

DOS Purchase Manual

2015

INDEX

Sl.No.	Chapter	Page Numbers
1.	Organisation, Objective & Definitions	1-5
2.	Principles & Guidelines for Public Procurement	6-14
3.	Source Selection and Vendor Registration	15-27
4.	Indent Origination and Approval Procedure	28-38
5.	Earnest Money Deposit/Security Deposit/ Performance Bond and Bank Guarantee	39-47
6.	Modes and Types of Procurement	48-74
7.	Processing of Indents and Tender Document	75-82
8.	Receipt and Opening of Tenders	83-90
9.	Comparative Statement, Evaluation and Recommendation of Tenders	91-97
10.	Terms & Conditions and Formulation of Purchase Order/Contract	98-125
11	Pre-Audit	126-130
12	Purchase Approval	131-139
13	Negotiations	140-141
14	Issue of Purchase Order/Award of Contract	142-147
15	Post-Contract Management & Monitoring	148-154
16	Delivery & Delivery Period Extension	155-157
17	Acceptance or Rejection of Stores and Lodging of Claims	158-159
18	Miscellaneous	160-161
	Appendix-I	162
	Appendix-II	163-166
	Appendix-III	167-170
	Appendix-IV	171-172
	Form No. DOS:PM:01	173
	Form No. DOS:PM:02	174
	Form No. DOS:PM:03	175-176
	Form No. DOS:PM:04	177
	Form No. DOS:PM:05	178

	Form No. DOS:PM:06	179-180
	Form No. DOS:PM:07	181-182
	Form No. DOS:PM:08	183-184
	Form No. DOS:PM:09	185-186
	Form No. DOS:PM:10	187-188
	Form No. DOS:PM:11	189-190
	Form No. DOS:PM:12	191-192
	Form No. DOS:PM:13	193-194
	Form No. DOS:PM:14	195-196
	Form No. DOS:PM:15	197-198
	Form No. DOS:PM:16	199-200
	Form No. DOS:PM:17	201-202
	Form No. DOS:PM:18	203-205
	Form No. DOS:PM:19	206-208
	Form No. DOS:PM:20	209-216
	Form No. DOS:PM:21	217-221
	Form No. DOS:PM:22	222-231
	Form No. DOS:PM:23	232
	Form No. DOS:PM:24	233-234
	Form No. DOS:PM:25	235-237
	Form No. DOS:PM:26	238
	Form No. DOS:PM:27	239
	Form No. DOS:PM:28	240
	Acronyms	241-244

DOS PURCHASE MANUAL

CHAPTER – 1

ORGANISATION, OBJECTIVE & DEFINITIONS

1.1 Organisation

1.1.1 The Department of Space (DOS) has the primary responsibility of promoting development of Space Science, its technology and applications towards achieving self-reliance and facilitating all round development of the Nation.

1.1.2 The Space Commission formulates policies and oversees implementation of the Indian Space Programme to promote development and application of space science and technology for socio-economic benefit of the country. The Department implements these programmes through the ISRO Centres/Units/Autonomous Bodies.

1.1.3 For the speedy procurement of goods, etc., the procurement process has been decentralised in the Department with each Centre/Unit having a full-fledged Purchase & Stores Division for this purpose. Policy directives/guidelines with regard to procurements are issued by the Department.

1.2 Objective

1.2.1 DOS Book of Financial Powers codifies the powers delegated to the Department for procurement of goods, etc. The guidelines issued by the Central Vigilance Commission (CVC) also provide the regulatory framework for the public procurement system. The budgetary allocations made to the Department are generally under two heads, viz., R&D Budget of the Centre/Unit and Project Budget. The Department depends on many external sources in executing the commitments as projected in the Result-Framework Document (RFD). While there has been a steady rise in procurement activities, it is imperative that these procurements are carried out following uniform, transparent, systematic, efficient and cost-effective procedure, in consonance with various Government rules and regulations.

1.3 Applicability

1.3.1 The provisions of this Manual shall apply to all the Centres/Units of DOS/ISRO.

1.3.2 The provisions of this Manual shall also apply to any Autonomous Body or Society or an Entity or a Public Sector Enterprise under the administrative control of DOS;

1.3.3 The provisions of this Manual shall not apply to –

- (a) emergency procurements necessary for the management of any disaster, as defined in Clauses (d), (e) & (i) of Section 2 of the Disaster Management Act, 2005 (53 of 2005) – extracts are given in Appendix-I; and
- (b) procurements for the purposes of national security or on strategic considerations that the Department may specify.

1.4 Definitions

In this Manual, unless the context otherwise requires –

- i. “bank guarantee” means a banking instrument obtained from a bidder or a successful tenderer to protect the interests of the Government in the procurement process;
- ii. “Centre/Unit” means a Centre or Unit or Office of ISRO/DOS, and includes other Bodies/Entities referred to in para 1.3.2 of this Manual;
- iii. “Contract” means an agreement between two or more parties enforceable through a Court of Law, delivery of a product or service. For a Contract to be valid, there must be an offer and acceptance signed by both parties;
- iv. “Department” means the Department of Space;
- v. “earnest money deposit” means the bid security provided by tenderers for securing the fulfilment of any obligation in terms of the provisions of the tender documents;
- vi. “e-procurement” means the process of procuring goods, services, etc., electronically using internet;
- vii. “expression of interest” means conveying willingness or readiness to supply or provide store(s) or service or both;

- viii. “*force majeure*” means an event or a happening beyond the control of the parties concerned in an agreement or Contract, which is not foreseeable;
- ix. “Frame Work Agreement” or “Rate Contract” means an agreement entered into with one or more successful tenderers, valid for a specified period of time, which sets out terms and conditions under which specific procurements are to be made during the term of the agreement. It may include agreement on prices which may be either pre-determined or determined at the stage of actual procurement through competition or a process allowing their revision without further competition;
- x. “free issue material’ means the raw materials or semi-finished goods given by a Centre/Unit to a successful tenderer for value addition as per the terms and conditions of a Contract;
- xi. “goods” or “stores” include all articles, materials, commodities, livestock, furniture, fixtures, raw materials, spares, instruments, commercial-off-the-shelf software, machinery, equipment, industrial plant, vehicles, aircraft, ships, boats and such other category of goods purchased or otherwise acquired. It will also include services which are incidental or consequential to the supply of such goods, such as transportation, installation, commissioning, training and maintenance, if the value of such services does not exceed that of the goods or services themselves, but exclude books, publications, periodicals, etc;
- xii. “Government” means the Government of India;
- xiii. “Guarantee” means a stipulation collateral to the main purpose of the Purchase Order or Contract, the breach of which will give rise to a claim for a right to reject the supplies or replace the supply or treat the Purchase order or Contract as Cancelled.
- xiv. “indent” means a requisition for initiating action for procurement of the required stores items, goods, services, etc.;
- xv. “invitation to tender” means a document, and any amendment thereto, inviting tenders relating to procurement and includes notice inviting tender and request for proposal;
- xvi. “invitation to pre-qualify” means a document ,including any amendment thereto, inviting offers for pre-qualification from prospective vendors;
- xvii. “invitation to register” means a document, including any amendment thereto, inviting offers for registration from prospective vendors;

- xviii. “memorandum of understanding” means a bilateral or multilateral agreement between parties, which will express a convergence of will between the parties, indicating an intended common line of action, and is often used in cases where parties do not enter into a legally enforceable agreement;
- xix. “performance security” means the monetary guarantee furnished by a successful tenderer after supply for due performance of the Contract concluded with him;
- xx. “pre-qualification procedure” means the procedure set out to identify, prior to inviting tenders, the tenderers who are qualified;
- xxi. “pre-qualification document” means the document, including any amendment thereto, which sets out the terms and conditions of the pre-qualification proceedings and includes the invitation to pre-qualify;
- xxii. “procurement” or “public procurement” means the acquisition by purchase, lease, license or otherwise of works, goods or services or any combination thereof, whether directly or through an agency with which a Contract for procurement of services is entered into, but does not include any acquisition of goods, works or services without consideration, and the term “procure” or “procured” shall be construed accordingly;
- xxiii. “procurement process” means the process of procurement commencing from the issue of invitation to pre-qualify or to register or to tender, as the case may be, till the award of the Procurement Contract;
- xxiv. “prospective tenderer” or “potential tenderer” means any person including a consortium (that is, an association of several persons or firms or companies) likely to be a tenderer/bidder;
- xxv. “Purchase Order” means a document signed by an authorized officer and sent to the successful bidder based on his/her offer, authorizing shipment of a product to the Centre/Unit at a specified price and at agreed terms.
- xxvi. “risk purchase” means the procurement of stores items resorted to by a Centre/Unit from other sources, at the cost and risk of the defaulting tenderer;
- xxvii. “registered vendor” means any vendor who is on the list of registered vendors of the respective Centre/Unit which will make him eligible for functioning as a registered vendor across all Centres/Units;

- xxviii. “request for proposal” means a document which seeks a proposal for the supply or provision of a stores item or service;
- xxix. “security deposit” means the security provided by a successful tenderer for satisfactory execution of a Purchase Order or a Contract;
- xxx. “services” mean any subject matter of procurement other than goods or works, except those incidental or consequential to the service, and includes physical maintenance, professional, intellectual, consultancy and advisory services or any other service classified or declared as such, but does not include the appointment of an individual made under any law, rule, regulation or order issued in this behalf;
- xxxi. “tender” means a formal offer made in pursuance of an invitation and includes any bid, proposal or quotation or any amendment thereto;
- xxxii. “tenderer” means any person, including a consortium, participating in a procurement process, and includes a bidder, Contractor, service provider, vendor, etc.;
- xxxiii. “tender documents” mean documents, including any amendments thereto, that set out the terms and conditions of the subject of procurement and includes the invitation to tender; and
- xxxiv. “warranty” means a stipulation collateral to the main purpose of the Purchase Order or Contract, the breach of which will give rise to a claim for damages but not a right to reject the supplies and treat the Purchase Order or Contract as cancelled.

CHAPTER – 2

PRINCIPLES & GUIDELINES FOR PUBLIC PROCUREMENT

2.1 DOS Purchase Policy

The Purchase Policy adopted by the Department for executing the policy framework detailed in para 1.1.2 of this Manual is as per the guidelines given in the GFR. Under these guidelines, special emphasis is given to –

- (a) Encouraging and developing the capacity and capability of indigenous manufacturers for design, engineering, proto-type, manufacturing, testing, installation and commissioning of products that have not been made previously; meeting unique requirements in respect of specification; manufacturing of item for which there is little precedent in treatment; and fabrication required for development of Space technology and to attain self-sufficiency in Space technology.
- (b) Development of indigenous production to substitute imports.
- (c) Identification of dependable sources for meeting the requirements of DOS/ISRO Centres/Units.
- (d) Ensuring the quality of the products ordered and their timely supply.
- (e) Proper storage and issue of material to the users as and when required.

2.2 Fundamental Principles of Public Procurement

Every officer incurring or authorising expenditure from the public Exchequer should be guided by high standards of financial propriety. Such officer shall enforce financial order and strict economy, and ensure that all relevant financial rules and regulations are followed. The fundamental principles of public procurement are defined as under in Rule 137 of GFRs :

“Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks :

- (i) The specifications in terms of quality, type, etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;*
- (ii) Offers should be invited following a fair, transparent and reasonable procedure;*
- (iii) The procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;*
- (iv) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required; and*
- (v) At each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.*

2.3 Phasing of Expenditure & Annual Procurement Plans/Activities

The Modified Cash Management System of the Government envisages greater evenness in the budgeted expenditure within the financial year and reduces the excessive expenditure during the last quarter, especially the last month of the financial year. The Department has fixed quarterly targets for expenditure at 15%, 30%, 25% and 30% of the budget for the 1st, 2nd, 3rd & 4th quarters respectively for facilitating timely completion of projects. As surrender of funds is a harbinger of defective planning & budgeting, in order to meet the expenditure targets as above, the Heads of the Centre/Unit shall –

- (a) set up a core team consisting of PPEG/PPG, immediately after the finalisation of their budget proposals for consideration by the ISRO Council, to finalise the annual procurement plan as per the approved budget indicating the name/description of the system/sub-system, budget provision approved in BE/RE, Line Item Code, estimated cost and mode of procurement (proprietary or specific brand or single source/limited/public tender) along with any other relevant details;

- (b) ensure that (i) necessary procurement initiatives commence immediately after the Department communicates through the Budget Portal, (ii) the lists of systems, sub-systems, equipment, etc., to be procured, are prepared along with a schedule for each procurement, and (iii) indents, Purchase Orders, etc., are followed up.
- (c) Overall monitoring of (b) above shall be the responsibility of the Controller/Registrars of the Centres/Units with necessary assistance from PPEG.

