

# PROCUREMENT AND WORKS POLICY - 2015



## **BOKARO POWER SUPPLY COMPANY (P) LIMITED**

**(A Joint Venture of SAIL & DVC)**

**(For internal circulation only)**

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## Abbreviations Used

AMR	Augmentation, Modification and Rectification
AP	Automatic Procurement
BG	Bank Guarantee
CA	Competent Authority
CE	Chief Executive
CEC	Commercial Evaluation Committee
CEO	Chief Executive Officer
CenVAT	Central Value Added Tax
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
DGS&D	Director General of Supplies & Disposal
DOP	Delegation of Powers
DRO	Direct Reporting Officer
DSC	Departmental Screening Committee
ED	Executive Director
EMD	Earnest Money Deposit
EOI	Expression of Interest
EPS	Enterprise Procurement System
ERP	Enterprise Resource Planning
EV	Estimated Value
FIFO	First In First Out
GARN	Goods Acceptance/Rejection Note
GC	Guarantee Certificate
GCC	General Conditions of Contract
HOMM	Head of Material Management
HOD	Head of the Department
IPSS	Inter Plant Steel Standards
ISO	International Organisation for Standards
LCNS	Landed Cost Net of Set Off
LD	Liquidated Damage
LOA	Letter of Acceptance
LPP	Last Purchase Price
LTE	Limited Tender Enquiry
MM	Materials Management
MSE	Micro & Small Enterprises
NIT	Notice Inviting Tender
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier
OTE	Open Tender Enquiry
PAN	Permanent Account Number

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PDI	Pre Despatch Inspection
PGB	Performance Guarantee Bond
PO	Purchase Order
PSU	Public Sector Units
P&C	Purchase & Contract
RA	Reverse Auction
RBI	Reserve Bank of India
RFQ	Request for Quotation
STE	Single Tender Enquiry
TC	Tender Committee
TC	Test Certificate
TAA	Tender Approving Authority
TIA	Tender Inviting Authority
TEC	Technical Evaluation Committee
TOD	Tender Opening Date
VAT	Value Added Tax
WC	Warranty Certificate
WO	Work Order

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## 1.0 INTRODUCTION

- 1.1 The objective of the Purchase / Contract Procedure is to ensure transparency, fairness, uniformity and efficiency in the procurement process.
- 1.2 The Procurement & Work Policy-2015 is in line with PCP-14 of SAIL **and some clauses have been taken from DVC's Works & Procurement Manual 2012** and has been finalized after in-depth deliberations with Materials Management, Vigilance, Planning, Project and Finance.
- 1.3 The policy is applicable to all purchases / contracts, unless specified otherwise.
- 1.4 Deviations to the Procurement & Works Policy-2015 should be rare. In exceptional cases, deviation may be permitted for recorded reasons with the specific approval of CEO (BPSCL). The deviation shall be reported to CVO through VO.
- 1.5 If any change is required to be made in the procedure due to CVC instructions or otherwise, amendments will be issued by CEO (BPSCL).

## **2.0 POWER FOR INTERPRETATIONS, MODIFICATION AND DEVIATIONS:**

- 2.1 The procedure laid down in this manual are required to be strictly followed. In case of additional need to interpret / modification / addition / deletion of any of the clauses mentioned in this manual be referred to Standing Committee (P&W policy) constituted under chairmanship of HOD (P&C). The standing committee will submit their recommendation to CEO who will be the final Authority for giving such interpretation / minor modification / minor addition / minor deletion after vetting of Finance.
- 2.2 In exceptional circumstances if contract is to be finalised in deviation of the provisions, clauses, terms & conditions of the Procurement & Works Policy, then condonation of deviation are required to be approved by CEO as the case may be if not specifically empowered otherwise.

## 3.0 RAISING OF INDENTS

- 3.1 The indents for purchase of materials / job contracts shall be raised by the department(s) concerned or designated centralized agencies. These Indents shall be prepared in the prescribed format. The indent shall be signed by the Head of the Department (HOD). The plant shall devise a proper system of
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numbering the Indents initially and their processing reference at different stages to facilitate cross-reference. Suitable records shall also be maintained for such numbering / references at different stages for control purposes.

Indent should be placed well in advance considering the average lead-time for finalization of contract so that material/ works/ service are available when it is required.

- 3.1.1 For Project / Contract cases / Capital / AMR schemes, proposal will be initiated by Project department based on the scheme sanctioned by the management.
- 3.1.2 The names of the suggested registered manufacturers / suppliers / traders / contractors, as the case may be, may be indicated by the indenter in the indent on the basis of past experience of parties along with order references, if any.
- 3.1.3 In case, it is desired to split the order on more than one of the above, the Indenter shall specify so in the indent giving the maximum number of suppliers / contractors desired to be engaged, justifying the reasons for the same.
- 3.1.4 In case there are certain quantifiable factors required to be considered / loaded while evaluating the prices quoted by the tenderers, such factors in clear quantifiable terms should be mentioned in the indent by the indenter.
- 3.1.5 In case the tenderers are required to submit samples along with the quotation, the same should be clearly mentioned in the Indent itself. However, no sample should be called for the items for which detailed / standard specifications are available. For procurement of clothing and textile items detailed specifications may be mentioned & no sample shall be called. However, if required, provision for submission of an advance sample by successful bidder(s) may be stipulated for indeterminable parameters such as, shade / tone, size, make-up, feel, finish and workmanship, before giving clearance for bulk production of the supply.

## 3.2 FOR PURCHASE OF MATERIALS

- 3.2.1 The indenter should give full and complete information regarding the description and specification of the material to be procured. To the extent possible, specifications given should be standard specifications conforming to IPSS, PS, ISS or DIN, etc. The cut-off points for performance and the points for bonus and penalties should be indicated, wherever feasible.
  - 3.2.2 Manufacturing drawings, wherever required, should be enclosed in adequate numbers with the indent. While sending the drawings it should be ensured that the latest relevant revision is enclosed. Wherever manufacturing drawing has been digitized / scanned, copies of the same should be provided.
  - 3.2.3 Along with the indent, the indenter shall also prepare and enclose the following:
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- a) A back up sheet (check list) furnishing consumption for last three (03) years, present stock position, last purchase price, name of last supplier etc.
- b) In respect of new items, a check-list as per the prescribed proforma justifying the indented quantity, with all columns correctly and completely filled. This check list shall be signed by the HOD.
- c) Due diligence must be made before making items as Proprietary. A certificate on the prescribed proforma signed by the HOD has to be provided. The purchase of items on proprietary basis should be kept at the minimum possible level and should be resorted to when other technically acceptable substitutes are not available.
- d) Proposed criteria for technical eligibility & acceptance should neither be made very stringent nor very lax to restrict / facilitate entry of bidders. It should be ensured that the eligibility criteria are exhaustive yet specific and there is fair competition. It should also be ensured that the criteria are clearly stipulated in unambiguous terms. It should take into account the aspects mentioned in clause no. 10.4 (a) to (g).

3.2.4 In the indent, the indenter will ensure, depending upon the nature of the item indented, incorporation of special requirement of inspection / quality assurance plan / special packing instructions, if any.

The requirement of inspection / quality assurance plan / special packing instructions, if any, should be made part of the tender document.

3.2.5 In case some of the items in the Indent are matching / complementary parts of an equipment / assembly and are required to be supplied by one supplier only, the Indenter shall specify this in the Indent.

### 3.3 FOR JOB CONTRACTS

3.3.1 The indenter should give detailed information regarding description of the jobs to be executed along with the materials to be supplied and equipment to be deployed by the contractor, wherever applicable. For the items to be supplied, the quantity along with detailed specifications and drawing number, etc., should be given in the indent. Similarly, for the equipment to be deployed the desired capacities of the equipment, their ownership, procurement through rent / lease, etc., should be specified in the indent.

3.3.2 The overall quality of the jobs to be executed along with the expected Performance Guarantees should be clearly indicated in the indent. The indent should also include any other special terms and conditions required for the execution of the jobs.

3.3.3 In case only one contractor is to be engaged for some of the jobs / all the jobs given in the Indent, the Indenter shall specify this in the indent.

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- 3.3.4 In the indent, the indenter will ensure incorporation of suitable special terms and conditions, particularly the Inspection Clause, and specify the Inspecting agency for certifying the execution of jobs as per contracted terms and conditions. The name and the designation of the executing officer / operating authority would also be mentioned in the indent / proposal.
- 3.3.5 For same scope of work to be executed at different locations and / or in different phases, the annual list of such jobs prepared by different departments / shops, should be scrutinized and co-ordinated by one centralised agency before it is approved by the competent authority. Accordingly, only one consolidated indent should be raised by the centralised agency for same / similar scope of work and if more-than one contractor is required to be engaged for such jobs, justification must be recorded in the indent. In exceptional cases where one consolidated indent cannot be raised for same / similar scope of work, approval of the Head of Plant shall be obtained to raise these indents.

#### 3.4 ESTIMATED VALUE

- 3.4.1 It will be the prime responsibility of the indenter to prepare judicious estimate of the current value of the Indent. **As the estimated rate is a vital element in establishing the reasonableness of prices, it is important that the same is worked out in a realistic and objective manner on the basis of prevailing market rates, last purchase prices rate (not older than three years), economic indices for the raw material/labour (the same may be obtained from Labour Bureau, Shimla, RBI, or other Govt. published bulletin), other input costs, IEEMA formula, published data in paper/journals, wherever applicable and assessment based on intrinsic value etc. To take care of annual inflation last purchase rate if older than one year, @ 5% or change in related indices against basic material can be escalated per year. In case of preparation of estimate for AMC/ARC/one time job, due consideration should be given to the prevalent market rate for deployment of different category of workers/supervisors & engineers for the job based on minimum wages of Central / State govt. adopted by BPSCL.**

Following shall be the guidelines for the preparation of estimates:-

- a. **For civil works, latest published schedule rate of DSR has to be consulted. Items related to civil works of power plant reference of similar items of other organization like DVC, NTPC, BHEL & Govt. PSU may be referred if the item is not available in DSR.**
  - b. **Budgetary offers from the reputed manufacturers for procurement may also be considered as a basis of estimate. Multiple budgetary quotations are preferable to be obtained and the 90% of lowest budgetary offer should be considered.**
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- c. For procurement of proprietary items, LPP, if available in the last 2 years, should be considered as estimate. Adjustment for variations in the prices of raw materials, wages and other inputs including current market conditions may be done based on relevant RBI indices or other indices wherever appropriate. In cases where LPP is not available, the supplier's price list / rates along with the applicable discounts shall be obtained for preparing estimates. Such list should be directly obtained from the manufacturer only and the list supplied by dealers / authorized agents should not be considered unless directed by the manufacturers.
- d. For job contracts, fresh estimates shall be prepared for each Indent and only the last order value shall not be considered as the basis. For the preparation of estimates, the proposed job contract may be split into:-
- i) Job elements
  - ii) Supplies to be made
  - iii) Mobile equipment / tools and tackles to be provided.
  - iv) Any other services, fee against statutory obligations, overheads etc.
  - v) Green field / brown field job, completion period, shutdowns involved.

Detailed estimates of labour cost for each element of job, cost of supplies, hiring / operation cost of mobile equipment / tools and tackles and any other services, etc., as mentioned above, shall be prepared.

- e. For Projects cases, the initial estimate prepared by the consultant should be examined by concerned officials and duly approved by the tender approving authority.

The estimates finalised prior to the notice inviting tender should be duly recorded. In case the estimates are required to be updated after pre-bid discussions or techno-commercial discussions, the detailed reason for such update should be duly recorded in writing by the Tender Committee with proper deliberations and approved by the tender approving authority and the consultant asked to submit increment / decrement to the initial estimate.

#### **4.0 PURCHASE PROCEDURE:**

##### **E-PROCUREMENT:-**

E-procurement / e-tendering is carrying out the traditional tendering process in an electronic form, using the internet. BPSCL has implemented the procurement activities through e-tendering in line with Central Vigilance Commission (CVC) guidelines. For works / services activities the process is going on and it will also be processed through e-tendering.

BPSCL has engaged a Service Provider namely M/s Mjunction Services Ltd.,

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Kolkata for implementation as well as to carry out day to day activities of e-tendering in respect of all sorts of tendering.

The detailed Buyer & Seller Manual is available at our service provider website i.e. => [eps.buyjunction.in](http://eps.buyjunction.in)

## 5.0 SCRUTINY OF INDENTS

5.1 The indents for purchase of material shall be scrutinized by the Departmental Screening Committee constituted by the Competent Authority for the nature of the items concerned. The executives nominated for the Screening Committee shall be in the rank of E-5 and above (wherever applicable). The Departmental Screening Committee shall scrutinize the Indent within a week of the receipt by it. The scrutiny by the Departmental Screening Committee shall inter-alia cover the following:-

- a) Norms prescribed with the approval of the competent authority for inventory holding both in terms of value and duration of consumption.
- b) The complete specifications including drawings, if required.
- c) Consumption pattern,
- d) Stock in hand and dues in,
- e) Budget availability,
- f) Availability of all prescribed enclosures and certificates,
- g) Estimates along with the basic data,
- h) Suggested mode of tendering, giving reasons,
- i) Names of suppliers suggested by the Indenter in the Indent,
- j) Inspection guidelines.
- k) Eligibility & acceptance criteria for open / global tender inquiries.

5.1.1 Information of the clearance of quantity and value of an Indent to be given to the Indenter by the DSC to update their records.

5.2 The indents for the job contracts shall be scrutinized by the DSC, constituted by the competent authority for the nature of the job concerned. The executives nominated for DSC shall be in the rank of E-5 and above (wherever applicable). The DSC shall scrutinize the Indent within two weeks of the receipt of the Indent by it.

The Screening Committee shall inter-alia cover the following:

- a) Complete job description including drawings, if required,
  - b) Budget availability,
  - c) Availability of all prescribed enclosures & certificates,
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- d) Estimates along with the basic data,
  - e) Terms & conditions required for execution of the job,
  - f) Suggested mode of tendering, giving reasons,
  - g) Names of contractors, suggested by the Indenter in the Indent.
- 5.2.1 Information of the clearance of quantity / scope of work and value of an Indent to be given to the Indenter by the DSC to update their records.
- 5.3 In case of any indent going beyond the approved overall budget of the department concerned, for additional / readjustment / re-appropriation of the budget, approval of Competent Authority as per the Delegation of Power (DOP) should be obtained.
- 5.4 If the indent is found to be incomplete in any respect, it will be returned by the respective DSC to the indenter for completion.
- 5.5 The scrutinized indent, found complete in all respects, shall be sent to the P&C Department after obtaining approval of the competent authority
- 6.0 ACTION ON INDENT BY P&C Department
- 6.1 On receipt of the indent by the P&C Department, an entry will be made in the Indent Register / Computer and a case-file opened. Separate Indent Registers shall be maintained for purchase of material and for job contracts Indents. While processing the indent for tendering, if any discrepancy is found, the P&C Department shall return the indent to the DSC / indenter for compliance / clarification by either DSC or by indenter, on such discrepancies.
- 6.2 The indents should be processed by the P&C Department within three to seven days for purchase / job contract, of receipt of the indent from respective DSC after the approval of the Competent Authority (as per the DOP). The proposal seeking the approval of the Competent Authority for the mode of tender shall also envisage terms and conditions of the tender with deviations, if any, the cost of tender documents, to be fixed and in case of Open / Global Tender, the starting and closing date for sale of tender documents along for issue of the tender documents. Enquiry is to be issued by the P&C Department, after receipt of the approval of the competent authority as per DOP.
- 6.3 Enquiry for the purchase of materials / job contracts shall be issued within seven days from the date of the approval accorded by the Competent Authority for mode of tendering. Names of tenderers from whom tender is invited, in case of limited or single tender, shall also be approved by the Competent Authority.
- 6.4 P&C Department should ensure that a reasonable time is fixed for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking approval of the competent authority etc. and finalization of tender within the stipulated original
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validity should be ensured.

