

**NTPC LIMITED**  
**(Corporate Contracts-Planning & Systems Group)**

Ref. No.: CS-QS-C-819

Date 25.11.2020

**CIRCULAR NO. 819**

**Sub: Implementation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) in contracts / procurement in NTPC – regarding**

It is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of Goods and Services in India with a view to enhancing income and employment within country. In this regard, Department for Promotion of Industry and Internal Trade (DPIIT) had issued following orders:

- Public Procurement (Preference to Make in India), Order 2017' (PPP-MII Order) dated 15.06.2017
- Revised 'PPP-MII Order 2017' dated 28.05.2018
- Revised 'PPP-MII Order 2017' dated 29.05.2019

In addition, Ministry of Power (MoP), Government of India, had issued orders dated 20.12.2018 and 28.12.2018 specifying Minimum Local Content for various item(s)/ System(s) applicable for Power Sector.

Accordingly, CS-P&S Circular No. 770 dated 16.11.2018, Circular No. 779 dated 30.04.2019 and 801(R) dated 17.04.2020 were issued for Implementation of 'Public Procurement (Preference to Make in India), Order 2017 including subsequent revisions thereof and MoP orders as mentioned above.

In the meantime, MoP issued additional guidelines vide Order dated 17.03.2020 and a combined order dated 04.04.2020 in pursuance to aforesaid 'PPP-MII Order 2017'.

Subsequent to above orders, DPIIT vide order No. P-45021/2/2017-PP (BE-II) dated 4<sup>th</sup> June, 2020, have issued the revised Public Procurement (Preference to Make in India) Order 2017. Accordingly, Ministry of Power has issued Order dated 28.07.2020 (copy enclosed as **Appendix-I**) superseding its earlier orders dated 20.12.2018, 28.12.2018, 17.03.2020 and 04.04.2020.

Further, DPIIT vide order No. P-45021/2/2017-PP (BE-II) dated 16.09.2020, have issued the revised Public Procurement (Preference to Make in India) Order 2017.

In view of recent guidelines of DPIIT and MOP with regard to preference to Make In India, the provisions of Circular No. 779 and 801 (R) have further been reviewed. The revised guidelines superseding the aforementioned circulars are brought out hereunder:

**1.0 Definitions:**

a) '**Local content**' means the amount of value added in India which shall, unless

otherwise prescribed by the Nodal Ministry, be the total value of the goods, services or works procured (excluding net domestic indirect taxes) minus the value of imported content in the goods, services or works (including all customs duties) as a proportion of the total value, in percent.

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

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

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

- c) **'L1'** means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.
- d) **'Margin of purchase preference'** means the maximum extent to which the evaluated bid price of a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.
- e) **'Nodal Ministry'** means the Ministry or Department identified pursuant to PPP-MII order dated 16.09.2020 in respect of a particular item of goods or services or works.
- f) **Fraud Prevention Policy** – shall mean the policy related to prevention of fraud displayed on NTPC tender website <http://www.ntpctender.com>.
- g) **Policy & Procedure for Withholding & Banning of Business Dealings** – shall mean the policy related to Withholding & Banning of Business Dealings forming part of Bidding Document.
- h) **'Works'**, for the purpose of these guidelines, means all works including turnkey works and EPC works.
- i) **'Services'**, for the purpose of these guidelines, means all services which may include System Integrator Contracts depending upon the nature of package.

## 2.0 Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement:

### 2.1 Procurement of Goods and / or Services or Works where there is sufficient Local Capacity

In procurement of all Goods and/or Services or Works in respect of which there is sufficient local capacity and local competition (list enclosed as **Annexure-I**), **only "Class-I Local Supplier"**, shall be eligible to bid irrespective of purchase value. In such

cases, bids of Class-II Local Suppliers and Non-Local Suppliers, if received, shall be out rightly rejected.

All tenders in such cases shall be issued adopting DCB mode of tendering, wherever open tendering is envisaged.

## **2.2 Procurement of Goods and / or Services or Works / Packages not covered by sub-para 2.1 above**

### **2.2.1 Tenders with estimated value of purchases less than Rs. 200 Crore (excluding taxes and duties)**

**2.2.1.1** In procurement of all Goods and / or Services or Works / Packages not covered by sub-para 2.1 above, and with estimated value of purchases less than Rs. 200 Crore (excluding taxes and duties), tenders on ICB (International Competitive Bidding) basis shall not be issued, wherever open tendering is envisaged, except with the approval of the competent authority as designated by Department of Expenditure (refer **Appendix-II**). **Only 'Class-I local supplier' and 'Class-II local supplier' shall be eligible to bid** in such tenders, except when tenders have been issued on ICB basis. Further in such cases, bids of Non-Local Suppliers, if received, shall be out rightly rejected.

In ICB tenders, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

In all such cases from Sites/ Regions/ SSCs/ Corporate Centre, the provisions for evaluation and purchase preference as specified in para 4.0 below shall be applicable.

**2.2.1.2** In exceptional cases where tenders to be issued on ICB (International Competitive Bidding) basis, approval of the competent authority as designated by Department of Expenditure, shall be obtained as per the following procedure:

- (a) In case of adopting ICB mode of tendering for packages for which package list is yet to be approved, approval for adopting ICB mode of tendering from designated authority as referred in Para 2.2.1.1 shall be obtained by the concerned Indenting deptt. before the process of Package list approval.
- (b) Further, in cases, where Package List has already been approved prior to issuance of this order and mode of tendering for a package(s) has been specified as ICB and the tender is yet to be issued, the bids shall be invited on DCB basis for such package(s). However, in case, it is felt utmost necessary to adopt ICB mode of tendering for such package(s), necessary approval from designated authority as referred in Para 2.2.1.1 for the same shall be obtained by concerned Indenting department.
- (c) In case of Goods, Services or Works/Packages not forming part of the Contract Package List, approval from designated authority as referred in Para 2.2.1.1 shall be obtained by the concerned Indenting Deptt.

In all such cases, the proposal shall also be routed through the concerned C&M Deptt. and Finance Deptt.

**2.2.2 Tenders with estimated value of purchases as Rs. 200 Crore or more (excluding taxes and duties)**

Procurement of Goods, Services or Works/Packages not covered by sub-para 2.1 above and with estimated value of purchases Rs. 200 Crore or more (excluding taxes and duties) shall be done adopting DCB mode of tendering, wherever open tendering is envisaged. In such cases, both Local (Class-I & Class-II) and Non-Local suppliers are eligible to bid.

However, in exceptional cases, where it is felt that the goods, services or works/Packages of required quality / specifications etc. may not be available in the country, or sufficient capacity or competition does not exist domestically, and it is necessary to invite bids through International Competitive Bidding (ICB), same may be done after recording necessary reasons, as per following procedure:

- (a) In case of adopting ICB mode of tendering for packages for which package list is yet to be approved, approval for adopting ICB mode of tendering shall be obtained by the indenting department from concerned Functional Director recording reasons thereof. In such cases, the proposal shall also be routed through the concerned C&M Deptt. and Finance Deptt. The approval shall be forwarded to concerned Package List Committee for inclusion in the Package List.

Further, in cases, where Package List has already been approved prior to issuance of this order and mode of tendering for a package(s), has been specified as ICB and the tender is yet to be issued, the bids shall be invited on DCB basis for such package(s). However, in case, it is felt utmost necessary to adopt ICB tendering for such package(s), approval for the same shall be taken by Indenting department from Concerned Functional Director recording reasons for adopting ICB tendering. In such cases, the proposal shall also be routed through the concerned C&M Deptt. and Finance Deptt.

- (b) In case of Goods, Services or Works/Packages not forming part of the Contract Package List, approval shall be obtained by the Indenting Deptt. from Concerned Functional Director. In such cases, the proposal shall also be routed through the concerned C&M Deptt. and Finance Deptt.

In all such cases from Sites / Regions / SSCs / Corporate Centre, the provisions for evaluation and purchase preference as specified in para 4.0 below shall be applicable.

To ascertain the availability of sufficient domestic bidders, past participation data of bidders may be followed, wherever available. In case of tenders where New Technology

/ Procurement is envisaged, Expression of Interest (Eoi) may be floated to ascertain the availability of domestic bidders.

- 2.3** In procurement of Works/Packages which interalia contain item(s) listed in **Annexure-I**, Bidder/ its Sub-vendors must be Class-I local supplier for such Item(s) in case such item(s) are Self Manufactured/ Bought-out.

**Separate guidelines issued by Corporate Engineering Department regarding provisions to be included in Tender Specifications to ensure that such item(s), wherever applicable, are supplied/sourced from Class-I Local supplier only may be referred..**

### **3.0 Margin of Purchase Preference**

The margin of purchase preference shall be 20%.

### **4.0 Purchase Preference**

Purchase preference shall be given to 'Class-I local supplier' in all Procurements / Tenders (including ICB tenders) in the manner specified hereunder :

#### **4.1 Procurements where MSE benefits are not applicable**

- (i) In all procurements where MSE benefits are not applicable and **where splitting of quantity/divisibility of tender has been specified in the bidding documents**, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
- Among all qualified bids, the lowest evaluated bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
  - If L1 is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest evaluated bidder among the 'Class-I local supplier' will be invited to match the lowest evaluated bid (L1) price for the remaining 50% quantity subject to the Class-I local supplier's evaluated 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 lowest evaluated bid (L1) price. In case such lowest eligible 'Class-I local supplier' fails to match the lowest evaluated bid (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 lowest evaluated bid (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.
- (ii) In all procurements where MSE benefits are not applicable and **which are not divisible in nature and the same has been specified in bidding documents**, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as

well as 'Non-local supplier', as per following procedure:

- Among all qualified bids and substantially responsive bids, the lowest evaluated bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
  - If L1 is not 'Class-I local supplier', the lowest evaluated bidder among the 'Class-I local supplier', will be invited to match the lowest evaluated bid (L1) price subject to Class-I local supplier's evaluated price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the lowest evaluated bid (L1) price.
  - In case such lowest eligible 'Class-I local supplier' fails to match the lowest evaluated bid (L1) price, the 'Class-I local supplier' with the next higher evaluated bid within the margin of purchase preference shall be invited to match the lowest evaluated bid (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 lowest evaluated bid (L1) price, the contract may be awarded to the L1 bidder.
- (iii) "Class-II local supplier" will not get purchase preference in any procurement.
- (iv) For the purpose of matching of lowest evaluated bid (L1) price, the Class-I local supplier would have to necessarily reduce all components of the quoted price on pro-rata basis. The reduction should not apply on the evaluation loading on account of functional guarantees and other loadings (if any, which are not dependent on quoted price). Further, the Contract shall be awarded on such revised/ reduced quoted price. The summation of the revised / reduced quoted price and the evaluation loading on account of functional guarantees and other loadings (if any) shall be equal to the lowest evaluated bid (L1) price.

**Notes:**

- *In case of procurement of Goods/Services/Works, other than System/Turnkey Packages, it shall be clearly specified by the Indenter in the Purchase Requisition/ Specifications whether the tender is divisible / quantities can be split or not. C&M coordinator shall check the same prior to issuance of tender and specify the same in the Bidding documents.*
- *In case of item-wise tenders, where evaluation is done for each item and each item is awarded to L1 bidder for that item, the aforesaid procedure shall be followed item-wise.*
- *In case of Reverse Auction (RA), the Purchase Preference for Class-I local suppliers shall be applicable on the lowest evaluated bid price after RA. The order in which the Class-I Local Suppliers shall be given an opportunity to match lowest evaluated bid (L1) price after RA will be in the order of their rank determined based on the evaluated bid price after RA.*

## 4.2 Procurements where MSE benefits are applicable

In order to encourage MSE vendors as per Policy of GOI for giving **preference to MSEs**, it has been decided to give preference to MSE vendors first and then invite Class-I local suppliers to match the L1 Price. Accordingly, the following methodology shall be followed:

(i) **In case of tenders, where preference to MSE is applicable and where splitting of quantity is not possible and the same is specified in bidding documents:**

The following procedure shall be followed:

- Among all qualified and substantially responsive bids, the lowest evaluated bid will be termed as L1.
- If L1 bid is from an MSE, the contract will be awarded to L1.
- If L1 Bid is not from a MSE, the lowest evaluated bidder among the MSEs, will be invited to match the lowest evaluated bid (L1) price subject to MSE's evaluated bid price falling within the fifteen (15%) of the lowest evaluated bid (L1) price and the contract shall be awarded to such MSE subject to matching the lowest evaluated bid (L1) price. In case such lowest eligible MSE fails to match the lowest evaluated bid (L1) price, the MSE with the next higher evaluated bid within fifteen (15%) of the lowest evaluated bid (L1) price shall be invited to match the lowest evaluated bid (L1) price and so on and contract shall be awarded accordingly.
- In case none of the MSEs within the fifteen (15%) of the lowest evaluated bid (L1) price matches the lowest evaluated bid (L1) price, then the contract may be awarded to the L1 bidder, if L1 bid is from a Class-I local supplier.
- If L1 Bid is neither from a Class-I local supplier nor from MSEs, the lowest evaluated bidder among the Class-I local suppliers, will be invited to match the lowest evaluated bid (L1) price subject to Class-I local supplier's evaluated bid price falling within the margin of purchase preference (i.e. 20%) and the contract shall be awarded to such Class-I local supplier subject to matching the lowest evaluated bid (L1) price. In case such lowest eligible Class-I local supplier fails to match the lowest evaluated bid (L1) price, the Class-I local supplier with the next higher evaluated bid within the margin of purchase preference shall be invited to match the lowest evaluated bid (L1) price and so on and contract shall be awarded accordingly. In case none of the Class-I local suppliers within the margin of purchase preference (i.e. 20%) matches the lowest

evaluated bid (L1) price, then the contract may be awarded to the L1 bidder.