2.4 Publication of Annual Procurement Plans/Activities on CPP Portal

2.4.1 The Central Public Procurement (CPP) Portal has e-publishing and e-procurement modules accessible to the public for viewing matters relating to public procurement, namely :

- (a) planned procurement activities during the forthcoming year or years;
- (b) pre-qualification documents, vendor registration documents, tender documents and any amendments, clarifications (including those pursuant to pre-bid conference) and corrigenda thereto;
- (c) list of vendors who presented their offers including during pre-qualification or vendor registration, as the case may be;
- (d) list of pre-qualified and registered vendors, as the case may be;
- (e) list of vendors removed/suspended/banned under paras 3.11 & 3.12 of this Manual, with reasons;
- (f) details of successful tenderers, and their prices; and
- (g) particulars of vendors who have been debarred by the Centres/Units together with the name of the Centre/Unit, cause for debarment and the period of debarment.

2.4.2 The Centres/Units shall publish information relating to the planned procurement activities for the forthcoming year or years on the CPP Portal as detailed in para 2.4.1 above. However, such publication of information relating to planned procurement activities shall not be construed as initiation of a procurement process and cast any obligation on the Centre/Unit to issue tender document or confer any right on the vendors.

2.4.3 As per the orders issued by the Department of Expenditure (Public Procurement Cell) and reiterated by the Department *[DOS O.M. No.*

C.13045/29/2011-Sec.3 dated 20.04.2012], it is mandatory for all Ministries/Departments, their Attached and Subordinate Offices, Central Public Sector Enterprises and Autonomous/Statutory Bodies, to publish their tender enquiries with any corrigenda thereon, details of the bid awards, etc., on the CPP Portal, if the estimated value of the procurement is ₹ 10.00 lakhs (Rupees ten lakhs only) or above. The values prescribed by the Government from time to time shall apply.

2.4.4.1 The following cases would, however, be exempted from the mandatory e-publishing/ disclosure requirement :

- (a) cases where confidentiality is required for reasons of security or sensitive or strategic interests of the country.
- (b) Cases where the intellectual property rights or legitimate commercial interests or any pre-existing Contractual obligations on confidentiality of either the vendor or the Centre/Unit are violated.

2.4.4.2 The decision to exempt any case from the mandatory e-publishing/disclosure requirement shall, however, be taken by the Head of the Centre/Unit, in consultation with the concerned Head, Purchase & Stores and Internal Financial Advisor.

2.4.4.3 Statistical information on the number of cases in which exemption from the mandatory e-publishing/ disclosure requirement has been granted and the value of the concerned Purchase Order/Contract shall be furnished by the Centres/Units, Autonomous Bodies, etc., to the Department on a quarterly basis, for sending a consolidated report to the Department of Expenditure (Public Procurement Cell).

2.4.4.4 The above instructions shall apply to all Tender Enquiries (Public or Limited), Requests for Proposal, Invitations for Expression of Interest, Notices for Pre-Qualification/Registration or two-stage biddings or any other notices inviting tenders or proposals in any form issued, whether they are advertised or issued to limited parties.

2.4.4.5 The above instructions will not apply to procurements made through DGS&D Rate Contracts or through Khadi & Village Industries Commission, Kendriya Bhandar, etc. However, award details in such cases are to be published mandatorily on the CPP Portal.

2.4.4.6 The above instructions will also not apply to cash purchases made without obtaining quotations.

2.4.4.7 As per the instructions issued by the Department [DOS O.M. No. C.13045/29/2011-Sec.3 (Vol. II) dated 25.05.2012], Single/Proprietary tenders need not be uploaded on CPP Portal. However, the information on floating of such tenders and details of final award of such tenders may be posted on the CPP Portal as well as on the ISRO/e-procurement website, provided the procurement is not of any sensitive or strategic nature.

2.5 Time-frame for processing of procurements

2.5.1 Prescribing a time-frame for each stage of procurement is intended to reduce the delay in the procurement process. Such a time-frame will also make the officials involved in the procurement process more alert.

2.5.2 The lead time (from the date of finalisation of indent to the date of placement of Purchase Order) should not normally exceed three months in case of all procurements (indigenous as well as foreign procurements). The reasons for delay, if any, should be recorded by the concerned and approval of the Head of the Centre/Unit obtained for the same. However, procurements of custom-made items, plant & machinery, imported items, etc., which involve vetting of the draft Contract by the Law Ministry/Panel Lawyers and approval/s of CFC/DOS, may take a longer time for completion. In such cases, the Centres/Units may prescribe a realistic time-frame for each stage of procurement action.

2.5.3 Depending upon the type of procurements made, each Centre/Unit may chart out a calendar covering different stages of procurement like indent finalisation, tendering, purchase approvals, issue of Purchase Order, etc., conforming to the lead time indicated in para 2.5.2 above. The Centres/Units shall indicate, in the pre-qualification document, tender registration document or tender document, as the case may be, the expected time limit for completion of various stages of the process of procurement. An indicative flow-chart for procurements is given below, and the Centres/Units may

prescribe the time-frame appropriate for each stage of the procurement action :

Indicative Flow-chart

Determination of need for procurement
Estimating the value of procurement
Identification of budget
If budget provision is not available, obtaining administrative approval
Indent origination & approval
NAC approval, based on value
Expression of Interest
Determination of mode of Tendering (Single Tender/Limited Tender/Public Tender – Two-Part Tender)
Public Tender Waiver, if necessary
Receipt of Indent (in Purchase Division), Registration & drawing of schedule
Source Approval
Issue of Tender
Pre-Bid Conference, if any
Opening of Tenders
Preparation of Comparative Statement of Tenders
Technical Evaluation of the Tenders by the Indentor
Clearance by the Technical Evaluation Committee (in case of two-part Tender)
Approval for opening of the Price Bids of technically suitable offers
Recommendation by Indentor & approval & ordering details
Preparation of draft Purchase Order
Approval from Purchase Committee for Purchase Order
Pre-Audit, wherever required
Approval from the Department (due to the variables involved no days can be mentioned)
Release of Purchase Order
Post-Order clarification, if any
Approval for amendment, if any, to Purchase Order
Preparation of Amendment Order

2.6 Participation of vendors

2.6.1 The Centres/Units shall not establish any requirement aimed at limiting participation of vendors in the procurement process that discriminates against or amongst the vendors or against any category thereof with the exclusions mentioned in paras 3.11 & 3.12 of this Manual, relating to removal or suspension/banning of vendors.

2.6.2 However, nothing shall restrict the Department from imposing or enforcing measures limiting participation of vendors on account of the need –

- (a) to protect public order, morality or safety;
- (b) to protect intellectual property; and
- (c) to protect the national security and strategic interests of the country.

2.7 Product Reservation

2.7.1 Pursuant to the provision contained in para 2.6.2 above and as per the orders issued by the Government, the Centres/Units shall procure the products/items reserved by the Central Government, as the case may be, from the agencies, namely –

- (a) Khadi and Village Industries Commission (KVIC).
- (b) Association of Corporations of Apex Societies of Handlooms (ACASH).
- (c) Micro and Small Enterprises (MSEs), registered with National Small Industries Corporation.

The list of items/goods which are reserved for procurement from the agencies mentioned above is reviewed by the Government and notified periodically. The procurement of the approved items/goods from the above agencies shall be made on Single Tender basis. The tender enquiry document should clearly indicate that the procurement will be made from the aforementioned agencies only. In the process of procurement, other things being equal, the purchase preference/mandatory procurement would be in favour of KVIC/ACASH/MSEs in that order.

2.7.2 The procurement of stationery, consumables, etc., from Kendriya Bandar (KB), National Consumer Cooperative Federation (NCCF) and Multi-State Co-operative Societies (MSCSs) shall be regulated as per the provisions in the GFR.

2.7.3 The Centres/Units, before making purchase of items/goods from the agencies mentioned above, should check the latest directives, if any, issued by the concerned nodal Ministry/Department in this regard.

2.8 Purchase/Price Preference

2.8.1 Purchase/Price Preference to MSEs

In addition to the product reservation admissible to the Micro and Small Enterprises (MSEs) indicated in para 2.7 of this Manual, purchase/price preference shall also be extended as under to the MSEs under the Public Procurement Policy for MSEs formulated under the Micro, Small and Medium Enterprises Development Act, 2006 [*DOS letter No. C.13045/14/2010-III dated 23.07.2012*] as amended time to time :

- (a) Centres/Units shall set an annual goal to achieve a minimum of 20% procurement of goods or services w.e.f. 2015-16 (i.e., from 1st April, 2015). The annual goal for procurement from MSEs shall be 7% for 2012-13, 14% for 2013-14 and 20% for 2014-15 & thereafter.
- (b) Of the 20% mandatory annual procurement from MSEs, a sub-target of 4% shall be earmarked for procurement from MSEs owned by SC/ST entrepreneurs. However, this may be relaxed for specified valid reasons like in the event of failure of such MSEs to participate in the tender process or meet the tender requirements and the L1 price, the 4% sub-target for procurements earmarked for MSEs owned by SC/ST entrepreneurs will be met from other MSEs. For enhancing the participation of SC/ST entrepreneurs in procurement, the Centres/Units shall take necessary steps including organising special Vendor Development Programmes, Buyer-Seller Meets, etc.
- (c) The participating MSEs in a tender, quoting price within the band of L1 + 15% may also be allowed to supply a portion of the requirement by bringing down their price to the L1 price, in a situation where L1 price is from someone other than an MSE. Such MSEs may be allowed to supply up to 20% of the total tendered value. In case of more than one such eligible MSE, the supply will be shared equally.
- (d) The MSEs will be exempted from payment of Earnest Money Deposit (EMD).

2.8.2 Purchase Preference to Pharma Central Public Sector Enterprises (CPSEs)

The purchase preference granted by the Government/Department of Chemicals and Petrochemicals to pharma Central Public Sector Enterprises (CPSEs) and their subsidiaries in respect of identified medicines manufactured by them shall also be extended by the Centres/Units, pursuant to the provisions contained in para 2.6.2 above. The latest orders issued by Government of India on the subject shall apply. The list of medicines which are reserved for procurement from the pharma CPSEs and their subsidiaries would be notified by the Government/Department of Chemicals and Petrochemicals, from time to time. The Centres/Units shall invite limited tenders from the pharma CPSEs and their subsidiaries or purchase directly from them at the National Pharmaceuticals Pricing Authority certified/notified price with a discount up to 35%. If no pharma CPSE or its subsidiary is forthcoming to supply the ordered medicines, the Centres/Units may procure the medicines from other manufacturers as provided for in para 6.18 of this Manual.

SOURCE SELECTION AND VENDOR REGISTRATION

3.1 Need for Source Selection and Vendor Registration

The efficiency of procurement functions mainly depends upon the right selection of sources of supply, which will not only ensure price advantage, quality products and timely delivery, but also reduces avoidable repetitive activities. The identification of proper sources of supply, registration of vendors, etc., will obviate the necessity of *de-novo* search of vendors for each demand. Thus proper source knowledge, identification of reputed & reliable vendors, their evaluation, etc., are vital for ensuring procurement of quality products in time.

3.2 Classification of Sources other than General or Open Source

3.2.1 Proprietary : Proprietary item is manufactured only by a particular firm. Its composition, process, etc., are trade secrets and not divulged or known to anyone else. To procure such an item, one has to necessarily contact the manufacturers or their sole authorised agent for the region.

3.2.2 Specific Brand : Similar items manufactured by a few firms, but a particular brand from a particular manufacturer is required for functional reasons. However, more than one dealer may be dealing with the particular brand, and as such competitive bidding may be feasible.