#### **7.0 CHECKLIST FOR PREPARATION OF TENDER ENQUIRIES:**

The following points are to be taken care of by dealing Officer of material/contracts department before issuing of any tender enquiry:-

- a) Time and date for receipt and opening of tenders is indicated as per the guidelines.
  - b) The prescribed time has been allowed to the tenderers to submit their quotations depending on the type of enquiry being issued i.e., STE, LTE, OTE, Global Tender Enquiry, etc. However in case of any deviation, approval of TAA has to be taken.
  - c) The amount to be furnished against EMD as per provision in this manual has been calculated correctly and indicated including mode of submission of the same.
  - d) Description of stores including specifications / drawing is correctly indicated. (Specifications are to be finalized keeping the End use in mind). Description of works/services with detailed scope of work, list of statutory requirements, scope on the part of BPSCL etc. are to be indicated.
  - e) Relevant drawing / specification is to be enclosed with the enquiry, wherever possible.
  - f) A Clause for pre-dispatch inspection shall be incorporated in case stage inspection is required at supplier's works.
  - g) Where sample is required to be furnished along with the tender, the authority to whom it should be sent for testing/approval and the time within which the sample should be submitted are indicated correctly in the enquiry.
  - h) Quality Assurance Authority (BPSCL/3<sup>rd</sup> party) is correctly indicated along with address.
  - i) Conditions of contract are correctly indicated in the enquiry.
  - j) The General and Special Conditions of contract, if any, are not to be reproduced in the tender enquiry published. They are the part of the bid document.
  - k) Delivery schedule for supply items / completion schedule for works/turnkey contacts/ service are clearly indicated.
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- l) Insertion of Liquidated Damages Clause in tender enquiry for claim against the delay in supplies /delay in completion of works/services.
- m) Insertion of clause for the cancellation of contract and effecting risk purchase.
- n) In case of purchase of imported stores, the appropriate shipping clauses are to be incorporated. Other special conditions viz. payment terms for Free on Board (FOB)/Free alongside Ship (FAS) basis, etc., should also be indicated in the enquiry.
- o) Any other special clauses, as felt necessary by TIA to be incorporated in the bid document.
- p) Value and Period of validity of performance guarantee (whether to cover warranty period) should also be mentioned.
- q) The correct quantity and unit with consignee should be mentioned.
- r) The Indenting Technical department will furnish the details of Delivery Schedule, Guarantee/Warranty Conditions, Applicability of Performance Guarantee Clause and Inspection Clause. The other Clauses like Payment Terms, Price Fall Clause, Liquidated Damage Clause, Basis of Pricing (FOR/FOB Terms), Risk Purchase Clause etc. will be mentioned in the NIT as per the provisions of Procurement & Works Policy of BPSCL. The rate of Entry Tax applicable for the tendered items is to be mentioned in the NIT. The applicability of CST (full or concessional) for the tendered items is also to be mentioned in the NIT. The General Terms and Condition OF BPSCL shall form part of the NIT.
- s) It should be ensured in the NIT that any deviation taken by the bidder without cost of withdrawal in specified form will make the bid unresponsive if the same is not withdrawn by the bidder unconditionally without any price implication.
- t) **Technical Specification:** The Indenting Technical department will furnish the technical specification for each specification parameter of each item to be procured, in an objective format with the required evaluation criteria to the P&C department. The format will contain the specification parameters of the items in a very specific and objective manner which will facilitate automatic Technical evaluation of the Bids. Based on the above information received from the technical department, the Technical Parameter Sheet in Excel format (password protected) will be prepared by the official of C&M department and the same will be uploaded during tender creation or part of the NIT document.

Any item may have any number of specification parameters and any indent may have any number of items but the technical specification parameters have

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to be brought out essentially in the above format. The technical specification parameters to be mentioned in the Technical Parameter sheet shall contain only those specification parameters, compliance of which are mandatory in nature for the purpose of procurement and non compliance of which are not acceptable. Non compliance of any one of such specification parameter of any item will disqualify the bidder in that item. The same is to be clearly spelt out in the NIT.

- u) Condition for Verification of Documents to be included in the NIT as follows:-
- i) L1 Bidder/s for each item will have to produce the documents (original/self authenticated and attested by Public Notary), as specified in the NIT, in support of the information furnished by him/them on-line, for verification by Tender Committee on any working day within 10 days in case of domestic tenders and 15 days in case of global tenders from the date of opening of Price bid. The L1 bidder/s will also submit an affidavit (original) on a non judicial stamp paper of Rs.10 regarding genuineness of the information furnished by him/them online and authenticity of the documents being produced by him/them, within the same time frame. No additional time will be allowed to the bidder for producing the required documents.
  - ii) In case the L1 bidder for any item fails to produce the documents within the specified period of 10 days in case of domestic tenders and 15 days in case of global tenders, or if any of the information furnished by L1 bidder on-line is found to be false by the Tender Committee during verification of documents, which changes the eligibility status of the bidder, then EMD of the L1 bidder will be forfeited along with banning of L1 bidder for one year from participating in future tenders.

## **8.0 QUALIFYING REQUIREMENTS:**

The qualifying requirements framed shall not be restrictive in nature and shall be widened to the extent possible and should be consistent and in consonance with quality requirements of goods / works and services to ensure maximum participation of the prospective bidders.

The purpose of QR is to identify the qualified bidders who are capable of delivering goods / services as per the Specifications/Requirements. QR shall generally be drawn in such a manner so as to enable adequate participation of bidders to the extent possible. The QR shall normally include Technical Requirements (both specific to the package and general) and the Financial Requirements. Qualifying requirement for technical and financial parameters should be clearly spelt out.

The qualifying requirement (QR) is to be prepared on case to case basis by

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Indenting Officer and the same will be checked by DSC (The deemed QR committee).

TAA is empowered to approve QR for procurement /works packages/ service on recommendation of QR committee.

### **8.1 Financial capability:-**

The following point may be considered for assessing the financial capacity of a bidder based on their audited accounts in QR for works / procurement/ services/turnkey:

#### **Average annual turnover (AAT)**

Average annual turnover is to be determined taking into consideration turnover of available preceding three consecutive financial years. Other income shall not be considered for arriving at annual turnover.

Minimum average annual turnover (MAT) for available preceding three (03) consecutive financial years = 
$$\frac{1.5 \times \text{Estimate Cost}}{\text{Completion period in year}}$$

Audited annual accounts along with auditor's report of the bidder should be furnished in support of the same. Where audited annual account is not mandatory as per the law, the bidder has to submit annual financial turnover during the consecutive last three (03) years, ending 31<sup>st</sup> March of the previous financial year duly certified by CA.

*Note: - i) Completion period less than one year to be considered as one year.*

*ii) While calculating MAT, estimated value of entire indent shall be considered irrespective of whether order is to be placed for full quantity or part quantity on single party or multiple parties.*

Other Physical parameter to be considered:-

### **8.2 Technical capability:-**

#### **For procurement:**

1. The bidder shall have requisite experience of manufacturing and / or supplying similar items to any Public Sector Undertaking / Government / Semi Government organisation or joint venture thereof / company registered under Companies Act.
  2. The bidder shall have infrastructural facilities for carrying out at least one core activity like Casting / Forging / Machining / wiring / testing / designing along with assembly required for manufacture of the item under procurement. The required core activity shall be clearly / suitably indicated by Indenter.
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3. The bidder is required to submit self attested photo copies of documents in support of their eligibility and experience along with the techno-commercial bid. In addition, bidder shall submit an affidavit as per format at Annexure-G, declaring that the documents submitted by them are genuine.

*Note: a) "Similar item" shall be clearly defined in NIT. Similar item of higher capacity can be considered on case to case basis and wherever applicable, the same shall also be clearly defined in NIT.*

*b) Permissible tolerance on technical parameters, volume/weight of previous supplies, wherever possible, shall be specified in the QR for assessing requisite experience.*

**For works:**

1. Experience of having completed similar works in any Public Sector Undertaking / Government / Semi Government organisation or joint venture thereof / company registered under Companies Act during last **7 years** ending last day of month previous to the one in which offers are invited shall be either of the following:

**For estimated value (EV) upto Rs. 50 Lacs:**

*Three similar completed works each costing not less than the amount equal to 30% of the estimated cost.*

*or*

*Two similar completed works each costing not less than the amount equal to 40% of the estimated cost.*

*or*

*One similar completed work costing not less than the amount equal to 70% of the estimated cost.*

**For estimated value (EV) above Rs.50 Lacs:**

*Three similar completed works each costing not less than the amount equal to 40% of the estimated cost.*

*or*

*Two similar completed works each costing not less than the amount equal to 50% of the estimated cost.*

*or*

*One similar completed work costing not less than the amount equal to 80% of the estimated cost.*

2. In support of their eligibility and experience, the tenderer is required to submit self attested photo copies of work orders, completion certificates (by the
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concerned authority etc.) along with the techno-commercial bid. In addition, bidder shall submit an affidavit as per format at Annexure-G, declaring that the documents submitted by them are genuine.

*Note: a) "Similar work" is defined as nature of work and special feature of the scope, if any, which shall be clearly specified by the indenter, so that the same shall be incorporated in the NIT and be clear, unambiguous and specific and there shall not be any room for divergent interpretation at any stage.*

*b) In addition to above, the criteria regarding satisfactory performance of works, personnel, establishment, plant equipment etc. may be incorporated according to the requirement of the case as specified by the indenter.*

*c) The value of, work order(s) submitted by the bidder and our estimated cost will be considered on pro rata yearly basis.*

In case of any documents / information submitted by the bidder(s) found to be false or containing any misrepresentation of having any fraudulent in it, then in such eventuality legal action (including cancellation of contract, banning of business dealing, damages, criminal proceedings etc.) as deemed fit may be initiated by BPSCL against the bidder.

Completed Work means the executed/completed portion of Work Order/AMC/RC, even if the work has not been completed in totality (subject to furnishing proof of executed value of work in the form of certified copies of RA Bills) along with successful work execution certificate (by the concerned authority etc.).

Any explanation / elaboration added to qualify similar nature of work shall not be supplant but supplement the same.

To maintain equity, consistency and better transparency in the tendering process for the services/ works / procurement which are common for individual projects, a QR committee at higher level may be formed.

However, QR as mentioned above is an illustrative one and may not be suitable for all AMC/Works/Services/ procurement. TAA is authorised to formulate QR (through QR Committee) to meet his requirements for case-to-case basis so that adequate bidding response is achieved.

QR should be carefully formulated so that capable contractors are not restricted from participation in the tender.

### **NOTES:**

The Qualifying Requirement of bidders intending to take part for any contract for works related to Civil/Mechanical/Electrical through tendering may be considered as detailed

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below:

The QR should be decided before the NIT is issued for advertisement. Once the QR is fixed and advertised, it cannot be altered / relaxed. However, in case of poor response, against stipulated QR, the same may be reviewed and revised by the QR committee at appropriate level for the purpose of re-tendering with the objective of getting better response and to maintain transparency.

The QR committee will be recommending body and QR as recommended by the Committee has to be approved by the tender accepting authority before floating of enquiry.

## 9.0 MODE OF TENDERING

9.1 The recommended modes of tendering for placement of orders are as under:

- i) Open Tender / Global Tender,
- ii) Limited Tender Enquiry (LTE),
- iii) Single Tender for Proprietary items (Original Equipment Manufacturer / Original Equipment Supplier).
- iv) Single Tender (other than Proprietary item)

9.1.1 Apart from the above methods of tendering, the following methods for placement of direct orders may also be considered:

- i) Repeat orders,
- ii) Rate Contract
- iii) DGS&D Rate Contract.

9.1.2 In addition to the above, there may be occasions to resort to emergency purchase / job contract.

9.1.3 Approval of competent authority shall be obtained for issuance of NIT in each of the above case.

## 9.2 OPEN / GLOBAL TENDER

9.2.1 Open / Global tenders are to be considered under the following circumstances:

- i) When reliable manufacturers / suppliers / traders / contractors as well as latest technology are not clearly known.
  - ii) When it is felt that advertising may elicit better response.
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iii) For any other commercial consideration i.e. as a policy, DOP / estimated value of purchase / job contract, formation of cartel / ring like situations etc.

9.2.2 P&C Department shall ensure that the complete tender documents along with the enclosures, if any, are uploaded and displayed on the BPSCL / Service Provider of QEPS website which can be downloaded by the interested tenderers. Application made on such forms shall be treated as valid for participation in the tender. However, bidders would be given the option to collect the complete document from BPSCL without any charge if they are unable to download it from the website.

9.2.3 An abridged version of the open tender notice shall be published in leading local and national newspapers, as per prevailing guidelines; about the required material / job and that the details of the tender are available in the given website. For import, the tender notices should also be published in Indian Trade Journals.

9.2.4 Intimation for open tenders may be given by the dealing officer by email to all the parties who had participated in tenders earlier or any other known party who may be manufacturing the item / job tendered out.

### 9.3 LIMITED TENDER ENQUIRY (LTE)

9.3.1 LTE should be issued only when reliable manufacturers / suppliers / traders / contractors are known. A list of such registered manufacturers / supplier / traders / contractors shall be maintained by P&C Department. The registration of manufacturers / suppliers / traders / contractors should be according to the relevant IPSS of SAIL. LTE should be issued only to registered vendors. In addition to this vendors registered with SAIL & DVC should be considered for issuance of LTE provided there is no adverse report on their performance.

9.3.2 When the decision is to adopt LTE as a mode of tendering, the whole indent should be treated as one and no split up thereof should be made to reduce the value of tender enquiries.

9.3.3 Emphasis to be given to maximize procurement / finalization of contracts through e-mode of tendering such as QEPS / web enabled system. Original LTE papers should be dispatched through registered post / under certificate of posting / e-mail / FAX / courier to the address of the firm as available in the records of the company. Original LTE papers should not be given by hand to the representative(s) of any firm.

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- 9.3.4 The selection of firms for LTE shall be done by the P&C Department in a judicious manner in consultation with Indenting Department to ensure that:
- i) The firms are financially and technically sound,
  - ii) The past performance of the firms with regard to quality and adherence to time schedule should also be considered while recommending a firm for issue of LTE,
  - iii) The supplier / contractor who has successfully made the last supply / executed the last job, needs to be considered for issuance of LTE,
  - iv) The firms registered for a particular category are all given coverage by rotation. Subject to (i), (ii) and (iii) above, no registered party should be considered for LTE for the second time unless all the registered parties in the list have been considered at least once in each cycle.
  - v) Wherever sub-category-wise registration exists, enquiry should be issued to all such registered parties. Any deviation should be recorded with reasons.

Explanation: Wherever feasible, subcategory-wise registration should be done and Limited Tender Enquiry should be sent to all such registered vendors in the sub-category.

- 9.3.5 In cases where there are only two registered suppliers for an item, vendors registered for similar items with SAIL plants / DVC may be considered. Under exceptional cases, such tender enquiry to only these two registered suppliers shall be issued with the approval of CEO.

However, for the items so far purchased as proprietary for which another vendor has been found / developed, tender notice to these two vendors shall be issued with the approval of the CEO for the next cycle.

- 9.3.6 For capital sanction and Addition, Modification, Replacement (AMR) cases, the recommendations received from the consultants / Project Department shall also be given due consideration.
- 9.3.7 In case of purchases against indent value of Rs.5 Lakhs and above, wherever registered manufacturers are available, LTE should be limited to such manufacturers only. While issuing LTE to manufacturers, it should be clearly stipulated that in case any of their dealer(s) is authorised to quote on their behalf, a copy of such authority letter be endorsed to BPSCL. Only after receipt of such authority letter, the quotation received from the dealer shall be entertained. Subsequently, a copy of all the correspondences with the dealer(s) shall be sent to the manufacturer(s) simultaneously. For indent valued below Rs.5 Lakhs, the LTE may be directly issued to the authorised dealer(s) after confirming the validity of their dealership. A copy of correspondences directly
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made with the dealer(s) shall also be sent to the manufacturers simultaneously.

9.3.8 LTE for value Rs.5 Lakhs and above should be posted on the website. The suppliers to whom the LTE is issued should be able to access such LTE documents through their ID and passwords.

9.3.9 The following instructions would be put up on the website:

“The Offer against these tenders from suppliers to whom LTE has been issued shall only be considered, offer from any other party shall be treated as unsolicited.

In order to increase competition, following shall also be posted on the website:

“Whoever is interested to be registered as a supplier of these items, should fill up the vendor registration form, hosted on the website. The normal registration process shall, thereafter be followed by the plants / units for registering the eligible suppliers. This information is solely for the purpose of exploring the possibility of enhancing vendor base, wherever required and should not be considered as a purchase enquiry.

