner in the Owners decision in respect of bid evaluation or Contract award will result in the rejection of that bidder's bid.

23. NOTIFICATION OF AWARDS (NOA):

- a. Prior to the expiration of the period of bid validity, MRPL will notify successful Bidder in writing that its bid has been accepted.
- b. The notification of award will constitute the formation of the contract.

24. AWARD OF CONTRACT:

The purchaser will award the contract to the successful vendor whose bid has been determined to be in full conformity to the bid documents and has been determined as the lowest evaluated bid.

25. REFERENCE FOR DOCUMENTATION:

In the event of an order is being released, the order number must appear on order confirmation, correspondence, drawings, and invoices, shipping documents, packing and on any other documents or papers connected with the Purchase order.

26. CONFIRMATION OF AWARD OF PURCHASE ORDER:

In the event of an order, the Vendor shall acknowledge the receipt of the Purchase order within ten days by mailing `Purchase order and shall thereby confirm his acceptance of the Purchase Order without any exceptions. This acknowledgement will bear on both purchase order and General Purchase Conditions.

27. INSPECTION OR CHECKING OR TESTING:

As per Technical Specification sheets. However, In addition to any test conducted by the vendor under the contract or any applicable codes or standards, the material(s) shall be subject to inspection and /or testing by inspector(s) (including Third Party Inspector (s)) at any time prior to shipment and /or dispatch and to final inspection within a reasonable time after arrival at the site. The inspector (s) shall have the right to carry out the inspection or testing, which will include inspection and testing of the raw materials at manufacturers shop, at fabricators shop and at the time of actual dispatch before and / or after completion of packing.

Unless otherwise specified in the contract the inspection shall be carried out as per the relevant standards or scope of inspection provided along with the Tender Enquiry or Purchase Order. All charges for Third Party Inspectors shall be borne by the vendor and MRPL shall reimburse these

charges at actual against documentary proof of payment (limited to amount indicated in the contract towards third party inspection) unless such inspection has become in fructuous for any cause.

Even if the inspection and test are fully carried out, the vendor shall not be absolve from its responsibilities to ensure that the material(s), raw materials, components and other inputs are supplied strictly to confirm and comply with all the requirements of the contract at all stages, whether during manufacture and fabrication or at the time of delivery as on arrival at site and after its erection or star up or consumption and during warranty period. The inspections and test are merely intended to prima facie to satisfy OWNER that the material (s) and the parts and components comply with the requirements of the contract.

OWNER may, at its own expense, have its representative(s) witness any test or inspection. In order to enable Owner's representative(s) to witness the test or inspections, the vendor shall notify MRPL at least 15 days in advance, of the schedule of all inspection hold points prior to the initiation of equipment fabrication.

The vendor's responsibility shall also not anywise reduced or discharges because MRPL or MRPL's representative (s) or inspector (s) shall have examined or commented on the vendor's drawings or specifications or shall have witnessed the test or required any chemical or physical or other test or shall have stamped or approved or certified any material(s).

For products or services involving ATF production, MRPL, their customer, and regulatory authorities shall have the right of access to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

28. PROGRESS SCHEDULE & EXPEDITING OF PURCHASE ORDER:

- a). VENDOR within 2 weeks of award of order or contract shall submit to OWNER, his Delivery schedule regarding the documentation, manufacture, testing, supply, erection and commissioning of the GOODS.
- b). For items other than bulk, the Delivery schedule will be in the form of a network or a bar chart clearly indicating all main or key events regarding documentation, supply of raw materials, manufacturing, testing, delivery, erection and commissioning.
- c). VENDOR shall update the progress template online on monthly basis to keep OWNER updated on the progress of the execution of Order and achievement of targets set out in time bar chart.
- d). The EIC shall have the right to inspect VENDOR's premises with a view to evaluating the actual progress of work on the basis of VENDOR's Delivery schedule.
- e). The EIC shall have free access to Seller's shop and/or sub-Supplier's shop at any time and they shall be provided all the necessary assistance and information to help them perform their job or progress review.
- f). Irrespective of such inspection, in case of any delay, Owner cannot be held responsible. However, if delay is expected, at the earliest possible date, VENDOR shall advise Owner, of anticipated delay in the progress.

g). Notwithstanding the above, in case progress on the execution of order at various stages is not as per phased Delivery Schedule and is not satisfactory in the opinion of the OWNER which shall be conclusive or VENDOR neglects to execute the order with due diligence and expedition or shall contravene the provisions of the order, OWNER shall be entitled to take action in accordance with the provisions of the Order.

29. WEIGHTS AND MEASUREMENTS:

The shipping documents, invoices, packing lists and all other relevant documents shall contain the same units of weight and measurements as giving the Owner's Purchase Order. All weight and measurements on receipt of Goods at the site shall be treated as final.

30. SPARE PARTS:

The vendor must furnish itemize and priced list of spare parts required for (as specified in Technical Specification) operation of the equipment. The vendor shall provide the necessary cross sectional drawings to identify the spare parts numbers and their location as well as inter-changeability chart.

31. CONTROL REGULATIONS:

In the event of an order, the supply, dispatch and delivery of goods shall be arranged by the Vendor in strict conformity with the statutory regulations including provisions of Industries (Development Regulation) Act 1951 and any amendment thereof as applicable from time to time. The Owner disowns any responsibility for any irregularity or contravention of any of the statutory regulations in manufacture or supply of the stores covered by the Purchase order.

32. PACKING AND MARKING:

All equipment or materials shall be suitably packed in weather proof, Airworthy or seaworthy packing for ocean transport under tropical conditions and for rail and road or other appropriate transport in India. The packing shall be strong enough to ensure safe perseverance up to the final points of destination.

Equipment or Materials shall be protected by suitable coat of paint and all bright parts protected from rust by application of rust preventive as may be necessary. All machinery surfaces shall be suitably protected.

All drangle and all exposed parts will be packed with care and the packages shall bear the words: "HANDLE WITH CARE GLASS. FRAGILE' DON'T ROLL. THAT END UP. THIS END DOWN". To be indicated by arrow.

A distinct color splash in say red-black around each package or crate or bundle shall be given for identification. All pipes and sheets shall be marked with strips bearing progressive number.

In case of bundles the shipping marks shall be embossed on metal or similar tag and wired securely on each end.

For bulk uniform materials when packed in several cases progressive serial numbers shall be indicated on each case.

All nozzle holes and openings as also all delicate surfaces shall be carefully protected against damage and bad weather. Flange Faces of all nozzles shall be protected by blanks. All manufactured surfaces shall be painted with rust proof paint.

All threaded fittings shall be greased and provided with plastic cap. All small pieces shall be packed in cases.

The vendor shall be held liable for all damages or breakage to the goods due to the defective or insufficient packing as well as for corrosion due to insufficient greasing or protection.

On three sides of the packages, the following marks shall appear clearly visible in indelible paint and on Vendor's care and expenses.

M/s. MANGALORE REFINERY AND PETROCHEMICALS LIMITED, MUDAPADAVU, P.O. KUTHETHOOR, VIA. KATIPALLA, MANGALURU - 575030, KARNATAKA, INDIA.

From: (Vendors Name)

To: M/s. Mangalore Refinery and Petrochemicals Ltd., Mudapadavu, P.O. Kuthethoor, Via. Katipalla, Mangalore - 575030, Karnataka, India.

Order No.

Date:

Item:

Equipment Nomenclature:

Net Weight **Kgs.**

Gross Weight **Kgs.**

Case No. **of**

Total Cases.

Dimensions:

Import License No.

Note: Marking shall be bold (minimum letter height 5 cms)

For every order and every shipment packages must be marked with serial progressive numbering. All packages will bear warning signs on the outside denoting the center of gravity and sling marked Packages that require special handling and transport should have their centers of gravity and points at which they may be gripped clearly indicated and marked "Attention Special Load Handle With Care" in English Language. Any other direction for handling shall also be clearly indicated on the package.

Top Heavy containers will be marked either Top Heavy or Heavy ends.

When packaging material is clean and light colored dark black stencil paint shall be acceptable. However, where packaging material is soiled or dark, a coat of flat zinc white paint shall be applied and allowed to dry before applying the specific markings.

In case of large equipment like vessels, heat exchangers, etc. documents contained in the envelope shall be fastened inside a shell connection with an identifying arrow sign "documents" applied with indelible paint.

33. SHIPMENT AND SHIPPING DOCUMENT:

The supplier shall despatch the material and send the E-way bill along with Transit Documents, including but not limited to material test certificates or Third Party Inspection Certificates or Commercial Invoice or Warranty or Guarantee certificates or Material Safety Data Sheets etc. In case, supplier despatches the material without e-way bill, it is supplier's responsibility to ensure the delivery of material at MRPL in case of any check post problems en route etc.

34. DESPATCH INSTRUCTIONS:

The goods shall be consigned in the name of consignee viz.,

**Materials Department
Mangalore Refinery & Petrochemicals Limited,
Kuthethoor P.O., Via Katipalla,
Mangaluru- 575030, Karnataka, India.
Phone : + 91-824-2882229/2274
Fax : + 91-824-2271239**

Goods shall be dispatched by the most economical and expeditious mode of transport to the destination as applicable for respective mode of dispatch.

35. INVOICING & NEGOTIATION OF DOCUMENT:

In the event of an order, invoice and other documents such as RR, GC Note and Delivery Challan etc., (in case of imported shipment Bill lading or Air Way Bill, Invoice, Packing list, Country of Origin etc.) as hereunder.

Original + 2 copies to

For imported supplies dispatch documents shall be forwarded as below:

Notify no: 1

Custom House Agent [CHA] OF MRPL

(May contact officer for details)

Notify no: 2

Materials Department

Mangalore Refineries & Petrochemicals Limited

Kuthethoor P.O, Via Katipalla,

Mangaluru - 575 030

Karnataka, India

Tel : +91-824-2882218

Fax : +91-824-2271239

36. WARRANTY OR PERFORMANCE:

The manufacturer warrants that everything supplied hereunder is unused and shall be free from all defects and faults in material, workmanship and manufacture and shall be of the highest grade and consistent with the type ordered and in full conformity with the specifications, drawing or samples, if any, and operable, operate properly. This warranty shall survive inspection of, the payment for, and acceptance of the goods but expire after **12 (Twelve)** months from the date of completion of installation & commissioning at site or **18 months** from the date of shipment (LR date shall be considered for shipment), whichever is earlier. In case of Part supply, Last consignment date shall be considered for warranty or performance purpose.

Vendor shall also guarantee operating conditions as per the order or specification. Vendor shall undertake to carry out all corrections required to ensure performance of the supplied material, in case of non-achievement of the operating conditions.

The vendor further undertakes to replace any material(s) if found not to conform to the warrantee aforesaid at any time during warranty period applicable thereto. MRPL shall give notice of the defect to the vendor and of the rejection of the defective material(s).

If the defect can be rectified or repaired without diminishing the quality, utility, efficiency or life of the material(s) (of which MRPL shall be the sole judge), instead of outright rejection of the material (s) MRPL may at its discretion permit the vendor to rectify the defect(s) within a period to be specified by MRPL in this regard in the notice. Should the vendor fail to take action satisfactory to MRPL to rectify the defect(s) within the period specified, MRPL may at its option, at the risk and cost of the vendor in all respects, rectify or repair or cause to be rectified or repaired the defect(s) either by itself or through any other sources or agency, or to reject the defective material(s).

Should MRPL, notwithstanding the endeavor to do so be unable to rectify or repair or get rectified or repaired the defect(s) within a reasonable time, MRPL may notwithstanding such endeavor reject the defect material(s).

The vendor shall repair, rectify, and /or replace as the case may be, the defective and rejected material(s) without entitlement to any extra payment. The vendor shall at his own risk and cost remove any rejected material(s) from the site at MRPL's instruction and in case of plant, machinery, equipment, parts or components which have been installed, cause the same to be dismantled and removed from the site subject to prior written approval of MRPL as the case may be.

The vendor shall not utilize any rejected material(s) in the re-supply to MRPL without the prior written consent of MRPL.

Should the vendor fail to dismantle and / or remove any rejected material (s) from the site within time schedule specified by MRPL in the notice of rejection, MRPL will either return the material (s) to the supplier or dispose them off at the supplier 's risk and cost. The purchaser shall also be entitled to recover handling and storage charges for the period, during which the rejected material(s) are not removed, @5% of the value of material(s) for each month or part of a month till the rejected material(s) are finally disposed off.

The Vendor shall guarantee that any and all materials used in execution of the Purchase Order shall be in strict compliance with characteristics, requirements and specifications agreed upon and that the same shall be free from any defects. Checking of the Vendor's drawings by Procurement Co-ordinators or Managers and their approval and permission to ship or despatch the equipment and materials guaranteed by Inspectors shall not relieve the Vendor from any part of his/its responsibilities of proper fulfillment of the requirement. The Vendor will guarantee that all materials and equipment shall be repaired or replaced as the case may be, at his own expense in case the same have been found to be defective in respect of materials, workmanship or smooth and rated operation within a period of 12 months after the same have been put in service or 18 months from the date of shipment, whichever is earlier. The guarantee period for the replaced parts shall be 12 months starting from the date on which there placements are put in service. Acceptance by the Owner or Inspectors of any equipment and materials or their replacement will not relieve the Vendor of his/its responsibility concerning the above guarantee.

The Vendor shall furnish a Bank Guarantee (as per proforma attached to GPC) to support Vendor's performance. This bank guarantee shall remain in force for the entire period covered in Performance Guarantee plus three months. Any shortfall in the value of the BG as a result of encashment by the Owner either in full or in terms of Vendor's performance shall be made good by the Vendor within one week there of.

The time taken for the repair, rectification or replacement of material(s) will not be added to the stipulated delivery date for the purpose of calculating price discount or LD clause etc. and delivery of such material(s) shall be date of delivery of the repaired, rectified or replaced material(s)

37. BANK GUARANTY TOWARDS SECURITY DEPOSIT cum PERFORMANCE [BG-S or P, AS APPLICABLE]:

Successful bidder is required to submit 5% of the basic order value **in the form of Electronic Fund Transfer (NEFT or RTGS or Any other Mode of Internet Banking Transfer)** or Bank **Guarantee or DD against Security Deposit cum Performance, hereinafter called Bank Guarantee towards Security cum Performance (BG-S or P)**. Bidder has to submit the same within 15 days of receipt of order (if the supply cannot be made in 15 days time) for satisfactory execution of the order by way of a Demand Draft drawn in favor of M/s. Mangalore Refinery and Petrochemicals Limited, payable at Mangalore. Bank guarantees shall also be accepted in place of Demand Draft as per the attached format of Bank Guarantee towards Security cum Performance. This deposit or BG shall also govern the successful performance of Goods and Services during the entire period of Contractual Warrantee or Guarantee as per Terms of Payment.

The above said Bank Guarantee shall be valid for the duration of supply, warranty or Guarantee period and claim period of 3 months beyond the expiry of BG Validity period. The Bank Guarantee will be discharged by PURCHASER not later than 3 months from the date of expiration of the Seller's entire obligations, including supply and warrantee obligations, under the CONTRACT.

The (BG-S or P) shall be forfeited in case the vendor fails to execute the order as per the tender conditions & fail to meet the Supply & Contractual Warrantee or Guarantee as per tender. The vendor shall confirm his acceptance of (BG-S or P) at the time of submitting the offer as per tender conditions. Offers without confirmation of same may not be considered for further evaluation.

MRPL is entitled without being bound to do so, to adjust the whole or any portion of the Bank Guarantee deposit towards the recovery of any amount due to MRPL from the successful tenderer. The Security Deposit or such portion thereof that has not been adjusted towards recovery of amount due from the successful tenderer, will be refunded on satisfactory completion towards Supply or Warrantee or Guarantee Period (if applicable). Otherwise BG will be refunded on completion of the order or last consignment of supply. In case of AMC services, SD cum PBG (BG-S or P) will be refunded against submission a separate SD-BG of 5% BASIC VALUE towards AMC services. No interest is payable by MRPL to the successful tenderer on the security deposit.

In case of Electronic fund transfer, UTR or Remittance Details, SD Amount, Transaction date etc. to be submitted as per attached format.

BG VERIFICATION:

1. The Irrevocable Bank Guarantee(BG) in the prescribed format if submitted against SD CUM PBG, etc. shall be subject to verification from the issuing Bank, the email if of bank for the same must be incorporated in the BG.
2. The BG issued by the issuing on behalf of Bidder or Supplier or Contractor in favour of "Mangalore Refinery and Petrochemicals Limited" shall be in paper form and also be made available under the "Structured Financial Messaging System" (SFMS).