(ii) **In case of tenders, where preference to MSE is applicable and where splitting of quantity is possible & condition pertaining to splitting of quantity is specified in tender documents:**

- Among all qualified and substantially responsive bids, the lowest evaluated bid will be termed as L1.
- If L1 bid is from an MSE who is also a Class-I local supplier, the contract will be awarded to L1.
- **If L1 bid is from an MSE who is not a Class-I local supplier**
  - ✓ 50% of the order quantity shall be awarded to L1.
  - ✓ Thereafter, the lowest evaluated bidder among the Class-I local suppliers including MSEs (who are also Class-I local suppliers) will be invited to match the lowest evaluated bid (L1) price for the remaining 50% quantity subject to the Class-I local supplier's evaluated bid price falling within the margin of purchase preference (i.e. 20%) and contract for that quantity shall be awarded to such Class-I local supplier subject to matching the lowest evaluated bid (L1) price.
  - ✓ In case such lowest eligible Class-I local supplier fails to match the lowest evaluated bid (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 lowest evaluated bid (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.
- **If L1 bid is from a Class-I local supplier who is not an MSE**
  - ✓ 75% of the order quantity shall be awarded to L1.
  - ✓ Thereafter, all qualified MSE bidder(s), whose Evaluated Bid Price is within the range of 15% of the lowest evaluated (L1) price shall be eligible for an opportunity to match the lowest evaluated (L1) price. If more than one MSE bidders agree to match the lowest evaluated (L1) price, they will be considered for award of up to 25% (collectively) of the order value and, for the purpose of award of contract, the same shall be equally divided amongst the MSE bidders who have agreed to match the lowest evaluated (L1) price.



- ✓ In case some quantity is still left uncovered, then such balance quantity may also be ordered on the L1 bidder.
- **If L1 bid is from a bidder who is not a Class-I local supplier and not an MSE,**
  - ✓ 50% of the order quantity shall be awarded to L1.
  - ✓ Thereafter, all qualified MSE bidder(s), whose Evaluated Bid Price is within the range of 15% of the lowest evaluated (L1) price shall be eligible for an opportunity to match the lowest evaluated (L1) price. If more than one MSE bidders agree to match the lowest evaluated (L1) price, they will be considered for award of up to 25% (collectively) of the order value and, for the purpose of award of contract, the same shall be equally divided amongst the MSE bidders who have agreed to match the lowest evaluated (L1) price.
  - ✓ Thereafter, the lowest evaluated bidder among the Class-I local suppliers including MSEs (who are also Class-I local suppliers) will be invited to match the lowest evaluated bid (L1) price for the remaining quantity [50% of the ordered quantity less quantity awarded on MSEs] subject to the Class-I local supplier's evaluated bid price falling within the margin of purchase preference (i.e. 20%) and contract for that quantity shall be awarded to such Class-I local supplier subject to matching the lowest evaluated bid (L1) price.
  - ✓ In case such lowest eligible Class-I local supplier fails to match the lowest evaluated bid (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 lowest evaluated bid (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.
- (iii) "Class-II local supplier" will not get purchase preference in any procurement.
- (iv) For the purpose of matching of lowest evaluated bid (L1) price, the Class-I local supplier / MSEs would have to necessarily reduce all components of the quoted price on pro-rata basis. The reduction should not apply on the evaluation loading on account of functional guarantees and other loadings (if any, which are not dependent on quoted price). Further, the Contract shall be awarded on such revised/ reduced quoted price. The summation of the revised / reduced quoted price and the evaluation loading on account of functional guarantees and other loadings (if any) shall be equal to the lowest evaluated

bid (L1) price.

**Notes:**

- *In case of procurement of Goods/Services/Works, other than System/Turnkey Packages, it shall be clearly specified by the Indenter in the Purchase Requisition/ Specifications whether the Contract is divisible/quantities can be split or not. C&M coordinator shall check the same prior to issuance of tender and specify the same in the Bidding documents.*
- *In case of item-wise tenders, where evaluation is done for each item and each item is awarded to L1 bidder for that item, the aforesaid procedure shall be followed item-wise.*
- *In case of Reverse Auction (RA), the Purchase Preference for Class-I local suppliers shall be applicable on the lowest evaluated bid price after RA. The order in which the Class-I Local Suppliers shall be given an opportunity to match lowest evaluated bid (L1) price after RA will be in the order of their rank determined based on the evaluated bid price after RA.*

**4.3 Procurements where contract is to be awarded to multiple bidders**

In tenders where contract is awarded to multiple bidders subject to matching of L 1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- a) In case of procurement of item(s) as per Annexure-I (List of items where there is sufficient local capacity and competition), only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be 'Class I Local suppliers' only.
- b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of Para 2.2 above.
- c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/ 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract. It is to be ensured that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.
- d) First purchase preference has to be given to the lowest quoting 'Class-I local

supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.

**Notes:**

- *The procedure for purchase preference to 'Class-I local supplier'/MSE shall be stipulated based on tender specific criteria for award of contract amongst different bidders, within the broad policy guidelines stipulated in paras above.*
- *In case of procurement of Goods/Services/Works, other than System/Turnkey Packages, wherever the contract(s) is to be awarded to multiple bidders, the same shall be clearly specified by the Indenter in the Purchase Requisition/ Specifications, along with the maximum quantity that can be sourced from any single supplier. C&M coordinator shall check the same prior to issuance of tender and specify the same in the Bidding documents.*
- *In case of item-wise tenders, where evaluation is done for each item and each item is awarded to multiple bidders, the aforesaid procedure shall be followed item-wise.*
- *In case of Reverse Auction (RA), the Purchase Preference for Class-I local suppliers shall be applicable on the lowest evaluated bid price after RA. The order in which the Class-I Local Suppliers shall be given an opportunity to match lowest evaluated bid (L1) price after RA will be in the order of their rank determined based on the evaluated bid price after RA.*

**5.0 Minimum Local Content**

- 5.1** The local content requirement to categorize a Bidder/Supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%.

In case Ministry of Power (MoP) prescribes a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier' for certain items / packages, the 'local content' shall be as per the prescribed requirement in respect of such items / packages. A list of such items / packages shall be issued separately (in case MoP prescribes/issues the same).

**Till such time as MoP has not prescribed higher minimum local content requirement, it shall be 50% and 20% for 'Class-I local supplier' and 'Class-II local supplier' respectively.**

In case of clubbing of one or more items / packages in a tender and where the evaluation is done on cumulative basis rather than on item-wise / package-wise basis, the purchase preference shall be provided to Class-I Local supplier as elaborated above in para 4.0 provided he meets the Local content requirement for all the items/packages.

Example: In case Packages of Coal Handling Plant, Ash Handling Plant, Water Treatment Plant/Pre-treatment Plant etc. are clubbed together and tendered as a single package, then the Class-I Local supplier meeting the local content requirement for each of these packages shall be given purchase preference.

**Note:** Projects on EPC basis, Main Plant, SG/STG Island, BoP turnkey packages, etc. shall not be considered as clubbing of packages.

- 5.2** For procurements of items pertaining to other sectors not falling under MoP, guidelines as issued by the respective Nodal Ministry shall be followed. In such cases, the indenting department shall intimate the concerned C&M department regarding the value of Minimum Local Content for each item/package to categorize a Bidder/Supplier as 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local supplier'.
- 5.3** For Tenders pertaining to Renewable Energy sector, separate guidelines issued by Corporate RE Department shall be applicable.

## **6.0 Items manufactured under license/ technology collaboration agreements**

- 6.1** Equipment used in the power sector which are manufactured under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology agreement are listed as under **Annexure-II**. Contractors/ Suppliers of such domestically manufactured goods, equipment and materials are exempted from meeting the stipulated Minimum Local Content requirement and shall be considered as Class-I local suppliers.
- 6.2** In procurement of all goods and/or services or works (other than those listed in Annexure-I) beyond the notified threshold value, in respect of which MoP has notified that there is substantial quantity of public procurement and an upper threshold value of procurement beyond which foreign companies shall enter into a Joint Venture/ Association/Collaboration with an Indian company to participate in the tender, following may be appropriately specified in case of DCB tenders, in the Qualifying Requirements:

*“Foreign companies may enter into Joint Venture/Association/Collaboration with an Indian company to participate in the tender.”*

Further, following shall be appropriately specified in the tender documents:

*“Contractors/ Suppliers having Joint Venture/Association/Collaboration with Foreign companies for manufacturing of item(s) to be supplied under the contract, in India are exempted from meeting the stipulated Minimum Local Content requirement and shall be considered as Class-I local suppliers.”*

A Declaration to this effect shall be sought in the Bidding documents, for allowing exemption from meeting the Local Content to such Bidders.

**A list of such items along with detailed guidelines shall be issued separately (in case such list is published by MoP).**

## **7.0 Verification of Local Content:**

**7.1** The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to provide self-certification that the Item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier' and shall give details of the location(s) at which the local value addition is made.

**7.2** In cases of procurement for the value in excess of INR 10 crore, the 'Class-I local supplier'/ 'Class-II local supplier' shall also be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content during execution prior to submission of last bill for payment.

In case aforesaid Certificate furnished by Contractor/Vendor is not in line with the declaration in respect of Local Content in their bid, same shall be treated as false declaration.

**7.3** In cases of procurement of item(s) listed at **Annexure-II**, if the item(s) offered by Supplier are manufactured in India under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology agreement as mentioned at para 6.0 above, the supplier shall be required to provide in the Bid, self-certification / declaration to this effect for availing exemption from meeting the Minimum Local Content requirement.

**7.4** False declarations will be dealt in line with the Fraud Prevention Policy and Policy & Procedure for Withholding and Banning of Business Dealings of NTPC.

**7.5** In case of false declaration / violation of the provision of PPP-MII Order, if a bidder has been debarred / banned by NTPC, then the fact and duration of debarment should be promptly brought to the notice of the Member-Convenor of the Standing Committee (as per para 16 of PPP-MII Order) and the Department of Expenditure through Ministry of Power, GOI.

- 7.6 A supplier who has been debarred / banned by any other procuring entity for violation of PPP-MII Order shall not be eligible for preference under this circular for duration of the debarment. A confirmation in this regard shall be sought from the Bidder along with the bid.

## 8.0 Complaints on implementation of the PPP-MII Order

Complaints pertaining to Implementation of PPP-MII Order shall be dealt by a Committee to be constituted on a case to case basis by the C&M Deptt. (or concerned tender issuing Deptt.).

The Committee shall have members, not below the level of AGM, from C&M (or concerned tender issuing Deptt.), Engg/Indenting Deptt. and Finance. The Committee shall submit its recommendations for the approval of ED(CC&M) (or, Head of concerned tender issuing Deptt.) /Head of SSC, for cases pertaining to Corporate Centre/SSC(including Site), and dispose of the cases after approval of its recommendations.

## 9.0 Specifications in Tenders and Qualifying Requirements

- 9.1 It shall be ensured by the Indenting Departments that the eligibility conditions / QR in respect of previous experience fixed in any tender or solicitation Bidders should not require proof of supply in other countries or proof of exports for Indian Bidders.
- 9.2 Further, eligibility conditions including on matters such as turnover, production capability and financial strength should not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible beyond what is essential for ensuring quality or creditworthiness of the supplier.
- 9.3 A list of common restrictive/discriminatory conditions against the local suppliers is enclosed at **Appendix-III** to this circular. **Separate guidelines issued by Corporate Engineering Department, to ensure that no future tender specifications include such restrictive and discriminatory conditions against local suppliers**, may be referred.
- 9.4 Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary, Power or any other Authority having been designated such power by Secretary, Power.

## 9.5 Reciprocity Clause

In case MoP identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender

conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., for appropriate reciprocal action, following procedure shall be followed:

- i. Entities of countries which have been identified by MoP as not allowing Indian companies to participate in their Government procurement for any item related to Power Sector shall not be allowed to participate in procurement of such item(s), except for the list of items published by the MoP permitting their participation.