Purchase enquiry in future may be issued to such suppliers, if registered.”

9.3.10 In case where large numbers of parties are registered in a particular category / class, Notice Inviting Tender (NIT) can be posted in the website and notice board placed at prominent place mentioning that relevant category of contractor shall be only eligible for applying.

9.3.11 LTEs should be issued in such a way that sufficient competitive quotations are received from the parties.

#### 9.4 SINGLE TENDER ENQUIRY

##### 9.4.1 Single Tender Enquiry (Proprietary)

Enquiries for Proprietary items (Original Equipment Manufacturer / Suppliers / Technology Supplier / Job Contracts) should be issued with the approval of competent authority as per the DOP. Such proprietary items should be purchased from their manufacturers or their authorized dealers only, where the manufacturer does not supply the equipment directly. In case there is more than one dealer authorized to sell a particular proprietary item, discount may be possible through Limited Tender Enquiry, therefore LTE may be issued to the authorized dealers.

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#### 9.4.2 Single Tender Enquiry (Other than Proprietary)

The cases where the enquiry is restricted to only one source, though many sources / suppliers exist, such procurement is on nomination basis or Source Standardization basis. Such Single Tender Enquiries should be issued as an exception only and processed, after recording reasons. The indenter should take approval of CEO in all cases except procurement from PSUs / State Government Undertakings where approval of Competent Authority shall be obtained.

CVC Office Order No.23/7/07 dated 5<sup>th</sup> July 2007 to be referred to.

9.4.2.1 A list of items procured on single tender basis, of value Rs. 5 Lakhs and above should be hosted on BPSCL website to enhance vendor base of such items. The list of items displayed giving items details viz. Catalogue number, description, detailed specifications, annual requirement as well as area of use etc.

9.4.2.2 The instructions to be included on the website should be that, “Whoever is interested to be a registered supplier of these items, should fill up the vendor registration form, uploaded on the website. The normal registration process shall, thereafter be followed by the plants / units for registering the eligible suppliers.”

9.4.2.3 Plants should ensure updating of the list of single tender items on website on a quarterly basis. A resource person should be nominated for co-ordination.

#### 9.5 REPEAT ORDERS

9.5.1 Normally, as per the lead time, prior to expiry of the running supplies / job contracts, the Indenter has to process fresh Indent. However, due to unavoidable circumstances, if either the Indent is not processed or even after processing the Indent, it is not possible to place fresh order in time, under such circumstances for the item / job contract for which continuity is essential, it may be necessary to place repeat order on existing party/contractor. After recording the reasons leading to placement of repeat order, the proposal for repeat order on same terms, conditions and specifications may be considered on the following:

- i) The original order must have been placed in the usual course after issue of LTE or Open Tender. Emergency orders shall not be considered.
  - ii) Not more than two years have elapsed since placement of the original order.
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- iii) No price escalation for firm price orders shall be given.
- iv) No repeat order shall be placed, if there is downward trend in prices.
- v) Not more than two repeat orders should be placed
- vi) The quantity considered for ordering is not more than 100% of the original ordered quantity, for each repeat order.
- vii) The original order was not placed on the basis of a higher price for earlier delivery
- viii) Sanction of Competent Authority for repeat order shall be obtained

9.5.2 However, in exceptional cases, a third repeat order can be placed with the approval of CEO (BPSCL), after recording justification.

## 9.6 RATE CONTRACT (OWN)

9.6.1 It is recognized that it is often advantageous on commercial as well as technical grounds to finalize orders on Rate Contract basis for items / jobs which are procured / executed regularly, repetitively and for items of proprietary nature. The rate contract is finalised where the total annual requirement of such items / quantum of such jobs is large but not fixed. For entering into rate contracts / long term contracts, the mode of tendering to be followed may be decided as per the nature of the job item, the available sources, etc. Thus, rate contract enquiries may be either by Open Tender / Limited Tender / Single Tender depending upon the nature of item/job.

9.6.2 While issuing LTE for rate contract, it should be ensured that only reliable and reputed manufacturers / suppliers / contractors of proven ability are entertained.

9.6.3 For purchase cases, rate contracts may also be entered into for items which are identified as of regular and repetitive consumption with the consent of the indenter without waiting for the indent, in order to ensure speedy processing. In such cases, complete and up-to-date drawings / specifications of the items should be obtained before calling for tenders. Orders in such Rate Contracts should, however, be finalized only after receipt of relevant Indents.

## 9.7 DGS&D RATE CONTRACT

DGS&D, New Delhi have entered into rate contracts for a number of items of wide demand some of which are also purchased by BPSCL regularly. Though BPSCL is not a Direct Demanding Office under the DGS&D contracts, it is

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possible for BPSCL as a Joint Venture of Public Sector Undertaking & Govt. Corporation to avail of the attractive prices and terms of these DGS&D Rate Contracts. Orders / enquiries may, therefore, be issued to the supplier(s) having DGS&D Rate Contracts as per the DOP for the procurement of the relevant items.

For purchase of any item at DGS&D rate, order can be placed on any one or more vendor(s) with DGS&D Rate Contract. Procurement through DGS&D route to be as per the Procedure for Ordering under DGS&D Rate Contract dated 16<sup>th</sup> December 2011.

## 9.8 EMERGENCY PURCHASE / JOB CONTRACT

9.8.1 Provisions for emergency purchase / job contract have to be kept to meet the emergency needs of the plant and it is essential to delegate powers to meet such situations particularly in maintenance, commissioning and break down jobs so as to keep the flow of production uninterrupted. In case of purchase, such emergency normally occurs when there is no stock in the Stores and chances of getting supplies against pending orders within the stipulated time schedule are remote. Similarly, in case of job contracts, such emergency occurs when breakdown of equipment occurs and internal resources are not adequate to take timely action.

9.8.2 Due to the very nature of the requirements, which has to be met in the shortest possible time, the normal process of tendering stipulated in this procedure cannot be followed. For emergency Indents, the mode of tendering and method of placement of order may, therefore, be adopted as per the specific requirements of the case and the time available for the placement of order and getting materials / execution of jobs. Approval of the Competent Authority shall be obtained for the specific mode of purchase / award of contract and order finalised. Provisional order at the rate to be finalized later on / spot quotations and placement of order on Single Tender basis may be adopted in such situations.

9.8.3 Emergency Indents should be accompanied by non-availability & criticality certificates issued by the concerned HOD on prescribed format.

9.8.4 The materials may be procured from best possible source and jobs be awarded to the reliable Contractor for such emergency procurement / job contract respectively. Formal purchase orders should be issued / contracts entered into, in due course for regularizing the emergent action taken.

### 9.8.5 **Spot / Committee Purchase:-**

In order to meet the immediate requirement, items costing more than 5000/- up

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to Rs. 100,000/- (except office establishment requirement) may be procured by a committee, consisting of indenter, finance and Purchase Deptt. This can be done only with approval of competent authority as per DOP, and the committee should record the price reasonability.

#### **9.8.6 Tender due to Urgency:-**

To exercise the delegated power under relevant DFP for placement of work order on urgent basis CEO is empowered to approve for issuance of short tender notice with a minimum time limit for seven (07) days instead of normal time period as specified in LT/OT on recording the reason for urgency.

### 10.0 INVITATION TO TENDER

- 10.1 For purchases, in case the technical / commercial terms are firm / frozen, single part quotation may be invited only against Limited Tenders by suitably selecting the vendors as explained under [Para 9.3](#). However, for Open Tender as explained in [Para 9.2](#), even for the firm technical / commercial terms, 2 / 3 part quotations should be invited. In cases where technical / commercial terms are to be negotiated, 2 / 3 part quotations should be invited even against Limited Tenders.
  - 10.2 In cases of job contract, generally the technical / commercial terms need to be negotiated. Therefore, for all such job contracts, 2/3 part quotation, should be invited against both Limited Tenders and Open Tenders.
  - 10.3 Before issue of NIT, P&C Department should ensure that desired information, particularly specifications / commercial terms are available in the case file.
  - 10.4 Before inviting open tenders, Indenting Officer shall determine / record the criteria for eligibility of the prospective bidders as per the guide line duly approved by CEO, however the QR should be checked & cleared by DSC and got approved by GM (PP) / Head of Power Plant, which may include:
    - a) required experience and past performance in similar type of supply / contracts,
    - b) required manpower (skill-wise) and type/capacities of equipment & construction/manufacturing facilities,
    - c) proof of ownership / licensee of required equipment and construction / manufacturing facilities,
    - d) financial position,
    - e) service support, if any,
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- f) earnest money / security deposit in the form of Bank Draft / Bank Guarantee (along with validity period), and
  - g) any other criteria, considered necessary. The above criteria shall be specified in the Tender Document under special terms and conditions.
- 10.5 The P&C Department shall also determine / record the relevant factors in addition to the price to be considered in Tender Evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated tender. These factors, other than the price, to be used for determining the lowest determinable tenderer shall, to the extent practicable, be expressed in monetary terms or given relative weightage in the evaluation provisions in the Tender Document. No factors other than those specified in the Tender Document shall be used in the evaluation of offers at the time of preparing the Comparative Statement.  
This shall also form part of the Tender Document under special terms and conditions.
- 10.6 P&C Department should also determine and record whether the quotations are to be invited on firm prices or are subject to escalation / de-escalation with respect to major cost component of the items / jobs. In case the quotations are to be invited with prices subject to escalation / de-escalation, the method to be used for determining the escalation / de-escalation and the base date for calculating the escalation / de-escalation shall be clearly defined and referred in the Tender Document under special terms and conditions.
- 10.7 For purchases, clause for the submission of sample along with quotation be incorporated in, the tender papers, if submission of sample was specifically asked for in the Indent.
- 10.8 In case of chemicals and other items having limited self life, the left over self life of each item at the time of delivery should be at least 80%. In emergency, the left over self life equal to 120% of the consumption period of such items may be accepted with the approval of the Competent Authority.
- 10.9 In case of Open / Global tenders, other than for capital schemes, the tender should specify that to bring the prices of the foreign suppliers and the Indian suppliers at par, the RBI reference rate should be considered for exchange rate conversion and the “forward premium rate” for the period of delivery, for staggered delivery the average of all the periods of delivery, will be added to the conversion rate for converting the price into INR for the purpose of evaluation. The RBI reference rate to be considered for exchange rate conversion and Forward Premium Rate should be taken one day prior to the date of opening of price bids. The RBI reference rate is available on the website of RBI [http:// www.rbi.org.in/home.aspx](http://www.rbi.org.in/home.aspx) and the Forward Premium is to be taken from Reuters or similar other screen / information channels
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available in the Corporate Finance (SAIL) / Finance dept. ( BSL).

- 10.10 In case the ordered quantity of the purchase indent or jobs of the Job Contract are required to be split into more than one party at the time of placement of order, the same will be specified under special terms and conditions of the tender document. It should be clearly mentioned in the tender document that the distribution of order will be in the ascending order as per the quoted price ranking of the tenderers, i.e., L-1 tenderer will get the highest share and the last ranked tenderer within which the total order is to be distributed, will get the smallest share. However, before opening of the price bids, specific number of parties among whom order would be split would be decided and approval of Competent Authority would be obtained. Order shall not be placed on more than these numbers of parties, except in the case mentioned at 16.2.1 and purchase preference in case of MSEs
- 10.11 In the Tender document under general terms and conditions, it should be clearly specified that order on one or more than one parties will be placed on the basis of L-1 quotation and, if required, negotiations will be held with L-1 tenderer only. However, all the tenderers may be required to explain / justify the basis of their quoted price as and when asked for. In case, any tenderer fails to justify his quoted price or refuses to cooperate in this regard, they will not be considered for participating in the re-tendering if order / contract is not finalised from the present tender.
- 10.12 For job contract cases, there should be a stipulation in the tender documents under general terms and conditions that if a tenderer quotes unworkable rates i.e. if the quoted price is less than the lower limit of the estimated price (Ref. Para 16.1) and is considered for placement of order, the party will be asked to justify the rate quoted and will have to give Performance Guarantee Bond (in addition to the Security Deposit) in the form of Bank Draft/Bank Guarantee. The amount of Performance Guarantee Bond will be decided by BPSCL at the time of placement of order. Earnest Money of the tenderers who refuse to give Performance Guarantee Bond will be forfeited and they will not be considered for taking participation in any kind of Tender for next Six (06) months from the date of issue of letter to the Defaulter Firm, if order / contract is not finalised from the present tender.
- 10.13 If items under purchase are the matching / complimentary parts to be supplied by single party or items of work in the job contract to be performed by single contractor, it should be clearly specified in the tender document that total price of all such items / items of work shall be evaluated for determining the reasonableness of the price.
- 10.14 **CONSIDERATION OF AGENTS**

Wherever, foreign company / supplier participate in the tender, purchases should preferably be made directly from the suppliers / manufacturers. However, either the agent on behalf of the Principal / OEM or the Principal / OEM directly be

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permitted to bid in a tender, but not both. If agents / dealers / stockiest of foreign companies quote along with manufacturer, only the offer of Principal / OEM will be considered as valid. One agent cannot represent two suppliers / Principal / OEM or quote on their behalf in a particular tender.

#### 10.15 INTEGRITY PACT

For all tenders / Contracts / Long term Agreements (LTAs) valuing Rs. 10 crores and above, the tenderer(s) / bidder(s) / contractor(s) has to enter into an “Integrity Pact” with BPSCL. A copy of the Integrity Pact typed on plain paper duly signed by the tender issuing officer who is the authorized signatory on behalf of BPSCL, has to be enclosed with the tender / bid / LTA document. In case of uploading the tender in the website, Integrity Pact also has to be necessarily uploaded after scanning the signed copy of the pact.

Non-signing of the Integrity Pact will disqualify the offer / bid. However, bidders may be given an opportunity to sign the Integrity Pact before rejection of the bid.

Following instructions shall be included in the tender / bid / LTA / Contract documents, valuing Rs. 10 crores and above:-

- (a) The Bidder(s) / Contractor (s) is required to enter into an “Integrity Pact” with the Principal i.e. BPSCL. The Integrity Pact has to be signed by the Proprietor / Owner / Partner / Director or by their duly Authorised Signatory. In case of failure to return the Integrity Pact along with the offer / bid, duly signed by the authority as mentioned above, will disqualify the offer / bid.
- (b) In the tender documents it should be specified that the Bidder(s) / Contractor(s), if aggrieved, may raise complaints / pass on information, if any, to the Competent Authority / Operating Authority of the Tender / Contract or to the Chief Vigilance Officer (CVO), DVC, Kolkata.

#### 10.16 TENDER DOCUMENTS

10.16.1 Format for quoting prices, wherever applicable, may preferably be provided with NIT.

10.16.2 Invitation to the tender, including instructions to tenderers, should be issued in prescribed proforma. The invitation to tender should include general terms and conditions of contract, as applicable to the case, i.e.,(i) for purchases only, (ii) for job contracts only, (iii) contracts governing supply and supervision of Plant, Machinery and Equipment (for non-turnkey contracts) and (iv) contracts for supply and erection (for turnkey contracts). The tender documents should include detailed specifications and wherever applicable the Standards for specifications and drawings, etc.

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10.16.3 The special terms and conditions applicable to supplies / contracts such as stipulations made under paras 10.4 to 10.14 along with conditions for inspection, testing, acceptance and performance guarantee should be clearly defined and made part of the tender documents.

## 10.17 METHODS FOR CALLING TENDERS

10.17.1 The following methods for calling of tenders shall be adopted:

- i) Single Part Tendering,
- ii) Two Part / Three Part Tendering,

The tenderers shall be instructed to enclose each part in a separate sealed cover, clearly inscribing on the top of each envelope the relevant part number and description along with tender reference number and date of opening and submit all the parts simultaneously in a bigger sealed cover clearly inscribing on the top of the cover the tender reference no. and the date of opening.

10.17.2 Single part tendering should be adopted only when all technical and commercial terms are well defined / stipulated in the tender document and are not negotiable.

Conditional bids, i.e., bids not adhering to the tendered technical terms, will be rejected. However deviation in commercial terms can be accepted and evaluated where suitable loading has been pre-determined and mentioned in the tender document.

10.17.3 In case the technical specifications and or commercial terms are not firm / deterministic / frozen, the Indenter / P&C Department will specify in the Indent for inviting 2 / 3 part quotations.