3. A Separate advise of the BG will invariably be sent by the issuing bank to the beneficiary's Bank through SFMS and SFMS transmission message reference number (currently 32 digit code) is to be sent along with BG directly to MRPL through Speed Post or Regd. Post.
4. The details of beneficiary for issue of BG under SFMS platform is furnished below;
Name of Beneficiary: Mangalore Refinery and Petrochemicals Limited
Beneficiary Bank, Branch and Address: Union Bank of India (Erstwhile Corporation Bank), MRPL, Kuthethoor Post, Mangalore – 575030, Karnataka,
IFSC Code: UBIN0905925
SWIFT Code: UBININBBMAP
MICR Code: 575026018
5. Any Bank Guarantee submitted in physical mode which cannot be verifiable through SFMS will not be accepted under any circumstances.

38. TERMS OF PAYMENT:

Unless otherwise specified elsewhere in this tender document, any of the following Payment term will be applicable;

- i) **Supply where SD & PBG is Not Applicable:** 100% within 15 days upon receipt of material subject to acceptance by MRPL.
- ii) **Supply where SD is applicable & PBG is Not Applicable:** 100% of Supply value within 15 days upon receipt of material subject to acceptance by MRPL & against submission of 5% of basic order value in the form of BG-S or P or DD towards Security Deposit. However, BG-S or P or DD will be returned or refunded on completion of Order or last consignment of supply.
- iii) **Supply where SD & PBG is Applicable:**
 - a) **Full Supply in single lot:** 100% within 15 days upon receipt of material subject to acceptance by MRPL & against submission of 5% of basic order value in the form of BG-S or P or DD towards Security Deposit cum performance warranty.
 - b) **Partial Supply or Staggered delivery:**
 1. **95%** Payment of the supplies shall be made within 15 days upon receipt of material subject to acceptance by MRPL & against submission of 5% of basic order value in the form of BG-S or P or DD towards Security Deposit cum Performance warranty.
 2. Further, balance 5% of the supplied value will be released within 15 days after completion of Order or last consignment of supply.

BG-S or P or DD will be returned or refunded upon completion of the Performance Warranty period.
- iv) **Service (Installation, Commissioning, training or supervision etc.):** 100% within 15 days upon successful completion of job as certified by EIC **(in case applicable)**.

The financial settlement of vendor's Invoice is liable to be withheld in the event the Vendor has not complied with submission of drawing, date, and such documentation as called for in Order and /or as required otherwise.

Deviation with payment terms may result loading @ MCLR (Marginal Cost of Lending Rate of State Bank of India) + 0.5% p.a.. However, MRPL reserve the right to reject the bid in case of deviation to Payment term is not acceptable.

39. RESPECT FOR DELIVERY DATES:

Time of delivery as mentioned in the Purchase Order shall be the essence of the contract and no variation shall be permitted except with prior authorization in writing from the owner. Goods should be delivered securely packed and in good order and condition at the place and within the time specified in the Purchase Order for their delivery. Wherever delivery period is not expressly stated, it shall be construed as seven days from the date of placing the Purchase order. The Owner reserves the right to defer the period of delivery in writing.

40. PRICE REDUCTION SCHEDULE (PRS) [AS APPLICABLE]:

Price reduction schedule being genuine pre-estimate of the loss or damage, no proof would be provided by MRPL. PRS will be applicable @ 0.5% of the contract or Purchase Order per week or part thereof for delay in supplies subject to a maximum ceiling of 5% of Purchase Order or contract value. PRS will be imposed on the cost of contract price of delayed supplies, except however, where in the judgment of MRPL the supply of partial quantity does not fulfill the operating need, PRS will be imposed on full value of the Purchase Order.

Non Acceptance of Price Reduction Schedule: If the technically and commercially acceptable bidders are 3 or more, offers of other bidders, if any, who are taking deviation in commercial terms, shall be rejected though they are technically acceptable. However, if this tender results in less than 3 technically and commercially acceptable offers, then the offers of those bidders who are technically acceptable, but have taken deviation only in PRS clause, shall be considered after suitable loading for evaluation purpose as detailed below:

5% of the quoted basic price shall be added to the landed cost for evaluation purpose.

41. PART ORDER OR REPEAT ORDER:

Vendor hereby agrees to accept part order at owner's option without any limitation whatsoever and also accept repeat order(s) during a period of one year from the date of original purchase order on same unit prices, terms and conditions.

MRPL reserves the right to split the tender if applicable. The decision of MRPL in this regard shall be final.

42. RISK PURCHASE CLAUSE:

In the event of supplier not meeting the order placed by the Company within the stipulated delivery time, then Company would be free to process the supply or services from any other suppliers or vendors and recover the difference in such supplies or services and additional expenses incurred by the Company from the Vendor or Contractor.

43. SALES CONDITIONS:

In the event of an order and with Vendor's acceptance of provisions of the Order, he waives and considers as cancelled any of his general sales conditions.

44. INCOME TAX LIABILITY:

The vendor will have to bear all Income Tax liability both Corporate & Personal Tax.

45. COMPLETE AGREEMENT:

The terms and conditions of this Tender Enquiry shall constitute the entire agreement between the parties hereto. Changes will be binding only if the amendments are made in writing and signed by an authorized representative of the Owner and the Vendor.

46. DELAYS DUE TO FORCE MAJEURE:

In the event of causes of Force Majeure occurring within the agreed delivery terms, the delivery dates can be extended by the Purchaser on receipt of application from the VENDOR without imposition of price reduction. Only the following shall be considered as force majeure:

- a) Act of terrorism;
 - b) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection of military or usurped power;
 - c) Ionizing, radiation or contamination, radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive assembly or nuclear component;
 - d) Epidemics, earthquakes, flood, fire, hurricanes, typhoons or other physical natural disaster, but excluding weather conditions regardless of severity; and
 - e) Freight embargoes, strikes at national or state-wide level or industrial disputes (more than 7 consecutive days) at a national or state-wide level where supplier's Works is located
- i) For the avoidance of doubt, inclement weather, third party breach, delay in supply of materials (other than due to a nationwide transporters' strike) or commercial hardship shall not constitute a Force Majeure event.
 - ii) The SELLER must advise the Purchaser by a registered letter duly certified by a statutory authorities, the beginning and the end of the delay immediately, but in no case later than 10 days of the beginning and end of each cause of Force Majeure condition as defined above.
 - iii) The extension of time shall be the sole remedy of the SELLER for any delay under this clause and the SELLER shall not be entitled in addition to or in lieu of such extension to claim any damages or compensation on any account whatsoever whether under the law governing contracts or any other law in force, and the SELLER hereby waives and disclaims any and all contrary rights.
 - iv) In case force majeure conditions persists for period exceeding 02 (Two) Months, the Purchaser reserves the right to cancel the Purchase order or part of it.

PAYMENT IN CASE OF TERMINATION DUE TO FORCE MAJEURE

The Contract Price attributable to the Works performed as at the date of the commencement of the relevant event of force majeure.

The contractor has no entitlement and owner has no liability for

- a) Any costs, losses, expenses, damages or the payment of any part of the contract price during an event of force majeure; and
- b) Any delay costs in any way incurred by the contractor due to an event of force majeure.

47. RECOVERY OF SUMS DUE:

Whenever any claim against the Vendor for payment of a sum of money arises out of or under the contract, the Owner shall be entitled to recover such sums from any sum then due or which at any time

thereafter may become due from the Vendor under this or any other contract with the Owner and should this sum be not sufficient to cover the recoverable amount the Vendor shall pay to the Owner on demand the balance remaining due.

48. REJECTION, REMOVAL OF REJECTED GOODS AND REPLACEMENT:

In case the testing and inspection at any stage by Inspectors reveal that the equipment, material and workmanship do not comply with the specification and requirements, the same shall be removed by the Vendor at his/its own expense and risk within the time allowed by the Owner. The Owner shall be at liberty to dispose of such rejected goods in such a manner as he may think appropriate. In the event the Vendor fails to remove the rejected goods within the period as aforesaid, all expenses incurred by the Owner for such disposal shall be to the account of the Vendor. The freight paid by the Owner, if any, on the inward journey of the rejected materials shall be reimbursed by the Vendor to the Owner before the rejected materials are removed by the Vendor. The rejected materials also include abandoned construction materials or sand or debris or wooden articles etc.

The Vendor shall have to proceed with the replacement of that equipment or part of the equipment at MRPL stores or site, if so required by the Owner, without claiming any extra payment. The time taken for replacement in such event will not be added to the contractual delivery period. Any rejection, removal of rejected goods or material and replacement shall be applicable only up to guarantee period or extended guarantee period as applicable.

49. NON-WAIVER:

Failure of the Owner or Procurement Coordinators or consultants to insist upon any of the terms or conditions incorporated in the Tender enquiry or failure or delay to exercise any rights or remedies herein or by law or failure to properly notify Vendor in the event of breach, or the acceptance of, or payment of any goods hereunder or approval of design shall not release the Vendor and shall not be deemed to waiver of any right of the Owner or Procurement Coordinators or consultants to insist upon the strict performance thereof or of any of his or their rights or remedies as to any such goods regardless of when goods are shipped, received or accepted nor shall any purported oral modification or revision of the order by Owner or Procurement.

50. NON ASSIGNMENT:

The Vendor shall not assign the Purchase Order to any other agency without obtaining prior written consent of Owner.

51. VENDOR'S LIABILITY:

The Vendor's workmen or employees shall under no circumstances be deemed to be in Owner's employment and the Vendor shall hold himself responsible for any claims which they or their heirs, dependents or personal representatives may have or make for damages or compensation for anything done or committed to be done in the course of carrying out of the work covered by this Purchase Order, whether arising on Owner's premises or elsewhere and agrees to Indemnify the Owner against any such claim or claims if made against the Owner and all cost (as between attorney and client) of proceedings, suits or action which the Owner may incur or sustain in respect of the same. The Vendor shall also procure and keep in force at his own cost comprehensive automobile Liability insurance for adequate coverage in respect of all his vehicles visiting or plying in project premises. The Vendor shall also be responsible for compliance of existing laws, statutory laws, MRPL rules applicable from time to time in respect of their workmen and employees.

The successful tenderer shall ensure that their persons are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

52. CHANGES OR MODIFICATION AFTER PLACEMENT OF ORDER:

Based on the requirement, the Purchaser shall have the right to change the quantities, specifications, drawings etc. If such changes cause an increase or decrease in the price or time required for the supply, based on the written request of the Purchaser, the seller shall submit the proposal indicating the implications along with documentary evidence or back-up documents or calculations within 10days, for review and processing of change order by Purchaser. On receipt of the change order or amendment to the order, seller shall execute the change order.

53. HEADINGS:

The headings of the conditions hereof shall not affect construction thereof.

54. LIMITATION OF LIABILITY:

Notwithstanding anything contrary contained herein, the aggregate total liability of seller, excluding his liability towards infringement of patent, trade mark or industrial design rights under the contract or otherwise shall be limited to 100% of value of Purchase Order. However, neither party shall be liable to the other party for any indirect and consequential damages, loss of profits or loss of production.

55. PATENTS AND ROYALTIES:

On acceptance of this order, the vendor will be deemed to have entirely indemnified the Owner's Representative from any legal action or claims regarding compensation for breach of patent rights which the vendor deems necessary to apply for manufacturing the ordered equipment and / or materials or which can in any way be connected in the manufacture.

56. PERMITS AND CERTIFICATES:

The vendor shall procure, at its expense, all necessary permits, certificates, and licenses required by virtue of all applicable laws, regulations, ordinances and other rules in effect at the place where any of the work is to be performed, and the Vendor further agrees to hold the Client and the Purchase harmless from liability or penalty which might be imposed by reason of any asserted or established violation of such laws, regulations, ordinances, or other rules.

57. VENDOR'S DRAWINGS AND DATA REQUIREMENT:

The vendor shall submit drawings, data and documentation in accordance with but not limited to what is specified in the bid document and of the Vendor's drawing and data from attached to the Purchase Order and as called for in the Clause 8 viz. Expediting above. The types, quantities and time limits of submitting this must be respected in its entirety failing which the Purchase Order shall not be deemed to have been executed for all-purpose including settlement of payment since the said submissions are an integral part of Purchase Order execution.

58. TECHNICAL INFORMATION:

Drawings, specifications and details shall be the property of the Owner and shall be returned by the Vendor on demand. The Vendor shall not make use of drawings and specifications for any purpose at any time save and except for the purpose of the Owner. The Vendor shall not

disclose the technical information furnished to or gained by the Vendor or by virtue of or as a result of the implementation of the Purchase Order to any person, firm or body or corporate authority and shall make all endeavors to ensure that the technical information is kept CONFIDENTIAL. The technical information imparted and supplied to the vendor by the Owners shall at all times remain the absolute property of the Owner.

59. SERVICE OF VENDOR'S PERSONNEL:

Upon three weeks advance notice, the Vendor shall depute the necessary personnel to or within India for supervision of erection and start up of the equipment and train Owner's personnel for the operation and maintenance of the equipment, if required by the owner. The terms and conditions for the services of the vendor's personnel shall be mutually settled.

60. CONFLICT OF INTEREST:

No vendor should have a conflict of interest that affects the tender or bidding process, in any of the following manner.

- Such vendor (or any constituent thereof) and any other vendor (or any constituent thereof) have common controlling shareholders or other ownership interest, provided that this qualification shall not apply in cases where the direct or indirect shareholding in a vendor or a constituent thereof in the other vendor (s) (or any of its constituents) is less than 1% of its paid up and subscribed capital or
- A constituent of such vendor is also a constituent of another vendor, or
- Such vendor receives or has received any direct or indirect subsidy from any other vendor or has provided any such subsidy to any other vendor or
- Such vendor has the same legal representative for purposes of this bid as any other vendor or,
- Such vendor has the a relationship with other another vendor , directly or through common third parties, that puts them , in a position to have access to each of the other's information about , or to influence the bid of either or each of the other vendor or,
- Such vendor has participated as a consultant to the authority in the preparation of any documents, design or technical specifications of the project.

61. CANCELLATION:

In the event of an order, the Owner reserves the right to cancel the Contract or Purchase Order or any part thereof and shall be entitled to rescind the Contract or Purchase Order wholly or in a written notice of 10 days to the vendor if :

- A. The vendor fails to comply with the terms of the Purchase Order.
- B. The Vendor fails to adhere to delivery schedule of manufacturing and fails to deliver the goods on time and/or replace the rejected goods promptly.
- C. The Vendor becomes bankrupt or goes into liquidation.
- D. The Vendor makes a general assignment for the benefit of creditors.
- E. A receiver is appointed for any of the property owned by the vendor.

Upon receipt of the said cancellation notice, the Vendor shall discontinue all work on the Purchase Order and matters connected with it.

The Owner in that event will be entitled to procure the requirement in the open market and recover the excess payment over the Vendor's agreed price, if any, from the Vendor's reserving to itself the right to forfeit the security deposit or Performance Bank Guarantee, if any made by the Vendor against the contract.

The vendor is aware that the Owner requires the said goods for the ultimate purpose of materials production and that non-delivery may cause loss of production and consequently loss of profit to the Owner. In this event of the Owner exercising the option to claim damages for non-delivery other than by way of difference between the market price and the contract price, the Vendor shall pay to the Owner the fair compensation to be agreed upon between the Owner and the Vendor.

The provision of this clause shall not prejudice the right of the Owner from invoking the provisions of clause Delayed Delivery and or liquidation of Security Deposit as aforesaid.

62. ARBITRATION AND CONCILIATION:

Parties hereby agree as under:

If any difference or dispute (hereinafter referred as "Dispute") under the Contract arises, the party shall give a 60 days written notice ("**Dispute Notice**") to the identified officer of the other party mentioned in the Contract giving details of the Dispute. The Parties shall use all reasonable endeavors to resolve the Dispute mutually and amicably. All efforts by either party within these 60 days Dispute Notice Period shall be kept confidential by both the parties under Section 75 of the Arbitration and Conciliation Act, 1996. Parties shall not rely upon any views expressed or suggestions made by the other party, admissions made by the other party or the fact that the other party had indicated his willingness to enter into a settlement as evidence in any Forum or arbitration or court proceeding.