3.2.3 Single Source : This is mostly considered in fabrication cases. Though the requirement can be met from various sources, 'Single Source' is indicated for reasons like previous experience, urgent requirement, availability of tooling and fixtures. The following conditions will apply for procurement on Single Source basis :-

- (a) The Centre/Unit determines that the use of any other mode of procurement will not be appropriate for national security.
- (b) the item being procured is available only from a particular supplier, or only a supplier has exclusive rights for marketing the item, so that no reasonable alternative source and the use of any other mode of procurement are available; or

- (c) The items which have been jointly developed by DOS/ISRO and the vendor;
- (d) owing to a sudden unforeseen event, there is an extremely urgent need for the item being procured, and use of any other mode of procurement will cause delay; or
- (e) the Centre/Unit, having procured goods, equipment, technology or services from a tenderer/Contractor earlier, determines that additional supplies or services may be procured from such tenderer/Contractor for reasons of standardisation or because of the need for compatibility with existing goods, equipment, technology or services; or
- (f) a Repair Contract is placed on a foreign Original Equipment Manufacturer (OEM) for repair/replacement of parts in respect of a system/sub-system procured from the foreign OEM; or
- (g) the procurement from a particular tenderer/Contractor is necessary if the item being procured is covered under Product Reservation or Purchase Preference detailed under Chapter 2 of this Manual; or
- (h) the procurement is to be done under risk purchase clause, in terms of para 6.22 of this Manual; or
- (i) the price of the item is fixed by the Government or the item is distributed/marketed by the Government/Government Agencies/ Government controlled agencies; or
- (j) Negotiations may also be held in good faith with the single prospective vendor.

3.2.4 Limited Tender : Any tender, in the invitation of which all the possible vendors are not given an opportunity to quote because of imposition of pre-bid qualifications, including either inclusion in the approved vendors list or other requirements other than that of belonging to a particular class of registration or of past execution of works of a specified value, should be treated as a limited tender.

3.3 The following specific instructions issued by the Department [DOS Office Order No. 13045/8/2012-Sec.3 dated 24.09.2012] in connection with tendering shall be complied with :

- (1) No specific brand procurement shall be made except for the following categories :
 - (a) Scientific and technical instruments, apparatus, equipment (including computers and computer software but not personal

computers), accessories, parts, components, spares, tools, mock-ups and modules, raw materials and consumables required for launch vehicles and for satellites and payloads.

- (b) Repairs and replacement of spares to existing equipment.
 - (c) Augmentation/Establishment of hardware/software for data dissemination, and procurement of specialised equipment for imaging/mapping-related activities for aerial survey.
- (2) Any procurement which is made on single tender or proprietary basis has to be public tendered once in 5 years to find additional/new sources. If, for any strategic reasons, exemption from tendering is required, such exemption shall be sought from the Department irrespective of the value of the procurement.

3.4 Source Selection

3.4.1 The Department has deployed its e-Procurement portal for carrying out procurement activities, and the same is operational and accessible (at URL <http://eprocure.isro.gov.in>). The potential vendors may be invited through periodic media advertisements or through ISRO website to submit applications for registration. The Centres/Units shall also extend invitation to the vendors suggested by the Indentors/User Groups for submitting their application, if not already submitted/registered.

3.4.2 Eligibility and Qualification are the two basic criteria to be fulfilled by a potential vendor for registration.

3.4.3 In case sufficient number of vendors are not available in the list concerned, the source selection may be done from/through any of the following –

- (a) DGS&D registered vendor lists
- (b) Registered vendor lists of other Centres/Units
- (c) Industrial Directories/Indian Trade Journals
- (d) Media Advertisements
- (e) Brochures, Catalogues, Literatures, etc.
- (f) Advertisement Magazines/classifieds etc.
- (g) Responses received against Open Tender Enquiries

The short-listed potential vendors may be invited to apply for registration subject to their fulfilling all the requirements for registration. Vendors meets shall be conducted by Centres/Units as many times as required but not less than 2 times in a year.

3.5 Eligibility for Registration

3.5.1 Vendors who are in the business of the relevant product and possess the qualifications prescribed in para 3.6 below will be eligible for registration. Wherever required, such vendors shall be required to possess the manufacturing licence or the agency certificate of the manufacturer concerned.

3.5.2 Vendors against whom punitive action has been taken under paras 3.11 or 3.12 of this Manual or under any statutory Act or Rule or who have been banned by any other Centre/Unit/Government Department/Entity shall not be eligible for registration.

3.6 Qualification of Vendors

3.6.1 Any vendor participating in the procurement process should –

- (a) possess the necessary professional, technical, financial and managerial resources and competence required under the tender document, pre-qualification document or vendor registration document, as the case may be, issued by the Centre/Unit;
- (b) have filed the required tax returns to the State/Central Government as may be specified in the tender document, pre-qualification document or vendor registration document;
- (c) have details of registration number for carrying out the business by State Govt./ Central Govt. statutory requirements like PAN Card details, CST, TIN, SSI, NSIC, MSME registration, etc.
- (d) not be insolvent, in receivership, bankrupt or being wound up; not have its affairs administered by a court or a Judicial Officer; not have its business activities suspended; and not be the subject of legal proceedings for any of the foregoing reasons;

- (e) not have any of their directors and officers convicted of any criminal offence related to professional misconduct or making of false statements or misrepresentations with respect to their qualifications to enter into a procurement Contract within a period of two years preceding the commencement of the procurement process, or not otherwise have been disqualified pursuant to debarment proceedings;
- (f) fulfil any other qualification/s as may be prescribed specifically by the Centre/Unit.

3.6.2 The Centre/Unit shall evaluate the qualifications of the potential vendor only in accordance with the requirements specified in para 3.6.1 above.

3.7 Pre-Qualification of Vendors/Invitation for EoI/RFP

3.7.1 The Centres/Units may invite Expression of Interest (EoI) or Request for Proposal (RFP) through open advertisement in newspapers/dailies with at least one having all-India circulation, prior to inviting tenders, for the purpose of identifying and pre-qualifying the vendors. The offers in this regard shall be invited by the Centre/Unit, clearly indicating the brief scope of the stores item, etc., the eligibility norms for participation in the pre-qualification process and also the selection methodology. Only those vendors satisfying the eligibility qualification norms prescribed shall be eligible for participation in the pre-qualification process.

3.7.2 The pre-qualification shall be valid for such period as may be specified by the Centre/Unit in the pre-qualification document.

3.7.3 The Centres/Units shall invite tenders from the pre-qualified vendors during the period of validity referred to in para 3.7.2 above, and in case tenders are not invited within such period, fresh pre-qualification shall be done before inviting tenders.

3.7.4 The pre-qualification of vendors shall ordinarily be for a single procurement. However, during the period of validity of the pre-qualification referred to in para 3.7.2 above, the Centre/Unit may invite tenders from the pre-qualified vendors for further requirements of the same products or goods if the Head of the Centre/Unit determines that engaging in fresh pre-qualification shall not result in enhanced competition.

3.7.5 The purpose of pre-qualifying of vendors is to attract the participation of reputed and capable firms with proper track record. As such the pre-qualification conditions should be exhaustive, and yet specific. The qualifying norms for participation in the pre-qualification process shall include (i) adequate experience in execution of similar procurement order, (ii) financial soundness, (iii) established manufacturing facilities, (iv) technical expertise, etc., as determined by the Indent Approving Authority.

3.7.6 The selection process for pre-qualifying the vendors shall comprise the following :

- (a) Initial short-listing of vendors based on participating vendors satisfying the qualifying norms.
- (b) Final short-listing of vendors based on technical evaluation of the competence/capabilities of those initially short-listed as at (a) above, quality of the product, etc., by a Committee constituted by the Head of the Centre/Unit.
- (c) Vendors finally short-listed as at (b) above may only be allowed to further participate in the procurement process and submit their two-part tender (Techno-Commercial Bid and Price Bid).

3.7.7 The particulars of the potential vendors who have been pre-qualified shall be exhibited by the Centre/Unit on the CPP Portal, where the value of the procurement exceeds ₹10.00 lakhs (Rupees ten lakhs only) or the value fixed by Government from time to time.

3.7.8 CVC's Guidelines relating to pre-qualification

3.7.8.1 The guidelines of the Central Vigilance Commission (CVC) on pre-qualification indicate that the pre-qualification criteria are yardsticks to allow or disallow the vendors in the procurement process. Vaguely defined pre-qualification criteria will result in stalling the process of finalising the Contract or award of the Contract in a non-transparent manner. Sometimes, the organisation picks up the pre-qualification criteria fixed for some similar work executed in the past, without appropriately amending the different parameters required for the new work. The Commission has also observed that only Contractors known to the officials of the organisation and to the architects are placed on select list. The Commission has, therefore, indicated that it would be necessary to fix in advance the minimum qualification, experience and the number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.

3.7.8.2 For Stores/Purchase Contracts, the Commission has advised that pre-qualification/Post-qualification shall be based entirely upon the capability and resources of prospective bidders to perform the particular Contract satisfactorily, taking into account their (i) experience and past performance, equipment and manufacturing facilities, and (ii) financial standing through latest ITCC and annual report (balance sheet and profit & loss account) of last three years. The quantity, delivery and value requirement shall be kept in view while fixing the pre-qualification criteria. No vendor should be denied pre-qualification/post-qualification for reasons unrelated to its capability and resources to successfully perform the Contract.

[CVC/CTE Office Memorandum No. 12-02-1-CTE-6 dated 17.12.2002 & 07.05.2004]

3.8 Registration of Vendors

3.8.1 The potential vendors, including those short-listed as in paras 3.4 and 3.7 and fulfilling the qualifications prescribed in para 3.6 above, shall register themselves on the Department's e-Procurement portal (<http://eprocure.isro.gov.in>) to view or respond to tenders of the Centres/Units. Authorised Indian Agents of foreign vendors are also required to register in this portal for representing their foreign vendors for responding to Department's tenders.

3.8.2 Vendor registration can be done by any authorised person of a vendor, who possesses the following :

- (a) Digital Signature Certificate issued by a Certifying Authority in India.
- (b) e-mail of the vendor company for communication.

Digital Signature Certificate shall be essential for the potential vendors to log into the Department's e-Procurement Portal and submit their offers. Even foreign vendors can register in the Department's e-Procurement Portal if they possess a valid Digital Signature Certificate issued by a Certifying Authority in India.

3.8.3 The registration process consists of (i) Vendor Registration, and (ii) Item Empanelment. While Registration should suffice for vendors to participate in Public Tenders released by any Centre/Unit, item empanelment is required for each Centre/Unit for receiving invitation for participation in Single Tender/Limited Tender. To obtain tender enquiries from a Centre/Unit,

vendors have to get empanelled against pre-defined category of items of the respective Centre/Unit on the e-Procurement Portal.

3.8.4 The Centres/Units shall update the list of such registered vendors by allowing potential vendors to apply for registration on a continuous basis and also by inviting offers for registration at least once a year.

3.8.5 If any Centre/Unit is not having a list of registered vendors for a particular product, it may use the list of registered vendors of any other Centre/Unit or other Government agencies for that particular product.

3.8.6 The Centres/Units shall intimate the results of the registration process to the vendors and the lists of registered vendors for different products shall be exhibited on the website of the Centre/Unit and on the Central Public Procurement Portal.

3.8.7 Authority to approve Registration/Vendor Management Committee

3.8.7.1 The Head of the Centre/Unit shall constitute a Vendor Management Committee which will have Technical Members as well as representatives from Purchase & Stores and Accounts Divisions, for evaluation and approval of the applications received from the potential vendors for registration, taking into account the competence, product quality, past performance/adherence to supply schedule, fulfilment of statutory requirements, inspection of manufacturing facilities, if necessary, etc.

3.8.7.2 A Vendor Registration request shall be finalised within thirty (30) days. The fee to be charged for Vendor Registration or for renewal of vendor Registration shall be as fixed by the Department, from time to time. The maximum period of the validity of Vendor Registration shall be two (2) years *[DOS O.M. No C.13045/29/2011-Sec.3 (Vol. II).dated 25.05.2012]* or co-terminus with the manufacturing licence or agency certificate of the manufacturer concerned, whichever is earlier.