- a) Two part tendering involves calling for tenders in two parts:
    - i) Part I: Tender comprising techno-commercial offer, which shall be covering all terms except the price.
    - ii) Part II: Tender comprising the price bid only.
  - b) Three part tendering involves calling for tenders in three parts:
    - i) Part I: Tender comprising Cost of Tender Document and Earnest Money.
    - ii) Part II: Tender comprising Integrity Pact and techno-commercial offer, covering all terms except prices.
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iii) Part III: Tender comprising the price bid only.

10.17.4 The price bids shall be opened only after the Techno-Commercial terms are settled and samples wherever applicable, are approved.

10.17.5 The time period should depend on the nature of the items to be procured, the nature of work involved in the contract, delivery / completion period etc. The following are the indicative time periods to be given for submission of quotation by the tenderers, from the date of tender notice:

h) Open Tender	:	4 to 6 weeks
i) Open tender amongst vendors enlisted Through press advertisement	:	2 weeks or as decided by TIA
j) Global Tender	:	6 to 8 weeks
k) LTE (Indigenous)	:	2 to 3 weeks
l) LTE (Import)	:	4 to 6 weeks

## 10.18 TENDER METHODOLOGY

Identification of qualified bidders can be done through following methodology:

- a. Pre-qualification methodology (EOI).
- b. Post-qualification methodology.

### **i) Pre-qualification methodology (EOI):**

Expression of Interest (EOI) may be resorted to in case of packages for specialized, expensive or technically complex contract, where details scope of work, appropriate financial involvement, modality and execution period to be required cannot be finalized due to lack of internal expertisation.

EOI will be issued to prepare a panel of Agency who are capable to accomplish the desired work. EOI to be invited through press advertisement.

EOI may be issued covering of following areas:-

1. Nature of work to be executed with specifying the objective of work.
2. Desired timeframe which may be allowed to complete the work.
3. Expected investment, if any.
4. Evaluation process for short listing of vendors.
5. Other information which may affect the schedule of work during execution, if any.

Interested bidders should offer their views on methodology with available latest technical data for execution of such work along with the following documents:

1. Experience and performance certificate within the last 7 yrs. for work. In case subject works falls within an area of rapid changes in technology, experience and performance certificate of similar works within the 2 yrs., if decided by TAA.
2. Available manpower with the Agency to execute such work.
3. Last 3 yrs. Audited Annual Accounts.

Based on the technical discussion with the expected bidders individually or jointly, the scope and specification of work to be finalized and qualified bidders to be short listed based on the evaluation process already notified in EOI and based on the available financial documents by an appropriate QR committee based on the expected investment decision. However, considering the technical complexity of work, TAA may include any outside expert on the subject area in the QR committee.

In such case, NIT will be issued to short listed bidders only but will be considered as open tender so far DFP is concerned.

Also for participation against EOI, the bidder shall not be required to furnish EMD/Bid security, but EMD/Bid security in appropriate form to be asked at the time of issuance of NIT.

**ii) Post-qualification methodology:**

In case of Post Qualification Methodology, as detailed in previous paras, the QR for bidders for a specific package shall be brought out explicitly in the bidding documents and may also be spelt out clearly in the NIT published in Website.

The intending bidders must furnish the information in support of fulfillment of qualifying requirement, as fixed for the tender along with their offer, failing which their offer will not be considered. This is also to be clearly spelt out in the bid documents of NIT. In case of any confusion regarding bidders eligibility based on the submitted information, TC may ask to submit further information for determining the QR compliancy of the bidder with approval of TIA within a specified period. Noncompliance of the same from the bidders' side, bid may be considered as nonresponsive.

## 10.19 PRE-BID DISCUSSIONS

In all technically complex Projects cases, pre-bid discussions after floating of tender and before submission of bids should be held. The date, time and place of pre-bid discussions should be clearly mentioned in the tender

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document. During pre-bid discussions all the queries of the potential bidders must be properly clarified and recorded.

If any change in the specification, terms and conditions in the original tender is contemplated as a result of pre-bid discussions, the same should be broad based have the approval of the competent authority. Accordingly, a corrigendum to the original tender is to be issued and advertised in the press and given in the tender website.

Submission of bids shall be allowed only after pre-bid discussions or after issue of corrigendum wherever necessary. The date after which submission of bids shall be allowed should be mentioned in the tender itself or in the corrigendum if such corrigendum is issued after pre-bid discussions. The copy of corrigendum may also be sent to all bidders who had participated in the pre-bid discussions. Sufficient time (at least 2 weeks) may be given between pre-bid discussions and submission of tenders.

#### 10.20 CONSTITUTION OF TENDER COMMITTEE

For high value purchase orders / contracts costing Rs. 15 lakhs and above, the Tender Committee should be constituted with the approval of the competent authority as per annexure - A.

Tender Committee is to be constituted based on the estimated value of the indent. The same Tender Committee should continue irrespective of the L-1 price. However the ordering price is to be approved by the competent authority as per DOP.

For purchase orders / contracts costing less than Rs. 15 lakhs, the scrutiny and recommendations should be in accordance with the prevailing guidelines and as per DOP.

##### 10.20.1 The functions of the Tender Committee would be as under:

- a) Tender Committee, if required, may constitute Technical Evaluation Committees (TEC) & Commercial Evaluation Committees (CEC). The TEC & CEC Committees shall function concurrently.
  - b) To monitor the progress made by the TEC & CEC and Consultants.
  - c) To examine the recommendations of TEC & CEC and Consultants.
  - d) To take decision to open the price bids after freezing the Technical & Commercial conditions.
  - e) To evaluate the price offers, conduct negotiation with L-1 tenderer, if
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required, under exceptional situations with the approval of Competent Authority and shall put up the recommendations of order placement to the Competent Authority after justifying the reasonability of the price.

The Committee should complete the scrutiny and give the recommendations to the Competent Authority.

10.20.2 The functions of the Technical Evaluation Committee (TEC) would be as under:

- h) To scrutinize the Technical part of the tender and the recommendations of the consultants / Technical Evaluation Sub-Committee, if any.
- i) To conduct clarification meetings with the tenderers.
- c) To evaluate the performance of on-going work / contract.
- d) To give the recommendations to the Tender Committee.
- e) To assist the Tender Committee, if required.

The TEC should complete the scrutiny and submit the recommendations to the Tender Committee within a period of one month from the date of opening of the tender.

10.20.3 The functions of the Commercial Evaluation Committee (CEC) would be as under:

- a) To scrutinize the Commercial part of the tender and the recommendations of the consultants or Commercial Evaluation Sub-Committee, if any.
- b) To conduct clarification meetings with the tenderers.
- c) To give the recommendations to the Tender Committee.
- d) To assist the Tender Committee, if required.

The CEC should complete the scrutiny and submit the recommendations to the Tender Committee within a period of one month from the date of opening of the tender.

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- 10.21 The HOD (PP) shall decide the requirement of Performance Bank Guarantee in Purchase cases, if required, and the same shall be indicated in the NIT.
- 11.0 RECEIPT AND OPENING OF OFFERS
- 11.1 The following shall be the recognized methods for receipt of tender:-
- i) Tenders received by Post;
  - ii) Tenders received by Courier service;
  - iii) Tenders received through Tender Box.
  - iv. QEPS platform;
- 11.2 Tenders received by post shall be sorted out according to the date of tender opening and be given to the concerned P&C Department Executive.
- 11.3 FAX / verified e-mail quotations may also be considered as valid quotations if mentioned in the RFQ and if received till the last date / time of submission of tender and indicate item-wise prices, specifications and delivery schedule. However, EMD, wherever applicable, is to be submitted prior to the opening of tender.
- 11.4 Tenders shall be opened centrally and jointly by an officer each from P&C Department and F&A Department. This provision shall not apply to Single Tender Enquiries. The P&C Department shall fix the days in a week and time for tender opening of different categories / values. In case of QEPS, the dealing officer will open the tenders received through e-mode.
- 11.4.1 The single part quotations of the tenderers on whom it has been decided to place trial orders only, shall not be opened at this stage. Such quotations shall be opened only after placement of orders on regular offers. However, in case of 2 / 3 part quotations, the techno-commercial parts of such tenderers will be opened for evaluation / negotiations but the price bids will not be opened. The procedure for placement of orders on trial basis is explained in [Para 18.0](#).
- 11.5 The tender box shall be opened immediately after specified closing time on the last day of submission of tender in the presence of executive of P&C Department, in-charge of tender opening for the day.
- 11.6 All tenders received by post / fax / e-mail / courier or through tender box, shall be sorted out by the Tender Opening Cell in the presence of the
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tender opening officers, assigned for the purpose and put up for opening after listing in the prescribed register.

- 11.7 For opening the tenders, a minimum of  $X+2$  offers should have been received ('X' is the number of supplier / contractor on whom order is to be placed). The dealing executive will inform the Tender Opening Cell, the minimum number of offers required in each case. In case of 2 / 3 part quotation, there should be minimum  $X+2$  techno-commercially acceptable offers in all cases provided that:
- (a) In case of open / global tenders, if less than the specified ( $X + 2$ ) numbers of offers are received; same can be processed without going for re-tender / tender opening date extension with the approval of the authority one stage higher than the authority competent to approve the enquiry proposal or CEO (BPSCL).
  - (b) In case of LTE, if less than specified  $X + 2$  number of offers are received in the first attempt, a second attempt may be made by inclusion of new vendors or extension of due date if there is no scope of adding new vendors. In case adequate number ( $X + 2$ ) of offers are not obtained even in response to the second attempt, the offers received shall be processed with the approval of the authority, one stage higher than the authority competent to approve the enquiry proposal. Where the approving authority of Enquiry proposal is the CEO (BPSCL), the approving authority for processing the case where offers received are less than  $X + 2$  shall also be the CEO (BPSCL), who shall have full powers to approve such proposals.
- 11.8 Offers received against Single Tender cases can be opened before or after the tender opening date by the dealing P&C Department Executive. Where the offer is received after the tender opening date such offer will not be considered as late / delayed offer in respect of STEs.
- 11.9 For the purpose of opening, tenders shall be classified into following categories:
- i. Regular tender: Received within the due time and date prescribed in the tender notice issued by P&C Department against Limited Tender / Open Tender.
  - ii. Late / delayed tender: Tenders received after the due date and time of receipt prescribed in the tender notice issued by P&C Department against Limited Tender / Open Tender.
  - iii. Unsolicited Tenders: Tenders submitted by firms to whom tender
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enquiries were not issued or tender received from firms who have neither purchased tender papers nor paid the tender fee for downloaded tenders, in case of advertised tenders

- 11.10 Regular tenders shall be opened on the appointed date and time of tender opening.
  - 11.11 Delayed / Late Tenders will not be opened.
  - 11.12 Unsolicited tender after opening will not be considered. However, in case of LTE issued to registered manufacturers, a tender received from the authorized dealer of the registered manufacturer along with the authorisation letter of the manufacturer to whom the enquiry was originally issued shall not be considered as unsolicited. [Para 9.3.8](#) may also be referred.
  - 11.13 In the event of a 2 / 3 part tender received in only one part and not meeting the requirement of separate sealed covers, the tender shall not be considered.
  - 11.14 Any modification to the original tender after due date of tender opening shall also be treated as unsolicited and rejected.
  - 11.15 Tenders not accompanied by requisite Earnest Money, where Earnest Money is stipulated in the tender condition, shall be treated as invalid.
  - 11.16 Limited Tenders for indent value of Rs.10 Lakhs and above, and Open Tenders shall be opened in the presence of such tenderers who might choose to be present at the time of opening. Signatures of the authorised representatives of the firms present during tender opening shall be obtained. The following information depending upon the part of quotation opened, shall be given to the tenderers present during the opening:
    - i. Names of all the tenderers,
    - ii. Details of items offered,
    - iii. Prices, including discount, if any, and other elements,
    - iv. Delivery period,
    - v. Terms of payment.
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- 11.17 In case a person represents more than one tenderer, while witnessing the tender opening, it should be recorded in the file to examine the possibility of cartel formation and remedial action.
- 11.18 Where tenders are issued in 2 / 3 parts, only the techno-commercial bids (including that of trial parties) shall be opened on the tender opening date. The price bid shall not be opened, but, after signing on the envelopes, shall be kept under lock and key till the receipt of final technical / commercial recommendations from the Indenter / Consultants / Negotiating Committee. In case, the quoted techno-commercial bids are in conformity to that of the tender, the price bids received shall be considered for opening. In case the techno-commercial bids need to be discussed and clarified by the tenderers, clarification meetings should be held with them in accordance with clause number 14.2.3.
- 11.19 The price bids received against Limited Tenders for Indent value of Rs. **10** Lakhs and above, & Open Tenders shall be opened in the presence of tenderers who might choose to be present at the time of opening.
- 11.20 All the correspondence in respect of clarifications / confirmations, whether it be technical or commercial shall be dealt through P&C Department only till the final placement of order. Thereafter, while routine follow up shall be done by the executing agency under intimation to the P&C Department, all the matters having financial / commercial implications will still be dealt with by P&C Department only.
- 11.21 At the time of tender opening, each page of the original quotation shall be signed by the tender opening Executives with date. Alterations, over-writings or corrections shall be initialed with date.
- 11.22 Wherever basic price or discount, etc., are indicated only in figures and there is any over writing, such figures shall be mentioned in words and duly signed by the tender opening executives.
- 11.23 Any columns left blank by the tenderers in their quotation shall be crossed out by the tender opening officers and duly initialed.
- 11.24 Each original quotation must be numbered as Y / X where Y will be the running serial number of the pages in the quotation; X will be the total number of pages in the quotation received.
- 11.25 All the envelopes including the postal envelopes should also be signed and kept in file.
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- 11.26 The details of tenders received shall be recorded in the proforma prescribed, duly signed by the tender opening officers.
- 11.27 Information regarding receipt of earnest money wherever applicable, or otherwise, shall be recorded.
- 11.28 Where for any reason the due date and / or time of opening the tenders is extended, the concerned Executive shall intimate all the firms to whom the tender papers had been sent irrespective of the number of quotations already received, the revised tender opening date and time.
- 11.29 Where party / parties request for extension in tender submission date and / or time, the extension may be allowed with the approval of competent authority for recorded reasons.
- 11.30 Where documents like work experience certificates, PAN Number and partnership deed etc., are called for in tender evaluation, the receipt of these shall be ensured and such documents shall be considered by the Tender Committee as part of the total tender.
- 11.31 **RETURN OF UNOPENED PRICE BIDS:**  
The unopened hard copies of price bids of the parties whose offers have not been techno-commercially accepted and it has been decided that price bids of such parties will not be opened, such unopened price bids should be returned to the parties within 10 days from the date of price bid opening. In addition to the price bids, invalid, unsolicited and late offers are also to be returned back to parties within 10 days of tender opening.

## **12.0 COST OF TENDER DOCUMENTS:**

In case of open tendering by press advertisement, the tender documents fee shall be decided on the basis of estimated value. No cost of tender document is required for LTE and STE. Accordingly, the cost of documents for different categories as under will be regulated as below.

### **A. FOR PURCHASE / MISC. WORKS / ANY CIVIL WORKS / SERVICE-CONTRACT / AMC / RC**

<b>Sl. No.</b>	<b>Estimated value of Indent</b>	<b>Cost of documents</b>
1.	Upto Rs. 25 lakhs	Rs.500/-
2.	Above Rs.25 lakhs upto Rs.100 lakhs	Rs.1000/-
3.	Above Rs.100 lakhs upto Rs.500 lakhs	Rs.3000/-
4.	Above Rs.500 lakhs	Rs.6000/-

## B. FOR NEW PROJECTS / R&M WORKS / RLA STUDIES

Sl. No.	Estimated value of Indent	Cost of documents
1.	Upto Rs.100 lakhs	Rs.1500/-
2.	Above Rs.100 lakhs upto Rs.700 lakhs	Rs.3500/-
3.	Above Rs.700 lakhs upto Rs.2000 lakhs	Rs.6000/-
4.	Above Rs.2000 lakhs upto Rs.5000 lakhs	Rs.15000/-
5.	Above Rs.5000 lakhs	Rs.25000/-

Small scale industries registered with NSIC shall be issued the Tender documents free of cost subject to production of the documentary evidence like valid Registration Certificate from appropriate Govt. authority giving details such as— Validity, Stores etc.