If Parties are unable to resolve the Dispute amicably within 60 days of receipt of the Dispute Notice, then after expiry of the 60 days' Dispute notice period, the aggrieved Party can refer the Dispute to conciliation and / or arbitration subject to terms and conditions contained herein below:

- 1) Parties further agree that following matters shall not be referred to Conciliation or Arbitration:
 - i) Any claim, difference or dispute relating to, connected with or arising out of MRPL decision to initiate any proceedings for suspension or banning, or decision to suspend or to ban business dealings with the Bidder or Contractor and/or with any other person involved or connected or dealing with bid or contract or bidder or contractor.
 - ii) Any claim, difference or dispute relating to, connected with or arising out of MRPL decision under the provisions of Integrity Pact (If Applicable) executed between MRPL and the Bidder or Contractor.
- 2) Part-I: Conciliation (Not applicable in contracts valuing less than Rs. 10 lakhs)
- 3) Part-II: Arbitration (Not applicable in contracts valuing less than ` 5 lakhs) If the parties are not able to resolve the dispute through OEC or do not opt for conciliation through OEC, the party may invoke arbitration clause as provided in the contract.

PART - I : CONCILIATION :Resolution of disputes through conciliation by OEC (Not applicable in Contracts valuing less than Rs.10 lakhs):

If any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually, the same

may first be referred to conciliation through Outside Expert Committee (“OEC”) to be constituted by MD, MRPL as provided hereunder:

Submission of proposal for OEC

1. Conciliation through OEC will be resorted in all cases involving disputed amount upto` 250 crores only. The disputed amount will be calculated by considering the amount of claim and counter-claim of the parties.
2. Claimant shall give a 30 days’ notice for conciliation. In cases where the contractor is claimant then the notice shall be given to the concerned MRPL office as per the contract, clearly bringing out the points of dispute and the amount claimed with documents in support of the claim and the party concerned shall not raise any new issue thereafter.

Constitution of OEC

3. MD, MRPL will have the sole discretion to constitute OEC. OEC will be formed from the panel of experts maintained by MRPL and will normally comprise of three members, one member from each category i.e., Technical, Finance, Commercial and Legal. However, there will be a single member OEC for disputes involving a claim and counter claim (if any) upto 1 crore.
4. MD, MRPL will have authority to reconstitute an OEC to fill any vacancy or if any OEC member is not available to attend the OEC Meetings.
5. Upon constitution of the OEC, Head-Legal will issue the appointment letters to OEC members and inform same to the parties concerned.
6. The OEC members shall give a declaration of independence and impartiality (in the format at **Annexure A-1**) to both the parties before the commencement of the OEC proceedings.

Proceedings before OEC

7. The claimant shall submit its statement of claims to OEC members, and to the party(s) prescribed in the appointment letter within 30 days of the issue of the appointment letter. The claims shall be raised as per the format at **Annexure A-2**.
8. The respondent shall file its reply and counter claim (if any) within 30 days of the receipt of the statement of claims. (As per aforesaid format at **Annexure A-2**).
9. Parties may file their rejoinder or additional documents, if any in support of their claim or counter claim within next 15 days. No documents shall be allowed thereafter.
10. OEC will commence its meetings only after completion of the pleadings.
11. In case of 3 members OEC, 2 members will constitute a valid quorum and the meeting can take place to proceed in the matter after seeking consent from the member who is not available. If

necessary video conferencing may be arranged. However, OEC Recommendations will be signed by all Members. Further, efforts must be made for unanimous recommendations.

12. The parties shall be represented by their in-house employees or executives. No party shall be allowed to bring any advocate or outside consultant or advisor or agent to contest on their behalf. Ex-officers of MRPL who have handled the dispute matter in any capacity are not allowed to attend and present the case before OEC on behalf of Contractor. However, ex-employees of parties may represent their respective organizations.
13. Solicitation or any attempt to bring influence of any kind on either OEC Members or MRPL is completely prohibited in conciliation proceedings and MRPL reserves the absolute right to close the conciliation proceedings at its sole discretion if it apprehends any kind of such attempt made by the Contractor or its representatives.
14. Parties agree to rely only upon documentary evidence in support of their claims and not to bring any oral evidence in the OEC proceedings.
15. OEC will give full opportunity of hearing to the parties before giving its recommendations.
16. OEC will conclude its proceedings in maximum 10 meetings, and give its recommendations within 90 days of its first meeting. OEC will give its recommendations to both the parties recommending possible terms of settlement MD, MRPL may extend the time or number of meetings, in exceptional cases, if OEC requests for the same with sufficient reasons.
17. OEC members will be paid fees (plus applicable tax) and provided facilities as detailed in clause 29 below, subject to revision by MRPL from time to time and subject to Government guidelines on austerity measures, if any. All the expenditure incurred in the OEC proceedings shall be shared by the parties in equal proportion. The parties shall maintain account of expenditure and present to the other for the purpose of sharing on conclusion of the OEC proceedings.
18. Depending upon the location of the OEC members and the parties, the venue of the OEC meeting shall be either Delhi or Mangaluru or Bengaluru or any other location whichever is most economical from the point of view of travel and stay etc.
19. Parties shall not claim any interest on claims or counterclaims from the date of notice invoking conciliation till execution of settlement agreement, if so arrived at. In case, parties are unable to reach a settlement, no interest shall be claimed by either party for the period from the date of notice invoking conciliation till the date of OEC recommendations and 30 days thereafter in any further proceeding.
20. Legally, parties are under no obligation to refer a dispute to conciliation or continue with conciliation proceedings. Parties are free to terminate the conciliation proceedings at any stage

as provided under the Arbitration and Conciliation Act, 1996 and subsequent amendments or re-enactment thereof.

Actions after OEC Recommendations

21. The recommendations of OEC are non-binding and the parties may decide to accept or not to accept the same. Parties are at liberty to accept the OEC recommendation with any modification they may deem fit.
22. The contractor shall give its response to MRPL within 7 days of receiving OEC Recommendation.
23. If the recommendations are acceptable to the contractor partly or fully, MRPL will consider and take a decision on OEC recommendations. MRPL shall communicate its decision to the contractor. If decision of MRPL is acceptable to the contractor, a settlement agreement under Section 73 of the Arbitration and Conciliation Act, 1996 will be signed within 15 days of contractor's acceptance and same shall be authenticated by all the OEC Members.
24. The timelines mentioned in the above guidelines are with an objective to achieve expeditious conclusion of OEC proceedings. However, it does not mean that any action beyond the timelines will be invalid. However, the party concerned will make all efforts to complete the actions within the stipulated time.
25. Parties shall keep confidential matters relating to the conciliation proceedings including minutes of OEC meeting and Recommendations of OEC. Parties shall not rely upon them as evidence in any Forum or arbitration or court proceeding, whether or not such proceedings relate to the dispute that is the subject of the conciliation proceedings,
 - a. Views expressed or suggestions made by the other party in respect of a possible settlement of the dispute.
 - b. Admissions made by the other party in the course of the OEC proceedings;
 - c. Proposals made by the OEC;
 - d. The fact that the other party had indicated his willingness to accept a proposal for settlement made by the OEC.
26. Confidentiality extends also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement. This stipulation will not apply to disclosure made by MRPL to Govt. of India, if required.

27. Subject to terms and conditions contained in the above paras, the provisions of the Part III of Arbitration and Conciliation Act, 1996 shall be acceptable to the conciliation proceedings and the parties and the OEC members shall be bound by the same.

28. If the parties are not able to resolve the dispute through OEC or do not opt for conciliation through OEC, the party may invoke arbitration clause as provided in the contract.

29. **Fees and Facility to the OEC Members :**

OEC members shall be entitled for the following fees plus applicable taxes per member and facilities :

Sl. No	Fees or Facility	Entitlement	To be paid by
1.	Fees	Rs 20,000/- per meeting subject to maximum of Rs. 2,00,000/-* for the whole case. In addition, one OEC member chosen by OEC shall be paid an additional amount of Rs 10,000/- towards secretarial expenses in writing minutes/ OEC Recommendations.	Contractor
2.	Fee for attending meeting/s to authenticate the settlement agreement.	Rs 10,000/-	Contractor
3.	Transportation in the city of meeting	Car as per entitlement or Rs 2,000/- per day	Contractor
4.	Venue of the meeting	MRPL conference rooms or Hotels	MRPL
Facilities to be provided to the out-stationed member			
5.	Travel from the city of residence to the city of meeting	Business class air tickets or first class train tickets or car or reimbursement of actual fare. However, entitlement of air travel by Business class shall be subject to austerity measures, if any, ordered by Govt. of India.	Contractor
6.	Transport to and fro airport or railway station in the city of residence	Car as per entitlement or Rs3,000/-	Contractor
7.	Stay for out stationed members	5 Star Hotel	MRPL
8.	Transport in the city of meeting	Car as per entitlement or Rs 2,000/- per day	Contractor

*** except in exceptional cases, where the no. of meetings may extend beyond 10.**

PART – II : ARBITRATION (Applicable in case of supply orders or Contracts with firms, other than Public Sector Enterprises) (Not applicable in contracts valuing less than ` 5 lakhs)

Except as otherwise provided elsewhere in the contract, if any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually or through conciliation, the same shall be referred to Arbitration as provided hereunder:

1. There shall be no arbitration for disputes involving claims upto ` 25 lakhs and more than ` 100 crores. The disputed amount will be calculated by considering the amount of claim and counter-claim of the parties. Un-resolved disputes involving claims above ` 100 crores shall be adjudicated under the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015.
2. A party wishing to commence arbitration proceeding shall invoke Arbitration Clause by giving 60 days' notice to the other party. The notice invoking arbitration shall specify all the points of disputes with details of the amount claimed to be referred to arbitration at the time of invocation of arbitration and not thereafter. If the claim is in foreign currency, the claimant shall indicate its value in Indian Rupee for the purpose of constitution of the arbitral tribunal.
3. Arbitration can be invoked by giving Invocation Notice only after expiry of the 60 days' period as per Dispute Notice.
4. For a dispute involving claims above ` 25 lacs and upto ` 5 crores, in case other party is Claimant, MRPL will forward a list containing names of five jurists to the other party for selecting one from the list who will be appointed as sole arbitrator by MRPL. In case MRPL itself is the Claimant, it shall appoint the Sole Arbitrator by invoking the Arbitration clause and inform the Contractor. Such dispute shall be resolved on fast track procedure specified in Section 29B of the Arbitration and Conciliation Act, 1996.
5. For a dispute involving claims above ` 5 crores and upto ` 100 crore, the claimant shall appoint an Arbitrator and communicate the same to the other Party in the Invocation Notice itself along with the copy of disclosure made by nominated Arbitrator in the form specified in Sixth Schedule of the Arbitration & Conciliation Act, 1996. For the purpose of Section 21, the Arbitration Proceeding shall commence only upon date of receipt of Invocation Notice complete in all respects mentioned above. The other Party shall then appoint the second Arbitrator within 15 days from the date of receipt of written notice. The two Arbitrators appointed by the Parties shall appoint the third Arbitrator, within 30 days, who shall be the Presiding Arbitrator.

6. For the purpose of appointment of Arbitrator(s), claims amount shall be computed excluding claim for interest, if any.
7. The parties agree that they shall appoint only those persons as arbitrators who accept the conditions of this arbitration clause. No person shall be appointed as arbitrator or presiding arbitrator who does not accept the conditions of this arbitration clause.
8. Parties agree that there will be no objection if the Arbitrator appointed holds equity shares of MRPL and/or is a retired officer of MRPL or any PSU. However, neither party shall appoint its serving employee as arbitrator and shall have been retired before 3 years on the date of commencement of the Arbitration.
9. If any of the Arbitrators so appointed dies, resigns, becomes incapacitated or withdraws for any reason from the proceedings, it shall be lawful for the concerned party or arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both parties consent for the same; otherwise, he shall proceed de novo.
10. Parties agree that neither party shall be entitled for any pre-reference or pendente-lite interest on its claims, i.e. date of cause of action till date of Award by Arbitral Tribunal. Parties agree that claim for any such interest shall not be considered and shall be void. The Arbitrator or Tribunal shall have no right to award pre-reference or pendente-lite interest in the matter.
11. The arbitral tribunal shall make and publish the award within time stipulated as under:

Amount of Claims and Counter Claims (excluding interest)	Period for making and publishing of the award (counted from the date of first meeting of the arbitrators):
Upto Rs. 5 Crore	Within 8 months
Above Rs. 5 Crore	Within 12 months

The above time limit can be extended by the arbitrator, for reasons to be recorded in writing, with the consent of the parties.

12. The fees payable to each Arbitrator shall be as per rules framed by the High Court in whose territorial jurisdiction as per contract and seat of arbitration is situated. In case no rules have been framed, the fees prescribed may be as per Fourth Schedule of the Arbitration and Conciliation Act, 1996. However, Arbitrator may fix their fees keeping the aforesaid schedule as guiding factor.

13. The parties may, after invocation of dispute, agree for sharing the cost of Arbitration equally on 50:50 basis.
14. If after commencement of the Arbitration proceedings, the parties agree to settle the dispute mutually or refer the dispute to conciliation, the arbitrators shall put the proceedings in abeyance until such period as requested by the parties. Where the proceedings are put in abeyance or terminated on account of mutual settlement of dispute by the parties, the fees payable to the arbitrators shall be determined as under:
 - (i) 20 % of the fees if the claimant has not submitted statement of claim.*
 - (ii) 40 % of the fees if the pleadings are complete.*
 - (iii) 60% of the fees if the hearing has commenced.*
 - (iv)80% of the fees if the hearing is concluded but the award is yet to be passed*
15. Each party shall pay its share of arbitrator's fees in stages as under:
 - (i) 20% of the fees on filing of reply to the statement of claims.*
 - (ii) 40% of the fees on completion of pleadings.*
 - (iii) 20% of the fees on conclusion of the final hearing.*
 - (iv)20% at the time when award is given to the parties.*
16. Each party shall be responsible to make arrangements for the travel and stay etc. of the arbitrator appointed by it. Claimant shall also be responsible for making arrangements for travel or stay arrangements for the Presiding Arbitrator and the expenses incurred shall be shared equally by the parties. In case of sole arbitrator, MRPL shall make all necessary arrangements for his travel stay and the expenses incurred shall be shared equally by the parties.
17. The Arbitration shall be held at the place from where the contract has been awarded. However, parties to the contract can agree for a different place for the convenience of all concerned.
18. The Arbitrator(s) shall give reasoned and speaking award and it shall be final and binding on the parties.
19. Subject to aforesaid, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof shall apply to the arbitration proceedings under this clause.
20. Insofar as practicable, the Parties shall continue to implement the terms of the Contract notwithstanding the initiation of Arbitration proceedings.

Arbitration Clause applicable in case of Purchase Orders or Contracts on Public Sector Enterprises

Ref: No.4 (1) /2011-DPE (PMA)-GL, Government of India, Department of Public Enterprises. Dated 12th June 2013

In the event of any dispute or difference relating to, arising from or connected with the CONTRACT, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises, to be nominated by the Secretary to the Government of India, In charge of the Bureau of Public Enterprises.

The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Deptt. of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary or Additional Secretary, whose decision shall bind the parties finally and conclusively.

The parties in the dispute will share equally the cost of the arbitration as intimated by the Arbitrator

Arbitrations with respect to Contracts between CPSEs & Government Departments or Organizations.

In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between CPSEs or Port Trusts inter se and also between CPSEs and Government Departments or Organizations (excluding disputes concerning Railways, Income Tax, Customs and Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No 4(1)/2013-DPE (GM) fts-1835 DATED 22-05-2018.

Any amendment(s) made to the above shall be applicable as per Govt. policies or guidelines issued from time to time.

Declaration of independence and impartiality by OEC Member

To,

1. MRPL
2. Contractor.....

Subject: Declaration of independence and impartiality by OEC Member in the dispute between MRPLAnd.....under Contract No.....

I, the undersigned, hereby accept to act as Member of the Expert Committee and conciliate in the disputes under reference between the parties above named.

I confirm that I am aware of the requirements of law particularly of the Arbitration and Conciliation Act, 1996, to act as a conciliator. I am able to act as conciliator and I am available to act as Member of the Expert Committee.

I hereby declare that I am independent of each of the parties and have no ownership interest in any part of the contract under reference or any financial interest in the said contract. I have no interest in the outcome of the dispute or its settlement.

I hereby affirm that I shall act with honesty, integrity, diligence, and will remain independent and impartial while discharging my duties as conciliator or OEC Member. I will disclose any interest or relationship with the parties or the subject matter which might compromise in any manner my ability or capacity to remain impartial and independent in the matter.