**A list of such items, as well as list of items permitting participation, along with the detailed guidelines shall be issued separately (in case such list is published by MoP).**

## **10.0 General guidelines to be adopted in Tender Documents**

- 10.1 In order to further encourage Make in India initiative and promote manufacturing and production of goods and services in India, MoP vide order dated 28.07.2020 has issued general guidelines to be adopted selectively in an appropriate manner in the tender documents, which are listed at **Annexure-III**. These general guidelines consist of both technical and commercial conditions and are to be adopted selectively.
- 10.2 Wherever it is considered necessary to adopt the commercial conditions contained in the aforesaid guidelines partially / exhaustively in the tender documents, same may be done with the approval of the Head of the concerned C&M department, on a case to case basis.
- 10.3 **Technical conditions contained in the aforesaid guidelines shall be adopted in Technical Specifications/Qualifying Requirements in accordance with separate guidelines issued by Corporate Engineering Department.**
- 11.0 **Further, the following modifications are proposed to be incorporated in the bidding documents:**
- 11.1 **Modify the following paragraph in the detailed NIT / IFB (for future tenders only):**

### **Existing Provision:**

*"NTPC shall allow purchase preference, as indicated in the bidding documents, to bids from local suppliers as defined in the bidding documents. The bidders may apprise themselves of the relevant provisions of bidding documents in this regard before submission of their bids."*

### **Modified Provision:**

**For Goods/Services/Works covered under para 2.1 above**

*'Class-I local suppliers' only are eligible to participate in this tender, as defined in the bidding documents/ Public Procurement (Preference to Make in India), Order 2017 and its subsequent amendments/ revisions issued by DPIIT. The bidders may apprise themselves of the relevant provisions of bidding documents in this regard before submission of their bids."*

**OR**

**For Goods/Services/Works covered under para 2.2.1 above**

*'Class-I local suppliers' and 'Class-II local suppliers' only are eligible to participate in this tender, as defined in the bidding documents/ Public Procurement (Preference to Make in India), Order 2017 and its subsequent amendments/ revisions issued by DPIIT. The bidders may apprise themselves of the relevant provisions of bidding documents in this regard before submission of their bids."*

**OR**

**For Goods/Services/Works/Packages covered under para 2.2.2 above**

*"Bids from 'Class-I local supplier' as defined in the bidding documents/ Public Procurement (Preference to Make in India), Order 2017 and its subsequent amendments/ revisions issued by DPIIT shall be eligible for purchase preference. The bidders may apprise themselves of the relevant provisions of bidding documents in this regard before submission of their bids."*

**11.2 Modify the Attachment regarding "Declaration on Local Content" of Techno Commercial Bid in Section-II (ITB) under relevant clause:**

"Attachment ...\*... : Declaration on Local Content **(NOT APPLICABLE IN CASES COVERED UNDER PARA 11.9 BELOW)**

Declaration regarding Local Content as per the Employer's format, for granting of purchase preference.

In case a bidder does not submit the aforesaid declaration or statement/any declaration like 'later', 'to be furnished later', 'NA' etc. are indicated by the bidder, then the Bidder is liable not to be considered as a local supplier and may not be eligible for any purchase preference"/ **\*\*\*"its bid is liable to be considered non-responsive and may be rejected"**.

Further, Bidder shall be required to submit a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) giving the percentage of local content during execution prior to submission of last bill for payment.#

In case aforesaid Certificate furnished by Contractor/Vendor is not in line with the



declaration in respect of Local content in their bid, same may be treated as false declaration and may be dealt in line with the Fraud Prevention Policy of NTPC.

\* C&M coordinator to mention the Attachment No.

**\*\*This shall be applicable only in those procurement cases mentioned at para 2.2.1 above (i.e. for tenders where only 'Class-I local supplier' and 'Class-II local supplier' are eligible to bid).**

#This shall be applicable only in Procurement and Contract cases with estimated value (excluding taxes & duties) in excess of INR 10 Crore.

11.3 **Add the following Attachment of Techno-commercial Bid in Section-II (ITB) under relevant clause (APPLICABLE ONLY IN CASES OF PROCUREMENT OF ITEM(S) LISTED AT ANNEXURE-II) :**

“Attachment ...\*...: Declaration for exemption from meeting the Minimum Local Content

Declaration regarding exemption from meeting the Minimum Local Content, as per the Employer's format.

In case a bidder does not submit the aforesaid declaration or statement/any declaration like 'later', 'to be furnished later', 'NA' etc. are indicated by the bidder, then the bidder may not be considered eligible for exemption from meeting the Minimum Local Content.

\*C&M coordinator to mention the Attachment No.

- 11.4 Replace Annexure-II to BDS (“*Preference to Make in India and granting of purchase preference to Class-I local suppliers*”) with Annexure-II(Rev.01) to BDS as enclosed at **ANNEXURE-IV** to this circular.
- 11.5 Format of Attachment for “declaration regarding Local Content” to be added to Bid Form is enclosed at **ANNEXURE-V** to this circular.
- 11.6 Format of Attachment for “declaration regarding exemption from meeting the Minimum Local Content” to be added to Bid form is enclosed at **ANNEXURE-VI** to this Circular.
- 11.7 **The clause references mentioned above may be modified as per package specific requirement.**
- 11.8 **Declaration regarding Local Content /Exemption on Local Content requirement for the package or for each item (s) (for tenders having item wise evaluation) should be obtained using Attribute feature in SRM / GTE feature in GePNIC/ similar feature in other E-tendering portals, wherever possible.** In this case, provisions of para 11.2 & 11.3 above may be suitably modified while incorporating the same in the Bidding document.

Wherever it is not feasible to seek the aforesaid Declarations using Attribute / GTE/similar feature in other E-tendering portals, declarations may be sought in the format enclosed at Annexure-V and Annexure-VI.

In case a bidder does not submit the aforesaid declaration or statement/any declaration like 'later', 'to be furnished later', 'NA' etc. are indicated by the bidder in the Attachment or there is a discrepancy which can be rectified, then the bidder may be given an opportunity to resubmit the declaration / rectify the deficiency within a stipulated time, failing which the Bidder will not be considered as a local supplier (Class-I/Class-II) and evaluation may be done accordingly.

11.9 Declaration / Attachment regarding Local Content may be dispensed with in **tenders having Package Evaluation** for following cases:

- i) Tenders covered under para 2.1 above
- ii) Tenders on DCB basis covered under para 2.2.1 above
- iii) Following types of tenders on DCB basis covered under para 2.2.2 above:
  - a) Civil works
  - b) Consultancy and Non-consultancy Services
  - c) Petty Contracts viz. Manpower Deployment, Annual Maintenance Contracts, Housekeeping, Facility Management Services, etc.
  - d) Any other tender wherein majority of the goods/services/works is sourced from within India only, based on inputs from Indenting Deptt. E.g. Transportation contracts, Pellet procurement, etc.

In such cases, the following para may be suitably incorporated in the Bid Form:

11.9.1 **For cases mentioned at para 11.9(i) and 11.9(iii) above**

**Quote**

*(i) We confirm that we fulfill the requirements of Local content for Class-I local supplier.*

The details of the location(s) at which the local value addition are as under:

Sl. No.	Description of Goods & Services	Details of the location(s) at which the local value addition is made

*(ii) We confirm that we fulfill the requirements of Local content for Class-I local supplier for Item(s) mentioned at clause no. 41 of GTR in Technical Specifications, as applicable. We further confirm that in case such item(s) are bought-out for us, we shall source the same from Class-I local supplier only.*

*#We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.*

*##We further confirm that we are presently not debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make in India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department for Promotion of Industry and Internal trade (DPIIT)."*

***\*[Applicable in packages with estimated value (excluding taxes & duties) exceeding INR 10 Crores.]***

***##In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para above and declaring the details of banning using additional sheets.***

***Bidder may also enclose additional sheets in similar format (if required), for providing details pertaining to local value addition.***

**Unquote**

**11.9.2 For cases mentioned at para 11.9(ii) above**

**Quote**

***\*(i) We confirm that we fulfill the requirements of Local content for Class-I local supplier.***

**OR**

***\*(i) We confirm that we fulfill the requirements of Local content for Class-II local supplier.***

The details of the location(s) at which the local value addition is made are as under:

Sl. No.	Description of Goods & Services	Details of the location(s) at which the local value addition is made

(ii) *We confirm that we fulfill the requirements of Local content for Class-I local supplier for Item(s) mentioned at clause no. 41 of GTR in Technical Specifications, as applicable. We further confirm that in case such item(s) are bought-out for us, we shall source the same from Class-I local supplier only.*

*#We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.*

*##We further confirm that we are presently not debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make in India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP)."*

***\*Bidder to strike-off whichever is not applicable***

***#[Applicable in packages with estimated value (excluding taxes & duties) exceeding INR 10 Crores.]***

***##In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para above and declaring the details of banning using additional sheets.***

***Bidder may also enclose additional sheets in similar format (if required), for providing details pertaining to local value addition.***

***Unquote***

**Note:** In case a Bidder doesn't submit the Bid form or submits incomplete/partially filled Bid Form, the bidder may be given an opportunity to resubmit the same within a stipulated time.

## **12.0 Requirement of Procurement Projections**

Procurement projections of NTPC consisting of CAPEX/OPEX shall be prepared / updated every year for the next 5 years and the same shall be uploaded on NTPC website/ ntpctender.com. A Committee consisting of members at AGM/DGM level from CC&M, Corporate Engg, Corporate OS, PP&M, Corporate Planning, and SSC-P&S shall be constituted to prepare / update Procurement projection every year. The member from Corporate Planning Deptt. shall be the convener of the Committee. The Procurement projection prepared by the Committee shall be approved by a Committee of EDs consisting of ED (Engg), ED(CC&M), ED(PP&M) & ED (OS).

### **13.0 Applicability of the guidelines**

13.1 The above guidelines are applicable for all tenders / procurements issued by Corporate Centre, Regions / Shared Service Centers, Stations and Projects except the following tenders / packages:

- i) ICB Tenders to be invited for Mega Power Projects where Price Preference of 15% is applicable on imported goods.
- ii) Any item / package where specific guidelines / notifications have been issued by Nodal Ministry to exempt the item / package from implementation of the said PPP-MII Order.
- iii) Single tenders and OEM /OES cases

13.2 The above guidelines shall not be applicable in case of small procurements having estimated value less than INR 5 Lakh excluding Taxes and Duties. Further, it shall be ensured by indenting departments that procurement is intentionally not split to reduce the estimated value of procurement less than INR 5 Lakh for the purpose of avoiding the provisions of this Circular.

**14.0** This circular issues with the approval of Competent Authority for implementation by all concerned and comes into force with immediate effect for all tenders invited from Corporate Centre / SSCs / Regions / Sites in cases where NIT / IFB are yet to be issued or Techno-Commercial bids (in case of Single Stage Two Envelope bidding) / Price bids (in case of Two Stage bidding) are yet to be opened.

**15.0** This Circular issues with the approval of the Competent Authority and comes into force with immediate effect. This circular supersedes Circular No. 779 dated 30.04.2019 and 801(R) dated 17.04.2020.

**(Praween K. Singh)**  
**GM (CS-P&S)**

[APPLICABLE FOR ITEM-WISE AS WELL AS TURNKEY/PACKAGE PROCUREMENT. IN CASE OF WORKS/PACKAGES WHICH INTERALIA CONTAINS SUCH ITEM(S), BIDDER/ITS SUB-VENDORS MUST BE CLASS-I LOCAL SUPPLIER FOR SUCH ITEM(S) IN CASE SUCH ITEM(S) ARE SELF MANUFACTURED/BOUGHT-OUT]

### **Annexure-I to Circular 819**

**List of items of goods and services with sufficient local capacity and competition, in procurements of which, only "Class-I local suppliers", shall be eligible to bid, irrespective of purchase value.**

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#### **A. Transmission Sector- List of equipment pertaining to transmission system of 66 kV and above voltage level.**

1. Transformers and Reactors (66 kV to 765 kV AC)
2. Air Insulated Switchgear (Circuit Breakers, Disconnectors), Surge Arrester, Wave trap (66 kV to 765 kV AC)
3. Gas Insulated Switchgear (66 kV to 400 kV AC)
4. Instrument Transformers (66 kV to 765 kV AC)
5. Bus Post Insulators
6. Substation structure material
7. Transmission line tower material
8. Conventional conductors and accessories
9. Porcelain Insulators and hardware fittings
10. Control & power cables
11. High Voltage Cables (upto 220 kV AC)
12. Control and Protection System including Substation Automation System
13. DG set
14. DC system (DC Battery & Battery Charger) in a substation
15. AC & DC Distribution Board for substation
16. Material for Grounding system
17. Items for illumination system

#### **B. Hydro Sector- List of equipment pertaining to Hydro Generating Station.**

1. Hydro Turbine & Associated equipment (Francis, Kaplan & Pelton Turbine)

2. Generator & Associated Equipment
3. Generator Transformer & Reactors
4. Main Inlet Valve & Associated Equipment
5. Penstock protection Valve and Associated Equipment
6. Governing system & Accessories
  
7. Gas Insulated Switchgear/ Gas Insulated Bus Ducts (Up to 400 kV)
  
8. Switchyard/Pothead Yard Equipment(excluding Transformer and Reactors)
9. Automation and Controls
10. Protection System
11. XLPE Cable (up to 400 kV)
12. Static Excitation System
13. SST,UAT & SAT
14. LV, MV & HV Switchgear
15. LV, MV &HV Bus Ducts
16. DC System
17. Power and Control Cable
18. Illumination system
19. D.G. Set
20. PLCC
21. Grounding System
22. Workshop Equipment
23. EOT Crane
24. Cooling Water System
25. Compressed Air System
26. Drainage/Dewatering System
27. Fire Protection System
28. Heating, Ventilation & Air Conditioning System (HVAC)
29. Elevator
30. Oil Handling System
31. Mechanical BOP Items

**C. Thermal Sector- List of equipment pertaining to Thermal Generating Station.**

**Coal/ lignite based thermal power projects/ plants:**

**1 Boiler Auxiliaries**

- i) Air pre-heater
- ii) SCAPH
- iii) Steam soot blowers (wall blowers & LRSB)
- iv) Auxiliary Steam PRDS
- v) Mill reject system
- vi) Fuel oil system
- vii) Seal air Fan
- viii) Ducts and dampers
- ix) Duct expansion joints
- x) Blowdown tanks