### 13.0 EARNEST MONEY (EM)

13.1 Earnest Money is aimed at protecting the organization against irresponsible offers but should not be so high as to discourage tenders. EMD should be taken in all cases of open tender and in case of LTE wherever considered necessary. Non requirement of EMD, if any, in open tender should be decided on case to case basis by the Head of P&C Department. The amount of EMD is to be specified in the tender document in terms of absolute value as per the following indicative schedule.

Tender value (Rs.)	Earnest Money (Rs.)
Upto 1 lakh	1000
Above 1 lakh to 10 lakhs	5000
Above 10 lakhs to 50 lakhs	15000
Above 50 lakhs to 2 crore	1 lakhs
Above 2 crore to 10 crore	5 lakhs
Above 10 crore to 25 crore	15 lakhs
Above 25 crore to 50 crore	35 lakhs
Above 50 crore to 100 crore	65 lakhs
Above 100 crore to 500 crore	150 lakhs
Above 500 crore to 1000 crore	300 lakhs
Above 1000 crore	500 lakhs

13.2 Micro & Small Enterprises (MSEs) / PSUs / Govt. Undertakings and Co-operative Societies etc., may be exempted from submission of EM as per Government policy. For MSEs, the exemption from Earnest Money is to

be granted only on submission of valid notarized copy of certificate having a valid Entrepreneurs Memorandum (EM) number. SSI / NSIC certificate holders should also submit a copy of Entrepreneurs Memorandum.

- 13.3 EM may be accepted in the form of demand draft, pay order, Banker's Cheque or Bank Guarantee (BG) from any Scheduled Commercial Bank except Co-operative and Gramin Bank.

The tenderers should be asked to submit EM in a separate envelope and not to enclose the same with any part of the quotation. No request for adjustment of earlier dues in place of EM should be entertained.

#### 13.4 RETURN OF EARNEST MONEY

The EM provided by the tenderers along with the tenders should be returned to the unsuccessful tenderers within thirty days from the date of opening of price bid / issue of LOA / placement of purchase order / signing of the job contract, whichever is later.

In the event the tender of any party is rejected during the course of Techno-Commercial Scrutiny and Evaluation, the EM should be returned to such tenderer within seven days from the date of rejection of its offer.

#### 14.0 SCRUTINY OF QUOTATIONS

##### 14.1 SINGLE PART QUOTATIONS

- 14.1.1 In case of single part quotations (i.e., when the Technical / Commercial terms are firm and not subjected to negotiations and only LTE has been raised as explained under Para 6.1) the quotations after opening and scrutiny about their completeness, shall be forwarded to the Indenter wherever required or the Tender Committee within two days from the date of opening by the P&C Department for recommendations on specified forms after technical and commercial scrutiny.

- 14.1.2 The indenter will send to the P&C Department its clear-cut recommendations within seven days from the date of receipt of tender by the indenter. Where the estimated prices and finally assessed value based on actual prices is beyond the permissible range of variation, the Indenter should specifically comment on the basis of his estimation and the reasonableness of quoted price.

In case the Tender Committee is to give the recommendations for placement of order / award of contract on receipt of quotations/ tenders, the Tender Committee will send its recommendations for approval of the Competent Authority, for placement of order / award of contract.

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14.1.3 The parties who quote as per the tendered specifications / commercial terms will not be rejected on the basis of incapability in case of LTE since LTE is issued to proven registered parties only. However, the quotations which do not conform to the tendered specifications / commercial terms (including the conditional offers) will be rejected.

14.1.4 No change in specifications shall be done at Tender Scrutiny stage. In case of any change in specifications, re-tendering will have to be resorted to.

## 14.2 2/3 PART QUOTATIONS

14.2.1 The techno-commercial bids after its opening as per [Para 11.17](#), shall be evaluated by the indenter / tender evaluation committee and wherever applicable, comments recommendations of the consultants would be obtained. Indenter shall scrutinize the technical part and P&C Department shall scrutinize the commercial part of the bids. In case evaluation is done by the indenter, a comparative statement of techno-commercial scrutiny of all the tenders shall be prepared and given along with its recommendations to the P&C Department within seven days of the receipt of the techno-commercial bids.

14.2.2 The Technical & Commercial Evaluation Committees may discuss the techno-commercial bids with the tenderers. After completion of discussions and freezing the techno-commercial conditions, the Technical & Commercial Evaluation Committees shall submit their recommendations to the Tender Committee. After due deliberations, the Tender Committee shall open the valid price bids for final evaluation of the tender including the price and submit its recommendation for the approval of the Competent Authority for placement of order / award of contract to the suitable tenderer.

14.2.3 During clarification meetings with the tenderers and clarifications / confirmations / details being sought from the tenderers, the basic features of the scope of supply / job, specifications and the technical & commercial conditions stipulated in the tender specifications / documents should not be changed. However, if details of the scope of supply / job, work, specifications, techno-commercial terms and conditions are not provided / described clearly in quotation, the same should be sought from the tenderers during clarifications meetings. After techno-commercial discussions & clarifications with the tenderers and freezing of the techno-commercial specifications / conditions, the tenderers should be advised to confirm the validity of their price bids already submitted. In case, tenderers desire to update their price bids it should be properly deliberated by the tender committee and may be permitted only under exceptional circumstances to be recorded in writing and with the approval of the competent authority. However, in such cases, all the techno-commercially

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acceptable tenderers may be permitted to submit incremental / decremental / revised price bids with respect to their original price bids by a fixed date and time. If additional items have been included after techno-commercial discussions, tenderers may be asked to submit a separate price bid for the additional items only and price evaluation done accordingly.

The initial price bid and revised price bid / increment-decrement shall be opened together.

14.2.4 In case where the techno-commercially acceptable vendors are frozen for an extended period of time and subsequently price bids are taken on a periodic basis, new vendors may be permitted to submit their techno-commercial bids. For Limited Tender cases, the credentials of the new party may be got verified before allowing submission of the techno-commercial bid. In case of open tender, such tenders should be kept alive in the website for such procurement period. Bid of the new vendor can be evaluated and in case the bid is found to be suitable the same shall be considered for price bid opening / reverse auction along with the regular panel of suppliers in the subsequent price discovery cycle.

14.3 In case any specific adverse report is received against a tenderer, as an information or upon enquiry made by BPSCL, in respect of capabilities and performance of the tenderer, after receipt of tender but before the opening of the Price Bids, the quotation / tender submitted by such tenderer shall be rejected on the basis of recorded reasons and with the approval of the Competent Authority. If such report is received after opening of the price bids, then also the quotation / tender of that tenderer shall be rejected after recording the reasons and with the approval of the Competent Authority.

#### 14.4 OPENING OF PRICE BIDS

14.4.1 After completion of the techno-commercial scrutiny, as explained in para 14.1 and para 14.2, the price bids shall be opened and evaluated. Prior to price bid opening, if approval for opening of less than X+2 offers has already been taken at techno-commercial bid opening stage and no further rejection of offers has taken place after techno-commercial evaluation, no further approval is required for price bid opening.

If X+2 or more number of offers were available at the techno-commercial bid opening stage and there are less than X+2 offers for price bid opening, prior approval of authority one stage higher than the authority competent to approve the enquiry proposal or Chief Executive shall be taken.

#### 14.5 COMPARATIVE STATEMENT OF PRICE BIDS

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- 14.5.1 The Comparative statement shall indicate the item wise prices, rebates (if any) taxes, duties, packing & forwarding charges, freight & insurance, etc., as applicable for all the accepted tenderers. The factors and the method of their application, which have been prescribed in the tender documents (Ref. [Para 10.5](#)) will be used while working the overall price in the comparative statement. If any additional factor has emerged during techno-commercial clarifications meetings, to be adopted for evaluation of the tenders, then in that case an opportunity should be given to all the tenderers to confirm such an additional factor to be considered for evaluation of tenders.
- 14.5.2 To arrive at a comparable landed cost at the Plant, relevant IPSS for tender evaluation for stores & spares shall be followed.
- 14.5.3 The evaluated prices as per [paras 14.4.1 to 14.4.3](#) worked out in the comparative statement for different tenderers will be ranked as L-1, L-2, L-3.....L-1 being the lowest. The estimated price, as per the indent and its percentage variation from the total quoted price worked out as per comparative statement for each tenderer, will also be recorded in the comparative statement.
- 14.5.4 The evaluated price of the L-1 tenderer should be compared with the estimate and the reasonability of the offered price may be examined by the Tender Committee / Committee comprising the representatives of P&C, Indenter and F&A. The committee may seek advice of the agency who has prepared the estimates on the reasonability of the estimates.
- 14.5.4.1 In case, the tender committee / committee agrees with the reasonability of the estimated price and tenderers were asked to re-submit price bids after techno-commercial discussions, the original price bids submitted by the tenderers, may be opened with the approval of Competent Authority for recorded reasons to judge if cartel has been formed by the tenderers after techno commercial discussions.
- 14.5.5 If some or all the items in the tender are parts of the same assembly / sub-assembly or otherwise identified as matching / complimentary parts by the indenter in the Indent (in case of job contracts if some or all the items of work tendered are to be executed by one contractor only) as explained in [paras 3.2.5 and 3.3.3](#), overall quoted price of all such items / jobs will be considered while preparing the comparative statement.
- 14.6 For capital sanction / AMR cases, the technical evaluation shall be done by the specified agencies / consultant and final recommendations shall be forwarded to P&C Department.
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15.0 DELIVERY PERIOD CONSIDERATION:

No weightage should be given for early delivery of goods/early completion of works than that mentioned in the NIT. In case any bidder offers belated delivery/ completion schedule for 2-part bid, there may be option to pursue the bidder to match the delivery clause/ completion schedule of NIT, provided same has not been declared in deviation schedule by the bidder. Date of delivery is to be reckoned as the date of receipt of materials/goods by the consignee. However In case of ex-works basis, the delivery date will be considered as date of consignment note.

16.0 PURCHASE / CONTRACT PROPOSAL

16.1 As a policy BPSCL will fix the  $\pm$  range for purchase proposals &  $\pm$  range for contract proposals for deviations in the estimated price for acceptance of the total evaluated price of tenderers as worked out in the comparative statement. This range may be different for different types of Indents as well as for different values of Indents. The approval of CEO (BPSCL) shall be taken on such ranges of deviation from the estimated price, which may be reviewed once in a year.

16.2 In case order is to be placed on one party only and the L-1 tenderer is within the specified range of estimated price and the party has offered full tendered quantity / scope of work, proposal for placement of order on L-1 tenderer will be made and processed.

16.2.1 In case, the L-1 tenderer as indicated in [Para 16.2](#), has not offered full quantity / scope of work, the L-1 party may be asked to confirm full / increased quantity / scope of work; and the quantity / scope of work so confirmed shall be ordered on that party. This will be subject to meeting satisfactory capacity / performance criteria. The balance quantity / scope of work, if any, can be ordered as follows:

- i) All the remaining technically and commercially acceptable tenderers be asked to offer maximum quantity up to the uncovered quantity / scope of work and match L-1 price. Offers of such tenderers who match L-1 price may be accepted for the quantity / scope of work offered by them in order of their rankings.
- ii) If the full quantity / scope of work is still not covered at L-1 price after step (a) above, the balance quantity / scope of work can either be re-tendered or cancelled with the approval of the Competent Authority as per DOP.

16.3 In case the order is to be placed on more than one tenderer as specified in the Indent / Tender Document and the L-1 price is within the approved

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limits of estimate, then the tenderers will be asked to match their prices with L-1 rate for distribution of the items / jobs to be ordered. Only the tenderers, who agree to match their prices with L-1 rate, will be considered for the distribution of order.

16.3.1 For splitting the order quantity / scope of work among more than one tenderer, the basis will be their original rankings as per the comparative statement. The allocation will be in the descending order with L-1 getting the highest share. The distribution pattern for splitting the order into 2 / 3 / 4 parties will be broadly as indicated below:-

In case of distribution for Ratio for Original Ranking L-1 L-2 L-3 L-4 L-5 L-6 L-7 L-8

Two parties 70:30

Three parties 60:25:15

Four parties 50:25:15:10

Five parties 40:25:15:10:10

Six parties 35:20:15:10:10:10

Seven parties 30:20:10:10:10:10:10

Eight parties 25:15:10:10:10:10:10:10

However, capability, capacity and past performance will be kept in view for the allocation of quantity to multiple sources. In addition to the above, in case more than one party has the same rank, then their share will be added and equally distributed. For example, if distribution is to be made among six parties and two parties have the same ranking of L-2 i.e. the original rankings are L-1, L-2, L-2, L-3, L-4, L-5, then from the above table, the distribution shall be

L-1 35%

L-2 17.5%

L-2 17.5%

L-3 10%

L-4 10%

L-5 10%

Similarly, if three parties have the same ranking, viz. L-1, L-1, L-1, L-2, L-3, L-4, then the distribution shall be:-

L-1 23.33%

L-1 23.33%

L-1 23.33%

L-2 10%

L-3 10%

L-4 10%

However, in case of tie among the same ranking parties i.e. in a situation where ranking is L-1, L-1, L-2, L-3, L-3, L-3, L-4, and only four parties are to be considered for placement of order, the distribution shall be

L-1 37.5%

L-1 37.5%

L-2 15%

L-3 10% and only one party among the three L-3 parties to be selected through draw of lot in the presence of their representatives.

16.3.2 In case more than one tenderer is qualifying as L1, after price evaluation and the order is not to be split, the placement of order shall be done after obtaining reduced revised price bid from the L1 tenderers and if still there is a tie among L1 tenderers then to discover the final L1, draw of lots shall be held in presence of the tenderers who chose to be present.

16.4 For job contract cases, if the L-1 price is not reasonable as compared to the estimated price(refer [Para 16.1](#)), the tenderer (including all other tenderers under split order which match with L-1 price or prices considered for placement of order are less than the lower range of estimated price), will be asked to justify the rates quoted. On non-acceptance of justification / refusal of the same, the tenderer will be asked to furnish Performance Guarantee Bond equal to the amount which will be the difference between lower limit of estimated price and the quoted price of tenderers. The tenderers, who refuse to comply with this, action will be taken as per [para 10.12](#).

In case the L-1 tenderer is able to justify his rate, and found to be workable by the tender committee, or credentials of the party are established, then Performance Guarantee Bond may be waived with the approval of Next Higher Authority / Chief Executive Officer.

The Performance Guarantee Bond, wherever required, should be taken in the form of Bank Draft / Bank Guarantee from any scheduled commercial bank except Co-Operative & Gramin Bank only. In case the contractor has any outstanding amount with the company against a different tender, the same should not be adjusted for this purpose.

16.5 Wherever voluntary reduction in prices is received after opening of the price bid and / or after the expiry of time limit fixed for re-bids, such reduction in price will not be taken into account for the purpose of evaluation and ranking for placement of order, while making the purchase / contract proposal. Appropriate recording shall be made in the file to this effect.

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- 16.6 Where the voluntary reduction in price is given by a tenderer, who is otherwise eligible to get order on the basis of bids received before the scheduled date and time, the order would be placed at a price taking into account the voluntary reduction offered by the party.
- 16.7 For any preferential treatment to Local MSEs BPSCL shall prepare a detailed scheme for placement of order with approval of competent authority.
- 16.8 The proposal for purchase preference to PSUs / Government organisations shall be based on the extant guidelines issued by the Government of India.
- 16.9 Besides giving preferential treatment to MSEs in terms of, exemption of EMD and fee for tender document, purchase preference is also to be given to MSEs as per extant guideline of Government of India.
- 17.0 PRICE NEGOTIATIONS
- 17.1 There should be no post tender negotiations except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items, items with limited source of supply, and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
- 17.2 Negotiations, if required, should be conducted with the L-1 bidder only, with the approval of Competent Authority. Convincing reasons must be recorded by the authority recommending negotiations. Negotiations should be held by the Tender Committee / Committee consisting of executives from Purchase / Contract Department, Indenting Department and Finance Department. The Committee must record reasons and outcome of the negotiations.
- 17.3 Where quantities are to be distributed on multiple parties, the other parties L-2, L-3, L-4... need to match the L-1 prices. The matching of prices, to avoid placement of order on differential price, shall not be treated as counter offer or negotiation.
- 17.4 In case L-1 backs out, re-tendering should be resorted to in a transparent and fair manner without considering the backed out tenderer.