3.8.8 Communication of deficiencies of applicant vendors

In cases where the applicant vendor has not qualified for registration by the Vendor Management Committee, the Centre/Unit shall communicate the deficiencies and short-comings to the concerned applicant vendor. In such cases where the vendors re-submit their application for registration after

rectifying the deficiencies/short-comings within a period of three months, no fresh registration fee shall be payable by the vendors concerned.

3.9 Source Development by ISRO

Special products are required for the Space programme which may not be produced/manufactured/fabricated in the country. Even if there are vendors willing to produce or manufacture or fabricate such special products, they may not have the technology or the necessary infrastructure for the same. Such products call for setting up of facilities, technology transfer, productionisation, etc., and ISRO may be the only market or major market for such products. In such cases, therefore, it would be necessary for DOS/ISRO to develop the sources, subject to the guidelines approved by the Space Commission for this purpose.

3.10 Evaluation of the performance of Vendors

The performance of the vendors shall be reviewed periodically by the Vendor Management Committee of the Centre/Unit indicated in para 3.8.7 above. Some of the general parameters for evaluating the performance of the vendors may include the following :

- (a) Quality of the products (report to be obtained from the Indentors/User Groups indicating the performance of the products supplied, the number of times items replaced after rejection, response time for carrying out repair, etc.).
- (b) Delivery (report to be obtained from the Purchase & Stores Division indicating the number of orders executed within the original delivery schedules, no. of orders for which delivery schedule was extended, no. of times part-supplies were made, no. of times orders were cancelled for non-delivery, etc.).
- (c) Price competitiveness (report to be obtained from the Purchase Section indicating the number of times orders were placed & executed, etc.).
- (d) Product/Maintenance support (report to be obtained from the Indentors/User Groups).
- (e) Vendor evaluation for all the registered vendors is to be done atleast once in a year.

3.11 Removal of vendors from the approved Source of Supply

The registration granted to a vendor may be cancelled by the Vendor Management Committee in the following circumstances :

- (a) The vendor fails to abide by the terms and conditions under which the registration has been granted.
- (b) The vendor makes any false declaration to the Centre/Unit.
- (c) The vendor fails to submit the required documents/information to the Centre/Unit for review of registration.
- (d) The performance of the vendor is rated below par during the evaluation process indicated in para 3.10 above.
- (e) The vendor has not responded to three consecutive invitations to tender for the product/s for which it has been registered.
- (f) The vendor fails to satisfactorily execute a Contract in full/part.
- (g) Supply of stores of inferior quality by the vendor.
- (h) The vendor has been declared as bankrupt or insolvent.
- (i) The registration of the vendor has been cancelled by another Government Department/Organisation/by any other centres/units of DOS/ISRO for any product for any of the reasons in (b), (d), (f), (g) and (h).
- (j) On any other ground, if in the opinion of the Vendor Management Committee, retention of the vendor's name in the list of registered vendors will not be in public interest.

3.12 Suspension and Banning/Debarment of Business Dealings with the vendors

3.12.1.1 Business dealings with a vendor, whether his company is registered or not, shall also be suspended in public interest by the Head of the Centre/Unit for a period considered appropriate and sufficient by him, based on the recommendations made by the Vendor Management Committee, if –

- (a) the vendor is suspected to be of doubtful loyalty to the State; or
- (b) any State/Central investigating agency recommends such course of action in respect of a case under investigation by such agency involving such vendor.

3.12.1.2 Immediately after issuing the order suspending business dealings with a vendor, pending a final decision on banning business dealings with such a vendor, the Head of the Centre/Unit shall consider whether the matter warrants initiation of fresh procurement action for the subject product and take action accordingly, in order to avoid any slippage in the time schedule of the project, etc.

3.12.1.3 As far as possible, any other existing Contract with the vendor may continue during the suspension period unless the Head of the Centre/Unit, having regard to the circumstances of the case, decides otherwise.

3.12.2 Banning/Debarment of Business Dealings with vendors

3.12.2.1 Business dealings with a vendor, whether it is registered or not, shall be banned/debarred for a period not exceeding three years on the following grounds :

- (a) any conviction under the Prevention of Corruption Act, 1988; or
- (b) any conviction under the Indian Penal Code, 1860, or any other law, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement Contract.
- (c) any notification by CVC, CBI or any other Government of India Ministry/Department blacklisting the vendor.

3.12.2.2 Business dealings with a vendor may also be banned/ debarred for a period not exceeding two years on the following grounds, provided that due formal notice/show-cause, as per principles of natural justice is issued to the vendor :

- (a) withdraws from the procurement process after opening of price bids or after being declared successful; or
- (b) fails to enter into procurement Contract or fails to provide Bank Guarantee or Performance Guarantee or any other document or security required in terms of the tendering documents after being declared as the successful bidder; or
- (c) in respect of any procurement Contract or rate Contract agreement, the entire Bank Guarantee or Performance Guarantee or any other security of the tenderer/Contractor has been forfeited for breach of Contractual terms. However, in cases where the procurement relates to a

proprietary item, the Head of the Centre/Unit may objectively consider whether it would be advisable to ban/debar a vendor from business dealings and take a decision accordingly; or

- (d) if the vendor continuously refuses to return Government's dues without showing adequate cause and Government is satisfied that such a refusal would not attract proceedings in an arbitration or a Court of Law; or
- (e) if the result of an enquiry/investigation, pursuant to para 3.12.1 above, is adverse/critical of the tenderer/Contractor.

3.12.3 Procedure for suspension or banning/debarment of business dealings

3.12.3.1 The vendor shall be given a time-bound show-cause notice, before issuing the order of suspension of business dealings with the vendor.

3.12.3.2 Immediately after issuing the order of suspension, the Head of the Centre/Unit shall direct the Vendor Management Committee to investigate the transgressions, etc., made by the Contractor and submit its recommendations.

3.12.3.3 Taking into account the recommendations made by the Vendor Management Committee, if the Head of the Centre/Unit concludes that business dealings with a vendor are to be banned, a show-cause notice shall be issued to the vendor directing the vendor to submit its written statement of defence within a specified period. If the Head of the Centre/Unit finally concludes that the vendor is to be banned/debarred, he shall issue a speaking order banning/debarring the vendor for a period not exceeding two or three years, as the case may be.

3.12.3.4 The vendor shall be given an opportunity to prefer an application for review against the ban/debarment to the Head of the Centre/Unit.

3.12.3.5 The order banning/debarring business dealings with a vendor shall take immediate effect. However, if the vendor prefers an application for review, the ban/debarment order shall be kept in abeyance till the application for review is disposed of.

3.12.3.6 The ban/debarment imposed on the vendor in one Contract shall extend to all other Contracts being executed by the vendor in all the Centres/Units of ISRO/DOS and the Autonomous Bodies/PSU, etc., under the

administrative control of the Department, for a period of two or three years, as the case may be.

3.13 Register/Data-base of Foreign Vendors

3.13.1 Registration by foreign vendors or their Indian Agents can be done by any authorised person possessing the following :

- (a) Digital Signature Certificate issued by a Certifying Authority in India.
- (b) Company e-Mail ID for communication.
- (c) Copy of Agreement / MoU between principal supplier/OEM and Indian Agent without prejudice to provisions at 3.15(b).

3.14 Roles of Indentor, Accounts Division and Purchase & Stores Division

The roles of Indentor, Accounts Division and Purchase & Stores Division in a procurement process are given in Appendix-III.

3.15 Guidelines for placing orders on/through Indian Agents.

While considering the offers of Indian Agents and placing Contracts on them, the following shall be ensured :

- (a) Foreign principal's proforma invoice/quote indicating the commission payable to the Indian Agent and nature of after sales service to be rendered by the Indian Agent.
- (b) Copy of the agency agreement between the foreign principal and the Indian Agent, and the precise relationship between them and their mutual interest in the business.
- (c) Registration and item empanelment of the Indian Agent.
- (d) Agency commission shall be paid only in Indian currency.
- (e) Compliance of Tax Laws by the Indian agent.

The CVC has stressed that the above aspects shall be taken into account while examining the genuineness of the prices quoted, the nature of services offered and compliance with Tax Laws by the Indian Agent.

CHAPTER – 4

INDENT ORIGATION AND APPROVAL PROCEDURE

4.1 Indent Origination

4.1.1 An indent is a pre-requisite for initiating any procurement action. Indenting under R&D Budget of the Centre/Unit and Project Budget shall be done by the concerned Division/Group/Entity or Project respectively.

4.1.2 The Centres/Units shall maintain a centralised data-base of various items, their specifications and status of supplies, to ensure accurate projection of requirements and realistic estimation of cost. Such a centralised data-base may also be made available to the other Centres/Units via Spacenet. The Centres/Units shall also develop a Management Information System/Software to monitor the stock position and track the requirements in the pipeline *[DOS Circular No. 13045/8/2008-III dated 28.11.2008]*.

4.1.3 In order to prevent multiple purchases of the same item in a single financial year and to avoid delays & maximise value for money by availing quantity discount, each Centre/Unit shall prepare procurement plans by consolidating the requirements of all the end-uses in advance *[DOS Circular No. 13045/8/2008-III dated 28.11.2008]*. In this connection, para 2.4 of this Manual relating to publication of Annual Procurement Plans/Activities on the CPP Portal may also be referred.

4.1.4 All indents shall be originated in the prescribed form [Form Nos. DOS:PM:01 or DOS:PM:02] by an officer not below the rank of –

- (a) Scientist/Engineer 'SD' or equivalent for technical stores (in exceptional cases, the Head of the Centre/Unit/Project may authorise an officer of the rank of Scientist/Engineer 'SC' for raising indents for technical stores), &
- (b) Scientist/Engineer 'SC' or equivalent for non-technical stores (Section Officer or equivalent in respect of DOS Secretariat)

4.2 Guidelines for raising an indent.

4.2.1 Before raising or approving an indent, the Indentor or the Approving Authority in the Centre/Unit/Project shall first determine the need (including anticipated requirements) for procurement taking into account the following :

- (a) Available stock, outstanding supplies or dues, past consumption pattern, average shelf-life of the stores items, etc.
- (b) Usage of the stores item in the Division/Group
- (c) Requirement of the stores item by other Divisions/Groups
- (d) Obsolescence of the stores item/equipment, etc., i.e., whether the equipment, etc., conforms to the latest specifications and technology available in the open market.
- (e) purchase of capital equipment/spares for projects should be properly justified depending upon the actual requirement, usage, rate of return, etc. The obsolescence factor should be taken into account in such cases, i.e., the equipment being purchased should conform to the latest specifications and technology available in the market.

4.3 Indents without budget provision/funds availability

4.3.1 The Indentor shall certify the availability of budget for the intended procurement clearly indicating the Line Item Code No. in the budget document and obtain clearance for the same from PPEG/PPG/PMO.

4.3.2 Where, however, specific budget provision is not available in the R&D budget allocation, indents can be processed and procurement action initiated subject to the conditions that –

- (a) Specific budget provision is authorised by the PPEG/PPG for the item being procured; and
- (b) The Head of the Centre/Unit accords administrative approval for processing the indent.

Purchase Order can be released or purchase commitment can be made only after necessary budget provision/re-appropriation of funds is approved by the competent authority.

4.3.3 The restrictions prescribed in para 4.3.2 above shall not apply to procurements made under the Project Budget so long as the equipment, etc., being procured form part of the approved Project Cost Estimates. In case of new items for which funds are not available, the indents can be processed based on the administrative approval given by the competent authority, but

the Purchase Orders can be released or purchase commitments made only after necessary re-appropriation of funds is approved by the competent authority.