The fees and other facilities offered to me and the terms and conditions contained in the appoint letter and guidelines issued by MRPL are acceptable to me. I will not demand for enhancement of the same.

(Signature)

Name:

Address:

Phone:

Email:

Date:

STATEMENT OF CLAIM(S) or COUNTERCLAIM(S)

1. Chronology of the dispute
2. Brief of the contract
3. Brief history of the dispute:
4. Issues:
5. Details of claim(s) or Counter Claim(s):

Sl. No.	Description of claim(s) or Counter Claim	Amount (in INR or USD)	Relevant contract Clause

6. Basis or Ground of claim(s) or counter claim(s) (along with relevant clause of contract)

Statement of claims may kindly be restricted to maximum limit of 20 pages. Relevant documents may be compiled and submitted along with the statement of claims. The statement of claims is to be submitted to all OEC members, to other party and to the office of Head Legal Services-MRPL, by post as well as mail.

Authorized Signatory of the Claimant

Place :

Contact No. :

Date :

Email :

63. JURISDICTION:

Contract or Purchase Order, including all matters connected with this Contract or Purchase Order shall be governed by the Indian law both substantive and procedural, for the time being in force and shall be subject to the exclusive jurisdiction of Indian Courts at Mangalore.

Foreign companies, operating in India or entering into Joint ventures in India, shall have to obey the law of the land and there shall be no compromise or excuse for the ignorance of the Indian legal system in any way.

64. DIFFERENCE IN MEANINGS OR TERMS MEANING OR TERMS:

In case of any difference in meaning or understanding or contradictory terms or conditions in the documents, the stricter terms favoring MRPL will apply.

65. CONDITIONS FOR MICRO AND SMALL ENTERPRISES (MSEs)

1. As per Public Procurement policy (PPP) for Micro & Small Enterprises (MSEs) Order, 2012 issued vide Gazette Notification dated 23.03.2012 by Ministry of Micro, Small and Medium Enterprises of Govt. of India, MSEs must be registered with any of the following in order to avail the benefits or preference available vide Public Procurement Policy MSEs Order, 2012.

- a) District Industries Centers (DIC)
- b) Khadi and Village Industries Commission (KVIC)
- c) Khadi and Village Industries Board
- d) Coir Board
- e) National Small Industries Corporation (NSIC)
- f) Directorate of Handicraft and Handloom
- g) Any other body specified by Ministry of MSME (MoMSME)
- h) Udyog Aadhaar Acknowledgment or Udyog Aadhaar Memorandum issued by MoMSME.
- i) Udyam Registration Portal

MSEs participating in the tenders must submit valid & authorized copy of certificate of registration with any one of the above agencies. In case of bidders submitting DIC registration certificate, he shall attach original notarized copy of the DIC certificate.

2. The MSEs registered with above mentioned agencies or bodies are exempted from payment of Earnest Money Deposit (EMD).
3. The definition for Micro & Small Enterprise shall be as per the guidelines issued by Ministry of MSME vide Gazette notification no. 1702(E) dated 01.06.2020 and 2119(E) dated 26.06.2020 which came into effect from 01.07.2020.
4. To be classified as Micro or Small Enterprises as per new definition, The companies need to register themselves on "Udyam Registration Portal" on or after 01.07.2020. This provision is for new establishments as well as for existing MSE companies registered with NSIC, UAM etc.
5. The existing MSE companies registered prior to 30.06.2020 shall continue to be valid only for a period up to 30.06.2022.
6. Bidder shall be Manufacturer for supply items
As per the MoMSME, the benefits of the Purchase Preference (PP) extended only to manufacturers registered under this and are not applicable to traders or dealers or resellers or distributors or

authorized agents etc. Accordingly, the eligible MSE bidders shall be registered for the item tendered.

Bidder shall submit proof that he is a manufacturer of the item for which he is quoting and he shall highlight the details of his manufacturing status in the MSE certificate against the item he is proposing to bid in the tender.

7. The registration certificate issued must be valid as on Bid closing date of the tender. Bidder shall ensure validity of registration certificate in case bid closing date is extended.
8. The MSEs who have applied for registration or renewal of registration with any of the above agencies or bodies, but have not obtained the valid certificate as on close date of the tender, are not eligible to avail benefits under PP Policy. Where validity of such certificates such as NSIC certificate has lapsed, it shall be the responsibility of the bidder to seek renewal from the concerned Govt. agency before such expiry. Documentary evidence seeking extension before the lapse of validity of such certificate and an authorization letter from the Govt. agency having received application for renewal shall be submitted before the bid closing date.
9. MRPL being a critical refinery installation, vital to public safety and maintaining essential supplies to the society and other customers including Govt. agencies, reserves right to grant relaxation in tender conditions under the Public Procurement Policy on procurement of goods and services from Micro and Small Enterprises (MSEs) order 2012 or other Government guidelines as applicable from time to time.

10. Purchase Preference:

- a) Items which are reserved for exclusive purchase from Micro and Small Enterprises shall be procured from Micro and Small Enterprises as per Public Procurement Policy.
- b) Subject to meeting terms and conditions stated in the tender document, **twenty five** percent of the total quantity of the tender is earmarked for MSEs registered with above mentioned agencies or bodies for the tendered item or services.
- c) In case MSE bidder is L1 entire value of the tender is to be ordered on the L1 MSE bidder.
- d) In tender, participating Micro and Small Enterprises quoting price within price band of L1 + 15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise shall be allowed to supply upto **25 percent** of the total tendered value (where the tender quantity can be split).
- e) In case of more than one such MSEs are in the price band of L1 + 15% and matches the L1 price, the supply may be shared proportionately if the job can be split.
- f) In case the tendered quantity cannot be split, MSE shall be allowed to supply total tendered quantity provided their quoted price is within a price band of L1 + 15 percent and they match the L1 price.

- g) If the quantity cannot be split and there are more than one eligible MSE bidders (price band within L1+15%) then the opportunity to match the L1 rate of the tender shall be given first to MSE (who have quoted lowest rate among the MSEs within the price band of L1+15%) and the total quantity shall be awarded to him after matching the L1 price of the tender.
- h) If the MSE who have quoted lowest rate among the MSEs in the price band of L1 + 15% do not agree to match the rate of L1 of the tender, then the next ranked MSE bidder who has quoted within the price band of L1 + 15% in order shall be given chance to match the rate of L1 for award of the quantity or order.
- i) For more clarity in this regard, following table is furnished;

Type of Tender	Price quoted by MSE	Finalization of tender
Can be Split	L1	Full order on MSE
Can be Split	Not L1 but within L1+15%	25% order on MSE subject to matching L1 price
Cannot be Split	L1	Full Order on MSE
Cannot be Split	Not L1 but within L1+15%	Full Order on MSE subject to matching L1 price

- j) In case where the tender quantity can be split and MSE vendor is already getting order for more than 25% of the tendered quantity or value, no additional purchase preference is required to be given in the tender.
- k) In case MSE vendor is already getting order less than 25% of the tendered quantity or value, purchase preference to this and other vendors (together) shall be given only up to the differential quantity to make total as 25% to MSE vendor.
- l) In case where quantity against a line item cannot be split (i.e., minimum 25% to MSEs) or items with single quantity or in grouped item, the complete line item or group shall be awarded on MSE bidder within the price range of L1 bidder's evaluated price + 15% subject to their matching L1 bidder's price.
- m) The purchase preference to MSE is not applicable for works contracts where supply of goods not produced by MSEs is also involved.
- 11.** The above mentioned procurement from micro and small enterprises includes procurement from micro and small enterprises owned by Scheduled Caste & Scheduled Tribe entrepreneurs and owned by Women Entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet the tender requirements and L1 price sub-target so earmarked shall be met from other MSEs.
- 12.** To qualify for entitlement as SC/ST owned MSE, the SC/ST certificate issued by District Authority in addition to certificate of registration with any one of the agencies mentioned in paragraph (1)

above. Alternatively, the bidder shall be responsible to furnish necessary documentary evidence for enabling MRPL to ascertain that the MSE is owned by SC/ST entrepreneurs. MSE owned by SC/ST is defined as:

- a) In case of proprietary MSE, proprietor(s) shall be SC/ST
- b) In case of partnership MSE, The SC/ST partners shall be holding at least 51% shares in the enterprise.
- c) In case of Private Limited Companies, at least 51% share shall be held by SC/ST promoters.

13. The MSEs owned by Women shall mean:-

- a) In case of proprietary MSE, proprietor(s) shall be Women.
- b) In case of partnership MSE, The Women partners shall be holding at least 51% shares in the enterprise.
- c) In case of Private Limited Companies, at least 51% share shall be held by Women promoters.

14) If the bidder does not provide appropriate document or any evidence to substantiate the above, then it will be presumed that he does not qualify for any preference admissible under the Public Procurement Policy, 2012.

15) **TReDS:** TReDS is an electronic institutional mechanism for facilitating the financing of trade receivables of MSMEs through multiple financiers. MRPL is already registered on the following TReDS platform:

- M/s Receivable Exchange of India (RXIL), Mumbai,
- M/s Mynd Solutions Private Limited (Mynd), New Delhi
- M/s A TREDS (Invoicemart), Mumbai

MSE vendors are required to register on the TReDS platform. The MSME vendors can avail the TReDS facility, if they want to.

66. CONDITIONS FOR START-UP COMPANIES

1. Subject to meeting of Quality and Technical specifications, MRPL may consider allowing the participation of all “Start-up” companies (and not limited to manufacturing sector), who are capable of executing the order as per technical specifications or perform the job as per scope of work specified in the tender and subject to meeting extant & relevant guidelines of Government of India. This should be confirmed and substantiated in the technical bid. The startup bidder shall be required to submit an undertaking along with the bid stating that they will comply with all quality requirement and technical specifications of the tender during execution.
2. To establish the quality and technical specification of the tendered items Technical Capability, following criteria to be ensured as applicable;

- a) The bidder who intends to participate as “Start-up” company should enclose the Certificate of Recognition issued by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Govt. of India during submission of Technical bid.
- b) Nature of Business mentioned in application made to get Start-up accreditation. Nature of Business should be related to tender item.
- c) A detailed Business Plan covering complete implementation of work with following points needs to be submitted as applicable;
 - Methodology to execute tendered work
 - Resource allocation & planning
 - CV or Qualification of Key executives
 - Working Capital & Finance Management
 - Safety, Security & statutory aspect
 - Any other important points which would be helpful to prove quality & technical capability.
- d) Certificate of Incorporation.
- e) Audited Balance sheet (P&L statement) of all the financial year since incorporation.
- f) The Start-up companies, recognized by DIPP are exempted from payment of EMDs
- g) Prequalification Criteria with respect to Prior Turnover and Prior Experience may be relaxed for Start-ups as per the GOI guidelines.
- h) However, there may be circumstances like procurement of items or services related to public safety, health, critical security operations and equipment, etc. wherein MRPL reserves the right to not consider relaxation of Prior Turnover and Prior Experience for Start-up Companies as per GOI guidelines.
- i) Start-up Companies who are also registered as MSEs and wish to avail the benefits as applicable to MSE, shall submit relevant documents covered under Conditions for Micro and Small Enterprises elsewhere in this tender.
- j) Based upon above documents or details, if MRPL is not convinced on meeting quality and technical capability of the bidder on the tendered items is able to execute the subject tender, the bid may be rejected without any further notice or communication to the bidder.

Bid Evaluation in case of tie:

- In case of tie at the lowest bid (L1) position between two or more startup or non-startup bidders, the order will be placed on the bidder who has higher or highest turnover in last audited financial year.

- In case there is tie at the lowest bid (L1) position between only startup bidders and none of them has past turnover, the order will be placed on the startup who is registered earlier with Department of Industrial Promotion and Policy.

67. POLICY TO PROVIDE PURCHASE PREFERENCE (LINKED WITH LOCAL CONTENT - MAKE IN INDIA) (PP-LC MII);

Please refer revised PP-LC Order by MoPNG attached with tender documents as Annexure-1.

MOP&NG has notified the purchase preference (linked with local content)-PP-LC for the Procurement of goods and services under Oil & Gas Projects in India. Under this Policy, the bidders are allowed to avail the purchase preference linked with attaining the stipulated Local content.

MRPL reserves the right to allow Manufacturers or Suppliers or Service providers, purchase preference as admissible under the prevailing policy, subject to their complying with the requirements or conditions defined herewith and submitting documents required to support the same. In order to avail the Purchase preference under this policy, bidder shall achieve minimum Local Content (LC) for enquiries floated year-wise (Date of Notice inviting tender) as per table given below.

Table of Local Content-Enclosure-1

Items	Local Content (%)		
	2017-18	2018-20	2020-22
Service Contracts	20%	22%	25%
Supply Contracts	20%	22%	25%
EPC Contracts (others)	30%	35%	40%

Notes

1. Above policy is not applicable for Domestically Manufactured Electronic Products (DMEP) and MSME as there being specific policies for products or services
2. The prescribed local content in above table shall be applicable on the date of Notice Inviting Tender.

A) Margin of Purchase Preference

The manufacturers or service providers having the capability of meeting or exceeding the local content targets give above shall be eligible for 10% purchase preference under the policy. i.e where the quoted price of eligible LC manufacturers or LC service providers is within 10% of the lowest price, purchase preference may be granted at the lowest valid price bid.

B) Procedure for availing benefits under Purchase Preference (Make in India Policy)

The option in case of MSE bidders qualifying under both Policies, namely, Purchase Preference under the Public Procurement Policy – 2012 (PPP-2012) for MSE bidders and Purchase Preference Linked with Local Content (PP-LC 2017) shall be exercised as under:

- i. The MSE bidder can avail only one out of the two applicable purchase preference policies, i.e., PP-LC 2017 for PPP-2012 and therefore, bidder will be required to furnish the option under which he desires to avail purchase preference. This option must be declared within the offer and in case bidder fails to do so although he is eligible for both the Policies, MRPL shall evaluate his offer considering PPP- 2012 as the default chosen option.
- ii. In case a MSE bidder opts for preference under PPP-2012, he shall not be eligible to claim benefit under PP-LC 2017 (irrespective of the fact whether he furnishes the details of LC in his offer and this LC meets the stipulated LC criteria).
- iii. In case a MSE bidder opts for purchase preference based on PP-LC 2017, he shall not be entitled to claim benefit of purchase preference benefit as applicable for MSE bidders under PPP-2012. However the exemptions from furnishing EMD shall continue to be available to such a bidder.
- iv. In view of the above
 - a) The bidder's quoted prices against various items of enquiry shall remain valid even in case of splitting of quantities of the items, except in case of items where the quantity cannot be split since these are to be awarded in a Lot or as a package or Group.
 - b) While evaluating the bids, for price matching opportunities and distribution of quantities among bidders, the order of precedence shall be as under:
 - MSE bidder (PPP-2012)
 - PP-LC complied bidder (PP-LC)

In case the bidder has not declared his status as to whether he is an MSE Bidder or PP-LC Bidder during bid submission, then he will be considered as non PP-LC compliant bidder and evaluated accordingly. No further correspondence will be made in this regard.

Examples of Purchase Preference:

Non divisible item

L1 bidder is non MSE, non PP-LC bidder

L2 bidder is PP-LC (**within 10%**)

L3 bidder is MSE bidder (**within 15%**)

MSE bidder shall be given preference to match the L1 price. If L3 bidder matches the L1 price, Order shall be placed on him, otherwise, option for matching the L1 price shall be given to L2 bidder (PP-LC).

Divisible item

L1 bidder is non MSE, non PL-LC bidder

L2 bidder is PP-LC (within 10%)

L3 bidder is MSE bidder (within 15%)

MSE bidder shall be given preference to match the L1 price. If bidder matches the L1 price, order shall be placed on him for the quantity specified in the bidding document. For the balance quantity (i.e. 50% of tendered quantity or value) option for matching the L1 price shall be given to L2 bidder (PP-LC). Balance quantity shall be awarded to natural lowest bidder.

For further clarification, in case an item has quantity 4 nos. then 1 no. can be given to MSE bidder, 2 to PP-LC bidder and left out 01 no. to natural L1 bidder.

Note:

The above two examples are not applicable to the Works Contracts since the Purchase Preference under PPP-2012 is not applicable to works contracts.

- In case lowest bidder is a MSE bidder, the entire work shall be awarded to him without resorting to purchase preference to bidders complying with Local Content.
- In case lowest bidder is a PP-LC bidder, purchase preference shall be resorted to MSE bidder as per provisions specified in the enquiry document w.r.t. PPP-2012 only.