Besides forfeiting the EMD submitted by the said tenderer, the tenderer shall be kept under hold without issue of tender enquiries up to next 6 months including barring participation in open tenders with the approval of concerned HOD.

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- 17.5 For cases up to Rs.10 lakh (Rs.40 lakh for import cases), asking for discount through correspondence shall also be permissible in such cases.
- 17.6 Order on more than one party shall be considered only if such stipulation was made in the NIT as explained in [Para 10.10](#).
- 17.7 During price negotiations, changes in the already decided techno-commercial terms shall not be allowed and no increase in price is permitted.
- 17.8 The negotiations and decision for placement of order must be completed within the validity period of the offers. Wherever necessary, the extension of validity period by the parties concerned should be ensured.
- 18.0 TRIAL PURCHASE / WORK ORDER
- 18.1 The total quantity to be ordered on trial basis shall be determined and approved at the time of issue of tender. Tender enquiry for trial order may be issued only with the approval as per DOP.
- 18.2 After evaluation / negotiation of techno-commercial bids as explained in [paras 14.2.1 and 14.2.2](#), technically suitable parties will be selected for consideration for placement of trial order.
- 18.3 The price bids of the above mentioned technically suitable trial parties shall be opened and evaluated as explained in [Para 14.4](#). The evaluated price of trial parties will be ranked as TL1, TL2, TL3.... where TL1 is the lowest evaluated price.
- 18.4 If the evaluated TL1 price is less than or equal to the established L-1 rate (received against regular LTE for the same item), then the trial order for the approved quantity will be placed.
- 18.5 In case trial order is to be distributed among more than one trial parties, the other trial parties will be asked to match their prices with TL1 and then the trial quantity will be distributed as per table given in [Para 16.3.1](#). However each party should be given the minimum trial quantity and in case this necessitates increase in trial quantity the same may be considered.

No risk purchase action shall be taken in trial cases.

Detailed trial procedure may be formulated.

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- 18.6 If TLI price is more than the established L-1 rate, the trial parties in order of their ranking who accept L-1 rate will be considered for, placement of trial order as per [paras 18.4 and 18.5](#).
- 19.0 ISSUE OF ORDER FOR PURCHASE / JOB CONTRACT
- 19.1 The Order shall be placed in the standard proforma after obtaining approval of the Competent Authority as per DOP.
- 19.2 The escalation / variation clause, where envisaged or insisted upon, should be carefully drawn up to avoid disputes at a later stage and does not give undue benefit to the suppliers / contractors. The basic elements on which escalation is agreed upon constituting the price at the time of placement of the order should be verified and their authenticity confirmed and the escalation formula and the authentic index to be relied upon for this purpose should be clearly laid down.
- 19.3 All orders should be self-contained and should have proper stipulations like Payment Terms, Liquidated Damages and Risk Purchase / Contract clauses, etc. to ensure timely supply of the material / execution of jobs.
- 19.4 In case a party is selected to supply material / execute a job contract at higher price against a subsequent tender, but whose supply of the material / execution of job contract against the earlier order at lesser price is not yet complete for reasons attributable to the supplier / contractor, it will be ensured that the supplies are made / jobs executed first against the earlier order before being considered against the subsequent order
- 19.5 The time for award of contract by the Competent Authority, should not exceed one month from the date of submission of recommendations.
- 19.6 Any order placed / work awarded on Single Tender / nomination basis valuing Rs. 1 Crore & above shall be reported to BPSCL Board on quarterly basis. Internal Audit is required to check at least 10% of such cases.
- 19.7 POSTING OF POST CONTRACT DETAILS:

For all tenders above Rs. 50 Lakhs, the post tender contract details, stated as follows should be posted on the website:

Tender No. / Item or nature of work / Mode of tender, NIT date, type of Bidding (Single / two bid system) / last date of receipt of tender / no. of offers received / no. of parties not qualified after technical evaluation /

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whether contract was awarded on L-1 / Contract No. & value / scheduled date of completion of supplies.

## 20.0 EXTENSION OF DELIVERY / CONTRACT PERIOD AND LIQUIDATED DAMAGES (LD)

20.1 The time remains the essence of all major contracts / purchase orders awarded by BPSCL and all deliverables under a Purchase Order / Work Order needs to be completed within the contractual time schedule. Therefore, the provision has been kept in the contract/Purchase Order that in case of delay in completion, for the reasons attributable to the contractor, Purchaser/owner reserves the right to recover from the Vendor a sum equivalent to 0.5% of the value of the delayed materials / work / equipment / spares for each week of delay and part thereof subject to maximum of 5% of the total value of the contract as Liquidated Damage (LD).

LD is to be ascertained by the Indenting Officer.

In the event of any difficulty in deciding on the imposition of LD at the intermediate stages (specially in works/turnkey contracts) during execution of any contract provisional time extension may be granted with the approval of the competent authority as per delegation so that there is no problem in accepting delayed supply/works. Such provisional time extension shall be without prejudice to the right of BPSCL in levying LD and other rights as per terms of the contract. However, there shall be no restriction in issuing final extension order at any stage of the work wherever it is possible to do so.

In cases, where the works/supply/services extension beyond the contractual completion schedule/delivery period and provisional extension order is issued without deciding on the application of LD, no amount from the RA bill will be withheld in case where adequate retention payment (over and above SD) remains with BPSCL as per terms of the contract (10% payment is retained against supply and erection for turnkey contracts). In absence of such retention, admissible LD amount as decided CEO shall be withheld from their running bill till final decision on LD is taken.

Paying authority should not deduct the L.D. amount directly as the reasons for delay is not fully known to them. On receipt of materials/execution of contracts after expiry of scheduled delivery period/time of completion as per the contract, the Paying Authority should immediately clear the payment without waiting for formal delivery period / time extension order, withholding (not deduction) the extent of L.D. amount as applicable and inform the order issuing authority and indenting officer to resolve/settle the applicability of L.D. clause within a reasonable period enclosing the Vendor's appeal if any, thereafter the withheld L.D. amount to be regularized accordingly.

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Normally the concerned Vendor should make an appeal before expiry of scheduled contractual period to consignee and order issuing authority mentioning the reasons for delay.

If the delay is attributable to the vendor (can be ascertained as per calculation shown in the foregoing) as assessed by the order executing authority, LD Clause shall be imposed on the vendor even if the Corporation has not suffered any demonstrable actual loss for such delay, as it is a pre-estimated compensation only.

Equipment and materials will be deemed to have been delivered only when all its components, parts are delivered. If certain components are not delivered in time, the equipment & materials will be considered as delayed until such time all their parts/ components are delivered.

While finalizing final time extension, if Liquidated Damage is levied in each and every contract/Purchase Order undergoing delay in completion period, without examining the merit of the case and the taking relevant aspects into account, such a decision will not only be against the spirit of the contract/Purchase Order but may not ultimately be in the interest of BPSCL also. At the same time, cases involving loss/damages to BPSCL due to delays by vendor should not be dealt with leniently. Hence, in order to safeguard the long term and larger interest of BPSCL, the cases for imposition of Liquidated Damage need to be dealt with logically and rationally, maintaining consistency in approach by order executing authority. Accordingly, in the normal course, the cases of time extension/Liquidated Damage will be dealt with as per guidelines given hereunder.

Every delay has a cost. LD is basically pre-estimated loss to BPSCL in case of delayed delivery/delayed completion period of work. Damages, with reference to a contract, in the context of Liquidated Damage, can be defined as the amount adjudged to be paid by vendor to the owner as compensation for the loss sustained by the owner in consequence of the breach of contractual obligations pertaining to time schedule. The fundamental principle underlying the theory of damages is not punishment but compensation.

In contract / Purchase Order awarded by BPSCL delay in performance of the contract / Purchase Order may be on account of one or more of the following:

- (i) Reasons attributable to the owner viz. delay in giving approval of submitted drawings, in sending Inspector to carry out inspection at vendor's works, in issuing despatch clearance, in issuance of road permit etc.
- (ii) Reasons attributable to "Force Majeure" conditions as defined in the contract / Purchase Order.

Reasons attributable to the vendor viz., delay in the submission of drawings for approval, in getting the materials from vendor/vendor's principal/manufacturer in

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abroad, in getting the raw materials etc.

The proposal for time extension and decision on LD shall, accordingly, contain a detailed as detailed above, along with documentary evidence thereof to the extent feasible and relevant. Based on the analysis, the period of delay due to 'Force Majeure' and for reasons attributable to BPSCL shall be identified. The idea of the exercise is to find out the net delay, which is attributable to the vendor. Experience of LD cases dealt with in the past reveals that the all the three types of delay mentioned above are so much mixed up/intermingled, with one running concurrently with another, at intermittent stages that it becomes extremely difficult to directly identify the delay attributable to the vendor. As such, a practicable approach for working out the net delay attributable to the vendor, as described below, shall be adopted.

- i. Total delay that has occurred in a Contract = A
- ii Cumulative period of delay on account of "Force Majeure" = B
- iii. Cumulative period of delay on account of BPSCL = C
- iv. Concurrent cumulative period in (ii) & (iii) = X
- v. Cumulative period of delay on account of "Force Majeure" = B + C - X
- vi. Net period of delay attributable to the contractor, Z = A-(B+C-X)

In case the period Z, arrived at as per Para above, is not positive, the time extension, till the actual completion of the supplies, shall be allowed without any LD.

In case the period Z, arrived at as per Para above is positive, LD will be imposed as per rate indicated in the Purchase Order.

20.2 Extension of delivery / pre-ponement of contract period may be granted by the competent authority as per DOP.

20.3 For the portion of delay which is attributable to BPSCL / force majeure or to the supplier / contractor, the case shall be dealt with as follows:

A. Delay attributable to BPSCL/ Force majeure	
LD	Not Applicable
Taxes & Duties	Any increase in taxes and duties on account of statutory increase, fresh imposition of any duty or taxes which take place during such extended period shall be admissible / availed.
Price Variation	Price variation, if indicated in the Purchase Order / Contract, shall be applicable during such extended period.

B. Delay is attributable supplier / contractor

LD	Applicable
Taxes & Duties	Increase / fresh imposition of taxes and duties during the extended period will be to the account of the party. However, the same will be admissible to the extent for which CENVAT or setoff is admissible against these levies. Any decrease in taxes and duties during the extended period will be availed of.
Price Variation	Price variation, if indicated in the Purchase Order / Contract will be applicable for the quantity supplied / work performed within the scheduled period of Purchase Order / Contract. For supplies made / work executed during the extended delivery period, the rates as prevailing on the last day of the scheduled delivery / contract period only may be paid with the approval of the next higher authority. De-escalations / reductions, if any, which takes place, shall have to be passed on to BPSCL

20.3.1 For Project/ AMR cases, relevant clause of SBD may be referred to.

## 21.0 AMENDMENTS TO PURCHASE / CONTRACT ORDER

Amendments to the Purchase / Contract Order should be rare. In exceptional cases, amendment may be issued for the recorded reasons with the approval of Competent Authority as per DOP.

## 22.0 PAYMENT TERMS

Payments should be made strictly according to terms & conditions as indicated in Purchase Order (PO) / Contract. Deviation, if any, in payment terms should be approved by Competent Authority with the concurrence of HOD (F&A).

### **22.1 GENERAL PAYMENT TERMS**

The normal payment term of BPSCL for supply order is '100% payment with full taxes & duties will be made within 30 working days of receipt of material at site and inspection & acceptance thereof' or within 30 working days of submission of invoice whichever is later. However, payment terms for POs placed directly on manufacturer may also be done as below:

90% of the ordered value to be paid against despatch documents through bank subject to acceptance of SDBG, if applicable. Balance 10% of the ordered value to be paid after receipt of materials at site and acceptance thereof.

Provision of part payment against part supply of consignment at consignee's end may be incorporated in Purchase order on the merit of the case (only if the part consignment can be used independently), provided necessary stipulation is made in the bid document.

The payment terms for works/service contract may be regulated as below:

90% of contract price for works/service contract against RA bills. This also includes initial advance, if any and remaining 10% after completion of the contract.

## **22.2 PAYMENT FOR TURNKEY PROJECTS**

The payment terms for supply and erection & commissioning for any Turnkey contracts may be regulated as follows:

### **22.2.1 Supply portion only:**

70% of the Ex-works price /ordered value of supply (of bought out items) with full taxes and duties as applicable after adjustment of advance, if any, will be paid against proof of despatch (viz. R/R, L/R) , detailed invoice / packing list, warranty certificate, test certificate, insurance policy / certificate, dispatch clearance. 20% of the Ex-works price / order value of supply (in case of bought out items) after receipt of the materials and inspection and acceptance at site. However, for spares, balance 30% shall be paid after receipt of materials and inspection & acceptance at site.

Remaining 10% after complete erection and commissioning & testing and handing over.

### **22.2.2 Erection & Commissioning:**

90% of contract price for Erection & commissioning to be made against RA bills. This also includes initial advance, if any. Remaining 10% after complete erection and commissioning & testing and handing over.

## **22.3 ADVANCE PAYMENTS**

### **22.3.1 Mobilization advance:**

Advance payment is normally discouraged. In exceptional circumstances, interest-bearing advance to the extent of 10% of contract price may be given against submission of a BG taken towards security of the advance should be at least 110% of advance so as to recovery of not only principal amount but also interest portion if so required.

The BG wherever applicable should be valid up to the date of completion of works/supply and acceptance thereof.

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Advance should not be paid in less than two installments except in special circumstances for that reasons to be recorded.

A clause in the tender enquiry to be incorporated that the interest free advance would be deemed as interest bearing advance at a base rate plus 2% of SBI if the contract is terminated due to default of the contractor.

Advance should be recovered within the original completion time.

**22.3.2 Other advance:** provision for 100% advance (interest free) may also be allowed in dealing with procurement on single tender basis from CPSU/Govt. controlled autonomous Organisation / Universities / Laboratories/ Reputed Private Manufacturer as OEM etc.

Specific examples are: —

- a) Procurement of LDO/FO/HSD/Motor Spirit/Lubricants & Greases from CPSUs like IOC/HPCL/BPCL.
- b) Procurement of Steel from CPSUs like SAIL, IISCO, RINL etc.
- c) Procurement of Vehicles from Tata Motors, Hindusthan Motors, Maruti Udyog, Hero Hondo, Bajaj, Enfield etc.
- d) Testing/consultancy & other services from CPSUs like CMERI, CMRI, CPRI, CFRI, NTPC, IIT's, IIM's, NPC,BSNL etc. and
- e) OEM's who do not sell their product without advance.

Where a claim of Sales Tax/VAT is preferred and admitted, the supplier must satisfy that he is a registered dealer under the Sales Tax Act and possesses a Certificate of Registration in the firm's name in which the supply is made and shall in proof thereof, while submitting bills for payment, furnish the, number, date and other particulars of such certificate.

For materials which are ordered on weights/ volume, the payment should be as per measurement at BPSCL stores / sites irrespective of the quantity mentioned in the challans / documents, unless there is explicit provision in the Purchase Order/contracts. If there is 3<sup>rd</sup> party inspection, in the above cases, 3<sup>rd</sup> party inspection charges would be as per Weight/ Volume received at BPSCL end. The statutory charges and duties, however, have to be paid on actual as per documents received from the vendor.

The contractor/vendor shall furnish the following certificate to the Paying Authority along with each invoice/bill against payment for supplies made against any supply order/RC with longer completion period (more than a year), if the same is placed on firm price basis. 'I / we certify that there has been no reduction in the sale price of the stores of description identical to this item, supplied to any person/organization and such stores have not been offered/sold by me/us to any

person/organization at a price lower than the price charged under this contract upto the date of this bill.’