4.4 Contents of an Indent

4.4.1 Normal Indents: Separate indents shall be raised for different types/categories of materials/equipment. An indent should contain the following details –

- (a) No Stock Certificate from the Stores Section wherever applicable.
- (b) Name/Description of the item of procurement. Sufficient number of drawings, if any, should be attached.
- (c) Quantity
[for detailed instructions, refer to para 4.5 below]
- (d) Estimated cost
[for detailed instructions, refer to para 4.6 below]
- (e) Whether Price Variation Clause is to be included (taking into account the nature of the stores item/service intended for procurement).
- (f) Funds availability certificate & Budget Line Item Code No.
[for detailed instructions, refer to para 4.7 below].
- (g) Specifications/Performance Parameters (with tolerance/s, if any)
[for detailed instructions, refer to para 4.8 below].
- (h) Free Issue Material.
[for detailed instructions, refer to para 4.9 below].
- (i) Repeat Order when indented for, and, if so, details of the earlier Purchase Order.
- (j) Mode of Procurement **(highlight in case of Emergency Procurement/Repair Contract/Buy-Back.)** [In case of Proprietary/Specific Brand Goods/Single Source, attach necessary certificate in Form No. DOS:PM:03]
 - (i) In case of two-part tender, compliance matrix to be drawn and attached;
 - (ii) In case of waiver of Public Tender, attach necessary approval;
 - (iii) In case of Repair Contract, refer to paras 4.4.2 and 6.13 of this Manual; and
 - (iv) In case of procurement under Buy-Back, refer to paras 4.4.3 and 6.14 of this Manual

- (k) Supply conditions (including acceptance of part-supply/staggered-supply].
- (l) Quality Assurance criteria and Inspection Officer.
- (m) Delivery schedule.
- (n) Place of delivery & details of the consignee.
- (o) Training, if any, to be imparted (indicating the place of training – whether at the premises of the vendor or the Centre/Unit, its duration and the number of persons to be trained).
- (p) Warranty period & post-warranty maintenance requirements.
- (q) Supply of advance sample or mock-up/proto-type model is required before bulk supply.
- (r) Pre-bid meeting or site visit if contemplated (for high value/complicated technology equipment or two-part tender).
- (s) List of sources of supply/potential suppliers (in case there is no list of registered vendors for the Centre/Unit for the particular item of procurement or if there is a list of registered vendors and the Indentor desires to suggest other potential vendors taking into account the specialised nature of the item being procured).
- (t) Requirement of possessing statutory licences/certifications/registrations (like manufacturing licence, EPF Registration, ESI Registration, etc.)
- (u) Any other relevant details.

4.4.2 Indents for Repair Contracts : The indents for Repair Contracts, duly approved by the Competent Authority, shall contain the following :

- (a) Name of system/sub-system and its quantity (along with type, make, model, Sl. No., date of manufacture, etc.).
- (b) Nature of repair/s required and history of previous repairs.
- (c) Details of the spare parts available for replacement in the system/sub-system.
- (d) Details of warranty/total technical life of the system/sub-system.
- (e) Period of usage of the system/sub-system after installation.
- (f) Period of warranty/guarantee after repair/replacement.
- (g) Details of the original Purchase Order (number, date, date of shipment, installation date, Invoice No. & date, etc.).
- (h) Name and address of the Original Equipment Manufacturer (OEM).

- (i) Names and address of Authorised Agents/Approved Agents of OEM.
- (j) Assessed cost of repair and funds availability certificate (attach non-obligatory quote obtained from OEM/authorised agent).
- (k) Approval of the Head of the Centre/Unit for sending the system/sub-system for repair without any security (taking into account the technical/financial capabilities/standing in the international market/past performance, etc., of the OEM/authorised agent; the assistance of the ISRO Technical Liaison Units or the concerned Indian Embassies/Missions may be availed to make an assessment of the OEM).
- (l) Whether pre-delivery inspection is required.

4.4.3 Indents under Buy-Back arrangement : The indents for procurement of items under Buy-Back arrangement shall consist of the following :

- (a) the details of the new items proposed to be purchased (viz., description, make, model, quantity, etc).
- (b) the details of obsolete/used items being offered under the Buy-Back arrangement viz., description, make, model, Sl. No., year of manufacture/purchase, location, quantity, etc. The potential bidders/suppliers may be allowed to inspect the physical condition of the obsolete/used items.
- (c) a certificate to the effect that the items offered as exchange under the Buy-Back arrangement have completed the minimum utility period fixed by the Centre/Unit.
- (d) the estimated cost of the new items proposed to be purchased.
- (e) mode of purchase (to be decided based on the gross estimated value of the new items proposed to be purchased). There shall be no need to invite separate tenders for disposal/exchange of obsolete/used items.
- (f) a certificate to the effect that the Report of the Survey Committee recommending disposal of the obsolete/used items under Buy-Back arrangement has been obtained and kept in a sealed cover. The Condemnation Committee / Upset Value Committee shall also fix the reserve price for the obsolete/used items and the same shall be kept in sealed cover, to be opened at the time of opening the tenders. The recommendations need to be approved by the competent authority according to purchase value of the equipment proposed under Buy-Back scheme.

- (g) all other relevant details as applicable for a normal indent indicated in para 4.4.1 above.

4.5 Clubbing or Splitting/Dividing the quantity of procurement

4.5.1 Once the need for the procurement has been established, the Centres/Units shall consolidate all the requirements (including anticipated requirements) taking into account the past consumption pattern, shelf-life, obsolescence, etc., so as to get the most competitive and best price. It shall be ensured that the procurement when completed does not result in over-stocking.

4.5.2 Purchases shall not be split /divided into small quantities to make piece-meal purchases to avoid the necessity of obtaining the approval of a higher authority required with reference to the estimated value of the total demand. Purchases shall also not be split/ divided to limit the competition among vendors or to avoid any obligation prescribed in this Manual. However, in the interests of efficiency, economy and timely completion of the procurement, the Head of the Centre/Unit may for reasons to be recorded in writing, divide the procurement into appropriate packages.

4.5.3 In all cases, the intent to club or split the quantity of procurement, including broad principles applied, should be indicated upfront while formulating the NIT.

4.6 Estimated Cost

The estimated cost should be realistic and worked out in an objective manner. There shall be no substantial variation between the estimated cost and the procurement cost. The Indentor/User Group shall maintain proper records/documents indicating how the estimated cost for the item to be procured has been arrived at. The CVC has observed that the cost estimation is sometimes done in an unprofessional and perfunctory manner, at times extrapolating the price of the lowest capacity equipment or by applying a uniform yearly compounded escalation over the prices of similar equipment purchased few years earlier, and such inflated estimated cost results in acceptance & payment of higher prices. It is essential, therefore that the following aspects shall be kept in mind while working out the estimated cost of the item intended for procurement :

- (a) Approximate price as revealed in the market survey, demand & supply position in the open market, inflation, etc.

- (b) Economic indices for raw materials & labour and other costs, IEEMA formula, wherever applicable, and assessment based on intrinsic value.
- (c) Last Purchase Price of less than three years vintage with proper & justifiable escalation and after factoring in the basket price, bulk discount offered, price variation clause, current supply or ex-stock supply, etc., relating to the last purchase.
- (d) The estimated cost shall include basic cost, packing & forwarding/transportation charges, taxes, duties, training charges, inspection charges, foreign exchange variations, etc.
- (e) In respect of calculation of estimated cost by the indenter, if it is a contract which includes R&D/ Development and manufacturing, separate estimate for both the portions should be furnished.
- (f) Basis for estimation to be furnished for all indents exceeding estimate of ₹ 1 lakhs.

4.7 Funds Availability Certificate & Budget Line Item Code

4.7.1 As indicated in para 4.3 above, in cases where the items proposed to be procured are budgeted items, the Indenter shall certify the fund availability as also the Budget Line Item Code.

4.7.2 In the case of new items for R&D-related work, the Indenter shall clearly indicate the same and enclose the authorisation from PPEG/PPG for specific budget and the administrative approval of the Competent Authority as provided under para 4.3 above, with an undertaking to the effect that specific budget provision with Line Item Code will be furnished to the Purchase Division before the Purchase Order is released or purchase commitment is made.

4.7.3 Any re-appropriation proposed or obtained for which there is no original budget provision should also be indicated.

4.8 Specifications/Performance Parameters

Since the purpose of tendering an item after establishing its need is to attract competitive bids, the specifications for the stores item intended for procurement should be broad-based and not restrictive, and should conform

to statutory regulations. While drawing the specifications, the following aspects shall be taken into account :

- (a) The specifications may be based on the national technical regulations or standards or codes, wherever such standards exist.
- (b) Where no such Indian Standard specifications exist, the relevant international standards like the British Standards, Aerospace Quality Standards etc., may be followed. Even if such Indian Standards exist, the Indentor/User Group may, for reasons to be recorded in writing, base the specifications on equivalent international specifications.
- (c) Where no such international standard specifications exist, broad-based specifications like dimensional parameters or performance parameters, material composition, manufacturing process, tolerance, if any, etc., may be drawn.
- (d) Specifications shall not contain brand name or make or model number (exceptions being Proprietary or Specific Brand Goods).
- (e) Specifications shall be drawn taking into account the latest technology to avoid procurement of obsolete stores items.

4.9 Free Issue Material

For space products, the Department generally provides raw materials/semi-finished products to which value addition is made by the fabricator. If such Free Issue Material (FIM) is involved in the fabrication of the stores items being procured, the indent should contain the following particulars :

- (a) Whether the FIM is available in stock; if not, the status of its procurement. If there is no stock of FIM or no supply is in the pipeline/due and no procurement action has already been initiated for the FIM, parallel action on priority shall be taken for its procurement as well.
- (b) The details of the FIM, quantity, value, etc.
- (c) Maximum percentage of wastage of FIM admissible against the Purchase Order.
- (d) Requirement of maintaining and submission of the accounting of the FIM.
- (e) Balance FIM/Scrap to be returned by the tenderer/Contractor (after completion of the fabrication/manufacturing work).
- (f) Special precaution to be taken by the tenderer/Contractor for preservation/safety of the FIM during transportation, storage, etc.

- (g) Necessity of taking insurance for the value of the FIM from the time of transportation from the Centre/Unit till the balance/scrap is returned to the Centre/Unit.
- (h) FIM has to be routed only through Centre/Unit and should not be supplied directly to the fabricator.
- (i) The details about FIM should be a part of the CFC minutes.
- (j) Certain Fabrication orders require the vendors to procure materials as per the details in the drawing/specification. In tenders which such procurement has been specified, no request from the vendor either to change the type of material or request to provide such material/s by the Department would be entertained.

4.10 Indent Approval

4.10.1 Indents relating to Centres/Units: The officers in the Centre/Unit who can approve the indents shall be as under :

<u>Sl. No.</u>	<u>Total estimated value of Indent</u>	<u>Indent Approving Authority</u>
1.	Up to ₹1,00,000	Authorised officers not below the rank of Scientist/Engineer 'SE' (in exceptional cases, by an officer not below the rank of Scientist/Engineer 'SD')
2.	Up to ₹2,00,000	Section Head or an authorised officer not below the rank of Scientist/Engineer 'SF'
3.	Up to ₹10,00,000	Head of the Group/Division not below the rank of Scientist/Engineer 'SG'
4.	Up to ₹20,00,000	Dy. Director / General Manager / Controller / Associate Director.
5.	Above ₹ 20,00,000	Head of the Centre/Unit

4.10.2 Indents relating to projects: In the case of projects, indents shall be approved by the Project Executives as per the powers delegated by the concerned Project Management Council/Board appropriately. Where specific delegations have not been made for an approved project, the Project

Executives may approve the indents within the limits indicated in para 4.10.1 above.

4.10.3 Indents relating to Single Tender/Source/Proprietary Item: Single Tender/Single Source bestows monopoly and obviates competition. As such, proposals for resorting to Single Tender/Single Source shall contain detailed technical justification, and the approval for processing such cases shall be granted only by an authority not below the rank of Group Director/Project Director, after careful consideration of factors like competence, availability, standardisation, value for money, etc.

4.10.4 Emergency Indents: In the case of emergency indents, the approving authorities shall be as under

<u>Sl. No.</u>	<u>Total estimated value of Indent</u>	<u>Indent Approving Authority</u>
1.	> ₹15,001 to ₹25,000	Head of the Division/Group not below the rank of Scientist/Engineer 'SF'
2.	₹25,001 to ₹50,000	Group Director/Deputy Project Director not below the rank of Scientist/Engineer 'SG'
3.	₹50,001 to ₹1,00,000	Deputy Director/General Manager/Project Director/ Controller/Associate Director
4.	>₹1,00,000	Head of the Centre/Unit

4.11 Need-aspect Approval Committee

4.11.1 Cases that need to be placed before NAC: The following cases shall be placed before the Need-aspect Approval Committee (NAC) by the Indentor/User Group :

- Cases/Indents where the estimated unit value of a single stores item/service exceeds ₹5,00,000/-.
- Cases/Indents where the estimated value (quantity x rate per unit) exceeds ₹10,00,000/-.
- Cases where the estimated value exceeds ₹3,00,000/- for Annual Maintenance Contracts (Comprehensive or Non-Comprehensive).