The PP-LC Policy shall be implemented in the following manner

Quantum of purchase preference for bidders qualifying under local content (for LC Bidder) meeting minimum local content, subject to accepting L1 Price and tender applicability criteria, referred to as eligible LC bidder as explained under previous sections are stated below.

A. For goods

- 1) If L-1 is LC bidder, entire quantity will be awarded to such LC bidder
- 2) If L-1 is non-LC bidder,
 - a) 50% of the quantity will be awarded to LC bidder and rest to non-LC bidder
 - b) If quantity cannot be split in the ratio of 50:50, the next higher quantity greater than 50% that is practically splittable shall be awarded to LC bidder and rest to non-LC bidder
 - c) If quantity is indivisible, 100% shall be awarded to LC bidder
 - d) If there are more than one LC bidders, 50% quantity shall be awarded to lowest LC bidder and rest to non LC bidder

B. For Services or EPC contracts.

Normally the service or EPC contract are not splittable and therefore the eligible LC bidder shall be awarded 100% of the contract. However, in cases where the contract are splittable the LC bidder shall be awarded contract as explained under section A.2) above as in procurement of goods.

C) CERTIFICATION OF LOCAL CONTENT

Manufacturers of goods and/or providers of service, seeking Purchase preference under the policy, shall be obliged to certify the LC of goods, service or EPC contracts as under:

At bidding stage:

The bidder shall provide the percentage local content in the bid (Unpriced Bid)

The bidder must have LC in excess of the requirement specified in table given in Enclosure-1

- The bidder shall submit an undertaking from the authorized signatory of the bidder having **the power of attorney** along with the bid stating the bidder meets the mandatory minimum local content requirement, which shall become part of the contract.
- In cases of procurement for an estimated value in excess of Rs 10 Crores, the undertaking submitted by the bidder shall be supported by a certificate from the **statutory auditor or cost auditor** of the company (in case of companies) or from a **practicing cost accountant or practicing chartered accountant** (in respect of other than companies) **giving the percentage of local content.**

- However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of LC is also acceptable. In case office or subsidiary in India does not exist or Indian office or subsidiary is no required to appoint statutory auditor or cost auditor, certificate from practicing cost accountant or practicing chartered accountant giving the percentage of LC is also acceptable.

After awarding of Contract or Purchase Order

The LC Certificate as per Table attached as per relevant Enclosures (II,III & IV) shall be submitted along with each Invoice as per following criteria

a) Where the total quoted value is less than INR 5 Crore:

In the case of procurement of goods and or services with the value less than Rs. Five Crores, the local content shall be calculated (self-assessment) by the supplier of goods and/or the provider of services and certified by the Director or Authorised representative of the company

b) Where the total quoted value is INR 5 Crore or above -The verification of the procurement of goods, services or EPC contracts with the value Rupees Five Crore and above shall be carried out as follows

- i. The Proprietor and an independent Chartered Accountant, not being an employee of the firm, in case of a proprietorship firm.
- ii. Any one of the partners and an independent Chartered Accountant, not being an employee of the firm, in case of a partnership firm.
- iii. Statutory auditors in case of a company. However, where statutory auditors are not mandatory as per laws of the country where bidder is registered, an independent chartered accountant, not being an Employee of the bidder's organization.

However, procuring company shall also have the authority to audit as well as witness production processes to certify the achievement of the requisite local content and/or to obtain the complete back up calculation before award of work failing which the bid shall be rejected and appropriate action may be initiated against the bidder.

D) CALCULATION AND DETERMINATION OF LOCAL CONTENT

Bidder claiming Local Content have to calculate the LC and indicate the same in the Unpriced Bid and substantiate the calculation while submitting each invoice

1. LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being non verifiable, the value of LC of the said component shall be treated as nil.
2. Format for calculation of LC is enclosed as
 - a) Enclosures II for procurements of
 - i) Supply of goods
 - ii) Supply of goods along with installation and commissioning
 - iii) Supply of goods along with installation , commissioning & AMC
 - b) Enclosure III for calculation of LC for Services
 - c) Enclosure IV for calculation of LC for EPC
3. Determination of Local Content
 - a) For Goods or installation & commissioning or AMC as evaluated under Enclosure II

- i. LC of goods shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product. The whole cost of product shall be constituted of the cost spent for the production of goods, covering: direct component (material) cost; direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods.
 - ii. The criteria for determination of local content cost shall be as following
 - In the case of direct component (material) based on country of Origin
 - In the case of manpower, based on INR component
 - In the case of working equipment or facility, based on the country of Origin
 - iii. The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each goods with the acquisition price of each goods to the acquisition price of the combination of goods
- b) For services as evaluated under Enclosure III
- I) LC of service shall be calculated on the basis of the ratio of service cost of domestic component in service to the total cost of service
 - II) The total cost of service shall be constituted of the cost spent for rendering of service covering
 - Cost of component (material) which is used
 - Manpower and consultant cost, cost of working equipment or facility and
 - General service cost excluding profit, company overhead cost , taxes and duties
 - III) The criteria for determination of cost of local content in the service shall be as follows
 - In the case of material being used to help the provision of service, based on country of origin
 - In the case of manpower and consultant based on INR component of the services contract
 - In the case of working equipment or facility, based on the country of Origin and
 - In the case of general service cost, based on the criteria mentioned under 3.b)III above
 - Indian flag vessels in operation as on date
- c) LC of EPC contracts given under Enclosure IV
- I) LC of EPC contracts shall be ratio of the whole cost of domestic components in the combination of goods and services to the whole combined cost of goods and services
 - II) The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site.LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services
 - III) The spent cost as mentioned above(3.c.II) shall include production cost in the calculation of LC of goods as mentioned in 3.a.I and service cost in the calculation of LC of services as mentioned in clause 3.b.II
- d) Determination of LC of the working equipment or facility shall be based on the following provision. Working equipment produced in the country is valued as 100% local content and working equipment produced abroad is valued as Nil Local Content (0%)

- e) As regards cases where currency quoted by the bidder is other than INR, exchange rate prevailing on the date of Tender (NIT) shall be considered for the calculation of LC

The onus of submission of appropriately certified documents lies with the bidder and purchaser shall not have any liability to verify the contents & will not be responsible for same. However, in case the procuring company has any reason to doubt the authenticity of the Local Content, it reserves the right to obtain the complete back up calculations before award of work failing which the bid shall be rejected.

E) Failure of bidder in complying with the local content post award:

In case a bidder, who has specified in his bid that the bid meets the minimum Local Content specified in the enquiry document fails to achieve the same the following actions shall be taken by the procuring company:

- a. Pre-determined penalty @ 10% of total contract value.
- b. Banning business with the supplier or contractor for a period of one year

To ensure the recovery of above pre-determined penalty, payment against dispatch or shipping document shall be modified to the extent that the 10% payment out of this milestone payment shall be released after completion of this milestone as well as submission of certification towards achievement of Local Content, as per provision of enquiry document. Alternatively, this payment can be released against submission of additional bank guarantee valid till completion schedule plus 3 months or as required by purchasing company.

CALCULATION OF LOCAL CONTENT – GOODS

Name of Manufacturer	Calculation by manufacturer Cost per one unit of product			
Cost component	Cost (Domestic component) a	Cost (Imported component) b	Cost Total Rs/US\$ C=a+b	% Domestic component d=a/c
I. Direct material cost				
II. Direct labour Cost				
III. Factory overhead				
IV. Total production cost				

Note:

$$\% \text{ LC Goods} = \frac{\text{Total cost (IV.c)} - \text{Total imported component cost (IV.b)}}{\text{Total Cost (IV.c)}} \times 100$$

$$\% \text{ LC Goods} = \frac{\text{Total domestic component cost (IV.a)}}{\text{Total Cost (IV.c)}} \times 100$$

CALCULATION OF LOCAL CONTENT – SERVICE

NAME OF SUPPLIER OF GOODS OR PROVIDER OF SERVICE							
			Cost Summary				
			Domestic	Imported Rs/US\$	Total	LC	
						%	Rs/US\$
b	c	d	e=b/d	f=d x e			
A	Cost component						
	I. Material used cost	Rs US\$					
	II. Personnel & Consultant cost	Rs US\$					
	III. Other services cost	Rs US\$					
	IV. Total cost (I to IV)	Rs US\$					
B	Taxes and Duties	Rs US\$					
C	Total quoted price	Rs US\$					

Note:

$$\% \text{ LC Service} = \frac{\text{Total cost (A. IV. d)} - \text{Total imported component cost (A. IV. c)}}{\text{Total Cost (A. IV. d)}} \times 100$$

$$\% \text{ LC Service} = \frac{\text{Total domestic component cost (A. IV. b)}}{\text{Total Cost (A. IV. d)}} \times 100$$

CALCULATION OF LOCAL CONTENT – EPC (GOODS AND SERVICE)

A.	COST COMPONENT (Rs/US\$)	Cost Summary				
		Domestic	Imported Rs/US\$	Total	LC	
					%	Rs/US\$
		b	c	d	e=b/d	f=d x e
I	GOODS					
1.	Material used cost					
2.	Equipment cost					
3.	Sub Total I					
II	SERVICES					
1.	Personnel & Consultant Cost					
2.	Equipment & Work Facility Cost					
3.	Construction or Fabrication Cost					
4.	Other Services Cost etc					
5.	Sub Total II					
III.	TOTAL COST GOODS + SERVICES					
B.	Non Cost Component					
C.	TOTAL QUOTED PRICE					

Note:

% LC Combination =

$\frac{\{\text{Total domestic component cost of goods (AI3b) + Total domestic component cost of service (AII5b)\}}{\text{Total Cost (AIIId)}} \times 100$

Total Cost (AIIId)

The provisions of purchase preference to local content PP-LC(2017) shall be updated from time to time and will be applicable as per the latest revisions made by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion. Refer <https://dipp.gov.in/programmes-and-schemes/industrial-promotion/investment-promotion>

The current Make in India Policy can be downloaded from [https://dipp.gov.in/sites/default/files/publicProcurement MakeinIndia 31May2018.pdf](https://dipp.gov.in/sites/default/files/publicProcurement%20MakeinIndia%2031May2018.pdf)

Individual Ministries such as Ministry of Electronics and IT (MeITy), Ministry of Textile have identified local contents in their respective ministries for evaluating the Purchase Preference under Local Content and shall be applicable and evaluated in context with the guidelines given by Ministry of Commerce and Industry DIPP. Where specific guidelines under individual ministries are not exclusively mentioned, then the guidelines given by the Make in India Policy issued by Ministry of Commerce, DIPP shall be considered.

Domestically Manufactured Electronic Items (DMEP)

Ministry of Electronics and IT (MeITy) has specified the preference to local content in Domestically Manufactured Electronics Items as follows

Sl no	Electronic Items	Local Content	Purchase Preference
1	Desktop computers	45%	50%
2	Laptop personal computers	40%	50%
3	Tablet personal computers	45%	50%
4	Dot-matrix printers	55%	50%
5	Smart cards-contact type	65%	50%
6	Smart cards-contactless type	70%	50%
7	LED products	65%	50%
8	Biometric Access control or authentication	45%	50%
9	Biometric fingerprint sensors	45%	50%
10	Biometric Iris Sensors	45%	50%
11	Servers	40%	50%

Certification of Local Content For electronics goods

It is mandatory for the bidder should submit a certificate duly certified by a practicing cost accountant or chartered account, in line with the said along with prescribed Form (enclosed) in the technical bid, mentioning the location(s) at which local value addition is made. In case of companies, the certification shall be from the statutory auditor or cost auditor for the company. In case the procurement value is <Rs 10Crores self-certification is acceptable.

The bidder claiming benefits of Purchase Preference on the above shall provide at least 2 sets of data each under the following heads

1. Domestic Bill of Materials

- a) Sum of the costs of all the inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit or setoff can be taken) and which have not been imported directly or through a domestic trader or a intermediary
- b) Ex-factory price of product minus profit after tax minus sum of imported bill of material used (directly or indirectly) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit or setoff can be taken) minus warranty costs
- c) Market price minus post production freight, insurance and other handling cost minus profit after tax minus warranty cost minus sum of imported bill of material used as inputs in producing the product(including duties and taxes levied on procurement of inputs except those for which credit or setoff can be taken) minus sales and marketing expenses

2. Total Bill of Materials

- a) Sum of the costs of all the inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit or setoff can be taken)
- b) Ex-factory price of product minus profit after tax, minus warranty costs
- c) Market price minus post production freight, insurance and other handling cost minus profit after tax minus warranty cost minus sales and marketing expenses.

The percentage domestic value addition shall be calculated as per the following formula,

% Domestic Value addition = Domestic Bill of Material/Total Bill of Material

Public procurement (Preference to Make in India)-order 2017-Notification on Cellular Mobile Phones.

In furtherance of above order, MeTy has added cellular Mobile Phones vide notification no 33(5)/2017-IPHW dated 1.08.2018 and can be downloaded from http://dipp.nic.in/sites/default/files/Meity_dated_01082018.pdf

Public Procurement (Preference to Make in India) Order 2018 for Cyber Security Products

MeTy has issued notification viz. File No 1 (10)/2017-CLSES dated 2.7.2018 to give purchase preference to domestically manufactured or produced Cyber Security Products as per the above Order.

The definition of cyber security product, local supplier of domestically manufactured Cyber Security Products, exclusions, Verifications etc. are available under <http://meity.gov.in/cyber-security>

The local supplier at the time of bidding shall provide self-certification that the item offered meets the definition of local supplier of domestically manufactured or produced Cyber Security Products.

Certification authority for estimated values beyond Rs. 10 Crores shall be statutory auditor or cost auditor of the company (in case of companies).

In case of false declarations, provisions under clause-24-Instructions to Bidders of Section-1 of Tender Document will apply. Complaints received against claims of a bidder regarding supply of domestically manufactured Cyber Security Product shall be referred to STQC under MeITy.

For certification of local content in electronic goods shall be as per the circular F.No.33(1)/2017-IPHW issued by Government of India Ministry of Electronics and Information Technology dated 14th September 2017, which may be downloaded from <http://meity.gov.in/esdm/ppo> under “notification for electronics products under public procurement order 2017”

Public Procurement (Preference to Make in India) Order 2018 for Textile Products

In furtherance to Make in India Policy, the Ministry of Textiles hereby notified minimum local content for the following items after assessing availability of local supply and local competition.

Sl No	Items	Sub-categories	Min Local Content
1	Fabric	Cotton	100%
		Blended	85%
2	Apparel & Garments	Natural Fibre	90%
		MMF Blended	85%
3	Made-Ups	Natural	90%
		MMF Blended	85%
4	Carpets	--	90%

Local Content shall be computed on the basis of the cost of domestic components in goods as compared to the total cost of the product. Total cost of the product shall constitute the cost of production of goods, covering direct component (material) cost, direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods. Accordingly percentage of domestic value addition will be calculated as (Domestic Bill of Material)/(Total Bill of Material) x 100

Verification of local content for Textile Products

Local supplier at the time of bid submission shall provide self-certification that the item offered meets the minimum local content and shall give the details of the location (s) at which local value addition is made.

For procurement values above Rs. 1.0 Crores, the local supplier shall provide a certificate from the statutory auditor or cost auditor of the company (in case of company) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content. False declaration will invite penalty as specified under the policy or debaring for a specified period as mentioned in the policy.

The terms and conditions of the policy can be obtained from the Ministry of Textiles website given below

<http://www.texmin.nic.in/services/public-procurementpreference-make-india-order-2018-notifying-textiles-products-furtherance>

Purchase Preference in case where Negotiation is also required:

In case purchase preference is applicable, but negotiation is to be conducted with L1 bidder, negotiation shall be carried out MSE and/or LC-complied bidder shall be offered to match the negotiated prices (even if, post negotiation, they are higher by more than 10% as compared to L1 bidder provided they were within 10% of L1 bidder as per original quoted prices) and left out quantity, if any, as per provisions of enquiry document shall be awarded to that bidder.

Note:

Relevant policy guidelines issued including modifications made from time by the concerned Ministry in respect to Purchase Preference to Make in India, shall be applicable.