- 22.4 In case where delivery period has expired, documents sent through Bank should be released only on approval of the Competent Authority based on recorded reasons. Such approval should be obtained within seven (07) working days. In the case of payments through Bank, the Accounts Department after receipt of necessary advice from the concerned Bank will make payment to the Bank as per the terms of Purchase Order. In case the Accounts Department finds any discrepancy and is not able to get the documents released within two days, they will seek the instructions of P&C Department in writing and act accordingly. The documents thus received should be handed over to the Stores Department under intimation to the P&C Department.
- 22.5 Before release of final payment, the following should be ensured by the Accounts Department except where 100% payment is made through LC / Bank against dispatch documents or 100% against proforma invoice.
- i) The material both in quantity & quality and specification has been duly received as stipulated in the Purchase Order and has been taken on record by the Stores Department, evidenced by GRN and / or other specified documents.
  - ii) The recoveries which are to be made from the party have been made.
- 22.6 Running Account bills if payable as per contract and submitted by the contractors will be certified by the operating authority for the quality and volume of work executed and recorded in the Measurement Book. Bills of work executed by the contractor shall be jointly signed by the Operating Authority or his authorized representative and the contractor. These running bills will be sent to Finance for payment by the Operating Authority under acknowledgment obtained from the Finance Department.
- 22.7 To check fraudulent payment of bills, BPSCL should prepare elaborate system for inter-department forwarding / receipt / acknowledgment of various documents. Proper system of numbering the bills also be laid down to avoid duplicate payments.
- 22.8 The Accounts Department should immediately on receipt of a bill, examine the availability of all supporting documents. In case of discrepancies, the dealing officer within two days of receipt of the bill should refer the matter in writing to the Stores Department / Operating Authority.
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22.9 Bills completed in all respect received by Finance Department should be paid on First in First out (FIFO) basis.

22.10 For bills, more than Rs. 1 Lakh completed in all respect, pending with Finance where payment has been delayed beyond 30 days from due date, the details along with reasons, should be forwarded by the Head of Finance to the CEO (BPSCL), on a monthly basis.

### 23.0 TAXES

23.1 If any tenderer does not ask for duties, taxes, levies, etc. extra in his quotation and if this clause has accordingly been incorporated in the Purchase Order / Contract, the tenderer will not be eligible for payment towards this. If duties, taxes, levies etc. including excise duty, are quoted separately by the supplier and the same have been taken into consideration for calculating the landed cost, then the supplier must furnish the necessary documents and indicate each element for reimbursement, even though the same might not have been claimed separately in the bills. In case, the supplier fails to submit the requisite documents, the reimbursable amount on account of duties, taxes, levies as indicated in his quotation / the invoice / the Purchase Order / Contract shall be deducted from his bill. The same should be mentioned in the Purchase Order / Contract.

23.2 In case of supply, Sales Tax number & Excise registration number should be mentioned and in case of service contract, Service Tax registration number should be mentioned in the contract.

### 24.0 CANCELLATION OF PURCHASE / CONTRACT AND RISK PURCHASE

24.1 When it is intended to cancel the Purchase Order or Contract which has been kept alive after expiry of delivery period by the conduct of parties, it is necessary to issue a notice to the concerned party before actual cancellation giving a period of fifteen days or such period as Law Department may advise for supply of material without prejudice to our rights to recover LD as per terms of the contract. Where the order is not kept alive beyond delivery period by implication or conduct of the parties, cancellation should be issued by the P&C Department immediately after expiry of the delivery / completion period stating that quantities incomplete on the due date are cancelled and risk purchase will be made in terms of the relevant clause of the tender conditions of the contract. However, before placing the alternate order and cancellation of original

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order on the defaulting party approval of the next higher authority should be taken. Wherever necessary, Law Department should be consulted to protect the interests of the company.

- 24.2 For Risk Purchase action after issue of notice to the defaulting party a tender enquiry will be issued excluding the defaulting party for finalization of order on alternate source. Preferably the date of tender opening of the alternative tender enquiry and the expiry of risk purchase notice to the defaulting party should be about the same time. Notice should be given to the defaulting party with a view to provide it with last chance to effect supply and as such its response should be taken into account before deciding on the cancellation or alternate procurement through risk purchase.

The decision to place order and cancellation of the original order should be taken after consideration of the response of the defaulting party and the receipt of the offers against the enquiry.

- 24.3 For job contract cases, notice for execution of order on risk & cost of any contractor can be issued during valid period of contract also if contractor either fails to start the work within reasonable time, the progress of the job is poor or for any breach of contract.
- 24.4 After expiry of notice period and on finalization of the alternate purchase order / contract the left-over / un-serviced quantity in the original purchase order / contract should be cancelled and new order should be placed.
- 24.5 The Risk PO / WO should as far as possible be on the same terms and conditions as the original PO / WO (apart from delivery time), i.e., the goods should be of the same specifications, etc.
- 24.6 It should be ensured that Risk PO / WO is concluded within a reasonable time.
- 24.7 For details of actions to be taken, the Standard Risk Purchase Procedure published by CMMG /SAIL may be referred to.

## 25.0 VENDOR DEVELOPMENT

- 25.1 It shall be the continuous endeavour on the part of BPSCL to find out and / or develop substitutes / sources of supply with a view to reduce cost of input materials / services. Consideration may also be given to save foreign exchange.
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- 25.2 To achieve this objective, CEO (BPSCL) shall constitute a Vendor Development Cell (VDC) under HOD (P&C) which will co-ordinate and monitor all related activities
- 25.3 The need to develop a Vendor for an item / services shall be identified by P&C Department / concerned shop and shall be approved by concerned HOD. The requisition for such items shall be made by concerned department /P&C Department with the approval of the Competent Authority and shall contain :
- a) The existing practices / material / technology and their shortcomings.
  - b) The proposed practice / material / technology and the anticipated cost-benefit analysis.
  - c) Minimum quantity for conducting trial.
  - d) Minimum period for conducting trial
- 25.4 Such proposals may be scrutinised by a Committee comprised for this purpose under HOD (P&C). One month before the beginning of each financial year, the Committee shall identify the items and in consultation with VDC and the annual budget for the same would be got approved from the Chief Executive.
- 25.5 Before issuance of tender enquiry, the replacement specifications, functional requirements, input conditions, performance norms, relevant drawings, inspection procedures, method of conducting trials and outputs, etc., are to be worked out and finalised by the indenter / concerned department in consultation with Planning Department. The proposal shall also indicate the stage and final inspection criteria, procedures and methods of conducting trial.
- 25.6 Final acceptance of the item developed shall be done after field trial. The trial should be completed within the stipulated period from the date of receipt of material.
- 25.7 Evaluation of Performance: The trial shall be monitored by a Committee constituted for the purpose by the concerned Direct Reporting Officer (DRO) to the CEO (BPSCL).
- 25.8 The firms who successfully develop an item shall be encouraged with the
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placement of repeat order as per [Para 9.5](#) and such firms are then to be dealt with under the relevant IPSS for the future.

25.9 In case IPSS are prepared and issued on Vendor Development, the procedure laid down therein would be followed.

## 26.0 CLOSURE OF CONTRACT

26.1 All contracts where jobs have been completed in all respects including period of warranty / guarantee after its completion / commissioning, final acceptance certificate should be issued within one month thereafter.

26.2 Operating Authority shall process the final bill of the contractor as per the check-list for closure of the contract for submission to the Finance Department, along with the final acceptance certificate.

26.3 The final bill of the party shall be checked and passed by Finance Department and shall be released to the contractor as per laid down procedure to be developed by BPSCL.

## 27.0 PROCUREMENT THROUGH REVERSE AUCTION

After due approval of CEO (BPSCL), instructions issued by CMMG, Corporate Office, SAIL, from time to time w.r.t. "Guidelines on Procurement through Reverse Auction (RA)" shall be followed.

## 28.0 BANNING OF SUPPLIERS / CONTRACTORS

In case of default, bad performance, fraud, deception and misconduct, etc. by any supplier / contractor / vendor, action may be taken as per the instructions issued by SAIL / BPSCL from time to time w.r.t "Guidelines on Banning of Business Dealings".

## 29.0 PROCEDURE FOR SMALL VALUE PURCHASES

### 29.1 SCOPE

29.1.1 This procedure shall apply to indents of low value (Rs.5,000/- to Rs. 50,000/-). For indent value less than Rs.5,000/-, procurement as per existing practice (i.e. through imprest or through any other mode) shall be continued.

29.1.2 The same item shall not be procured more than twice in a year by an Individual Department and its cumulative value should not exceed Rs.

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50,000/- per year for a Department.

29.1.3 Items valued as above, may be clubbed into one indent having the same set of Vendors. However, the total Indent Value should not exceed Rs. 50,000/- .

29.1.4 Emergency purchase shall not be covered under this procedure.

29.1.5 For procurement of new items, necessary approval shall be taken as per DOP.

## 29.2 PROCEDURAL STEPS

### 29.2.1 Raising of Indent:

- a) Indents up to value of Rs. 50,000/- covering the annual requirement and including proprietary items need not be scrutinized by the screening committee under this Procedure. Indents shall be cleared by Head of Indenting Departments for further processing by the P&C Department.
- b) The same items shall not be procured more than twice in a year by an Individual Department and its cumulative value should not exceed Rs. 50,000/- per year for a Department. A certificate for the same shall be given by the HOD of the Indenting Department.
- c) Indents are to be raised based on availability of items in stores, dues-in, safety stock level and consumption pattern of the Department within the allocated Budget.
- d) Re-appropriation of the Budget allocated to a particular Department for procurement of small value items shall not be done.

### 29.2.2 Estimate Value

Estimate should be realistic with adjustment for variations in the prices of various elements including market conditions.

### 29.2.3 Issue of Tender Enquiry:

- a) LTE shall be sent to minimum 3 vendors preferably from the list of registered vendors maintained by the P&C Department. It should include the last supplier unless there is a satisfactory recorded reason to exclude them on performance basis. This shall be approved as per normal DOP. Dealers / Traders having required Sales Tax/VAT Registration can also be considered.
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- b) Tender Enquiry should mention that the following shall apply and no deviation would be accepted:
  - i. Specifications must be accepted by the Tenderer. Offers not conforming to tendered specifications shall be summarily rejected.
  - ii. Prices must remain firm during currency of the contract.
  - iii. To the extent possible, materials are to be dispatched in one consignment.
  - iv. Orders shall be placed on single source.
- c) In case of LTE to 2 firms, clearance of HOD (PP) and approval of next higher authority as per DOP for issue of enquiry is to be obtained.
- d) Indents for single tender (non-proprietary) will be cleared by GM (PP) / CEO as per DOP.

#### 29.2.4 Opening of offers:

Wherever less than X+2 offers are received, the case shall be processed with approval of next higher authority.

#### 29.2.5 Placement of Order:

- a. In case of procurement of multiple items in an Indent, the overall lot L1 Landed Cost Net of Set off (LCNS) shall be considered for placement of order even if the items are non-matching.
  - b. In case L-1 Price exceeds approved range of % deviations, the same, if required, to be considered with approval of CEO / next higher authority (as applicable), provided the prices are considered reasonable as per the prevailing market trend.
  - c. In case L-1 offer is not considered reasonable, P&C Department may correspond directly with the party to bring it in acceptable range with the approval of Next Higher Authority / CEO, failing which re-tendering may be resorted to with the approval of Next Higher Authority/CEO.
  - d. If L-1 firm backs out at any stage, the case may be reprocessed.
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- e. To the extent possible, supply against the orders under this procedure should be completed in one lot within the scheduled delivery period.

29.3 Pre-dispatch inspection shall not be applicable unless otherwise specified & materials shall be accepted against TC / GC / WC.

## 30.0 PROCEDURE FOR SMALL VALUE JOB / SERVICE CONTRACTS

### 30.1 SCOPE

- a) This procedure shall apply to job / service indents of low value (Rs.5,000/- to Rs. 50,000/-). For indents value less than Rs.5,000/-, existing practice shall be continued.
- b) The same job / service will not be contracted out more than twice a year by an individual department and its cumulative value should not exceed Rs. 50,000/- per year for a Department. A certificate to this effect shall be given by the Head of the Indenting Department.
- c) Emergency job / service contracts shall not be covered under this procedure.

### 30.2 PROCEDURAL STEPS

#### 30.2.1 Raising of Indents

- a) Indents shall be raised by the Individual Departments and same shall be approved by Head of Indenting Department for further processing by P&C Department. Such indents need not be scrutinized by the Departmental Screening Committee.
- b. The same type of job / service contract shall not be awarded more than twice in a year by an Individual Department and its cumulative value should not exceed Rs. 50,000/- per year for a Department. A certificate for the same shall be given by the HOD of the Indenting Department.
- c. Re-appropriation of the Budget allocated to a particular Department for small value contract shall not be done.

#### 30.2.2 Estimated Value

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Estimate should be realistic with adjustment for variations in the prices of various elements including labour rates, wages, etc.

### 30.2.3 Issue of Tender Enquiry

- a. LTE shall be sent to minimum 3 contractors preferably from the list of registered contractors. It should include the last contractor unless there is satisfactory recorded reason to exclude them. This shall be approved as per normal DOP.
- b. In case technical terms/specifications are frozen, Single Part Quotation may also be called.
- c. Tender Enquiry should mention that the following shall apply and no deviation would be accepted:
  - i) Tender terms / specifications must be accepted by the tenderer. Offers not conforming to tendered specification, terms and conditions, shall be summarily rejected.
  - ii) Prices must remain firm during the currency of the contract.
  - iii) Job shall be awarded to one contractor.
- d. In case of LTE to 2 firms, clearance of HOD (PP) and approval of Next Higher Authority as per DOP for issue of enquiry is to be obtained.

### 30.2.4 Opening of Offers:

Wherever less than three offers are received, the case shall be processed with approval of next higher authority / CEO.

### 30.2.5 Placement of Order

- a. Order shall be placed on overall L-1 tenderer.
  - b. In case L-1 offer exceeds the approved range of % deviation, the same may be accepted with the approval of Next Higher Authority / CEO for acceptance of tender as per DOP, provided the prices are considered reasonable as per prevailing market trend.
  - c. In case L-1 offer is not considered reasonable, P&C Department may correspond directly with the party to bring it to acceptable range with the approval of Next Higher Authority/CEO, failing which re-
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tendering may be resorted to with the approval of Next Higher Authority / CEO.

- d. If the L-1 tenderer backs out at any stage, the case shall be re-processed.

### 31.0 GENERAL

31.1 The employees associated with award / execution of contracts and purchase of items shall ensure that

- a) relevant provision of SAIL CDA Rules, 1977 are complied with,
- b) while dealing with relations, the relative shall be as defined in the Company's Act, 1956.

31.2 Tender enquiry format should have a clause making it compulsory for a bidder to declare whether the proprietor / partner / Director of the firm has any relation with any employee working in BPSCL or Director of BPSCL and if so, give the details and the relationship.

31.3 While procuring materials, the focus should be on electronic communication and efforts may be made to gradually shift the total procurement process on e-procurement only.

31.4 **PROCUREMENT OF IMPORTED COAL:** For import of coal “SAIL / DVC Policy for import of coal” shall be followed.

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ANNEXURE – A**CONSTITUTION AND APPROVAL  
OF TENDER COMMITTEE**

<b>Sl. No.</b>	<b>Level of the approval of the case</b>	<b>Level of T.C. members</b>	<b>Nomination of T.C. members</b>	<b>Approval of T.C.</b>
01	Dy. GM	E5 / E4 / E3	Departmental HOD	Departmental HOD
02	GM (PP)	E6 / E5 / E4	HOD / Dy. GM	GM
03	CEO	Head of P&C Finance, Indenting	HOD Concerned	GM (PP)
04	Board	Sub-Committee	Chairman	Chairman

Note: Tender committee should be constituted as per provisions of [para 10.20](#) of Procurement & Works Policy – 2015 for each tender valuing Rs.15 lakh and above.

**ANNEXURE-B****BANK GUARANTEE VERIFICATION CHECK LIST**

<b>CHECKLIST</b>	<b>YES</b>	<b>NO</b>
1. Does the Bank Guarantee compare verbatim with standard BPSCL Proforma for BG?		
2. a) Has the executing Officer of BG indicated his name, designation & power of Attorney No. / Signing Power number etc. on BG?		
2.b) Is each page of BG duly signed / initialed by the executants and last page is signed with full particulars as required in the BPSCL's standard Proforma of BG and under the seal of the Bank?		
2. c) Is BG no. and date mentioned on all pages of the BG.?		
2.d) Does the last page of the BG carry the signature of two witnesses alongside the signature of the Executing Bank Manager.?		
3. a) Is the BG on non – judicial stamp paper of appropriate value?		
b) Is the date of sale of non-judicial stamp paper is issued not more than six months prior to date of execution of BG?		
4. a) Are the factual details such as Bid specifications No. /NIT No. /LOA/PO No. contract price, etc. correct?		
b) Whether overwriting /cutting if any on the BG authenticated under signature & seal of executants.		
5) Is the amount and validity of BG in line with contract provisions?		
Is the foreign bank guarantee, confirmed by a Nationalized/Scheduled bank in India (as applicable)?  Whether the BG has been issued by a Nationalized Bank/non-Nationalized Bank Acceptable to BPSCL / Scheduled bank of India (the applicability of the bank should be in line with the provisions of bidding Documents). (on non-judicial stamp paper of appropriate value to be purchased in the name of the Bank).		