- (d) Cases where the recommended order value for a procurement exceeds 25% of the original estimated value cleared by NAC or ₹10,00,000/-, whichever is less.
- (e) If the percentage (%) and amount as above is due to taxes, duties & foreign exchange variations, it need not be referred to NAC.
- (f) Specific Brand/Proprietary/Single Source indents where estimated value is ₹ 5 lakhs or above
- (g) In case of cost escalation only due to FE variation, cases need not be referred back to NAC for approval of the same.

4.11.2 In cases where the initial estimated value of the indents is less than the limits indicated above but subsequently, after obtaining the quotations, the value crosses the limits concerned, the approval of the NAC shall be taken before processing the cases for the approval of the concerned Purchase Committee.

4.11.3 **Composition of NAC** : The NAC, to be constituted by the Head of the Centre/Unit/Project, shall comprise of technical experts from the relevant field and representatives from Purchase & Stores and Accounts Divisions.

4.11.4 **Functions of NAC**: The functions of NAC shall be to –

- (a) consider and approve the need aspect of the cases referred to in para 4.11.1 above or any other case referred to it by the Head of the Centre/Unit/Project;
- (b) review the appropriateness of the specifications for the stores item under procurement;
- (c) consider the reasonableness of the estimated value of the stores item under procurement;
- (d) check the budget provision/funds availability; and
- (e) recommend on the mode of tendering.
- (f) to see the site requirement and its readiness wherever civil works are involved.

CHAPTER – 5

EARNEST MONEY DEPOSIT/SECURITY DEPOSIT/ PERFORMANCE BOND AND BANK GUARANTEE

5.1 Earnest Money Deposit/Bid Security

5.1.1 Earnest Money Deposit (EMD) or Bid Security is obtained to ensure the earnestness of the vendor in the participation of the procurement process. EMD will act as a deterrent against the tenderer/Contractor withdrawing or altering his tender during its validity. EMD shall be interest free.

5.1.2 EMD shall be obtained in case of Open Tender/Public Tender or Limited Tender. The exact amount of EMD payable and other terms & conditions relating to payment of EMD shall be mentioned in the tender enquiry/document. EMD shall not be necessary if the estimated value of the items being procured is up to ₹1.00 lakh (Rupees one lakh only). Foreign vendors, registered vendors or vendors who have already applied for renewal of registration, Central PSUs/PSEs/Autonomous Bodies, Micro and Small Enterprises, KVIC, National Small Industries Corporation, etc., shall be exempt from the payment of EMD.

5.1.3 EMD shall be charged at a fixed rate in the bandwidth of 2 to 5%, subject to a maximum of ₹5.00 lakhs (Rupees five lakhs only). EMD shall be obtained in a single instalment through Demand Draft/Banker's Cheque/Fixed Deposit Receipts or Bank Guarantee from any of the Scheduled Banks executed on non-judicial stamp paper of appropriate value. In case of bank guarantee, it shall be valid for a period of 45 days beyond the final tender validity date. The bank guarantee submitted by the vendor shall be verified immediately from the issuing bank.

5.1.4 Any tender not accompanied with EMD shall be treated as invalid tender and rejected. Vendors seeking exemption from payment of EMD shall submit necessary proof like registration number, etc.

5.1.5 EMD of a vendor shall be forfeited if the tenderer/Contractor withdraws or amends his tender or deviates from the tender in any respect within the period of validity of the tender. Failure to furnish security

deposit/performance bond by a successful vendor within the specified period shall also result in forfeiture of EMD.

5.1.6 EMD shall be refunded to all the unsuccessful vendors within thirty days after placement of the Purchase Order. EMD shall be refunded to the successful tenderer/Contractor after payment of the Security Deposit or may be adjusted against the Security Deposit. EMD shall be refunded to all the participants in cases where the tender is cancelled or withdrawn by the Centre/Unit, within thirty days from the date of such cancellation or withdrawal.

5.2 Security Deposit

5.2.1 Security Deposit is obtained from the successful vendor for satisfactory execution of the Purchase Order/Contract.

5.2.2 The Security Deposit shall not be necessary if the value of the ordered items is up to ₹5.00 lakhs (Rupees five lakhs only). Central PSUs/PSEs/Autonomous Bodies/MSEs shall be exempted from the payment of Security Deposit, and instead, an Indemnity Bond shall be secured from them in lieu of the Security Deposit; however, the Purchase Order/Contract shall include a Liquidated Damages clause at the prescribed rate. Security Deposit shall invariably be obtained from private tenderers/Contractors, and the above provision for obtaining Indemnity Bond from a Central PSU/PSE/Autonomous Body shall not apply to such private tenderers/Contractors.

5.2.3 Security Deposit shall be obtained at 10% of the value of the Purchase Order. If the successful vendor makes a request to adjust (i) the EMD already paid by him, and/or (ii) his pending bills against any other Contract/s, towards the Security Deposit for the fresh Purchase Order/Contract, the same may be agreed to subject to the condition that the Purchase Order relating to the pending bills have already been executed satisfactorily and no other amount is recoverable from the vendor against any other Purchase Order/Contract.

5.2.4 Security Deposit shall be obtained through Bank Guarantee or fixed deposit receipt from any of the Scheduled Banks executed on non-judicial

stamp paper of appropriate value, and shall be valid for a period of sixty days beyond the date for completion of the Purchase Order/Contract. The bank guarantee or fixed deposit receipt submitted by the tenderer/Contractor shall be verified immediately from the issuing bank.

5.2.5 In case the vendor fails to furnish the security deposit within the specified date or extended due date, the Purchase Order/Contract shall be cancelled, and the EMD, if any, made earlier shall be forfeited, and, in addition, appropriate penal action as provided for in Chapter-3 of this Manual may also be considered.

5.2.6 In cases where the delivery/execution date is extended by the Centre/Unit, the concerned Accounts Officer shall take necessary action for renewal of the Bank Guarantee towards Security Deposit. Such renewals shall be made by the concerned bank only on a non-judicial stamp paper of appropriate value with reference to the earlier bank guarantee, and not merely through a letter.

5.2.7 After the Purchase Order/Contract is successfully executed in all respects, the Bank Guarantee towards Security Deposit may be discharged and retained amount and / or EMD refunded to vendors.

5.2.8 In the event of non-execution of the Purchase Order/Contract or breach of any terms and conditions of the Purchase Order, the Security Deposit shall be forfeited.

5.2.9 Unclaimed Security Deposits shall be dealt with in accordance with the provisions applicable to 'Lapsed Deposits' under the Central Government Accounts (Receipts & Payment) Rules.

5.3 Performance Bank Guarantee (PBG)

5.3.1 Performance Bank Guarantee (PBG) is obtained as a security for fulfilment of warranty obligations by the vendor after satisfactory execution of the Purchase Order/Contract.

5.3.2 Central PSUs/PSEs/Autonomous Bodies shall be exempt from the production of Performance Bank Guarantee. Instead, an Indemnity Bond shall be secured from them in lieu of PBG.

5.3.3 PBG at 10% of the value of the Purchase Order shall be obtained through bank guarantee from any of the Scheduled Banks executed on non-judicial stamp paper of appropriate value, and shall be valid for a period of sixty days beyond the date for completion of all the terms and conditions of the Purchase Order/expiry date of warranty period. The bank guarantee submitted by the tenderer/Contractor shall be verified immediately from the issuing bank. In cases where the BG has been issued by a foreign bank, it should be ascertained from any of the Scheduled Banks whether the foreign bank is a bank of International repute.

5.3.4 CVC's Observations/Guidelines on Performance Bank Guarantee:

While observing that some of the organisations are either not stipulating the requirement of Performance Bank Guarantee (PBG) or not obtaining adequate amount towards PBG, the Commission has stressed that, in order to safeguard the interests of the Government, a reasonable amount of PBG valid to cover the warranty period should be obtained. The validity of the PBG should be carefully monitored, and whenever extension in the delivery period is granted, the validity of the PBG should also be appropriately extended. The genuineness of the PBG should also be verified from the issuing bank.

5.4 Bank Guarantee

5.4.1.1 Bank Guarantees (BGs) are securities mainly obtained from the vendors to protect the interests of the Government in the following cases towards :

- (a) Earnest Money Deposit as detailed in para 5.1 above to ensure the earnestness of the tenderers/Contractors in the participation of procurement process.
- (b) Security Deposit as detailed in para 5.2 above to ensure that the successful tenderer/Contractor satisfactorily executes the Purchase Order/Contract.
- (c) Performance Bond as detailed in para 5.3 above to ensure fulfilment of warranty obligations by the tenderers/Contractors.
- (d) Advance payments and milestone payments, i.e., payments made before despatch of the ordered items from the premises of the supplier.
- (e) Re-export/transportation of the defective instrument/equipment to the manufacturer within the warranty period for arranging

repair/replacement. Beyond warranty period, the option of obtaining comprehensive insurance instead of bank guarantee may be considered.

(f) Security for Free Issue Material (FIM).

5.4.1.2 Central PSUs/PSEs/Autonomous Bodies shall be exempt from the production of BGs towards EMD, SD, advances, performance, FIM, etc. Instead, an Indemnity Bond shall be secured in lieu of the Security Deposit, etc.

5.4.1.3 Any BG waiver or exemption in any other case shall be given only with the explicit approval of the Head of the Centre/Unit with proper justification.

5.4.2 The Head, Accounts & IFA, shall identify an Accounts Officer as custodian for handling all the BGs received from the vendors through the Purchase & Stores Division.

5.4.3.1 On receipt of the BGs, the custodian shall check the following whether :

- (a) the BG is in favour of the President of India, acting through the Head, Purchase and Stores/Purchaser;
- (b) the contents of the BG are strictly as per the prescribed format;
- (c) the Purchase Order/Contract number, date, value, period, name & address of the vendor, and bank & the beneficiary (including fax, telephone no., etc.) are correctly reflected in the BG as per the Purchase Order/Contract;
- (d) in case of lodging a claim, the payment has been made by the bank without any demur and without attaching any condition for payment;
- (e) the validity of the BG is as prescribed in paras 5.1, 5.2 & 5.3 above, and for other cases sixty days beyond the Contractual date for completion of the order;
- (f) in case of re-export of rejected item, the BG is valid till the receipt and acceptance of the item by the User Group after repair;
- (g) in case of FIM, the BG is valid till receipt and acceptance of supply and satisfactory accounting of FIM; and
- (h) the BG has been issued by a Scheduled Bank (in the case of indigenous order/Contract) executed on non-judicial stamp paper of appropriate value; or

- (i) The BG has been issued by a bank of International repute (in the case of an import order), in which case the status of the foreign bank shall be checked with any of the Scheduled Banks.

5.4.3.2 In case the BG is not in order, the custodian shall intimate the vendor immediately for necessary amendment/s to be carried out by the concerned bank separately on non-judicial stamp paper of appropriate value with reference to the earlier BG and not by a simple letter. In case the BG is required to be renewed/ revalidated, the same shall be done by the concerned bank separately on non-judicial stamp paper of appropriate value with reference to the earlier BG, and not by a simple letter. Under no circumstance, the BGs shall be returned to the vendor.

5.4.4.1 The custodian shall send a copy of the BG to the concerned bank/branch, as in the Form No. DOS:PM:04 through fax followed by Registered Post with Ack. Due or Speed Post with Proof of Delivery, to verify the genuineness of the BG and request the bank/branch to immediately confirm that the BG has been issued by that bank/branch.

5.4.4.2 In cases where the BG has been issued by a foreign bank, the assistance of one of the Scheduled Banks shall be taken to ascertain whether the foreign bank concerned is a bank of international repute before taking a decision whether such BG should be confirmed by any one of the Scheduled Banks. The details of foreign banks of international repute have to be obtained from RBI/Scheduled Banks, and the same included in the tender enquiry/document as the foreign banks from which BGs would be acceptable to the Centre/Unit.