POLICY FOR PROVIDING PREFERENCE TO DOMESTICALLY MANUFACTURED IRON AND STEEL PRODUCTS-ISSUED BY MINISTRY OF STEEL (DMI&SP)

1. This policy provides preference to Domestically Manufactured Iron and Steel Products in Govt Procurements
2. Applicable for estimated procurements of Rs. 50 Crores & above having at least local value addition of 15%
3. List of items for which above policy is applicable is given below

Sl. No	Iron & Steel Products	Inputs (Imported or Domestic)	Minimum Value Addition
1	Ductile Iron Pipe	Pig Iron or Liquid Iron	15%
2	Wire rod & TMT bar	Billet	15%
3	Structural or sections	Bloom	15%
4	HR Coils, strips, sheets & plates	Slab	15%
5	HR universal or Quarto Plates	Slab	15%
6	CR coils or strips	HR coils	15%
7	Coated flat steel products or GP or GC sheets or Al-Zn coated	Slab or HR Coil or Cold rolled coils or strips	15%

8	Color coated, painted sheets	Slab or HR Coil or Cold rolled coils or strips	15%
9	All kinds of steel pipes & tubes	Slabs or Plates or HR coils	15%
10	Seamless tubes & pipes	Bloom	15%
11	Rails	Bloom	15%

Details on Terms, conditions, implementation and evaluation of this policy can be obtained from the Ministry of Steel website <https://steel.gov.in/policy-providing-preference-domestically-manufactured-iron-steel-products-government-procurement>

68. TERMS AND CONDITIONS FOR BIDDERS FROM A COUNTRY SHARING LAND BORDERS WITH INDIA.

This is in line with Office Memorandum(OM) no. 6/18/2019-PPD dtd. 23rd July 2020 inserting Rule 144 (xi) in GFRs (General Finance Rules) 2017 issued by “Department of Expenditure, Public Procurement Division, Ministry of Finance”.

Bidders should ensure compliance to the following clauses of the OM no. 6/18/2019-PPD dated 23rd July 2020:

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.

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. [For Works contracts, including Turnkey contracts] The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

Following relevant Certificate(s), as applicable, to be submitted by the bidder along with the bid :

Certificate for Tenders (where Sub-contracting is not involved):

"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, for submitting their bid for the Tender no.....of your Organisation."

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

Certificate for Tenders for Works involving possibility of sub-contracting:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered, for submitting their bid for the Tender no.....of your Organisation."

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

Certificate for GeM:

"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 vendor or 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 vendor or bidder fulfills all requirements in this regard and is eligible to be considered for procurement on GeM, for submitting their bid for the Tender no.....of your Organisation."

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

(To be in the Company letter head)

Date:

DECLARATION & UNDERTAKING BY MICRO & SMALL SCALE ENTERPRISES OR STARTUP COMPANIES OR ENTITIES SEEKING PURCHASE PREFERENCE UNDER MAKE IN INDIA POLICY OR WOMEN ENTREPRENEURS OR REGN WITH TReDS OR GeM

Sl.	Particulars	Details
1	Is your organization Proprietary or Partnership or Private Limited Companies or Public Limited Company or Others
2	Has your firm or organization registered your items or services in Government e-Marketplace (GeM) Successful tenderer should provide Unique GeM seller ID at the time of award of Contract or placement of order.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unique GeM seller ID.....
3	Does your organization belong to Micro or Small or Medium scale Industry or Start-Ups under DIPP or others (Please tick mark appropriate box. If bidder is Startup & MSE, then please tick mark both)	<input type="checkbox"/> Micro <input type="checkbox"/> Small Scale <input type="checkbox"/> Medium <input type="checkbox"/> Startup Company <input type="checkbox"/> Others
4	In case you belong to Micro or Small or Medium Scale Enterprises whether you are registered under SC / ST Category (Please tick mark the appropriate)	<input type="checkbox"/> Yes <input type="checkbox"/> No if yes, <input type="checkbox"/> SC <input type="checkbox"/> ST
5	In case you belong to Micro or Small or Medium Scale Enterprises, whether your firm or Organization owned by Women Entrepreneurs. (Please tick mark the appropriate)	<input type="checkbox"/> Yes <input type="checkbox"/> No
6	In case you are a Micro or Small Enterprise Bidder, whether you are Manufacturer for the tendered items (Supply). I have attached valid MSE certification. (Please tick mark the appropriate)	<input type="checkbox"/> MSE Manufacturer of items quoted <input type="checkbox"/> Trader or reseller or authorized agent or distributor <input type="checkbox"/> Non MSE Bidder
7	In case you are a Micro or Small Enterprise Bidder, whether registered with Udyam Registration	<input type="checkbox"/> Yes Udyam Registration No. <input type="checkbox"/> No
8	Are you registered under TReDS (Trade Receivable electronic Discounting System approved by RBI)- Applicable for Micro, Small and Medium Enterprises	<input type="checkbox"/> No <input type="checkbox"/> Yes, RXIL or A-Treds or M1Xchange <input type="checkbox"/> Registration Number- (tick agency with whom you are registered along with registration No)

9	<p>Classification of Supplier as per Purchase Preference – Local Content (Make in India Policy), i.e. PP-LC (MII).:</p> <p>Kindly tick one of the following, as applicable based on the Local content in the product or service being offered, for the subject Tender.</p> <p>Note: Kindly refer the amended PP-LC(MII) policy (effective from 01.10.2020), which is part of the Tender document</p>	<p><input type="checkbox"/> Class I supplier – Local content equal to or more than 50%</p> <p><input type="checkbox"/> Class II supplier – Local Content more than 20% but less than 50%</p> <p><input type="checkbox"/> Non Local Supplier – Local Content less than or equal to 20%</p>
10	<p>In case of Class I supplier – Local content equal to or more than 50%, whether you are opting for Purchase Preference – Local Content (Make in India Policy), i.e. PP-LC(MII).</p> <p>Bidder shall submit relevant documents as mentioned in Annexure-1 (Revised PP-LC Order by MoPNG).</p>	<p><input type="checkbox"/> Yes, Local Content _____ %</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> Not applicable</p>
<p>Declaration: I hereby declare that the above data submitted are true and back-up documents are attached as proof of the same. In case any submitted data are found to be incorrect or false, my bid is liable to be rejected and I am liable for suitable actions as per relevant MRPL Policy. Further, I also declare that I am duly authorized by my Management for submitting the bid and valid power of attorney for this tender is attached. In case the Local Content so declared and submitted above is found to be below the threshold level of Minimum Local Content specified as per Tender Conditions, a pre-determined penalty of 10% shall be levied and also liable to banning of business as specified under the Purchase Preference Policy. We also understand that in case we are not claiming benefits under “Local Content”, or MSE-Manufacturer or System Integrator as per tender requirements, then purchase preference shall apply to other bidders who have quoted accordingly as per policy.</p>		

A) CATEGORISATION OF MSE OR SC-ST VENDORS

1. In case of Micro or Small or Medium scale Enterprises, **kindly attach Registration Certificate** issued by DIC or KVIC or KVIB or Coir Board or NSIC or Directorate of Handicrafts and Handlooms, or any other body specified by MSME for authentication such as Udyog Aadhaar Memorandum or Udyam Registration.
2. SC/ST entrepreneurs registered under MSEs need to submit valid documentary evidence.

B) ELIGIBILITY AND RECOGNITION OF START-UP COMPANIES

Bidder who intends to participate as “Start-up” company should fulfil all the conditions of Start-Up as directed by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Govt. of India and his eligibility shall be valid as on bid closing date. He shall also enclose the Certificate of Recognition issued by DIPP.

C) DECLARATION IN CASE OF MSE BIDDERS OR START-UP COMPANIES

In terms of Tender Conditions applicable for Micro & Small Enterprises (MSEs) or Startups, we hereby declare as under-

- a) We are a Micro or Small Enterprise, as on bid closing date of this tender.
- b) We are a Manufacturer of the quoted supply item(s) or service provider for quoted services and valid documentary evidence for same is submitted.
- c) MSE certificate submitted by us is authentic & valid as on bid closing date of this tender.
- d) We are a "Start-up" company and we are meeting all conditions and therefore eligible as Start-up company as on the date of tender bid closing. We are also enclosing copy of certificate of recognition issued by Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Govt. of India.

D) DECLARATION IN CASE OF ENTITIES SEEKING PURCHASE PREFERENCE UNDER MAKE IN INDIA POLICY

We have read carefully the terms and conditions for availing the benefits of PP Make in India Policy and we are meeting all the requirements of Local Content and duly certified documents for proving the stipulated local content as mentioned in this document is enclosed.

We declare the above details are true. In case any of the details are found to be false or untrue, our offer will be liable for rejection or cancellation of order and/ or subjected to appropriate penal actions or including Holiday Listing as per tender Terms & Conditions.

Authorized Signatory

(With Company Seal & Signature)

General Guidelines to Suppliers of MRPL on Environmental Performance, Energy Efficiency & Aerospace Standard Requirements

MRPL is an organization which is certified to ISO 14001 Environment Management System, ISO 50001 Energy Management System and AS9100 Aerospace Standard requirements specified by IAQG. MRPL looks forward to its suppliers and service providers to help them maintain the systems that are designed for this purpose.

All suppliers are to ensure compliance to the following while they are providing Materials to MRPL or providing services within the premises of MRPL wherever applicable.

- a) Ensure that the products supplied are Eco friendly (easily disposable as bio-degradable waste and the end of life or with a buy back condition), when not covered by PO specification.
- b) Products supplied should be non-polluting when in operation/service.
- c) Items supplied are to be energy efficient "Star rated".
- d) Ensure that the packing and Packaging material used are disposal as bio-degradable waste or with buy back condition.
- e) Material Safety Data Sheets contain environment /energy related data /information on energy efficiency usage, storage, spillage and easy disposal.
- f) Specify action to be taken for spillages, if any to prevent contamination of air, land and water.
- g) Ensure that there is no threat to environment during transportation to and returns from MRPL, during delivery / while supplying materials.
- h) Material supplied should not lead to damage or harm to vegetation and greenery while usage and disposal.
- i) Supplier shall comply with all applicable regulations regarding the supplied Goods including all materials used and shall provide all information necessary by such regulation and/or requested by MRPL
- j) Supplier shall be responsible, where physically possible, to take the Goods back for the purpose of recycling them within the scope of the statutory requirements or to dispose them in an environmentally-friendly manner.
- k) Suppliers are to take action and comply with requirements when failures are intimated by MRPL and repeated failures /failure to act may lead to termination of contracts.
- l) Ensure that the noise and pollution levels of vehicles and equipment when used to deliver goods are as per regulatory norms and are subject to verification.

Requirements pertaining to AS9100 (or equivalent) Standard

Suppliers of equipment and materials, and service providers pertaining to ATF processes in MRPL shall provide, where applicable :

- a) the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions);
- b) the approval of:
 - products and services;
 - methods, processes, and equipment;
 - the release of products and services;
- c) competence, including any required qualification of persons;

- d) the suppliers' interactions with the organization;
- e) control and monitoring of the supplier' performance to be applied by MRPL;
- f) verification or validation activities that the organization, or its customer, intends to perform at the suppliers' premises;
- g) design and development control of products & services offered;
- h) special requirements, critical items, or key characteristics;
- i) test, inspection, and verification (including production process verification);
- j) the use of statistical techniques for product acceptance and related instructions for acceptance by the organization;
- k) The suppliers/ service provider needs to:
 - implement a quality management system;
 - use MRPL-designated or approved suppliers, including process sources (e.g., special processes);
 - notify MRPL of nonconforming processes, products, or services and obtain approval for their disposition;
 - prevent the use of counterfeit parts;
 - notify MRPL of changes to processes, products, or services, including changes of their suppliers or location of manufacture, and obtain the organization's approval;
 - flow down to supplier's applicable requirements including customer requirements;
 - provide test specimens for design approval, inspection/verification, investigation, or auditing;
 - retain documented information, including retention periods and disposition requirements;
- l) the right of access by MRPL and MRPL's customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;
- m) ensuring that personnel of supplier/service provider are aware of:
 - their contribution to product or service conformity;
 - their contribution to product safety;
 - the importance of ethical behavior.

STATEMENT OF CREDENTIALS

Tenderers should fill their technical offer by providing all information as follows (If Not Applicable- Please mention as 'NA');

1.	Name of the Firm:	
2.	Nature of the Firm: (State whether Limited Company, partnership Firm, Co-op. Society or Sole Proprietor, Photocopies of documents Confirming constitution of the firm to be Enclosed)	
3.	Year of Establishment:	
4.	Registration Number, if any :	
5.	Registered Postal Address :	
6.	Telegraphic Address, if any:	
7.	Telephone No. (s)	
8.	Fax No. (s), if any	
9.	E-mail ID, if any	
10.	Address of Branches, if any	
11.	Name of Directors or partners or Proprietor (as The case may be) with address & Telephone No.(s).	
12.	Permanent Income Tax No.	
13.	Last Income Tax Clearance (Attach Photocopy)	
14.	GST Registration No.:	
15.	Name of Bankers & Branch with full address	
16.	Type of Account & A/C No.	
17.	Name (s) of Authorized Representatives (s) Note : Power of Attorney signed by the Director(s) or Partners or Proprietor in favour of the authorized Person signing the tender documents must be enclosed	
18.	Type of job in which engaged as independent manufacturer or contractor	
19.	Maximum value of the Job the Contractor or manufacturer is capable of Handling per year. (Furnish details of your Financial standing together with the Bank References and necessary Solvency certificate From their banker (Nationalized) as per Bank's Format).	

20.	Were you associated with MRPL in any Other contract in the past	
21.	Are you currently having any contract with MRPL	
22.	Are you on the approved list of other Oil Cos or Public Sector Undertakings or govt. Dept. Etc. If so, furnish true copies of Certificates certifying your performance	
23.	Please confirm that you have qualified or trained or experienced staff on your payroll to handle this job	
24.	Furnish Audited Balance sheet for last 3 Years ending previous financial year.	
25.	Details of technical collaboration. Please provide Documentary support (Xerox copies) if any and the brief experience of the parties	
26.	Confirmed that for acceptance of the Security Deposit	
27.	Brief Description of the job methodology or Quality Assurance:	
	Details of Testing methods and equipment's that will be made available.	
28.	Details of your Past Experience in the country (India) in this nature of job.	
29.	Whether the bidder is put on Holiday list of MRPL or MOPNG or any orders issued by DOE.	

Authorized Signatory

(With Company Seal & Signature)

Note: The Bidder to fill up the above and enclose along with Technical Bid.

DECLARATION

A. Declaration regarding relations with any of the MRPL Directors

Details, if any shall be provided by the bidder.

B. Declaration regarding whether the bidder being a Proprietor or Partner of the Company and employed in State or Central or Quasi Govt. or public sector or any other Government Institution.

Details, if any shall be provided by the bidder.

Any false information will be liable for severe action like Cancellation of the Order, Forfeiture of Security deposit including Holiday listing of the Bidder Company in all ONGC or MRPL establishments.

Authorized Signatory

(With Company Seal & Signature)

(To be in the Company letter head)

Date:

DECLARATION ON BANNING or HOLIDAY LISTING

We, M/s _____ hereby declare that we have not been placed on blacklist or holiday list or debar list by MRPL or Ministry of Petroleum & Natural Gas (MoPNG) or not debarred by orders issued by DoE. We further declare that in case we are banned by any of the above such bodies or agencies during any tendering stage, our bids shall be liable to be rejected.

Stamp & Signature of the Bidder

NOTE:

1. If a bidder has been black-list or holiday list or debar list by MRPL or Ministry of Petroleum & Natural Gas (MoPNG) or by orders issued by DoE, this fact must be clearly stated with details. If this declaration is not given along with the unpricedbid, such bids are liable to be rejected as non-responsive bids.

UNDERTAKING BY THE BIDDERS

(In Company letter head)

Tender No. : _____

Name of Items or Supply: _____

We _____ (Name of the Tenderer) hereby certify that we have fully read and thoroughly understood the tender requirements and accept all terms and conditions of the tender including all corrigendum or addendum issued, if any. Our offer is in confirmation to all the terms and conditions of the tender including all corrigendum or addendum and minutes of the pre-bid meeting if any. In the event of our offer found acceptable and Contract or Order is awarded to us, the complete tender documents shall be considered for constitution of Contract Agreement.

We confirm that we have quoted the rates in the tender considering Inter-alia the

1. Tender Document (s) including GPC & Technical Specs & Scope.
2. Additional Document(s) (if any)
3. Price Bid Format
4. Corrigendum or Addendum (if any)
5. Pre Bid Meeting Minutes (if any)
6. Declaration & undertaking by Micro & Small scale Enterprises or Startup companies or entities seeking Purchase Preference under make in India Policy or Women Entrepreneurs or Regn with Treds or GeM
7. Notarised Power of Attorney of the signatory to the Bidding Document

Seal & Signature of the Bidder:

Name of above Authorized Signatory:

Date : __ - __ - ____

Place :

Note: This declaration should be signed by the Tenderer's authorized signatory on Company letterhead who is authorized to submit the Bid. In case of e-tenders, the signed and scanned copy shall be uploaded in MRPL e-Tendering Portal.