**2 Electro- static precipitators (ESPs)**

- i) Casing
- ii) Electrodes
- iii) Rapping system
- iv) Hopper heaters
- v) Transformer rectifiers
- vi) Insulators

**3 Turbine Auxiliaries**

- i) Condensate extraction pumps
- ii) Condenser On line Tube Cleaning System (COLTC)
- iii) Debris filters
- iv) Deaerator
- v) Drain cooler and flash tanks
- vi) ECW pumps
- vii) Plate heat exchangers
- viii) Self- cleaning filters
- ix) Condensate polishing units (CPUs)
- x) Chemical dosing system



#### **4 Generator Auxiliaries**

- i) Seal oil system
- ii) Hydrogen cooling system
- iii) Stator water cooling system

#### **5 Electrical Works**

- i) Transformers
- ii) Bus ducts
- iii) Motors
- iv) Switchgears
- v) Power & control cables
- vi) Control and metering equipment
- vii) Protective relays
- viii) Switch yard equipment - Insulators, Circuit Breakers, Isolators, Conductors, CTs, PTs, Bushings, surge arresters etc.
- ix) Earthing & Lightning protection system
- x) DC batteries & battery charger system
- xi) Electrical laboratory & testing equipment
- xii) Emergency DG sets
- xiii) Plant illumination system

#### **6 Control & Instrumentation System (C&I System)**

- i) Thermocouples
- ii) Measuring instruments
- iii) Burner management system
- iv) Flame scanners
- v) Actuators
- vi) Automation and Control Cards
- vii) PLC System
- viii) SWAS system
- ix) Vibration monitoring system
- x) Interplant communication/ public address system

#### **7 Coal Handling Plant**

- i) Conveyors
- ii) Hydraulic drives, hydraulic motor

- iii) Wagon Tippler
- iv) Side Arm Charger
- v) Paddle feeder
- vi) Crushers & Screens
- vii) Dust suppression (dry fog & plain water) system
- viii) Air Compressors
- ix) Magnetic separators & metal detectors
- x) Coal sampling system
- xi) Stacker cum reclaimer
- xii) Belt weighing & monitoring system.

### **8 Ash Handling System**

- i) Clinker grinder
- ii) Water jet ejectors
- iii) Scrapper chain conveyor
- iv) Dry fly ash vacuum extraction system
- v) Pressure pneumatic conveying system
- vi) Ash water & ash slurry pumps
- vii) Compressors, air dryers & air receivers
- viii) Ash water recovery system

### **9 Raw water intake & supply system**

- i) Travelling water screens
- ii) Raw water supply pumps
- iii) Valves, RE joints etc.

### **10 Water Treatment System and Effluent Treatment System**

- i) Clarification plant
- ii) Filtration plant
- iii) Ultra filtration plant
- iv) Reverse osmosis plant
- v) DM plant
- vi) Chlorination plant
- vii) Chemical dosing system
- viii) Effluent Treatment Plant

### **11 CW & ACW System**

- i) CW & ACW Pumps
- ii) BF valves, NRVs etc.
- iii) RE joints
- iv) Air release valves

### **12 Cooling towers (NDCT/ IDCT)**

- i) Water distribution system,
- ii) spray nozzles,
- iii) packing,
- iv) drift eliminators
- v) CT Fans (for IDCT)
- vi) Gear boxes, shafts & motors (for IDCT)

### **13 Air Conditioning & ventilation system**

- i) Split & window air conditioners
- ii) Chilling/ condensing unit
- iii) AHU and Fresh air unit
- iv) Cooling towers
- v) AWUs, axial fans, roof extractors
- vi) Ducts, louvers & dampers

### **14 Cranes, EOT cranes, gantry crane & chain pulley blocks etc.**

### **15 Fire Protection and Detection System**

- i) Motor driven fire water pumps
- ii) Diesel engine driven fire water pumps
- iii) Hydrant system for the power plant.
- iv) High velocity water spray system
- v) Medium velocity water spray system
- vi) Foam protection system
- vii) Inert gas flooding system
- vii) Fire tenders
- viii) Portable fire-extinguishers
- ix) Automatic fire detection, alarm & control system
- x) Fire alarm panels

## **16 Flue Gas Desulphurization (FGD)**

- i) Spray header
- ii) Mist eliminators

### **D. Power Distribution Sector - List of equipment pertaining to Power Distribution Sector.**

1. 33/11 kV Power Transformers
2. Oil filled Distribution Transformers (CRGO / Amorphous Core)
3. Dry type Distribution Transformers (Aluminum / Copper type)
4. Insulators (Polymer / Porcelain)
5. Instrument Transformers ( LV {1.1 kV and below} / MV {Upto 33 kV} )
6. Conventional Conductors and accessories
7. Electrical Motors (0.37 kW to 1 MW)
8. MV AIS Panels (including Circuit Breakers) up to 36 KV, indoor
9. MV Breakers up to 40.5 KV, Outdoor
10. Isolators
11. Packaged Substation (6.6kV to 33kV)
12. RMUs (11 kV)
13. Poles (PCC, PSCC, Rolled steel joist, Rail pole or Spun or Steel tubular pole)
14. Cables(PVC , Rubber,etc) (11 to 33 kV)
15. XLPE Cables
16. Cable accessories
17. Control cables
18. Energy Meters
19. Substation structure material
20. Items for illumination system
21. All works pertaining to distribution of electricity, excluding works which involve supply of one or more goods not mentioned above valued at more than 50% of the value of the work
22. All services other than IT software, which shall be governed by orders of the Ministry of Electronics and Information Technology.

\*\*\*\*\*

**The items manufactured under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology.**

**A. Transmission Power sector-**

1. Gas insulated switchgear (400 KV and above)
2. 400 KV XLPE cable
3. Numerical protection relays.
4. SCADA
5. Power Transformers, 765KV
6. HVDC Transformers
7. Reactors 400 KV and above
8. Composite Core Conductor
9. GAP Conductors
10. ACSS Conductor
11. INVAR Conductors
12. EHV Cables (up to 220 KV)
13. EHV Cables 400 KV
14. Composite Long Rod Insulators
15. HV Gas Insulated Switchgear (72.5 kV to 420 kV)
16. MV AIS Panels(incl. Circuit Breakers) up to 36 KV, indoor
17. MV Breakers up to 40.5 kV, Outdoor
18. MV GIS Panels (Up to 33kV)
19. RMUs (11kV)
20. RMUs (33kV)
21. Control & Relay Panels, SCADA, Sub-Station Automation etc

**B. Hydro Power sector**

1. Gas Insulated Switchgear/ Gas Insulated Bus Ducts (400 KV and above)
2. Automation and Controls

3. Protection System

4. 400 kV XLPE Cable

C. **Thermal Power sector**

D. **Coal/ lignite based thermal power projects/ plants:**

**1 Boiler pressure parts**

- i) Tubes
- ii) Steam pipes/ headers
- iii) Steam headers
- iv) Steam drum
- v) Separator

**2 Boiler Auxiliaries**

- i) Coal burners and oil burners
- ii) Coal mills
- iii) Coal feeders
- iv) PA /FD/ ID fans
- v) SCR

**3 Steam turbine**

- i) HP/ IP/ LP turbine
- ii) Bearings
- iii) Steam inlet valves
- iv) Generator

**4 Steam turbine auxiliaries**

- i) Gland steam condenser
- ii) Lub oil pumps
- iii) Oil filters
- iv) Oil purifiers
- v) Condensate extraction pumps
- vi) Condenser
- vii) HP & LP heaters
- viii) Boiler Feed Pumps (BFPs)
- ix) BFP hydraulic coupling

x) BFP Drive turbines

**5 Control & Instrumentation System (C&I System)**

i) Distributed digital control, Monitoring and Information System (DDCMIS)

**6 Flue Gas Desulphurization (FGD)**

- i) Spray nozzles
- ii) Oxidation Blowers
- iii) Limestone slurry handling pumps
- iv) Booster fans
- v) Vacuum belt filters

**B. Gas based thermal power projects/ plants :**

**1 Gas turbine generating set and auxiliaries :**

- i) Gas turbine unit Upto 44 MW
- ii) Combustion unit ( Standard)
- iii) Compressor unit upto 145 MW
- iv) Lubrication and control oil system
- v) Oil purification and cooling system
- vi) Compressor cleaning system
- vii) Inlet air system

**2. Exhaust gas system**

- i) Ducting
- ii) Silencers
- iii) Bypass stack
- iv) Guillotine gates & Diverter damper
- v) Expansion joints

**3. Heat Recovery Steam Generator (HRSG)**

- i) Drums
- ii) Evaporators & superheaters
- iii) Condensate preheater

**ANNEXURE – II TO CIRCULAR 819 DATED 25.11.2020**

- iv) Feed regulating station
- v) Blow down tank
- vi) Chemical dosing system
- vii) HRSG Stack



## ANNEXURE-III TO CIRCULAR 819 DATED 25.11.2020

**General guidelines to be adopted selectively in an appropriate manner by the procuring entities in their tender documents.**

### **A. Guidelines to be adopted in Commercial documents (SELECTIVELY)**

1. The bidder shall have to be an entity registered in India in accordance with law *(To be specified based on Mode of Tendering)*.
2. The bids shall be in the language as prescribed by the tenderer/ procurer.
3. The original test report in the language prescribed by the procurer shall generally be accepted. Preferably the translated test report shall not be accepted. However, the notarized translation of test reports shall be accepted.
4. The bids shall be in Indian National Rupees (INR) only in respect of local content only.*(To be specified based on Mode of Tendering)*
5. Country of origin of the equipment/material shall be provided in the bid.
6. Domestic Content requirement (based on the cost of the product) shall be in accordance with the conditions laid down in respective Order(s) of the sectors on Public Procurement (Preference to Make in India) to provide for purchase preference (linked with local content).
7. The Tender fee and the Bank Guarantee (BG) shall be in Indian Rupees only.*(To be specified based on Mode of Tendering)*
8. Statutory laws/regulations including the labour and environmental laws shall be strictly complied with during supply, storage, erection, commissioning and operation process. A regular compliance report shall be submitted to the procurer/appropriate Authorities.
9. Tendering by the agent shall not be accepted.
10. Arbitration proceedings shall be instituted in India only and all disputes shall be settled as per applicable Indian Laws.

### **B. Guidelines to be adopted in Qualifying Requirements/Technical Specifications (SELECTIVELY)**

1. Indian subsidiaries of foreign bidders shall meet the qualifying criteria in terms of capability, competency, financial position, past performance etc. **[To be finalised along with QR]**
2. To be eligible for participation in the bid, foreign bidders shall compulsorily set up their manufacturing units on a long term basis in India as may be specified by the tenderer/ procurer. **[To be finalised along with QR]**
3. Similar or better technology than the technology offered in respect of material, equipment and process involved shall be transferred to India. Along with the transfer of technology, adequate training in the respective field shall also be provided. **[To be finalised along with QR]**

### ANNEXURE-III TO CIRCULAR 819 DATED 25.11.2020

4. For supply of equipment / material from the country of origin other than India, the bidder shall submit performance certificate in support of satisfactory operation in India or a country other than the country of origin having climatic and operational conditions including ambient temperature similar to that of India for more than --- years (to be specified by the procurer). **[To be finalised along with QR]**
5. The technologies/ products offered shall be environmentally friendly, consuming less energy, and safe, energy efficient, durable and long lasting under the prescribed operational conditions.
6. The manufacturers/ supplier shall list out the products and components producing Toxic E-waste and other waste as may be specified. It shall have an Extended Producers Responsibility (EPR) so that after the completion of the lifecycle, the materials are safely recycled/ disposed of by the Manufacturer/ supplier and for this, the Manufacturer/supplier along with procurer has to establish recycling/ disposal unit or as may be specified.
7. The equipment/ material sourced from foreign companies may be tested in accredited labs in India before acceptance wherever such facilities are available .
8. The bidder shall have to furnish a certificate regarding cyber security/safety of the equipment/process to be supplied/services to be rendered as safe to connect.
9. Formation of new joint venture in India shall be permitted only with the Indian companies. **[To be finalised along with QR]**
10. Certification/compliance as per the Indian Standards/ International Standards/ Indian Regulations/ specified Standards shall be mandatory, where ever applicable.
11. Quality assurance of the product shall be carried out by the procurer or an independent third party agency appointed by the procurer. Manufacturing Quality Plan as approved by the procurer shall be followed by the manufacturer/supplier.
12. The bidder shall follow Indian laws, regulations and standards. *(To be specified appropriately in Commercial portion of Bidding Documents also)*
13. The supplier shall ensure supply of spares, materials and technological support for the entire life of the project.*(Based on provision being specified in Technical Specification, to be specified appropriately in Commercial portion of Bidding Documents also)*
14. Applicable safety requirements shall be met. Regular safety audit shall be carried out by the manufacturer/ supplier. *(To be appropriately specified in Technical Specification/ commercial document based on System Circular / Package specific requirement)*
15. Wherever required, the foreign supplier shall establish fully functional service centers in India and shall keep spares/material locally for future needs of utilities. *(To be specified appropriately in Commercial portion of Bidding Documents also)*

**Sub: Preference to Make In India and Eligibility for Participation/ granting of Purchase Preference to Class-I local suppliers- regarding**

It is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of Goods and Services in India with a view to enhancing income and employment. In this regard, the following guidelines, concerning the procedure to be adopted for granting Eligibility for Participation/purchase preference to local suppliers, are hereby issued:

**1.0 Definitions:**

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

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

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

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

**[C&M Coordinator to refer para 5.2 of Circular and modify above para b, as appropriate].**

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

d) **'Margin of purchase preference'** means the maximum extent to which the evaluated bid price of a 'Class-I local supplier' may be above the L1 for the purpose of purchase preference.

e) **Fraud Prevention Policy** – shall mean the policy related to prevention of fraud displayed on NTPC tender website <http://www.ntpctender.com>.

f) **Policy & Procedure for Withholding & Banning of Business Dealings** – shall mean the policy related to Withholding & Banning of Business Dealings forming part of Bidding Document.