**ANNEXURE-C**

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

**FORM OF EXTENSION OF BANK GUARANTEE**

Ref. No. :  
Date.....

M/s Bokaro Power Supply Company (P) Ltd.  
Hall No. – M-01, Old ADM Building,  
Ispat Bhawan, Bokaro Steel City – 827001

**Sub:** Extension of Bank Guarantee No..... Dated ..... for  
Rs..... Favouring yourselves, expiring on ..... on account of M/s  
.....in respect of P.O. / W.O No. ....  
Dated.....

(Hereinafter called original Bank Guarantee)

Dear Sirs,

At the request of M/s..... We.....  
Bank Branch Office at.....and having its head  
office at .....do hereby extend the validity of the above  
mentioned Bank Guarantee No..... dated.....by another .....  
months/years and will now expire on..... with claim period upto .....

Except as provided above, all other terms and conditions of the original Bank Guarantee  
No.....Dated.....shall remain unaltered and binding.

Please treat this as an integral part of the original guarantee to which it would be  
attached.

Yours faithfully,

For.....  
Manager/Agent/Accountant  
Dated.....  
SEAL OF BANK

ANNEXURE-D

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

**PROFORMA BANK GUARANTEE FOR ADVANCE**

**(To be stamped in accordance with Stamp Act)**

Ref: ..... Bank Guarantee No.....  
Date: .....

To  
M/s Bokaro Power Supply Company (P) Ltd.  
Hall No. – M-01, Old ADM Building,  
Ispat Bhawan, Bokaro Steel City – 827001

Know all men by these presents that in the consideration of the Bokaro Power Supply Company (P) Ltd. (herein after referred to as the ‘Owner’, which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s..... with its Registered / Head Office at..... hereinafter referred to as ‘Contractor ‘ which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors, and assigns) a contract by issue of Owner’s Letter of Award No. .... dated ..... and the same having been unequivocally accepted by the Contractor, resulting into a Contract bearing No. .... dated ..... valued at ..... for..... (scope of work) contract (hereinafter called ‘Contract’) and the owner having agreed to make an advance payment to the Contractor for performance of the above Contract amounting to ..... (in words and figures) as an Advance against Bank Guarantee to be furnished by the Contractor.

We \_\_\_\_\_ (name of the Bank) having its head Office at \_\_\_\_\_ (address) (hereinafter referred to as the ‘ Bank’ which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the owner immediately on demand any or all money payable by the Contractor to the extent of \_\_\_\_\_ (in words and figures) at any time upto \_\_\_\_\_ without any demur, reservation, recourse, contest or protest and or without any reference to the contractors. Any such demand made by the owner on the bank shall be

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conclusive and binding notwithstanding any difference between the owner and contractor or any dispute pending before any court, Tribunal, arbitrator or any other authority. We agree that the Guarantee herein contained shall be irrecoverable and shall continue to be enforceable till the owner discharges this Guarantee.

The owner shall give the fullest liberty without affecting in any way the liability of the Bank under the Guarantee from time to time to vary the advance or to extend the time for performance of the Contract by the Contractor. The owner shall have the fullest liberty without affecting this Guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the contractor, and to exercise the same at any time in any manner, and either to enforce or to forebear to enforce any covenants contained or implied in the Contract between the Owner and the Contractor or any other course or remedy or security available to the Owner. The Bank shall not be released of its obligations under these presents by any exercise by the Owner of its liberty with reference to matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the law would but for this provision have the effect of relieving the Bank.

The Bank also agrees that on certification of the Owner the amount of the Bank Guarantee shall stand reduced to the extent so notified by the Owner semi-annual. It is further agreed that the reduction so notified by the Owner shall be conclusive and binding on the bank without any reservation.

The Bank also agrees that the Owner at its option shall be entitled to enforce this Guarantee against Bank as a Principal debtor in first instance without proceeding against the Contractor and notwithstanding any security or other Guarantee that the Owner may have in relation to the Contractor's liabilities.

We, (Name of bank.....), hereby further agree that the guarantee herein contained can be operable from its Bokaro Steel City Branch and shall not be effected by any change in the constitution of the SELLER / CONTRACTOR and / or PURCHASER.

Notwithstanding anything contained hereinabove, our liability under this guarantee is limited to \_\_\_\_\_ and it shall remain in force up to and including \_\_\_\_\_



@ \_\_\_\_\_ and shall be extended from time to time for such period (not exceeding one year) as may be desired by M/s. \_\_\_\_\_ on whose behalf this Guarantee has been given.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_\_\_\_ at \_\_\_\_\_

(Signature)  
Name Designation  
with Bank Stamp

Witness  
Signature

Witness  
Signature

Official Address

\* Strike out whichever is not applicable

@ The date will be 90 days after the date of completion of the contract.



**ANNEXURE-E**

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

**PROFORMA OF BANK GUARANTEE IN LIEU OF EARNEST MONEY DEPOSIT (EMD)**

Ref.....

Bank Guarantee No.....

Date.....

To  
M/s Bokaro Power Supply Company (P) Ltd.  
Hall No. – M-01, Old ADM Building,  
Ispat Bhawan, Bokaro Steel City – 827001

Dear Sirs,

In accordance with your Notice Inviting Tender for.....  
.....under your specification No.....dated.....M/s.  
.....(Name& full address of the firm) (Hereinafter called the Tenderer) hereby submit the Bank Guarantee:

Whereas to participate in the said tender for the following:

1. .... (Name & Description of the work/materials)
2. ....
3. ....

It is a condition in the tender documents that the tenderer has to deposit Earnest Money amounting to Rs. .... in respect to the tender, with Bokaro Power Supply Company (P) Ltd. (\*) (hereinafter referred to as “Company”) by a Bank Guarantee from a Nationalized Bank/ Schedule Bank/Foreign Bank irrevocable and operative till the validity of the offer (i.e. ....days from the date of opening of tender) for the like amount which amount is likely to be forfeited on the happening of contingencies mentioned in the tender documents.



And whereas the tenderer desires to secure exemption from deposit of Earnest Money and has offered to furnish a Bank Guarantee for a sum of Rs..... to the Company as Earnest Money.

Now, therefore, we the ..... (Bank), a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act. 1969 (delete, if not applicable) and branch Office at..... (Hereinafter referred to as the Guarantor) do hereby undertake and agree to pay forthwith on demand in writing by the Company of the said guaranteed amount without any demur, reservation or recourse.

We, the aforesaid bank, further agree that the Company shall be the sole judge of and as to whether the tenderer has committed any breach or breaches of any of the terms costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company on account thereof to the extent of the Earnest Money required to be deposited by the Tenderer in respect of the said Tender Document and the decision of the Company that the Tender has committed such breach or breaches and as to the amount or amounts of loss, damage, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company shall be final and binding on us.

We, the said Bank further agree that the Guarantee herein contained shall remain in full force and effect until it is released by the Company and it is further declared that it shall not be necessary for the Company to proceed against the Tenderer before proceeding against the Bank and the Guarantee herein contained shall be invoked against the Bank, notwithstanding any security which the Company may have obtained or shall be obtained from the Tenderer at any time when proceedings are taken against the Bank for whatever amount that may be outstanding or unrealised under the Guarantee.

The right of the Company to recover the said amount of Rs. .... (Rupees.....) from us in manner aforesaid will not be precluded/affected, even if, disputes have been raised by the said M/S.....(Tenderer) and/or dispute or disputes are pending before any authority, officer, tribunal, arbitrator(s) etc.

We, (Name of bank.....), hereby further agree that the guarantee herein contained can be operable from its Bokaro Steel City Branch and shall not be

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effected by any change in the constitution of the SELLER / CONTRACTOR and / or PURCHASER.

Notwithstanding anything stated above, our liability under this guarantee shall be restricted to Rs. .... (Rupees ..... ) only and our guarantee shall remain in force up to ..... and unless a demand or claim under the guarantee is made on us in writing within three months after the aforesaid date i.e. on or before the ..... all your rights under the guarantee shall be forfeited and we shall be relieved and discharged from all liability there under.

Date .....  
(Signature)

.....  
Place .....  
(Printed Name)

.....

(Designation)

.....  
(Bank's common seal)

.....  
In presence of:

WTTNESS (with full name, designation, address & official seal, if any)

(1).....

.....

(2).....

.....



ANNEXURE-F

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

**PROFORMA OF BANK GUARANTEE FOR SECURITY DEPOSIT-CUM- PERFORMANCE GUARANTEE**

Ref.....

Bank Guarantee No.....

Date.....

**PROFORMA OF B.G. FOR SECURITY DEPOSIT / 100% PAYMENT**

- KNOW ALL MEN BY THESE PRESENTS that in consideration of Bokaro Power Supply Company (P) Ltd., a Joint Venture of SAIL & DVC constituted and established under the Companies Act 1956 and having its Registered Office at Ispat Bhawan, Lodi Road, New Delhi- 110 003 & one of its unit at Hall No. – M-01, Old ADM Building, Ispat Bhawan, Bokaro Steel City –827001 (hereinafter called “The Company”) having agreed to accept from \_\_\_\_\_ (hereinafter called “The Contractor”), a Bank Guarantee for Rs. \_\_\_\_\_ in lieu of Cash Security Deposit for the due fulfilment by the Contractor of the terms & conditions of the \*Purchase Order/Letter of Intent/Letter of Acceptance/ work order No. \_\_\_\_\_ issued by the Company for (Name & Description of the work/material) \_\_\_\_\_ (hereinafter called “the said\* Purchase Order/Letter of Intent/Letter of Acceptance/ work order”) we \_\_\_\_\_ (hereinafter called “the Guarantor”) do hereby undertake to indemnify and keep indemnified the Company to the extent of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) only against any loss or damage caused to or suffered by the Company by reason of any breach by the Contractor of any of the terms and conditions contained in the said \* Purchase Order/Letter of Intent/Letter of Acceptance/ work order of which breach the opinion of the Company shall be final and conclusive.
- AND WE, \_\_\_\_\_ DO HEREBY Guarantee and undertake to pay forthwith on demand to the Company such sum not exceeding the said sum of \_\_\_\_\_ (Rupees \_\_\_\_\_) only as may be specified in such demand, in the event of the Contractor failing or neglecting to execute fully

efficiently and satisfactorily the order for \_\_\_\_\_ PLACED WITH IT (the work tendered for by it) within the period stipulated in the said\* Purchase Order/Letter of Intent/Letter of Acceptance/work order in accordance with terms and conditions contained or referred to in the said\* Purchase Order/Letter of Intent/Letter of Acceptance/work order in the event of the Contractor refusing or neglecting to maintain satisfactory operation of the equipment or work or to make good any defect therein or otherwise to comply with and conform to the design, specification, terms and conditions contained or referred to in the said\* Purchase Order/Letter of Intent/Letter of Acceptance/ work order.

3. WE \_\_\_\_\_ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said order as laid down in the said \*Purchase Order/Letter of Intent/Letter of Acceptance/work order including the warranty obligations and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said\* Purchase Order/Letter of Intent/Letter of Acceptance/work order have been fully paid and its claims satisfied or discharged or till the Company or its authorized representative certified that the terms and conditions of the said\* Purchase Order/Letter of Intent/Letter of Acceptance/ work order have been fully and properly carried out by the said contractor and accordingly discharged the Guarantee.
  4. WE \_\_\_\_\_, the Guarantor undertake to extend the validity of Bank Guarantee at the request of the Contractor for further period or periods from time to time beyond its present validity period failing which we shall pay the Company the amount of Guarantee.
  5. The liability under this guarantee is restricted to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) only and will expire on \_\_\_\_\_ and unless a claim in writing is presented to us or an action or suit to enforce the claim is filed against us within 6 months from \_\_\_\_\_ all your rights will be forfeited and we shall be relieved of and discharged from all our liabilities (thereinafter).
  6. The Guarantee herein contained shall not be determined or effected by liquidation or winding up or insolvency or closure of the Contractor.
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7. The executants has the power to issue this guarantee on behalf of the Guarantor and holds full and valid power of Attorney granted in his favour by the Guarantor authorizing him to execute the Guarantee.
8. We, (Name of bank.....), hereby further agree that the guarantee herein contained can be operable from its Bokaro Steel City Branch and shall not be effected by any change in the constitution of the SELLER / CONTRACTOR and / or PURCHASER.
9. Notwithstanding anything contained herein above, our liability under this guarantee \_\_\_\_\_ is \_\_\_\_\_ restricted \_\_\_\_\_ to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) only and our guarantee shall remain in force upto \_\_\_\_\_ and unless a demand or claim under the guarantee is made on us in writing on or before \_\_\_\_\_ all your rights under the guarantee shall be forfeited and we shall be relieved and discharged from all liabilities there under.

WE, \_\_\_\_\_ Bank lastly undertake not to revoke this guarantee during the currency except with the previous consent of the Corporation in writing. In witness whereof we \_\_\_\_\_ have set and subscribed our hand on this \_\_\_\_\_ day of \_\_\_\_\_.

SIGNED, SEALED AND DELIVERED

(Stamp of the executants)

WITNESS

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_

(Name & address in full with Rubber Stamp)

\* Mention the relevant along with reference number.

Delete the terms which are not applicable. Each page of B.G. to be signed by the executant with common Bank stamp and date.

**INSTRUCTIONS FOR FURNISHING BANK GUARANTEE**

1. Bank Guarantee (B.G.) for Advance Payment, Mobilization Advance, B.G. for Security Deposit-cum-Performance Guarantee, Earnest Money should be executed on the Non-Judicial Stamp Paper of the applicable value and to be purchased in the name of the Bank.
  2. The Executor (Bank authorities) may mention the Power of Attorney No. and date of execution in his/her favour with authorization to sign the documents. The Power of Attorney is to be witnessed by two persons mentioning their full name and address.
  3. The B.G. should be executed by a Nationalised Bank/Scheduled Commercial Bank. B.G. from Co-operative Bank/Rural Banks are not acceptable.
  4. A Confirmation Letter of the concerned Bank must be furnished as a proof of genuineness of the Guarantee issued by them.
  5. Any B.G. if executed on Non-Judicial Stamp paper after 6 (six) months of the purchase of such stamp paper shall be treated as Non-valid.
  6. Each page of the B.G. must bear signature and seal of the Bank and B.G. Number.
  7. The contents of the B.G. shall be strictly as Proforma prescribed by BPSCL in line with NIT/Purchase Order/LOI/Work Order etc. and must contain all factual details.
  8. Any correction, deletion etc. in the B.G. should be authenticated by the Bank Officials signing the B.G.
  9. In case of extension of a Contract, the validity of the B.G. must be extended accordingly.
  10. B.G. must be furnished within the stipulated period as mentioned in Purchase Order/L.O.I./Work Order etc.
  11. Issuing Bank/The Vendor are requested to mention the Purchase Order/Contract/Work Order reference along with the B.G. No. for making any future queries to BPSCL.
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ANNEXURE - G

**Notarised Affidavit**

I.....son/daughter of Shri  
..... Aged..... years resident of  
.....PS.....District.....State.....  
.....do hereby solemnly affirm that:

- (i) I am ..... (designation/authority) in M/s  
..... (name of the firm/company).
- (ii) I confirm that all documents submitted against Enquiry No.  
..... dtd. .... in support of eligibility  
criteria are genuine.
- (iii) I undertake to produce all documents in original for verification as and when  
asked for the same by BPSCL.

<p>Solemnly affirmed &amp; declared before me by Deponent(s) who is/are identified by .....</p>	<p>The declaration made herein above are true to the best of our knowledge, information and belief signed ..... at .....On.....</p> <p style="text-align: right;">Deponent(s)</p>
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