MRPL VENDOR FORM FOR ELECTRONIC FUNDS TRANSFER PAYMENT & TAX DETAILS

Vendor data - ver-9

To: GGM – Materials		
Mangalore Refinery & Petrochemicals Ltd., Kuthethoor P.O., via Katipalla, Mangalore. (Karnataka), Pin Code-575030, INDIA		
The following is a confirmation or updation of our bank account details and I or we hereby affirm our choice to opt for payment of amounts due to us under various contracts through electronic mode.		
1. Vendor or Contractor particulars:		
(i)	Name of the Company:	
(ii)	Corporate Identity No. (CIN)	
(iii)	Existing Vendor Code (given by MRPL)	
(iv)	Unique GeM seller ID	
(v)	Complete Postal Address:	
(vi)	Pin code or ZIP code:	
(vii)	Telephone nos. (with country or area codes):	
(viii)	Fax No.: (with country or area codes):	
(ix)	Cell phone Nos.:	
(x)	Contact persons or Designation:	
(xi)	Email IDs:	
2. Bank Account Particulars:		
(i)	Name of the Account holder:	
(ii)	Complete Bank Account No. (for Electronic Funds Transfer):	
(iii)	Account type :	
(iv)	Bank Name :	
(v)	Bank Branch:	
(vi)	Bank Branch Contact Nos.:	
(vii)	11 Digit IFS Code (for Bank Branches in India)	
(viii)	Swift Code (for Bank Branches not in India)	
3. Tax Registration numbers: *(Please fill in the applicable fields and attach relevant proofs)		
(i)	Income Tax PAN no.:	
(ii)	Vendor type as per GST Act (tick any one) <input type="checkbox"/> Registered <input type="checkbox"/> Registered <input type="checkbox"/> Compounding <input type="checkbox"/> SEZ <input type="checkbox"/> Not	
(iii)	GST No.:	
(iv)	TAN No.:	
(v)	Registered address as per GST No.	
(vi)	Contact Names, Nos.& email IDs for GST matters (Please mention primary and secondary contacts):	
	Accounts Deptt.	1. 2.
	Material Dispatch Deptt. Or Services Deptt.	1. 2.

(vii)	Are you registered under TReDS	No or Yes with RXIL or A-TREDS or M1xchange 10 digit Reg No-
-------	--------------------------------	--

4. Organization information (MSMEs refer to Micro, Small and Medium Enterprises Development Act, 2006):

(i)	Company or Partnership Firm or Proprietary Concern or Society or Trust or NGO or Others (Please Specify):	
(ii)	Whether Proprietor or Partner belongs to SC/ ST category. (Please specify names and percentage of shares held by SC/ST Partners):	
(iii)	Micro or Small or Medium Enterprise or SSI or Govt. Deptt. Or PSU or Others:	
(iv)	Name of MSME Registering Body (NSIC or DIC or KVIC or KVIB etc.):	
(v)	MSME Registration no. (with copy of registration)	
(vi)	Udyog Aadhaar Memorandum no.	
(vii)	MSME-Women Entrepreneur	No or Yes
(viii)	Start-Up recognized by DIPP, Ministry of Commerce, Govt of India	No or Yes, copy of certificate from DIPP attached

I or we hereby confirm that the particulars given above are correct and complete and also undertake to advise any future changes to the above details.

Name, Seal & Signature of Authorized Signatory for the Vendor with date

TO BE FILLED BY AUTHORISED BANKER OF THE VENDOR:

Certified that the Particulars as in Sr. No. 2 above are correct as per our records

Bank Seal & Signature with date

BANK GUARANTEE FOR EMD

- 1) In consideration of M/s Mangalore Refinery And Petrochemicals Ltd., registered under the Companies Act, 1956, having its Registered Office at Kuthethoor P.O., Via Katipalla, Mangalore-575030, hereinafter called "MRPL" which expression shall, unless repugnant to the context or contrary to the meaning thereof, include its successors and assigns having invited _____ or floated _____ Tender to _____ Proprietorship _____ or Partnership Firm or Company registered under the Indian Partnership Act, 1932 or the Companies Act, 1956, having its office at _____, (hereinafter called "the Tenderer" which expression shall, unless repugnant to the context or contrary to the meaning thereof, include its successors and assigns vide Tender No. _____ dated _____ (hereinafter called "the Tender" which expression shall include any amendments or alterations to the Tender by MRPL for the supply of goods to or execution of services for MRPL and MRPL having agreed not to insist upon immediate payment of Earnest Money for the fulfillment and the performance of the said Tender in terms thereof on production of an acceptable Bank Guarantee for an amount of Rs. _____ (Rupees _____ only). We, _____ having office at _____ and Head Office at _____ (hereinafter referred to as "The Bank" which expression shall, unless repugnant to the context or contrary to the meaning thereof, include its successors and assigns at the request and on behalf of the Tenderer hereby agree to pay to MRPL without any demur on first demand an amount not exceeding Rs. _____ (Rupees _____ only) against any loss or damage, costs, charges and expenses caused to or suffered by MRPL by reason of non-performance and non-fulfillment or for any breach on the part of the Tenderer of any of the terms and conditions of the said Tender.
- 2) We _____ further agree that MRPL shall be the Sole Judge whether the said Tenderer has failed to perform or fulfill the said Tender in Terms thereof or committed breach of any of the terms and conditions of the Tender and the extent of loss, damage, costs, charges and expenses suffered or incurred or would be suffered or would be incurred by MRPL on account thereof.
- 3) We _____ Bank further agree that the amount demanded by MRPL as such shall be final and binding on the Bank and the Bank undertake to pay to MRPL the amount so demanded on first demand and without any demur notwithstanding any dispute raised by the Tenderer or any suit or other legal proceedings including Arbitration pending before any Court, Tribunal or Arbitrator relating thereto and our liability under this guarantee being absolute and unconditional.
- 4) We _____ Bank, further agree with MRPL that MRPL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Tender or extend time for the

performance by the Tenderer from time to time or to postpone for any time any of the powers exercisable by MRPL against the Tenderer and to forbear to enforce any of the terms and conditions relating to the Tender and we shall not be relieved from our liability by reason of any such variation or extension being granted to the Tenderer or for any forbearance, act or omission on the part of MRPL or any indulgence by MRPL to the Tenderer or by any such matter or things whatsoever which under the law relating to sureties would but for this provision have the effect of relieving us.

- 5) NOTWITHSTANDING anything herein before contained, our liability under this guarantee is restricted to Rs. _____ (Rupees _____). Our liability under this guarantee shall remain in force until expiration of 180* days from the date of opening of the said Tender. Unless a demand or claim under this guarantee is made on us in writing within the said period, that is, on or before ___*___ all rights of the Messrs under the said guarantee shall be forfeited and we shall be relieved and discharged from all liabilities thereunder.
- 6) We, _____ Bank, further undertake not to revoke this guarantee during its currency except with the previous consent of MRPL in writing.
 1. This guarantee shall not be affected by any change in the constitution of the Tenderer or the Bank or MRPL and shall remain in full force and effect until the liabilities of the Bank are discharged by MRPL

IN WITNESS WHEREOF the Bank has executed this document on this _____ day of _____.

For _____ Bank

*Pl. mention or put specific date

**NEFT or RTGS or IMPS or Any other Mode of Internet Banking
Transfer Transaction Details for EMD**

Sl No.	Requirements	Details
1.	Name of the Vendor	
2.	Tender Number	
3.	EMD Amount	
4.	Payer's Bank Name	
5.	Payer's Account Number	
6.	Payer's Bank IFSC	
7.	UTR or Remittance Details	
8.	Date of Transaction	

Vendor shall deposit an **Earnest Money Deposit Amount** to the below mentioned **Bank Details**:

Sub: Bank Details of MRPL Union Bank of India, Kuthethoor Branch

To facilitate payment through electronic mode, we furnish the details of our Bank Account:

A. Vendor's / Customer's Particulars

1. Name of A/c Holder : Mangalore Refinery and Petrochemicals Limited.
2. Address : Kuthethoor Post, Via Katipalla Mangalore – 575030

B. Bank Account Particulars

1. Name of A/c Holder : Mangalore Refinery and Petrochemicals Limited.
2. Bank Account No. : 560101000026927
3. Account type : Cash Credit
4. Bank Name : Union Bank of India (Erstwhile Corporation Bank)
5. Branch Name : Kuthethoor, MRPL SITE
6. 11 digit IFS Code : UBIN0905925
7. 11 digit NEFT Code : UBIN0905925
8. MICR No. : 575026018
9. Bank Phone No. : 0824 – 2279002
10. Swift Code : UBININBBMAP

NEFT or RTGS or IMPS or Any other Mode of Internet Banking Transfer Transaction Details for Security Deposit or Performance

Sl No.	Requirements	Details
1.	Name of the Vendor	
2.	Tender Number	
3.	SD or PBG Amount	
4.	Payer's Bank Name	
5.	Payer's Account Number	
6.	Payer's Bank IFSC	
7.	UTR or Remittance Details	
8.	Date of Transaction	

Vendor shall deposit a **Security Deposit or Performance Amount to the below mentioned Bank Details:**

Sub: Bank Details of MRPL Union Bank of India, Kuthethoor Branch

To facilitate payment through electronic mode, we furnish the details of our Bank Account:

A. Vendor's / Customer's Particulars

1. Name of A/c Holder : Mangalore Refinery and Petrochemicals Limited.
2. Address : Kuthethoor Post, Via Katipalla Mangalore – 575030

B. Bank Account Particulars

1. Name of A/c Holder : Mangalore Refinery and Petrochemicals Limited.
2. Bank Account No. : 560101000026927
3. Account type : Cash Credit
4. Bank Name : Union Bank of India (Erstwhile Corporation Bank)
5. Branch Name : Kuthethoor, MRPL SITE
6. 11 digit IFS Code : UBIN0905925
7. 11 digit NEFT Code : UBIN0905925
8. MICR No. : 575026018
9. Bank Phone No. : 0824 – 2279002
10. Swift Code : UBININBBMAP

PROFORMA OF BANK GUARANTEE FOR SECURITY DEPOSIT OR PERFORMANCE BOND

(To be executed ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)

Ref: Bank Guarantee No.....
Date.....
Email id – (BG issuing Branch)
Email id – (BG confirming Branch)

To:

M/s. Mangalore Refinery And Petrochemicals Ltd.,
Regd. Office: Kuthethur P.O
Katipalla, Mangalore 575 030

Dear Sir,

1. In consideration of Mangalore Refinery And Petrochemicals Ltd., having its Registered Office at Kuthethoor, Via Katipalla, Mangalore – 575030 (hereinafter referred to as the “Company” which expression shall unless repugnant to the context or meaning thereof, include all its successors, administrators, executors) and having entered into a contract dated (hereinafter called the “Contract” which expression shall include all the amendments thereto) with M/s.(Vendor Name) having its Head or Registered Office at.....(hereinafter referred to as the “Vendor” (which expression unless repugnant to the context or meaning thereof, shall include all its successors, administrators, executors and assigns) and the Contract having been unequivocally accepted by the Vendor resulting in a contract bearing No..... dated..... for Rs..... (scope of supply or work) and the Company having agreed that the Vendor shall furnish to the Company a Performance guarantee for the faithful performance of the entire contract to the extent of % of the contract price, i.e. Rs..... (in word). We (bank)..... having its Branch Office at(Postal address with Pin code).....and Registered Office at.....(Postal address with Pin code)..(hereinafter referred to as the “Bank” which expression shall unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay on demand to the Company any money or all moneys to the extent of Rs..... (Rupees) in aggregate at any time without any demur, reservation, recourse, contest or protest and/or without any reference to the Vendor. Any such demand made, by the Company on the Bank shall be conclusive and binding notwithstanding any difference between the Company and the Vendor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that Guarantee herein contained shall be irrevocable and shall continue to be enforceable till it is discharged by the Company in writing.

2. The Company shall have the fullest liberty, without affecting in any way the liability of the Bank under this Guarantee from time to time, to extend the time for performance of the

contract by the Vendor, or vary the terms of the Contract. The Company shall have the fullest liberty without affecting this Guarantee to postpone, from time to time, the exercise of power vested in them or of any right which they might have against the Vendor and to exercise the same at any time in any manner and either to enforce, or to forbear from enforce, any covenants contained or implied in the contract between the Company and the Vendor or any other course or remedy or security available to the Company. The Bank shall not be released of its obligations under these presents by any exercise by the Company of its liberty with reference to matters aforesaid or any of them or by reason of any other act or forbearance of other act or forbearance of other acts of Company or any other indulgence shown by the Company or by any other matter or thing whatsoever, which under law would, but for this provision, have the effect of relieving the Bank.

3. The Bank also agrees that the Company at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Vendor and notwithstanding any security or other guarantee that Company may have in relation to the Vendor's liabilities.
4. The Bank further agrees that the guarantee herein contained shall remain in full force during the period that is taken for the performance of the contract and it shall continue to be enforceable till all the dues of the Company under or by virtue of this contract have been fully paid and claim satisfied or discharged or till the Company discharges the Guarantee in writing.
5. We further agree that as between us and Company for the purpose of this Guarantee any notice given to us by the Company and any amount claimed in such notice by the Company that the money is payable by the Vendor and any amount claimed in such notice by the company shall be conclusive and binding on us notwithstanding any difference between the Company and the Vendor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We further agree that this Guarantee shall not be affected by any change in our Constitution or that of the Vendor or in the Constitution of the Company. We also undertake not to revoke this Guarantee during its currency or till the Company discharges the Guarantee in writing.
6. Notwithstanding anything contained hereinabove, our liability under this Guarantee is limited to Rs..... (Rupees) in aggregate and it shall remain in full force upto..... (Date of Expiry) and claim period upto (90 days from the date of expiry) unless extended further, from time to time, for such period as may be instructed in writing by the Company on whose behalf this Guarantee has been given, in which case it shall remain in full force upto the extended date of expiry and claim period of 90 days from the extended date. Any claim under this Guarantee must be received by us on or before..... (Date of claim) or before the expiry of the 90 days from the extended date of claim period. If no such claim has been received by us within the Ninety days after the said expiry date or extended expiry date, the Company's right under this guarantee will cease. However, if such a claim has been received by us within and upto Ninety days after the said expiry date or extended expiry date, all the Company's rights under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

Dated this Day of20....

WITNESS:

(SIGNATURE)

(SIGNATURE)

(NAME)

(NAME)

(OFFICIALADDRESS)

(Designation with Bank Stamp)

_____ Attorney as per power of Attorney No.....dated

Procedure to submit the BG - (for the information of the vendor)

BG should be strictly as per the format given in the tender document. Vendor should request their BG issuing bank to send the SFMS to our bank. Bank details are as under:-

Bank Name - Union Bank of India. (Erstwhile Corporation Bank).

Branch Name - Kuthethoor, MRPL Site

IFSC Code - UBIN0905925

Email - cb0592@unionbankofindia.com

Phone - 08242279002

As per CVC (Central Vigilance Commission) guidelines, the original BG should be **directly sent to MRPL by the BG issuing bank with a copy of SFMS through registered post or courier.** In case of BG is sent by the supplier, such BG will not be accepted till such time the BG issuing bank directly send to MRPL, a copy of BG duly attested by the bank. **Hence, it is advised to the supplier to arrange to send the BG through their BG issuing bank only to enable us to speed up processing of the BG.**

BG will be accepted and accounted only after getting the SFMS confirmation from our bank i.e. Union Bank of India.

Each page of the BG including stamp paper should have page number like 1 of 3, 2 of 3 so on.

Each page should have BG number.

Number of pages in the BG should be clearly mentioned in the forwarding letter of the Bank.

Above same procedure is applicable in case of amendment of BG also.

(Note: Communication details to be filled by the Bank for correspondence)

CHECK – LIST

Please ensure these major Terms & Conditions before submitting you bids in order to **avoid REJECTION** of your offer.