## 2.0 Eligibility for Participation/Purchase Preference:

### A. @ APPLICABLE FOR TENDERS WHERE ONLY CLASS-I LOCAL SUPPLIERS ARE ELIGIBLE TO BID, AS PER PARA 2.1 OF CIRCULAR:

#### 2.1 Eligibility for Participation

a) \*For tenders having lump sum evaluation:

Only Class-I local suppliers are eligible to Bid. Bids received (if any) from Class-II Local Supplier / Non Local Supplier shall be out rightly rejected.

b) \*For tenders having item wise evaluation:

Only Class-I local suppliers are eligible to Bid for specified items in Bidding documents. Bids received (if any) for specified item(s) from Class-II Local Supplier / Non Local Supplier shall be considered non-responsive and shall not be evaluated in respect of such item(s).

*\* C&M Co-ordinator to choose the applicable clause from above.*

### B. @ APPLICABLE FOR TENDERS WHERE ONLY CLASS-I AND CLASS-II LOCAL SUPPLIERS ARE ELIGIBLE TO BID, AS PER PARA 2.2.1 OF CIRCULAR:

#### 2.1 Eligibility for Participation

a) \*For tenders having lump sum evaluation:

Only Class-I and Class-II Local Suppliers are eligible to Bid. Bids received (if any) from Non Local Supplier shall be out rightly rejected.

b) \*For tenders having item wise evaluation:

Only Class-I and Class-II Local Suppliers are eligible to Bid for specified items in Bidding documents. Bids received (if any) for specified item(s) from Non Local Supplier shall be considered non-responsive and shall not be evaluated in respect of such item(s).

*\* C&M Co-ordinator to choose the applicable clause from above.*

**@C&M Co-ordinator to choose the applicable clause**

## 3.0 Purchase Preference [APPLICABLE FOR ALL TENDERS EXCEPT THOSE MENTIONED AT PARA 2.1 OF CIRCULAR]:

### 3.1 Margin of Purchase Preference

The margin of purchase preference shall be 20%.

**3.2 Purchase preference shall be given to 'Class-I local suppliers' as specified hereunder:**

**\*\*a) Procurements where MSE benefits are not applicable:**

**\*\* (i)** In all procurements where MSE benefits are not applicable and **where splitting of quantity/divisibility of tender has been specified in the bidding documents**, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- Among all qualified bids, the lowest evaluated bid will be termed as L 1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- If L1 is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L 1. Thereafter, the lowest evaluated bidder among the 'Class-I local supplier' will be invited to match the lowest evaluated bid (L1) price for the remaining 50% quantity subject to the Class-I local supplier's evaluated 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 lowest evaluated bid (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 lowest evaluated bid (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.

**\*\* (i)** In all procurements where MSE benefits are not applicable and **which are not divisible in nature and the same has been specified in bidding documents**, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- Among all qualified bids and substantially responsive bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- If L1 is not 'Class-I local supplier', the lowest evaluated bidder among the 'Class-I local supplier', will be invited to match the lowest evaluated bid (L1) price subject to Class-I local supplier's evaluated price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the lowest evaluated bid (L1) price.
- In case such lowest eligible 'Class-I local supplier' fails to match the lowest evaluated bid (L1) price, the 'Class-I local supplier' with the next higher evaluated bid within the margin of purchase preference shall be invited to match the lowest evaluated bid (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 lowest evaluated bid (L1) price, the contract may be awarded to the L1 bidder.

- (ii) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by NTPC.
- (iii) For the purpose of matching of lowest evaluated bid (L1) price, the Class-I local supplier would have to necessarily reduce all components of the quoted price on pro-rata basis. The reduction should not apply on the evaluation loading on account of functional guarantees and other loadings (if any, which are not dependent on quoted price). Further, the Contract shall be awarded on such revised/ reduced quoted price. The summation of the revised / reduced quoted price and the evaluation loading on account of functional guarantees and other loadings (if any) shall be equal to the lowest evaluated bid (L1) price.

**Notes:**

- *\*\*In case of item-wise tenders, where evaluation is done for each item and each item is awarded to L1 bidder for that item, the aforesaid procedure shall be followed item-wise.*
- *\*\*In case of Reverse Auction (RA), the Purchase Preference for Class-I local suppliers shall be applicable on the lowest evaluated bid price after RA. The order in which the Class-I Local Suppliers shall be given an opportunity to match lowest evaluated bid (L1) price after RA will be in the order of their rank determined based on the evaluated bid price after RA.*

**OR**

**\*\*b) Procurements where MSE benefits are applicable**

- \*\* (i) In case of tenders, where preference to MSE is applicable and where splitting of quantity is not possible and the same is specified in bidding documents:**

The following procedure shall be followed:

- Among all qualified and substantially responsive bids, the lowest evaluated bid will be termed as L1.
- If L1 bid is from an MSE, the contract will be awarded to L1.
- If L1 Bid is not from an MSE, the lowest evaluated bidder among the MSEs, will be invited to match the lowest evaluated bid (L1) price subject to MSE's evaluated bid price falling within the fifteen (15%) of the lowest

evaluated bid (L1) price and the contract shall be awarded to such MSE subject to matching the lowest evaluated bid (L1) price. In case such lowest eligible MSE fails to match the lowest evaluated bid (L1) price, the MSE with the next higher evaluated bid within fifteen (15%) of the lowest evaluated bid (L1) price shall be invited to match the lowest evaluated bid (L1) price and so on and contract shall be awarded accordingly.

- In case none of the MSEs within the fifteen (15%) of the lowest evaluated bid (L1) price matches the lowest evaluated bid (L1) price, then the contract may be awarded to the L1 bidder, if L1 bid is from a Class-I local supplier.
- If L1 Bid is neither from a Class-I local supplier nor from MSEs, the lowest evaluated bidder among the Class-I local suppliers, will be invited to match the lowest evaluated bid (L1) price subject to Class-I local supplier's evaluated bid price falling within the margin of purchase preference (i.e. 20%) and the contract shall be awarded to such Class-I local supplier subject to matching the lowest evaluated bid (L1) price. In case such lowest eligible Class-I local supplier fails to match the lowest evaluated bid (L1) price, the Class-I local supplier with the next higher evaluated bid within the margin of purchase preference shall be invited to match the lowest evaluated bid (L1) price and so on and contract shall be awarded accordingly. In case none of the Class-I local suppliers within the margin of purchase preference (i.e. 20%) matches the lowest evaluated bid (L1) price, then the contract may be awarded to the L1 bidder.

**\*\* (i) In case of tenders, where preference to MSE is applicable and where splitting of quantity is possible & condition pertaining to splitting of quantity is specified in tender documents:**

- Among all qualified and substantially responsive bids, the lowest evaluated bid will be termed as L1.
- If L1 bid is from an MSE who is also a Class-I local supplier, the contract will be awarded to L1.
- **If L1 bid is from an MSE who is not a Class-I local supplier**
  - ✓ 50% of the order quantity shall be awarded to L1.
  - ✓ Thereafter, the lowest evaluated bidder among the Class-I local suppliers including MSEs (who are also Class-I local suppliers) will be invited to match the lowest evaluated bid (L1) price for the remaining 50% quantity subject to the Class-I local supplier's evaluated bid price falling within the margin of purchase preference (i.e. 20%) and contract

for that quantity shall be awarded to such Class-I local supplier subject to matching the lowest evaluated bid (L1) price.

- ✓ In case such lowest eligible Class-I local supplier fails to match the lowest evaluated bid (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 lowest evaluated bid (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.
- **If L1 bid is from a Class-I local supplier who is not an MSE**
  - ✓ 75% of the order quantity shall be awarded to L1.
  - ✓ Thereafter, all qualified MSE bidder(s), whose Evaluated Bid Price is within the range of 15% of the lowest evaluated (L1) price shall be eligible for an opportunity to match the lowest evaluated (L1) price. If more than one MSE bidders agree to match the lowest evaluated (L1) price, they will be considered for award of up to 25% (collectively) of the order value and, for the purpose of award of contract, the same shall be equally divided amongst the MSE bidders who have agreed to match the lowest evaluated (L1) price.
  - ✓ In case some quantity is still left uncovered, then such balance quantity may also be ordered on the L1 bidder.
- **If L1 bid is from a bidder who is not a Class-I local supplier and not an MSE,**
  - ✓ 50% of the order quantity shall be awarded to L1.
  - ✓ Thereafter, all qualified MSE bidder(s), whose Evaluated Bid Price is within the range of 15% of the lowest evaluated (L1) price shall be eligible for an opportunity to match the lowest evaluated (L1) price. If more than one MSE bidders agree to match the lowest evaluated (L1) price, they will be considered for award of up to 25% (collectively) of the order value and, for the purpose of award of contract, the same shall be equally divided amongst the MSE bidders who have agreed to match the lowest evaluated (L1) price.
  - ✓ Thereafter, the lowest evaluated bidder among the Class-I local suppliers including MSEs (who are also Class-I local suppliers) will be invited to match the lowest evaluated bid (L1) price for the remaining quantity [50% of the ordered quantity less quantity awarded on MSEs] subject to the Class-I local supplier's evaluated bid price falling within the margin of purchase preference (i.e. 20%) and contract for that



quantity shall be awarded to such Class-I local supplier subject to matching the lowest evaluated bid (L1) price.

- ✓ In case such lowest eligible Class-I local supplier fails to match the lowest evaluated bid (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 lowest evaluated bid (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.
- (ii) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by NTPC.
- (iii) For the purpose of matching of lowest evaluated bid (L1) price, the Class-I local supplier / MSEs would have to necessarily reduce all components of the quoted price on pro-rata basis. The reduction should not apply on the evaluation loading on account of functional guarantees and other loadings (if any, which are not dependent on quoted price). Further, the Contract shall be awarded on such revised/ reduced quoted price. The summation of the revised / reduced quoted price and the evaluation loading on account of functional guarantees and other loadings (if any) shall be equal to the lowest evaluated bid (L1) price.

**Notes:**

- *\*\*In case of item-wise tenders, where evaluation is done for each item and each item is awarded to L1 bidder for that item, the aforesaid procedure shall be followed item-wise.*
- *\*\*In case of Reverse Auction (RA), the Purchase Preference for Class-I local suppliers shall be applicable on the lowest evaluated bid price after RA. The order in which the Class-I Local Suppliers shall be given an opportunity to match lowest evaluated bid (L1) price after RA will be in the order of their rank determined based on the evaluated bid price after RA.*

**\*\* C&M Co-ordinator to delete / strike off the conditions not applicable to a particular tender.**

**OR**

**\*\*c) Procurements where contract is to be awarded to multiple bidders**

**In case of tenders, where contract is to be awarded to multiple bidders subject to matching of L1 rates or otherwise, and the same is specified in bidding documents:**

The following procedure shall be followed:

- a. If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents.

However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference shall be given to the 'Class I local supplier' over 'Class II local suppliers'/'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract.

'Class I Local suppliers' taken in totality shall be considered for award of contract for at least 50% of the tendered quantity.

- b. First purchase preference shall be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.

**Notes:**

- *In case of item-wise tenders, where evaluation is done for each item and each item is awarded to multiple bidders, the aforesaid procedure shall be followed item-wise.*
- *In case of Reverse Auction (RA), the Purchase Preference for Class-I local suppliers shall be applicable on the lowest evaluated bid price after RA. The order in which the Class-I Local Suppliers shall be given an opportunity to match lowest evaluated bid (L1) price after RA will be in the order of their rank determined based on the evaluated bid price after RA.*

**[C&M Coordinator to refer Notes to para 4.3 of Circular and modify above para c, as appropriate, based on tender specific criteria for award of contract amongst different bidders].**

**\*\* C&M Co-ordinator to delete / strike off the conditions not applicable to a particular tender.**

#### **4.0 Minimum Local Content**

**Ref. No. Circular No. 8XX dated xx.xx.2020**

- 4.1 The local content requirement to categorize a Bidder/Supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%.

**[C&M Coordinator to refer para 5.1 of Circular and modify above para, as appropriate].**

**5.0 Verification of Local Content:**

- 5.1 The 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide, in the Bid Form/relevant Attachment of Techno- Commercial Bid, self-certification / declaration that the Item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier' and shall give details of the location(s) at which the local value addition is made.

- 5.2 In case the total bid price of the supplier / bidder is in excess of INR 10 crore, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content during execution prior to submission of last bill for payment.