5.4.5 After establishing the correctness and genuineness of the BG, the custodian shall enter the details of the BG in a register (as in the format at Form No. DOS:PM:05) and properly maintain the record, and send an intimation to the Pay & Accounts Officer; Purchase & Stores Officer and Indentor regarding acceptance of the BG. The custodian shall also take appropriate timely action for lodging of claims or renewal/extension of the BGs well before their expiry dates. In case of any loss to the Government due to the negligence of the officers concerned, they will be held responsible for the same. The custodian shall also be specifically responsible for the following :

- (a) Proper maintenance of the BG Register and its scrutiny every fortnight.
- (b) Submission of the BG Register to the Head, Accounts & IFA for review every month, and to the Head of the Centre/Unit every quarter.

- (c) Get feedback/ ascertain from the indenter or user group about the performance or fulfilment of contractual obligations before 30 days of expiry of BG and necessary action may be initiated to get it revalidated or return of BG to the concerned vendor(s) based on feedback.
- (d) Entry of the BG renewal/revalidation details and grace period, if any, given by the bank, etc., in the BG Register.

5.4.6.1 A BG can be invoked, with the approval of the Head, Accounts & IFA, in cases where there is a breach of the BG terms and failure to renew/revalidate the BG due to non-fulfilment of the terms & conditions of the Purchase Order/Contract on part of the vendor.

5.4.6.2 In cases where approval is taken to invoke the BG for encashment, the claim letter shall be prepared by the custodian at least 15 days prior to expiry date of the BG in case of local banks, 30 days in case of outstation banks and 45 days, in case of foreign banks. The validity of the BG should be two months beyond completion of warranty to ensure performance till the last day of the warranty.

5.4.7 The issuing bank cannot enquire into the merits of the claim, and is expected to comply with the terms of the BG and effect the payment immediately and unconditionally to the Centre/Unit. In case the issuing bank delays releasing of the guaranteed money, the Senior/ Head, Accounts & IFA shall take the following action :

- (a) Take up the matter with the Regional/Head Office of the bank concerned for early encashment of the BG.
- (b) Debar acceptance of BGs issued by all the branches of the bank by communicating to various Centres/Units of DOS/ISRO.
- (c) Ban/Debar from having business dealings with the concerned vendor, after following the due procedure prescribed in para 3.12 of this Manual.
- (d) If the encashment of the BG does not materialize within 30 days from the date of lodging of the claim, the matter may be referred to the Legal Section of the Centre/Unit for considering initiation of legal action against the concerned bank and vendor, with the approval of the Head of the Centre/Unit.

5.4.8 After fulfilment of the purpose, the BG shall be discharged by the Head, Accounts & IFA, under his signature with the remark “DISCHARGED”, and

returned to the vendor by Registered Post with Ack. Due or Speed Post with Proof of Delivery after making necessary entry to that effect in the BG Register. Before discharging a BG as above, the following guidelines shall be taken into account :

- (a) BG towards Security Deposit may be discharged only after the satisfactory execution of the Purchase Order/Contract and on receipt of Performance BG, wherever applicable.
- (b) BG towards advance/progressive payment/s may be returned to the vendor only after the satisfactory execution of the Purchase Order/Contract.
- (c) BG towards erection & commissioning job involving advance payment may be discharged only after satisfactory completion of the erection & commissioning and acceptance of the equipment/facility by the Indentor/User Group.
- (d) Performance BG may be discharged only after expiry of the warranty period and after getting a certificate from the Indentor/User Group that the system/sub-system/ equipment had performed satisfactorily during the warranty period and that the defects/deficiencies noticed during the warranty period were rectified by the vendor satisfactorily.
- (e) BG towards rejected systems/sub-systems/equipment may be discharged after receipt of the repaired systems/sub-systems/equipment and acceptance of the same by the Indentor/User Group on the basis of certification given by the Indentor/User Group that the systems/sub-systems/equipment were working satisfactorily during the warranty period.

5.5 Standard Proformae for BGs & Indemnity Bonds

The Standard Proformae for BGs & Indemnity Bonds are given below:

<u>Form No.</u>	<u>Proforma for</u>
-----------------	---------------------

DOS:PM:06	BG for EMD (from indigenous suppliers)
-----------	--

DOS:PM:07	BG for SD (from indigenous suppliers)
-----------	---------------------------------------

DOS:PM:08	Indemnity Bond for Security Deposit (from CPSUs, etc.)
-----------	--

DOS:PM:09	BG for SD (from Indian Agents on behalf of foreign principals)
-----------	--

- DOS:PM:10 BG for Advance Payment (from indigenous suppliers)
- DOS:PM:11 Indemnity Bond for Advance Payment (from CPSUs, etc.)
- DOS:PM:12 BG for FIM (from indigenous suppliers)
- DOS:PM:13 Indemnity Bond for FIM (from CPSUs, etc.)
- DOS:PM:14 Performance BG (from indigenous suppliers)
- DOS:PM:15 Indemnity Bond for Performance Guarantee (from CPSUs, etc.)
- DOS:PM:16 Performance BG (from Indian Agents on behalf of foreign principals)
- DOS:PM:17 Performance BG (from foreign suppliers)
- DOS:PM:18 BG for re-export of rejected equipment for repair/replacement (from foreign suppliers)

CHAPTER – 6

MODES AND TYPES OF PROCUREMENT

6.1 All procurements made by the Department shall be on the basis of equal opportunity through wide publicity for the intended procurement. Aerospace procurement is characterised by high-end technology, where the reliability of the systems/sub-systems/components established over a period of time is a major concern. In tune with the policy of the Government to encourage indigenisation for self-reliance, the Department encourages the participation of Indian Industry in the fabrication/manufacture of special products for the Space Programme by way of technology transfer, setting up of facilities, etc. In cases of high-end technology or critical systems/sub-systems, procurements from foreign sources are also resorted to.

6.2 The different modes of procurement of stores and services are –

- (1) Cash Purchase (without quotation)
- (2) Emergency Purchase – Fax/e-Mail quotations
- (3) Emergency Purchase – Special Purchase Committee
- (4) Two-Part Tender
- (5) Open Tender/Public Tender
- (6) Global Tender
- (7) Limited Tender
- (8) Pre-qualification/EoI/RFP
- (9) Single Tender/Single Source/Proprietary/Specific Brand
- (10) Repeat Order
- (11) Rate Contract/Running Contract
- (12) Repair Contract
- (13) Buy-Back
- (14) Developmental Order/Technology Transfer
- (15) Procurement through Industry Participation
- (16) Fabrication Contract/Free Issue Material
- (17) Product Reservation/Purchase Preference
- (18) Special Procedure for Procurement of Drugs/Medicines
- (19) Annual Service & Maintenance Contract
- (20) Availing of Consultancy Services
- (21) Outsourcing of Services
- (22) Risk Purchase

6.3 Cash Purchase (without quotation)

6.3.1 Purchase of goods (petty/small value items, parts/components, etc., required urgently for testing of systems/sub-systems/equipment, day-to-day office management, etc.) up to a value of ₹15,000/- (Rupees fifteen thousand only) on each occasion, may be made on cash purchase basis, i.e., without obtaining any quotation, on the basis of a certificate to be recorded by the Competent Authority (signed by the Purchaser and countersigned by the Head of Office or Officer maintaining the imprest or Scientist/Engineer 'SE' authorised by the Head of the Centre/Unit/Project) as under:

“I,, am personally satisfied that the goods purchased are of the requisite quality and specifications and have been purchased from a reliable vendor at a reasonable price.”

6.3.2 Cash purchases without quotation may be resorted to by keeping an imprest amount depending on the number of such purchases made in a month. Provisions contained in Rule 291 of GFR and para 10.12 of the Civil Accounts Manual (Vol. I) shall be followed for sanction and maintenance of imprest.

6.3.3 Cash purchases without quotation may also be made from advances specifically drawn for the purpose. The sanction of advance for the purpose shall be by the Head of Office or by the Head of the Division/Group Dy. Director/Project not below the rank of Scientist/Engineer 'SE'. Wherever advances are drawn for cash purchases without quotation, the purchases shall be completed within two working days from the date of drawal of advance. Unspent amount shall be refunded to the Accounts Division within one day after completion of the cash purchase. The entry and accounting of the cash purchased goods in the Centre/Unit shall be as per the provisions of the DOS Stores Procedure.

6.3.4 Advances drawn for the cash purchases shall be settled within three days from the date of completion of the purchases along with valid cash receipt/s, necessary certification, etc. The Divisions/Groups drawing the advance shall maintain a register of advances drawn and enter therein all the details relating to the cash purchases (like amount of advance drawn, items purchased, their value, bill details, refund of balance advance, etc.).

6.4 Emergency Purchases Upto ₹ 1,00,000 – Fax/e-Mail quotations

6.4.1 In the case of emergency indents for the purchase of goods whose estimated value is between ₹15,000/- (Rupees fifteen thousand only) and ₹1,00,000/- (Rupees one lakh only), procurement may be made from the lowest tenderer after obtaining fax/e-mail quotations.

6.4.2 The following procedure shall be followed while resorting to procurements based on fax/e-mail quotations for ensuring transparency :

- (a) Vendors are to be selected only from the registered list of vendors.
- (b) Transmission reports of the enquiry sent to the selected vendors shall be maintained in the relevant purchase file. The enquiry should contain the fax number and e-mail ID of identified officer, along with other normal tender details like description, last date (normally 2 or 3 days from the date of fax enquiry) and time for receipt of quotations, delivery date (normally 5 or 6 days), etc.
- (c) In case the quotation is received by fax, the identified officer shall record the date and time of its receipt under his/her signature and seal the same and hand over the sealed cover/s to the Purchase Section for opening on the particular date and time indicated for opening of the tender.
- (d) In the case of quotations received by e-mail, the mail box shall be opened by the identified officer only on the particular date and time indicated for opening of the tender.
- (e) Fax/e-mail quotations received after the last date and time for receipt of quotations shall not be considered.
- (f) The order shall be issued by fax clearly indicating the date by which the delivery should be effected by the successful tenderer. The transmission report of the fax order shall be maintained in the concerned purchase file.

6.5 Emergency Purchases Exceeding ₹ 1,00,000/- – Special Purchase Committee.

6.5.1 In the case of emergency indents for the purchase of goods whose estimated value exceeds ₹1,00,000/- (Rupees one lakh only), procurement may be made, where considered absolutely necessary, by a Special Purchase Committee constituted for the purpose. The Committee shall be

constituted with the approval of Head of the Centre/Unit for which action will be taken by the Head of the Purchase & Stores Division. The Head of the Purchase & Stores Division shall obtain the prior approval of the authorities, specified below, justifying the need for resorting to procurement through the Special Purchase Committee

<u>Value of stores to be purchased</u>	<u>Approving Authority</u>
> ₹1,00,000/- to ₹2,00,000/-	Deputy Directors/ Controller/ Project Director
Above ₹2,00,000/- & up to ₹10,00,000/-	Head of the Centre/Unit

6.5.2 A monthly statement indicating the value of emergency purchases made during the month should be submitted by the Head of the Purchase & Stores Division to the Head of the Centre/Unit/Controller/Project Director on or before the 10th of the succeeding month.

6.5.3 The following procedure shall be followed for constituting the Special Purchase Committee for emergency purchases :

- (a) The Committee shall include the IFA of the Centre/Unit or his representative; indenter and one representative of Purchase & Stores and a technical expert if required.
- (b) Approval of the Head of the Centre/Unit or Deputy Directors or Controller shall be obtained after clearly indicating the (i) non-availability of the items in the Stores to meet the emergency requirement, (ii) justification to make the emergency purchase, and (iii) approximate value of the item/s proposed to be purchased urgently.
- (c) Emergency purchases shall not be normally considered for office equipment and furniture.
- (d) Stores purchased on emergency basis shall be utilised within three months after their receipt.
- (e) The right source of supply from the vendors list shall be contacted / visited by the Committee members for ascertaining the availability of materials for immediate requirements.
- (f) Enquiries incorporating the terms and conditions of supply shall be issued to at least five firms subject to availability in the vendors list, specifying the time needed within which the quotations should be submitted in sealed envelopes. All the quotations should be opened on the prescribed date and time by the Committee. In case the number of vendors to whom enquiries are issued is less than five, reasons for the

same shall be recorded on the file. Purchase of proprietary/specific brand/preferred source goods may be made by obtaining single quotation provided the requisite approval has been obtained from Heads of Centres/Units.