Please mark <input checked="" type="checkbox"/> in front of each row in case you submitted or complied it. This is for your convenience to re-check before submitting the bids in order to avoid rejection of your offer.		
SN	Terms & Conditions	Compliance
1	EMD or Exempted certificate for MSEs	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
2	Notarized Power of Attorney of the signatory to the Bidding Documents	<input type="checkbox"/> Yes
3	Relevant Documents and confirmation towards PQC if applicable	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
4	Relevant Documents and confirmation towards BEC	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
5	Relevant Documents and confirmation towards Rejection Criteria	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
6	Duly signed and company sealed copy of whole tender document	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
7	Duly filled up Technical(Unpriced)Bid &Declaration Form (in case of manual tenders)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
8	Separate sheet(s) for Deviation if any, from the tender conditions (Technical or commercial)with seal and signature of authorized personnel	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
9	Offer in Two bids i.e. Part I (Techno-commercial) & Part II (only price bid)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
10	In case of any changes in bank details, the same is updated in the specified vendor details format for electronic fund transfer payment and tax details with Bank Seal & Signature	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
11	Bidder-categorization details are furnished in MSE or NON MSE BIDDER or Women Entrepreneur etc. format attached.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
12	Start-up certificate from DIPP for vendors quoting under Start-up Category or Purchase Preference Linked with Make in India	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
13	In case of SC/ST entrepreneurs belonging to MSE, documentary proof submitted	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA

Annexure-1 (Revised PP-LC Order by MoPNG)

Subject: Policy to provide Purchase preference (linked with local content) (PP – LC) in all Public Sector Undertakings under Ministry of Petroleum and Natural Gas- Amended

1 Preamble

- 1.1 In tune with Make in India (MII) campaign in oil and gas sector, the Government has decided to incentivise the growth in local content in goods and services while implementing oil and gas projects in India, and
- 1.2 Whereas the Public procurement policy rests upon the core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective, and
- 1.3 Whereas, the local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them etc.
- 1.4 Whereas incentivising enhanced local content in the procurement of goods and/or services in oil and gas business activities would lead to increased local industry content;
- 1.5 Therefore, the Ministry of Petroleum and Natural Gas (MoPNG) has decided to stipulate the following policy for providing Purchase Preference to the manufacturers/ service providers having the capability of meeting/ exceeding the local content targets in oil and gas business activities;
- 1.6 This policy considers the Local Content (LC) as the added value brought to India through the activities of the oil and gas industry. This may be measured (by project, affiliate, and/or country aggregate) and undertaken through Workforce development and investments in supplier development through developing and procuring supplies and services locally.

2 Definitions

- 2.1 **Oil and Gas Business Activity** shall comprise of Upstream, Midstream and Downstream business activities.

- 2.2 **Domestic products** shall be goods and/or service (including design and engineering), produced by companies, investing and producing in India.
- 2.3 **Local Content** hereinafter abbreviated to LC 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.
- 2.4 **Domestic Manufacturer** shall be business entity or individual having business activity established under Indian law and producing products domestically.
- 2.5 **Supplier** of goods and/or provider of service shall be a business entity having capability of providing goods and/or service in accordance with the business line and qualification thereof and classified as under:
- ‘Class-I local supplier’ means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50% as defined under this Policy.
- ‘Class-II local supplier’ means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Policy.
- ‘Non-local supplier’ means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Policy.
- 2.6 **Steering Committee** means the committee to be constituted by MoPNG to provide effective guidance and to oversee the implementation of the Policy on a regular and continuing basis.
- 2.7 **Verification** shall be an activity to verify the accomplishment of LC by domestic manufacturers and/or suppliers of goods and/or providers of service with the data obtained or collected from respective business activities.
- 2.8 **Purchase preference:** Where the quoted price is within the margin of purchase preference of the lowest price, other things being equal, purchase preference may be granted to the bidder concerned, at the lowest valid price bid.

- 2.9 **Local Content (LC)** in Goods shall be the use of raw materials, design and engineering towards manufacturing, fabrication and finishing of work carried out within the country.
- 2.10 **Local Content (LC)** in Services shall be the use of services up to the final delivery by utilizing manpower (including specialist), working appliance (including software) and supporting facilities carried out within in the country.
- 2.11 **Local Content (LC)** in EPC contracts shall be the use of materials, design and engineering comprising of manufacturing, fabrication, assembly and finishing as well as the use of services by utilizing manpower (including specialist), working appliance (including software) and supporting facility up to the final delivery, carried out within the country.
- 2.12 **Factory overhead cost** shall be indirect costs of manpower, machine/working appliance/facility and the whole other fabrication costs needed to produce a unit of product with the cost not chargeable directly to specified product.
- 2.13 **Company overhead cost** shall be costs related to the marketing, administration and general affairs cost of the company.
- 2.14 **Indian Company** means a company formed and registered under the Companies Act, 2013.
- 2.15 **Foreign company** means any company or body corporate incorporated outside India which— (a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and (b) conducts any business activity in India in any other manner.
- 3. Scope**
- 3.1 The regulation shall be intended to:
- 3.1.1 Support and boost the growth of domestic manufacturing sector so as to be able to support oil and natural gas business activities and contribute added value to economy, absorb manpower as well as have national, regional and international competitiveness;

- 3.1.2 Support and boost the growth of innovation/technology of domestic manufacturing sector.
- 3.2 This policy shall apply to all the Public Sector Undertakings and their wholly owned subsidiaries under the Ministry of Petroleum and Natural Gas; Joint Ventures that have 51% or more equity by one or more Public Sector Undertakings under the Ministry of Petroleum and Natural Gas; attached and subordinate offices of MoPNG.
- 3.3 This policy shall not include goods/ services falling under Micro Small and Medium Enterprises (MSME) or Domestically Manufactured Electronic Products (DMEP), as those products/ services are already covered under specific policy. However, an option would be given in the tender for the bidder to declare preference for seeking benefit under PP-LC/MSME or DMEP.
- 3.4 The policy is not applicable for HP-HT operations for the time being. The Charter Hiring of offshore vessels shall continue to be governed by DG, Shipping Guidelines. Indian Flag Vessels shall be considered as having 100% LC.
- 3.5 The prescribed local content in the Policy shall be applicable on the date of Notice inviting Tender.

4. Procurement

- 4.1 The procuring companies shall follow their own procurement procedures. Aggregation of annual requirements and such other procurement practices, which facilitate the implementation of this policy, may be adopted by procuring companies.
- 4.2 In respect of Global Tender Enquiry (GTE) the guidelines as issued by Government of India from time to time shall be applicable on the procuring entities.
- 4.3 **Margin of Purchase preference:** The margin of purchase preference shall be 20%.
- 4.4 (a) In respect of all goods, services or works in respect of which the Nodal Ministry/ Department under DPIIT's Public Procurement (Preference to Make in India) Order, 2017 has communicated that there is sufficient local capacity and local competition, only Class-I local supplier shall be eligible to bid irrespective of purchase value.

- 4.4 (b) For all other local tenders, Class-I local supplier and Class-II local supplier shall be eligible to bid irrespective of purchase value, but preference to be given as per PP-LC to the Class-I local supplier.
- 4.4 (c) 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.
- 4.4 (d) Class-II local supplier will not get purchase preference in any procurement, undertaken by procuring entities.
- 4.5 In National Competitive Bid procurements of all items not covered by para 4.4 (a) and where the estimated value to be procured i.e. total value of enquiry/ tender, is less than Rs. 1 Crore shall be exempt from this Policy. In case of International Competitive Bids, the policy shall be applicable irrespective of the tender estimate. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Policy.
- 4.6 The producers of goods and/or providers of services shall be obliged to fulfil the requirements of quality and delivery time in accordance with the provisions of the respective contracts of goods and services.
- 4.7 If the Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/or other items relating to the Ministry.
- 4.8 For the purpose of para 4.7 above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or (ii) a majority of its shareholding or effective control of the entity is exercised from that country, or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India.

5. Purchase Preference- Linked with Local Content (LC)

- 5.1 In procurement of all items not covered by para 4.4 (a), the following provisions may be considered for LC linked Purchase Preference:

- 5.1.1 The manufacturers/ service providers having the capability of meeting/ exceeding the local content targets shall be eligible for purchase preference under the policy, i.e. LC manufacturers/ LC service providers respectively as described below.
- 5.1.2 Wherever the goods/ services are procured under this policy, eligible (techno-commercially qualified) Class I Local supplier may be granted a purchase preference where the quoted price is within the margin of purchase preference of the lowest price, other things being equal, purchase preference may be granted to the eligible (techno-commercially qualified) Class I Local supplier concerned, at the lowest valid price bid.
- 5.1.3 **Goods:** The tender for procuring goods would specify that the contract for 50% of the procured quantity would be awarded to the lowest techno-commercially qualified Class I Local supplier, subject to matching with L1, if such bidders are available. The remaining will be awarded to L1.
- 5.1.3.1 However, if L1 bidder happens to be a Class I Local supplier, the entire procurement value shall be awarded to such bidder;
- 5.1.3.2 If in the opinion of the procuring company, the tenders (procured quantity) cannot be divided in the prescribed ratio of 50:50, then they shall have the right to award contract to the eligible Class I Local supplier for quantity not less than 50%, as may be divisible.
- 5.1.3.3 In continuation to 5.1.3.2 above, if the tendered item is non divisible, (to be included in the tender document by procuring company) the contract can be awarded to the eligible Class I Local supplier for the entire quantity.
- 5.1.4 **Services/ EPC Contracts:** The tender for oil and gas services/ EPC contracts shall not normally be split. For such procurement the tender would specify that the entire contract would be awarded to the lowest techno-commercially qualified Class I Local supplier, subject to matching with L1, if such bidders are available. However, tender for certain oil & gas services can normally be split, in such cases, splitting shall be allowed and specified in tender document. Such services shall follow the procedure outlined for goods as described in para 5.1.3. The procuring company should clearly specify in the tender document whether the tender shall be split or not.

5.1.5 For para 5.1.3 and 5.1.4 above, only those LC manufacturers/ service providers whose bids are within the margin of purchase preference would be allowed an opportunity to match L1 bid.

5.1.6 The tender conditions would ensure that local content in oil & gas products is encouraged. However, the procuring company may incorporate such stipulations as may be considered necessary to satisfy themselves of the production capability and product quality of the manufacturer.

5.1.7 The procedure for award under the policy is at **Enclosure-I**.

6. Determination of LC

6.1 LC of goods

6.1.1 LC of goods shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product.

6.1.2 The criteria for determination of the local content cost in the goods shall be as follows:

- a) in the case of direct component (material), based on country of origin;
- b) in the case of manpower, based on INR component.

6.1.3 The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each of the goods with the acquisition price of each goods to the acquisition price of the combination of goods.

6.2 LC of service

6.2.1 LC of Service shall be calculated on the basis of the ratio of service cost of domestic component in service to the total cost of service.

6.2.2 The total cost of service shall be constituted of the cost spent for rendering of service, covering:

- a) cost of component (material) which is used;
- b) manpower and consultant cost; cost of working equipment/ facility; and
- c) general service cost.

- 6.2.3 The criteria for determination of cost of local content in the service shall be as follows:
- a) in the case of material being used to help the provision of service, based on country of origin;
 - b) in the case of manpower and consultant based on INR component of the services contract;
 - c) in the case of working equipment/facility, based on country of origin; and
 - d) in the case of general service cost, based on the criteria as mentioned in clauses a, b, and c above.
 - e) Indian flag vessels in operation as on date.

6.3 LC of the EPC Contracts:

- 6.3.1 LC of EPC contracts shall be the ratio of the whole cost of domestic components in the combination of goods and services to the whole combined cost of goods and services.
- 6.3.2 The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site. LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services.
- 6.3.3 The spent cost as mentioned in paragraph 6.3.2 shall include production cost in the calculation of LC of goods as mentioned in clause 6.1.1 and service cost in the calculation of LC of services as mentioned in clause 6.2.2.

6.4 Calculation of LC and Reporting

LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being not verifiable, the value of LC of the said component shall be treated as nil.

7 Certification and Verification

- 7.1 Class I/Class II Local suppliers are eligible to bid only if they meet the local content norms, therefore whether or not they want to avail PP-LC benefit, it will still be mandatory for them to give adequate documentation as follows to establish their status as class-I or class-II local supplier:
- 7.1.2 At bidding stage:
- a) Price Break-up:
 - The bidder shall provide the percentage of local content in the bid.

b)

- The bidder shall submit an undertaking from the authorised signatory of bidder having the power of Attorney alongwith the bid stating the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.
- In cases of procurement for a value in excess of Rs 10 crores, the undertaking submitted by the bidder shall be supported by a certificate from the statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practising chartered accountant (in respect of other than companies) giving the percentage of local content.
- However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of local content is also acceptable. In case office or subsidiary in India does not exist or Indian office/ subsidiary is not required to appoint statutory auditor or cost auditor, certificate from practising cost accountant or practising chartered accountant giving the percentage of local content is also acceptable.

7.1.3 After Contract Award:

- The bidder shall submit an undertaking from the authorised signatory of bidder having the power of Attorney alongwith the bid stating the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.
- In cases of procurement for a value in excess of Rs 10 crores, the undertaking submitted by the bidder shall be supported by a certificate from the statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practising chartered accountant (in respect of other than companies) giving the percentage of local content.
- However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of local content is also acceptable. In case office or subsidiary in India does not exist or Indian office/ subsidiary is not required to appoint statutory auditor or cost auditor, certificate from practising cost accountant or practising chartered accountant giving the percentage of local content is also acceptable.

- 7.2 Each supplier shall provide the necessary local-content documentation to the statutory auditor, which shall review and determine that local content requirements have been met, and issue a local content certificate to that effect on behalf of procuring company, stating the percentage of local content in the good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.
- 7.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with each invoice while maintaining the overall % of local content for the total work/purchase of the pro-rata local content requirement. In case, it is not satisfied cumulatively in the invoices raised up to that stage, the supplier shall indicate how the local content requirement would be met in the subsequent stages.
- 7.4 As regards cases where currency quoted by the bidder is other than Indian Rupee, exchange rate prevailing on the date of notice inviting tender (NIT) shall be considered for the calculation of Local Content.
- 7.5 The Procuring Company shall also have the authority to audit as well as witness production processes to certify the achievement of the requisite local content.

8 Governance and Supervision

- 8.1 A Steering Committee will be constituted by MoPNG to provide effective guidance and to oversee the effective implementation of the Policy including review and amendments required therein. The Steering Committee may consider representations on target Local Content in goods, services and EPC and modify the policy accordingly.
- 8.2 The Steering Committee shall annually conduct a review of the policy implementation which shall specifically cover the issue of whether there has been adequate competition, and whether the policy has resulted in any reduction in competition/ exclusion of non-local bidders or any cost increase to the purchasing PSU, particularly in respect of services & works contracts.

9 Sanctions

- 9.1 The Procuring companies shall impose sanction on manufacturers/ service providers not fulfilling LC of goods/ services in accordance with the value mentioned in certificate of LC.

- 9.2 The sanctions may be in the form of written warning, financial penalty and blacklisting.
- 9.3 In the event that a manufacturer or supplier of goods and/or provider of services does not fulfil his obligation after the expiration of the period specified in such warning, the procuring company can initiate action for blacklisting such manufacturer/supplier/service provider.
- 9.4 A manufacturer and/or supplier of goods and/or provider of services who has been awarded the contract after availing Purchase Preference is found to have violated the LC provision, in the execution of the procurement contract of goods and/or services shall be subject to financial penalty specified in clause 9.4.1.
- 9.4.1 The financial penalty shall be over and above the PBG value prescribed in the contract and shall not be more than an amount equal to 10% of the Contract Price.
10. **Clarification on Goods/ Services:** Any issue regarding the coverage of a particular good/ service under the proposed policy would be referred to the Steering Committee for clarification.
11. **Powers to grant exemption and to reduce minimum local content:** Wherever proper justification exists, Ministry of Petroleum and Natural Gas may by written order, for reasons to be recorded in writing,
a) Reduce the minimum local content below the prescribed level; or
b) Reduce the margin of purchase preference below 20%; or
c) Exempt any particular item or supplying entities from the operation of this Order or any part of the Order.
12. **Time Period:** The Policy shall be applicable for 5 years. Except for 2017-18, the Policy shall not be continued unless, the Steering Committee by September 30th of each year, concludes a review as per para 8.2 of the Policy and recommends continuation of the Purchase Preference.

PROCEDURE FOR AWARD OF CONTRACTS

Procedure for award of contracts under this policy shall be as follows:

1.1. In procurement of all items 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, 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.

1.2. In the procurement of all items 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.