In case aforesaid Certificate furnished by Contractor/Vendor is not in line with the declaration in respect of Local content in their bid, same shall be treated as false declaration.

- 5.3 However, if the item(s) offered by Supplier are manufactured in India under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology agreement, the supplier shall be required to provide, in the relevant Attachment of Techno-Commercial Bid, self-certification / declaration to this effect for availing exemption from meeting the Minimum Local Content requirement.

**[PARA 5.3 ABOVE SHALL BE APPLICABLE ONLY IN CASES OF PROCUREMENT OF ITEM(S) LISTED AT ANNEXURE-V OF CIRCULAR]**

- 5.4 False declarations will be dealt in line with the Fraud Prevention Policy and Policy & Procedure for Withholding and Banning of Business Dealings of NTPC.
- 5.5 In case of false declaration / violation of the provision of PPP-MII Order, if a bidder has been debarred / banned by NTPC, then the fact and duration of debarment should be promptly brought to the notice of the Member-Convenor of the Standing Committee (as per para 16 of PPP-MII Order) and the Department of Expenditure through Ministry of Power, GOI.
- 5.6 A supplier who has been debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP) shall not be eligible for evaluation/preference, as applicable, under the aforesaid procedures for duration of

the debarment. The 'Class-I local supplier'/ 'Class-II local supplier' shall be required to furnish a confirmation in this regard in the Bid Form/relevant Attachment of Techno-Commercial Bid.

## **6.0 Local Sourcing**

- 6.1 The Bidder/its Sub-vendors must be Class-I local supplier for Item(s) mentioned at clause no. 41 of GTR in Technical Specifications, as applicable, in case such item(s) are Self Manufactured/Bought-out.
- 6.2 The Bidder / Contractor are requested to encourage and promote domestic manufacturing and production of goods and services by sourcing goods and services applicable under the contract / package from domestic suppliers / service providers. In this regard, Bidder shall also follow guidelines / advisory issued by Government of India from time to time, to the extent applicable to them, regarding promotion of local sourcing of goods including Bought out Items and services.

[APPLICABLE FOR **TENDERS HAVING ITEM WISE EVALUATION**, WHERE ONLY CLASS-I LOCAL SUPPLIERS ARE ELIGIBLE TO BID, AS PER PARA 2.1 OF CIRCULAR]

ATTACHMENT - .....

..... PACKAGE

FOR

..... PROJECT

**BIDDING DOCUMENT NO.** .....

**(Declaration on Local Content)**

Dear Sirs,

1.0 We have read the provisions of “Preference to Make in India and Eligibility for granting of Purchase Preference to Class-I local suppliers” enclosed with the Bid Data Sheets.

In terms of the requirement of the aforesaid provisions, we hereby declare that we have submitted our bids for only those item(s) for which we are eligible for participation as per provisions of the Bidding documents and we are Class-I local supplier for all such items.

The details of the location(s) at which the local value addition is made are as under:

Sl. No. of BOQ	Description of Goods & Services	Details of the location(s) at which the local value addition is made

1.1 We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.##

## This para is applicable in packages with estimated value (excluding taxes & duties) exceeding INR 10 Crores.

2.0 Further, we hereby confirm that we are presently not debarred / banned by any other procuring entity for violation of ‘Public Procurement (Preference to Make In India), Order 2017’ (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP).

**ANNEXURE-V TO CIRCULAR 819 DATED 25.11.2020**

3.0 We agree to furnish any information as a proof of the above to your satisfaction as and when required.

- Note : 1)** Continuation sheets of like size and format, may be used as per Bidder's requirement and shall be annexed to this Attachment.
- 2)** In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para 2.0 above and declaring the details of banning using additional sheets which shall be annexed to this Attachment.

[APPLICABLE FOR **TENDERS HAVING ITEM WISE EVALUATION**, WHERE ONLY CLASS-I AND CLASS-II LOCAL SUPPLIERS ARE ELIGIBLE TO BID, AS PER PARA 2.2.1 OF CIRCULAR]

ATTACHMENT - .....

..... PACKAGE

FOR

..... PROJECT

BIDDING DOCUMENT NO. ....

**(Declaration on Local Content)**

Dear Sirs,

We have read the provisions of “Preference to Make In India and Eligibility for granting of Purchase Preference to Class-I local suppliers” enclosed with the Bid Data Sheets. In terms of the requirement of the aforesaid provisions, we hereby declare the following:

**\*1.0** In order to avail **purchase preference**, we confirm that we are a '**Class-I local supplier**' for Item(s) as per details given below:

Sl. No. of BOQ	Description of Goods & Services	Whether the Bidder is a 'Class-I local supplier'	Details of the location(s) at which the local value addition is made
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	

OR

**\*1.0** In order to be **Eligible for Participation**, we confirm that we are a '**Class-II local supplier**' for Item(s) as per details given below:

Sl. No. of BOQ	Description of Goods & Services	Whether the Bidder is a 'Class-II local supplier'	Details of the location(s) at which the local value addition is made
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	

**\*Bidder to Strike off, whichever is not applicable.**

**ANNEXURE-V TO CIRCULAR 819 DATED 25.11.2020**

1.1 **We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.##**

**## This para is applicable in packages with estimated value (excluding taxes & duties) exceeding INR 10 Crores.**

2.0 Further, we hereby confirm that we are presently not debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP).

3.0 We agree to furnish any information as a proof of the above to your satisfaction as and when required.

**Note : 1)** Continuation sheets of like size and format, may be used as per Bidder's requirement and shall be annexed to this Attachment.

**2)** In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para 2.0 above and declaring the details of banning using additional sheets which shall be annexed to this Attachment.



[APPLICABLE FOR **TENDERS HAVING PACKAGE EVALUATION** WHERE BOTH LOCAL (CLASS-I & CLASS-II) AND NON-LOCAL SUPPLIERS ARE ELIGIBLE TO BID, AS PER PARA 2.2.2 OF CIRCULAR]

ATTACHMENT - .....

..... PACKAGE

FOR

..... PROJECT

**BIDDING DOCUMENT NO.** .....

- \*1.0** In order to avail **purchase preference**, we confirm that we are a '**Class-I local supplier**' as per details given below:

Sl. No.	Description of Goods & Services	Details of the location(s) at which the local value addition is made

OR

- \*1.0** We confirm that we are not a '**Class-I local supplier**'.

**\*Bidder to Strike off, whichever is not applicable.**

- 1.1 We confirm that we are a Class-I local supplier for Item(s) mentioned at clause no. 41 of GTR in Technical Specifications, as applicable. We further confirm that in case such item(s) are bought-out for us, we shall source the same from Class-I local supplier only.
- 1.2 **We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.##**

**## This para is applicable in packages with estimated value (excluding taxes & duties) exceeding INR 10 Crores.**

- 2.0 Further, we hereby confirm that we are presently not debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order

**ANNEXURE-V TO CIRCULAR 819 DATED 25.11.2020**

2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP).

3.0 We agree to furnish any information as a proof of the above to your satisfaction as and when required.

**Note : 1)** Continuation sheets of like size and format, may be used as per Bidder's requirement and shall be annexed to this Attachment.

**2)** In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para 2.0 above and declaring the details of banning using additional sheets which shall be annexed to this Attachment.

**[C&M COORDINATOR TO REFER PARA 11.9(iii) OF CIRCULAR]**

[APPLICABLE FOR **TENDERS HAVING ITEM WISE EVALUATION** WHERE BOTH LOCAL (CLASS-I & CLASS-II) AND NON-LOCAL SUPPLIERS ARE ELIGIBLE TO BID, AS PER PARA 2.2.2 OF CIRCULAR]

ATTACHMENT - .....

..... PACKAGE

FOR

..... PROJECT

**BIDDING DOCUMENT NO. ....**

**(Declaration on Local Content)**

Dear Sirs,

We have read the provisions of “Preference to Make In India and Eligibility for granting of Purchase Preference to Class-I local suppliers” enclosed with the Bid Data Sheets. In terms of the requirement of the aforesaid provisions, we hereby declare the following:

**1.0** In order to avail **purchase preference**, we confirm that we are a **'Class-I local supplier'** for Item(s) as per details given below:

Sl. No. of BOQ	Description of Goods & Services	Whether the Bidder is a 'Class-I local supplier'	Details of the location(s) at which the local value addition is made
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	
		*YES/*NO	

**\*Bidder to Strike off, whichever is not applicable.**

**1.1** We undertake that a certificate from the statutory auditor or cost auditor (in the case the bidder is a company) or from a practicing cost accountant or practicing chartered accountant (in respect of bidders other than companies) certifying the percentage of local content shall be submitted by us prior to submission of our last bill for payment.##

**## This para is applicable in packages with estimated value (excluding taxes & duties) exceeding INR 10 Crores.**

**2.0** Further, we hereby confirm that we are presently not debarred / banned by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP).

**ANNEXURE-V TO CIRCULAR 819 DATED 25.11.2020**

3.0 We agree to furnish any information as a proof of the above to your satisfaction as and when required.

- Note : 1)** Continuation sheets of like size and format, may be used as per Bidder's requirement and shall be annexed to this Attachment.
- 2)** In case a Bidder has been banned/debarred by any other procuring entity for violation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP), the same may be declared by Bidder by striking off para 2.0 above and declaring the details of banning using additional sheets which shall be annexed to this Attachment.

[APPLICABLE ONLY IN CASES OF PROCUREMENT OF ITEM(S) LISTED AT ANNEXURE-II OF CIRCULAR]

ATTACHMENT - .....

..... PACKAGE  
 FOR  
 ..... PROJECT  
 BIDDING DOCUMENT NO. ....

**(Declaration on exemption from meeting the Local Content)**

Dear Sirs,

We have read the provisions of “Preference to Make In India and Eligibility for Evaluation/ granting of purchase preference to local suppliers” enclosed with the Bid Data Sheets. In terms of the requirement of the aforesaid provisions, we hereby declare the following:

1.0 In order to avail exemption from meeting stipulated Local Content requirement to categorize a Bidder/Supplier as 'Class-I local supplier' for Item(s) for complete scope of work, we confirm that we are manufacturing the item(s) in India under a license from a foreign manufacturer who holds intellectual property rights and there is a technology collaboration agreement / transfer of technology agreement between the technology owner and us for indigenous manufacturing of the item(s) as per details below:

Sl. No. of BOQ	Description of Goods	Licensing Organisation/Technology Owner	Details of the location(s) at which the local manufacturing is done

2.0 Further, we hereby confirm the following:

Whether the bidder is presently debarred / banned by any other procuring entity for violation of ‘Public Procurement (Preference to Make In India), Order 2017’ (PPP-MII Order) dated 15.06.2017 and its subsequent revisions / amendments issued by Department of Industrial Policy and Promotion (DIPP)	<b>Yes* / No*</b>
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**\* Strike off, whichever is not applicable**

3.0 We agree to furnish any information as a proof of the above to your satisfaction as and when required.

***Ref. No. Circular No. 8XX dated xx.xx.2020***

**Note : 1)** Continuation sheets of like size and format, may be used as per Bidder's requirement and shall be annexed to this Attachment.

**# C&M coordinator to indicate name of the package / tender**

No.11/05/2018-Coord.  
Government of India  
Ministry of Power

Shram Shakti Bhawan, New Delhi  
Dated the 28<sup>th</sup> July, 2020

ORDER

**Sub: Public Procurement (Preference to Make in India) to provide for Purchase Preference (linked with local content) in respect of Power Sector.**

**Ref: Department for Promotion of Industry and Internal Trade (DPIIT) Notification No.P-45021/2/2017-PP (BE-II) dated 4<sup>th</sup> June, 2020.**

The Government of India, Department for Promotion of Industry and Internal Trade (DPIIT) issued Public Procurement (Preference to Make in India), Order 2017 for encouraging 'Make in India' and promoting manufacturing and production of goods and services in India with a view to enhancing income and employment. Further, DPIIT vide order No.P-45021/2/2017-PP (BE-II) dated 4<sup>th</sup> June, 2020, have issued the revised Public Procurement (Preference to Make in India) Order 2017.

2. In the light of the Public Procurement (Preference to Make in India) Order 2017, this Ministry had notified purchase preference (linked with local content) for Hydro and Transmission sector vide Order No.11/05/2018-Coord. dated 20.12.2018, for Thermal sector vide Order dated 28.12.2018 and for Distribution sector vide Order dated 17.03.2020. Further, a combined order dated 04.04.2020 was also issued.

3. In furtherance of Para 19 of the DPIIT Notification No.P-45021/2/2017-PP(BE-II) dated 04.06.2020 and in supersession of all the aforementioned orders issued by this Ministry, the following has been decided:

- i. For the purpose of this order, the definitions of various terms used in the order, and provisions relating to (i) Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement, (ii) purchase preference, (iii) exemption to small purchases, and (iv) margin of purchase preference, shall be the same as in DPIIT order dated 04.06.2020, referred to above and extracts of the same given at **Appendix**.
- ii. In procurement of all goods and services or works in respect of which there is sufficient local capacity and local competition as in **Annexure-I**, only "Class-I local supplier", shall be eligible to bid irrespective of purchase value.
- iii. In procurement of all goods, services or works not covered by sub-para 3(ii) above, and with estimated value of purchases less than Rs.200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global Tender Enquiry (GTE) shall not be issued except with the approval of the competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier' shall be eligible to bid in procurement 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'.
- iv. For the purpose of this order, 'Works' means all works as per Rule 130 of GFR-2017, and will also include '*turnkey works*', Engineering, Procurement and Construction (EPC) contracts and service contracts including System Integrator (SI) contracts. This order shall be applicable to Tariff Based Competitive Bidding (TBCB) projects also.

4. The list of items, in respect of which, local capacity with sufficient competition exists as per **Annexure-I**, will be reviewed at regular intervals with a view to increase number of items in this list.

5. Purchase preference shall be given to local suppliers in accordance with **para 3A** of DPIIT Order dated 04.06.2020, and extracts of the same given at **Appendix**.

6. Further, it has been decided to constitute a committee for independent verification of self-declarations and auditor's / accountant's certificates on random basis and in the case of complaints. The composition of the committee is given below:

Chairperson	Member (Planning), CEA
Member	Chief Engineer (PSETD), CEA
Member	Chief Engineer (HETD), CEA
Member	Chief Engineer (TETD), CEA
Member	Chief Engineer (DP&R), CEA
External Expert	As may be co-opted by CEA
Convener	Chief Engineer (R&D), CEA

7. Further, it has also been decided to constitute a committee to examine the grievances in consultation with stakeholders and recommend appropriate actions to the Competent Authority in MOP. The composition of the Committee is given below:

Chairperson	Chairperson, CEA
Member	Member (Hydro), CEA
Member	Member (Power System), CEA
Convener	Member (Thermal), CEA

8. The complaint fee of Rs.2 Lakh or 1% of the value of the local item being procured (subject to maximum of Rs.5 Lakh), whichever is higher, shall be paid in the form of online transaction or Demand Draft, drawn in favour of DDO, CEA. In case the complaint is found to be incorrect, the complaint fee shall be forfeited. In case, the complaint is upheld and found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

9. All other conditions, not stipulated in this order, shall be as laid down in the DPIIT's order No.P-45021/2/2017-PP (BE-II) dated 04.06.2020.

10. This order shall be applicable in respect of the procurements made by all attached or subordinate offices or autonomous body under the Ministry of Power, Government of India including Government Companies as defined in the Companies Act, and /or the States and Local Bodies making procurement under all Central Schemes/ Central Sector Schemes where the Scheme is fully or partially funded by Government of India. The aforesaid orders shall also be applicable in respect of funding of capital equipment by PFC/ REC.

11. Procuring entities as defined in the DPIIT's Order dated 04.06.2020 are advised to revise their tender documents fully complying with the said DPIIT's Order and the subsequent Orders that would be issued in this regard by DPIIT/this Ministry from time to time.

12. All tenders for procurement by Central Government Agencies have to be certified for compliance of the PPP-MII Order by the concerned procurement officer of the Government Organization before uploading in the portal.



13. In pursuance of the provision of para 13 of the DPIIT Order, 2020, equipment used in the power sector which are manufactured under license from foreign manufacturers holding intellectual property rights and where there is a transfer of technology agreement are listed as under **Annexure-II**. However, Annexure-II will undergo regular review to check for those items in the list for which sufficient local manufacturing capacity and competition have got developed and which meet minimum local content of 50% now, so that these items become eligible for inclusion in Annexure-I of this order and the provisions as contained in para 3 above of this order start becoming applicable in respect of these items too.

14. In order to further encourage Make in India initiative and promote manufacturing and production of goods and services in India, general guidelines as enclosed at **Annexure-III** may be adopted in an appropriate manner according to the circumstances by the procuring entities in their tendering process.

15. This issues with the approval of Hon'ble MoS (IC) for Power and NRE.



(R.K. Das)

Under Secretary to the Government of India  
Tel. No.011-23752495

To:

1. All Ministries/ Departments of Government of India (As per list)
2. Secretary (Coordination), Cabinet Secretariat
3. PS to PM, Prime Minister's Office
4. Vice Chairman, NITI Aayog
5. Chief Secretaries of all States/UTs
6. Director General, Comptroller and Auditor General of India
7. Secretary, DPIIT, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
8. Joint Secretary, DPIIT, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
9. Chairperson, CEA
10. CMDs of CPSEs/ Chairmen of DVC & BBMB/ MD of EESL
11. All JSs/ EA, MoP

**Extracts of important provisions contained in DPIIT Order No.P-45021/2/2017-PP (BE-II) dated 4<sup>th</sup> June, 2020**

**1. Definitions:**

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

**'Class-I local supplier'** means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under said Order.

**'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 Order.

**'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 Order.

**'L 1'** means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

**'Margin of purchase preference'** means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L 1 for the purpose of purchase preference.

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

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

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

- (a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.
- (b) In procurement of all goods, services or works, not covered by 2(a) above, and with estimated value of purchases less than Rs.200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global Tender Enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. 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'.
- (c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

### 3. Purchase Preference

- (a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.
- (b) In the procurements of goods or works, which are covered by para 2(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
  - i. Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract for full quantity will be awarded to L 1.
  - ii. If L 1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L 1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L 1 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 L 1 price, In case such lowest eligible 'Class-I local supplier' fails to match the L 1 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 L 1 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 L 1 bidder.
- (c) In the procurements of goods or works, which are covered by para 2(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
  - i. Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract will be awarded to L 1.
  - ii. If L 1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L 1 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 L 1 price.
  - iii. In case such lowest eligible 'Class-I local supplier' fails to match the L 1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L 1 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 L 1 price, the contract may be awarded to the L 1 bidder.
- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

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

**5. Margin of Purchase Preference:** The margin of purchase preference shall be 20%.



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

Udyog Bhawan, New Delhi  
Dated: 04<sup>th</sup> June, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

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

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 9(a), 9(b) and 10(b) modified and Para 3A added] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018 and Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 04.06.2020 effective with immediate effect.

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

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

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

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

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

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

*'Class-I local supplier'* means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

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

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'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 Order.

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

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

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

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

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

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

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

(b) In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. 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'.

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

#### **3A. Purchase Preference**

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

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

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

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

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

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



4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if any nodal Ministry/ Department finds that for any particular item, pertaining to their nodal ministry/department, the definition of Local Content, as defined in the Order, is not workable/ has limitations, it may notify alternate suitable mechanism for calculation of local content for that particular item.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
  - a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
  - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
  - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

.....Contd. p/5



- d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
- e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
  - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
  - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
  - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

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

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



- d. If a Nodal 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 that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d 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."

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

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

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

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

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

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or



- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

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

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

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

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

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

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

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

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



19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1<sup>st</sup> January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Rajesh Gupta)

Director

Tel: 23063211

[rajesh.gupta66@gov.in](mailto:rajesh.gupta66@gov.in)



No. DPE/7(4)/2017-Fin.  
Government of India  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises  
\*\*\*\*\*

Public Enterprises Bhawan  
Block No.14, CGO Complex  
New Delhi – 110003

Date: 25<sup>th</sup> June, 2020

**OFFICE MEMORANDUM**

**Subject: Global Tender Enquiry (GTE) -regarding**

The undersigned is directed to forward the Department of Expenditure (DoE) OM No. 12/17/2019-PPD dated 15<sup>th</sup> May, 2020 and subsequent clarifications issued vide OMs No.12/17/2019-PPD dated 28<sup>th</sup> May,2020 on the above mentioned subject for information and compliance by CPSEs.

2. All the administrative Ministries/ Departments of CPSEs are requested to direct their CPSEs to follow the above directions.
3. This issues with the approval of competent authority.

  
(Kalyani Mishra)  
Director  
Tel.24362061

Encl.: As above

- To
- i) All the Secretaries to the Administrative Ministries/Departments of CPSEs
  - ii) Chief Executives of CPSEs



F.No.12/17/2019-PPD  
Ministry of Finance  
Department of Expenditure  
Public Procurement Division  
\*\*\*\*\*

North Block, New Delhi  
Dated the 15th May, 2020

Subject: Amendment in General Financial Rules (GFRs), 2017 – Global Tender Enquiry

In pursuance of Prime Minister's address to the Nation on 12.05.2020, in order to promote self reliance, Make in India and to promote Micro, Small and Medium Enterprises (MSMEs), it has been decided to make following amendments in the GFRs:

Present Rule 161(iv)	Amended Rule 161(iv)
Where the Ministry or Department feels that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Ministry or Department may send copies of the tender notice to the Indian Embassies abroad as well as to the Foreign Embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. In such cases e-procurement as per Rule 160 may not be insisted.	(a) <b>Global Tender Enquiry (GTE):</b> Where the Ministry or Department feels that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Ministry or Department may send copies of the tender notice to the Indian Embassies abroad as well as to the Foreign Embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. In such cases e-procurement as per Rule 160 may not be insisted  (b) No Global Tender Enquiry (GTE), however shall be invited for tenders up to Rs 200 crore or such limit as may be prescribed by the Department of Expenditure from time to time.



	<p>Provided that for tenders below such limit, in exceptional cases, where the Ministry or Department feels that there are special reasons for GTE, it may record its detailed justification and seek prior approval for relaxation to the above rule from the Competent Authority specified by the Department of Expenditure.</p>
--	--

2. Instructions regarding Competent Authority mentioned in Rule 161 (iv) (b) will be issued separately.

15.5.20

(Sanjay Aggarwal)  
 Director (PPD)  
[sanjay.aggarwal68@nic.in](mailto:sanjay.aggarwal68@nic.in)  
 011-23094961

To

1. Secretaries of all Ministries/ Departments, Govt of India
2. Mr Saalesh, Secretary, Department of Public Enterprises, Room no 301, Block 14, CGO complex, New Delhi. Tel: 24366171, email: [secy-dpe@nic.in](mailto:secy-dpe@nic.in) with a request to consider issuing similar instructions with respect to Central Public Sector Underfakings.



No.F.12/17/2019-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

\*\*\*\*\*

168c North Block, New Delhi,  
Dated: 28<sup>th</sup> May, 2020.

**Subject: Global Tender Enquiry (GTE).**

Attention is invited to this office OM No. F.12/17/2019-PPD dated 15.05.2020 amending Rule 161(iv) of General Financial Rules (GFRs), 2017 and specifying that no GTE shall be invited for tenders up to Rs.200 crore. It is further clarified in this regard that:

- (i) Restriction on Global Tenders as specified in the revised Rule 161(iv) will be applicable on all procurements including Goods, Non-consulting services, Consultancy Services and Works including turnkey projects.
- (ii) The instructions are applicable with immediate effect i.e. for all the tenders published in newspapers or website after 15.05.2020.

28.5.20

Sanjay Aggarwal  
Director (PPD)  
[sanjay.aggarwal68@nic.in](mailto:sanjay.aggarwal68@nic.in)  
011-23094961

To,

Secretaries of all Central Government Ministries/ Departments



No.F.12/17/2019-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division  
\*\*\*\*\*

168c North Block, New Delhi,  
Dated: 28<sup>th</sup> May, 2020.

**Subject: Global Tender Enquiry (GTE).**

Attention is invited to this office OM No. F.12/17/2019-PPD dated 15.05.2020 amending Rule 161(iv) of General Financial Rules (GFRs), 2017 and specifying that no GTE shall be invited for tenders up to Rs.200 crore. It was further stipulated that for tenders below 200 crore, where Ministry or Department feels that there are special reasons for GTE, it may record its detailed justification and seek prior approval for relaxation from the competent authority to be specified by Department of Expenditure (DoE).

2. The Secretary (Coordination), Cabinet Secretariat shall be the competent authority under Rule 161 (iv) (b) of GFR. Ministries/ Departments are advised to send only well reasoned proposals to Secretary (Coordination). Secretary (Coordination), if required, may consult Department of Expenditure, Administrative Ministry and any other Ministry/ Department as he deemed fit.

28-5-20

Sanjay Aggarwal  
Director (PPD)  
[sanjay.aggarwal68@nic.in](mailto:sanjay.aggarwal68@nic.in)  
011-23094961

To,

Secretaries of all Central Government Ministries/ Departments

4



Annexure "A"

Common examples of restrictive and discriminatory conditions against the local suppliers

- **Restrictive and Discriminatory Eligibility Criteria/ Tender Conditions**
  - ✓ Mandatory Presence in Gartner Magic Quadrant - IT and Telecom Products
  - ✓ Mandatory USFDA/ European CE – Medical Devices
  - ✓ Excessive Turnover requirement – Rs.1000 Cr for procurement of Rs. 70 Cr
  - ✓ Excessive past Experience – 10 years, Export experience to G8 countries
  - ✓ Additional requirement of Bank Guarantee for Local Supplier
  - ✓ Delayed Payment Terms to Local suppliers
  
- **Restrictive and Discriminatory specifications - Foreign Brands specified**
  - ✓ CISCO, NEC, Alcatel, Siemens – Telecom Products
  - ✓ HP, Dell, Lenovo – IT products
  - ✓ OTIS, Mitsubishi, Schindler, Kone, Johnson - Lifts
  
- **Restrictive and Discriminatory specifications - Pre-approved foreign brands in works/turnkey projects**
  - ✓ Local manufacturers not included in pre-approved list.
  
- **Restrictive and Discriminatory specifications - Specification tailor made to suit foreign products**
  - ✓ Foreign technical standards indicated in the specification
  - ✓ Technical parameters to favour foreign products viz. (-)25 degree temperature compatibility for EPBX equipment being procured for airport in Central India

**NTPC LIMITED**  
**Engineering Division**  
**Circular No. Engg/MII/01**

**Ref No.: CC:EDE:0000:999:CIR:001**

**Date: 25.11.2020**

**Sub: Implementation of 'Public Procurement (Preference to Make In India)'**

**GUIDELINES/ INSTRUCTIONS FOR ENGINEERING / INDENTING DEPARTMENT  
(ISSUED BY CORPORATE ENGINEERING DEPARTMENT)**

**1.0** CC&M Deptt. has issued System circular 819 dated 25.11.2020 regarding "Implementation of 'Public Procurement (Preference to Make In India), Order 2017' (PPP-MII Order) in contracts / procurement in NTPC" based on the Ministry of Power Order dated 28.07.2020 issued in pursuance of the revised PPP-MII Order dated 04.06.2020. As per the aforesaid Orders/System Circular, there are certain requirements which are to be incorporated in the technical specifications.

Further, MoP has issued an order dated 02/07/2020 (copy attached) interalia specifying testing requirement for all equipment, components, and parts imported for use in the power Supply.

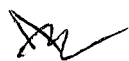
Accordingly, following guidelines are hereby issued:

**2.0** A list of common restrictive/discriminatory conditions against the local suppliers is enclosed at Appendix-III to System circular 819 dated 25.11.2020 (Copy attached)-

Accordingly, following shall be followed by all concerned:

- i) While preparing Technical specification all concerned shall make sure that there is no restrictive or discriminatory conditions against local/domestic suppliers in bid documents such as mentioning requirement for experiences/references of foreign countries only.
- ii) Regarding foreign technical standards in the specification:- There shall not be any restrictions in terms of compliance to codes & standards of foreign origin only. The compliance to equivalent/better Indian as well as other codes & standards, where ever available, shall also be acceptable.
- iii) Regarding certification for compliance to above requirement:- Technical specification approval format shall contain following paragraph which will be confirmed by concerned group / Department heads not below DGM level during approval process:

*"Technical Specification is generally in line with "Make in India" Circulars/Orders. However, if any issue related to restrictive or discriminatory conditions is brought to notice by any local/ domestic supplier during pre bid discussions/ clarifications, same shall be addressed suitably."*



A sample of revised ISO format/cover page for technical specification approval is attached at **Appendix-I**. (SSC/Region/Site may adopt the format after making suitable changes, as required).

**3.0** A list of general guidelines to be adopted selectively in an appropriate manner in the tender documents is enclosed at **Annexure-III** to System circular 819 dated 25.11.2020 (Copy attached). Further, in line with the requirements of para 10.3 of the aforesaid Circular, following methodology shall be followed for compliance to the technical requirements contained in Annexure-III to System circular 819 dated 25.11.2020. Wherever changes required (as indicated in the remarks column) the same shall be specified under new clause no. 41 (with title 'Make in India requirements') of part-C GTR of the specification.

Sl no of Annexure-III	Clause requirement (to be adopted on case to case basis wherever applicable)	Remarks
4	<i>Indian subsidiaries of foreign bidders shall meet the qualifying criteria in terms of capability, competency, financial position, past performance etc.</i>	Shall be as per approved QR
5	<i>The bidder shall follow Indian laws, regulations and standards.</i>	<b>Shall be included in GTR</b>
6	<i>To be eligible for participation in the bid, foreign bidders shall compulsorily set up their manufacturing units on a long term basis in India as may be specified by the tenderer/ procurer.</i>	Shall be as per approved QR
7	<i>Similar or better technology than the technology offered in respect of material, equipment and process involved shall be transferred to India. Along with the transfer of technology, adequate training in the respective field shall also be provided.</i>	Shall be as per PMP(if specified) for a particular equipment/ Components on case to case basis.
9	<i>For supply of equipment / material from the country of origin other than India, the bidder shall submit performance certificate in support of satisfactory operation in India or a country other than the country of origin having climatic and operational conditions including ambient temperature similar to that of India for more than .... years.</i>	Shall be as per Approved QR / Provenness criteria on case to case basis.
10	<i>The technologies/ products offered shall be environmentally friendly, consuming less energy, and safe, energy efficient, durable and long lasting under the prescribed operational conditions.</i>	<b>Shall be included in GTR</b>
11	<i>The bidder/its sub vendor/supplier shall ensure supply of spares, materials and technological support for the entire life of the project.</i>	<b>Shall be included in GTR</b>
12	<i>The manufacturers/ supplier shall list out the products and components producing Toxic E-waste and other waste as specified. It shall have an Extended Producers Responsibility (EPR) so that after the completion of the lifecycle, the materials are safely recycled/ disposed of by the Manufacturer/ supplier and for this, the Manufacturer/supplier along with Employer has to establish recycling/ disposal unit as specified.</i>	<b>Shall be included in GTR</b>

14	<i>The equipment/ material sourced from foreign companies will be tested in accredited labs in India before acceptance wherever such facilities are available.</i>	<b>Shall be included in GTR</b>
16	<i>The bidder shall have to furnish a certificate regarding cyber security/safety of the equipment/process to be supplied/services to be rendered as safe to connect.</i>	<b>Shall be included in GTR</b>
17	<i>Applicable safety requirements shall be met. Regular safety audit shall be carried out by the manufacturer/ supplier.</i>	<b>Shall be included in GTR</b>
19	<i>Formation of new joint venture in India shall be permitted only with the Indian companies.</i>	Shall be as per approved QR/sub QR
22	<i>Certification/compliance as per the Indian Standards/ International Standards/ Indian Regulations/ specified Standards shall be mandatory, where ever applicable.</i>	Shall be as per 1.0 above
23	<i>Quality assurance of the product shall be carried out by the procurer or an independent third party agency appointed by the procurer. Manufacturing Quality Plan as approved by the procurer shall be followed by the manufacturer/supplier.</i>	Shall be as per the agreed Quality assurance program
24	<i>Wherever required, the foreign supplier shall establish fully functional service centres in India and shall keep spares/material locally for future needs of Employer.</i>	<b>Shall be included in GTR</b>

**4.0** MoP vide **order dated 02/07/2020** (copy attached) has interalia specified testing requirement for all equipment, components, and parts imported for use in the power Supply System to check for any kind of embedded malware/trojans/cyber threat and for adherence to Indian Standards. **Above testing requirement shall be specified in GTR.**

**5.0** A list of items where there is sufficient local capacity and local competition is enclosed at Annexure-I to System circular 819 dated 25.11.2020. Where the scope of work of a Package interalia contains such item(s), such item(s) shall be sourced only from class-I domestic manufacturers. Accordingly following will be specified in GTR with respect of such item(s):

“All equipment/materials/parts/items required in this package which are domestically manufactured with sufficient domestic capacity as identified in Annexure-I of MOP order dated 04/04/2020 including its subsequent revisions (copy attached) shall necessarily be sourced from the class-I local suppliers only as per the extant provisions of the Public Procurement (Preference to Make in India) Orders issued by DPIIT and MoP. “

**5.1** Clause no. 5 of MoP order dated 23/07/20 regarding Public Procurement states that Ministry of Power shall prepare an 'Approved list of Models and Manufacturers' (ALMM) in power sector. All Power Projects which are bid out as per the standard bidding guidelines will be required to procure equipment from manufacturers figuring in the approved list.

Accordingly, following provisions shall be included in GTR after publication of 'Approved list of Models and Manufacturers' (ALMM) for power sector by MOP:

*As*

"All equipment/materials/parts/items required in this package and which are part of 'Approved list of Models and Manufacturers' (ALMM) for power sector issued by MOP including its subsequent revisions shall be procured only from such domestic manufacturers whose name is appearing in the list and also meets the qualifying criteria specified elsewhere in the specification for the particular equipment/materials/parts/items."

- 6.0 This circular shall be applicable for all packages to be tendered in future. In case NIT of has already been issued for a package but price bid has not been opened then suitable Amendments shall be issued.

Proposed changes in GTR is attached at **Appendix-II**.

Enclosures:

- i) Appendix-I (Revised cover sheet for specification approval)
- ii) Appendix-II (Proposed changes in GTR)
- iii) System circular 819 dated 25.11.2020
- iv) MOP order dated 02/07/2020

A handwritten signature in black ink, appearing to be 'S. S. S.', written over a horizontal line.

## Appendix-I

	<b>NTPC LIMITED</b> <b>PROJECT ENGINEERING</b> <b>APPROVAL SHEET FOR DOCUMENT</b>			
REF NO:	CC:PEM:xxxx	DATE :	xxxxx	
FROM:	xxxx			
PLEASE INDICATE NOTINGS (CLEARED / CLEARED WITH COMMENT / APPROVED / REVISED AS PER COMMENT ) ON THIS DA SHEET AND COMMENTS EITHER ON THE DOCUMENT ITSELF OR ON EXTRA SHEETS BEFORE FORWARDING FURTHER		xxxx		
NAME / DESIGNATION	xxxx	(SIGNATURE)		
TITLE OF DOCUEMNT	:	Technical Specification & Changes with respect to base/reference Technical Specification including amendments		
DOCUMENT NO./ REV. NO	:	CS-xxxx		
PROJECT /STAGE/PACKAGE	:	xxxx		
BASE / REFERENCE DOCUEMNT	:	xxxx		
<b>RECORDS OF REVIEW/APPROVAL</b>				
SI. No.	NOTINGS	BY	Confirmation	SIGN. / DATE
1.		AGM (PE-Mech./SG)	<i>Technical Specification is generally in line with "Make in India" Circulars/Orders. However, if any issue related to restrictive or discriminatory conditions is brought to notice by any local/ domestic supplier during pre bid discussions/ clarifications, same shall be addressed suitably."</i>	
2.		AGM (PE-Mech./TG & SYSTEM)		
3.		AGM (PE-Mech./MH)		
4.		DGM (PE-Mech./PU)		
5.		AGM (PE-Mech/WS)		
6.		AGM (PE-Mech/ Piping & Layout)		
7.		GM (PE-Solar)		
8.		GM (PE-Mech//SG)		
9.		HOD (PE-Elect.)		
10.		HOD (PE-C&I)		
11.		GM (PE-Civil)		
12.		GM (QA&I)		
13.		ED (Engg.)		
PREPARED BY		SIGN (S)		
		NAME (S)		





## Appendix-II

### Proposed additions in the specification for future projects based on various MII orders issued by DPIIT/MoP

S. No.	
1.	New sub clause added under clause no. 41 (Make in India requirements) a) The bidder shall follow Indian laws, regulations and standards.
2.	b) The technologies/ products offered shall be environmentally friendly, consuming less energy, and safe, energy efficient, durable and long lasting under the prescribed operational conditions.
3.	c) The bidder/its sub vendor/supplier shall ensure supply of spares, materials and technological support for the entire life of the project.
4.	d) The bidder shall list out the products and components producing Toxic E-waste and other waste as specified. It shall have an Extended Producers Responsibility (EPR) so that after the completion of the lifecycle, the materials are safely recycled/ disposed of by the contractor and for this, the bidder has to establish recycling/ disposal unit as <b>specified</b> .
5.	e) The equipment/ material sourced from foreign companies will be tested in accredited labs in India before acceptance wherever such facilities are available. The testing shall be carried out in accordance with MOP extant order/guidelines
6.	f) The bidder shall have to furnish a certificate regarding cyber security/safety of the equipment/process to be supplied/services to be rendered as safe to connect.
7.	g) All applicable safety requirements shall be met. Regular safety audit shall be carried out by the manufacturer/ supplier.
8.	h) Wherever required, the foreign supplier shall establish fully functional service centers in India and shall keep spares/material locally for future needs of Employer.
9.	i) To protect the security, integrity and reliability of equipment in this package, it is essential to remove vulnerabilities arising out of the possibility of cyber attack through malware/ Trojans etc. embedded in imported equipments. This requirement shall apply to any item imported for end use or to be used as a component, or as a part in manufacturing, assembling of any equipment or to be used in this package. Contractor shall comply all the requirements of Order No 25-11/6/2018-PG, dated 02/07/2020 (attached as <b>Annexure-I</b> ), issued by Ministry of Power, Government of India and its subsequent

AZ



**Appendix-II**  
**Proposed additions in the specification for future projects based on various MII orders issued by DPIIT/MoP**

	amendments/revisions. Contractor shall furnish declaration of compliance of MOP order dated 02/07/2020 requirements with dispatch of equipment/ item. Further, Contractor shall furnish back up testing certificates, whenever Employer asks the same.
10.	j) All equipment/materials/parts/items required in this package which are domestically manufactured with sufficient domestic capacity as identified in Annexure-I of MOP order dated 04/04/2020 including its subsequent revisions (copy attached) shall necessarily be sourced from the class-I local suppliers only as per the extant provisions of the Public Procurement (Preference to Make in India) Orders issued by DPIIT and MoP.
11	k) All equipment/materials/parts/items required in this package and which are part of 'Approved list of Models and Manufacturers' (ALMM) for power sector issued by MOP including its subsequent revisions shall be procured only from such domestic manufacturers whose name is appearing in the list and also meets the qualifying criteria specified elsewhere in the specification for the particular equipment/materials/parts/items.
	<b>To be issued after publication of 'Approved list of Models and Manufacturers' (ALMM) for power sector by MOP</b>