- (g) Immediately after opening of quotations, a comparative statement shall be prepared, the offers analyzed, and inspection of equipment/samples, etc., as may be needed, shall be carried out. The comparative statement with all relevant details shall be examined by the Committee, which should function as the Purchase Committee for this purpose. Thereafter, order should be placed on the basis of the lowest technically acceptable offer taking into account the delivery factor. If the vendor fails to adhere to the delivery schedule, and for that reason the offer is cancelled after placement of the order, the question of imposing liquidated damages and/ or risk purchase clause shall be considered.
- (h) Inspection of the materials shall be carried out as speedily as possible.
- (i) Payment can be made only against delivery of materials in question. Where immediate or early payment terms are agreed to, efforts shall be made to obtain price discounts. Wherever price discounts are offered, they shall be obtained in writing from the suppliers.
- (j) Prior arrangement for issuance of cheques as needed may be made.
- (k) Recommendations/decisions of the Committee made on the spot shall be submitted to the Controller or the Project Director/Head of the Centre/Unit for *post-facto* approval.
- (l) Where 'Letter of Intent' is issued by the Committee, the same shall be regularised by issuing a confirmatory Purchase Order by the Purchase & Stores Division without loss of time.

6.6 Two-Part Tender

6.6.1 Two -part tender system may be resorted to in the following cases –

- (a) It is not feasible for the Centre/Unit to formulate detailed specifications or identify characteristics for the items being procured, without receiving inputs regarding their technical aspects from the tenderers; or
- (b) The character of the items being procured is subject to rapid technological advances or market fluctuations or both; or
- (c) The Centre/Unit seeks to place an order for the purpose of research, experiment, study or development.

6.6.2 In Two-Part Tendering system, tenders are invited in two parts – Part I (Techno-Commercial) & Part II (Price). Both Techno-Commercial and Price bids received on or before the due date shall be considered as valid offers. Bids received after tender due date and time, irrespective of whether they are Techno-Commercial or Price bids, shall be considered as late tenders. However, they must be kept on record unopened noting the time and date of receipt under the signature of the Officer concerned. If any tenderer includes price of any nature in Part I (Techno-Commercial) of the tender, such offer shall be rejected without any notice to the tenderer. If the tenderer fails or omits to submit/reach any one part of the tender, i.e., either Part I or Part II, within the initial due date and time specified for its receipt mentioned in the tender document, such tenders shall be treated as incomplete and rejected. Tenders will also stand rejected if cost of the tender document/EMD is kept in the price bid cover or is submitted on the date of opening of the tender.

6.6.3 The Techno-Commercial evaluation, of all the bids shall be first completed pursuant to clarifications/discussions with the bidders. The Technical Evaluation Committee, after short-listing the tenderers based on their Techno-Commercial Bids, shall recommend the opening of the Price Bids. Price Bids shall be opened only after Techno-Commercial discussion/presentation is over and detailed clarifications, wherever necessary, are obtained and the Contract terms frozen for technical specifications/commercial aspects. No clarification, either technical or commercial, shall be obtained after the Price Bids are opened.

6.6.4 The tender opening Officers and the Accounts representative shall sign on the envelopes, and thereafter all the envelopes shall be put in a bigger envelope/box and properly sealed/duly signed by the tender opening Officer and Accounts representative.

6.6.5 Before opening the Price bids, in case changes in original technical specifications are found necessary or anticipated, the parties shall be asked to indicate separately the consequent change in their original quote either by amount or percentage of the quoted bid, instead of calling for fresh bids. Once the responses are received, both the original and revised quotes shall be opened, compiled and evaluated on a common platform unless the concerned Purchase Committee/Contract Finalisation Committee decides to re-invite the tenders because of material difference in the technical specifications. In case of major changes, it should be retendered.

6.6.6 Normal practice of opening valid price bids after complete evaluation and finalisation of the valid Techno-Commercial offers received against the

tender shall be followed, as specified in Chapter-8 of this Manual. However, the details of all Techno-Commercial bids/Price bids, including those received late, shall be placed before the Purchase Committee/Contract Finalisation Committee and taken note of, and such invalid unopened bids kept in the concerned file.

6.6.7 The Price bids of only the short-listed parties on technical grounds shall be opened. The presence of tenderers or their authorised representatives shall be allowed if it is a Public Tender. Once it is established that the offers meet the laid down specifications, no grading shall be made and the Contract awarded to the lowest technically suitable tenderer.

6.6.8 CVC has reiterated that after the technical evaluation of tenders, if it has been established that the offers meet the tendered specifications, the question of grading or 'pick and choose' should not arise, and the Contract needs to be awarded to the lowest tenderer meeting the tendered specifications.

6.7 Open Tender/Public Tender

6.7.1 Open Tendering/Public Tendering shall be resorted to in cases where the estimated value of the –

- (a) Stores item/s is ₹25,00,000/- (Rupees twenty five lakhs only) or more; and
- (b) Outsourcing of services is ₹10,00,000/- (Rupees ten lakhs only) or more.
- (c) Consultancy services is ₹25,00,000 (Rupees twenty five lakhs only) and above

6.7.2 Tender Notices shall be advertised through Newspapers/Dailies with at least one having an all India circulation. Public Tenders and tender documents shall be available on the website of the concerned Centre/Unit and ISRO/DOS as also on the CPP Portal. The web site shall facilitate downloading of the Tender Notice along with the tender documents by the potential suppliers. The availability of the tender documents on the websites of the Department/Centre/Unit as also on the CPP Portal shall be mentioned in the Tender Notice/advertisement in the newspapers.

6.7.3 The Tender Notice shall contain all provisions as detailed at Para 7.2.1, dealing with 'Invitation to Tender'.

6.7.4 For the cases falling under Open Tender/Public Tender system, the Centres/Units shall also follow the pre-qualification procedure specified in para 3.7 of this Manual and invite Limited Tenders only from such pre-qualified/short-listed vendors.

6.7.5 The outcome of the tendering process as above shall be published on the websites of the Centre/Unit/Department and on CPP Portal.

6.8 Waiver of Open Tender/Public Tender

6.8.1 If the estimated value of an indent is ₹25,00,000/- (Rupees twenty five lakhs only) or more, with the approval of the Head of the Centre/Unit, the requirement of resorting to Open Tender/Public Tender system may be waived and Limited Tender system adopted in the following circumstances :

- (a) Where the field has already been explored by Open Tender/Public Tender for a similar item during the period of two years preceding the date of the indent, and it is definitely known that there are no fresh sources of supply.
- (b) It will not be in strategic/security interests to procure goods through public tender.
- (c) In case of justified unforeseen urgent demand.
- (d) In cases where the items fall under Product Reservation or Purchase Preference detailed under Chapter 2 of this Manual.
- (e) In cases where service providers are to be restricted on the basis of quality, reliability, security and other relevant considerations.

6.8.2 If the estimated value of the indent is within the purchase powers delegated to the Centre/Unit, the approval of the Head of the Centre/Unit shall be taken with detailed justification for waiver of Open Tender/Public Tender. In cases where the purchase approval powers lie with the Department, the proposal to waive Open Tender/Public Tender shall be sent with detailed justification to the Department for consideration.

6.9 Limited Tender

6.9.1 Limited Tendering shall be resorted to in cases where the estimated value of the –

- (a) Stores item/s is less than ₹25,00,000/- (Rupees twenty five lakhs only); and
- (b) Outsourcing of services is less than ₹10,00,000/- (Rupees ten lakhs only).
- (c) Consultancy services is ₹25,00,000 (Rupees twenty five lakhs only) and below

6.9.2 Limited Tendering shall also be resorted to in cases where Open Tender/Public Tender system has been waived by the Head of the Centre/Unit or by the Department under para 6.8 above, or where short-listing has been done after pre-qualification of vendors as detailed in para 3.7 of this Manual.

6.9.3 The procedure for inviting Limited Tender shall be as under –

- (a) The Centre/Unit shall issue an invitation to bid by writing directly to all the empanelled vendors of the Centre/Unit. The Centre/Unit shall ensure that such invitation shall be sent to not less than three vendors.
- (b) The Limited Tender shall be hosted on the website of the concerned Centre/Unit/Department as also on the CPP Portal.
- (c) The outcome of the Limited Tender process shall also be published on the websites of the Centre/Unit and DOS/ISRO and also on the CPP Portal.

6.9.4 In Limited Tender system also, two-part tender process may be adopted wherever high value plant, machinery, equipment, etc of a complex and technical nature is being procured.

6.10 Pre-qualification – EoI/RFP

The Centres/Units may pre-qualify the potential vendors as indicated in para 3.7 of this Manual after inviting EoI/RFP through open advertisements in newspapers/dailies with at least one having an all-India circulation, and only the finally short-listed vendors shall be allowed to further participate in the procurement process and submit their two-part bids (Techno-Commercial and Price).

6.11 Repeat Order

6.11.1 While the intention is not to encourage repeat orders, one Repeat Order may be placed based on the original order in case of absolute necessity, and one more repeat order may be placed in case of urgency after issue of an Eligibility Certificate by the Head of the Purchase & Stores Division. However, under no circumstances, the total quantity ordered under both the Repeat Orders put together should exceed the quantity in the original order.

6.11.2 Repeat Order/s may be placed subject to fulfilment of the following conditions :

- (a) The Repeat Order proposed should be placed within 18 months from the date of the original order.
- (b) A repeat order shall not be placed unless the supply against the original order has been received and accepted.
- (c) The item/s to be ordered in the Repeat Order should be of identical specification of the item/s in the original order.
- (d) The officer signing the Repeat Order should be satisfied that there is no downward trend in the market price relating to the ordered item/s. If the downward trend noticed is more than 10%, retendering shall be done.
- (e) The original order should have been placed for a proprietary item/specific brand good or on the basis of lowest technically acceptable quotation.
- (f) Repeat Order cannot be placed if the original order was an emergency order or an order placed on 'preferred delivery' basis.
- (g) Normally, efforts should be made to obtain quantity discount from the vendor provided –
 - (i) The store items are amenable for bulk production.
 - (ii) The increased quantity enables cost reduction through learning curve effect, amortization of fixed cost, etc.
 - (iii) There is savings in terms of bulk delivery.
 - (iv) If no cost advantage accrues to the vendor, the purchase on the basis of the value of the order already existing may be made.

- (h) If the indent for Repeat Order is from the same Group, the Indent Approving Authority should furnish a justification as to why the requirement could not be clubbed together initially to obtain more competitive offers from the tenderers.
- (i) The value of the Repeat Order shall not exceed ₹ 100 lakhs (Rupees one hundred lakhs only). The value of the original order shall be considered without any escalation in the unit cost of the item/s or any new costs that may be levied by the supplier.

6.12 Rate Contract/Running Contract

6.12.1 Rate Contract/Running Contract may be entered into for items in regular demand for a period of 12 months or any other specified period based on Public Tender or Limited Tender procedure. Copies of the Rate/Running Contracts entered into by the Centres/Units shall be forwarded to the Senior Purchase & Stores Officer at HQs. for information and co-ordination. The Rate Contracts concluded by the Department are to be followed by all the Centres/Units for common items, unless the instructions are to the contrary. The Rate Contracts concluded by the Centres/Units may be followed by the Headquarters and other Centres/Units.

6.12.2 The following guidelines for entering into Rate Contract/Running Contract shall be followed :

- (a) All stores of standard types required in bulk quantity which are in common and regular demand, the price of which is not subject to appreciable market fluctuations, are to be purchased on the basis of a Rate or Running Contract, whichever is most suited to the circumstances of each case.
- (b) Quotations for Rate Contracts shall be invited for slab quantities and Contracts concluded accordingly.
- (c) Rate Contracts shall be placed only on registered vendors.
- (d) Rate and Running Contracts shall, as a general rule, be entered into for stores if the annual payment against the Contracts are more than ₹1,00,000/- (Rupees one lakh only).
- (e) The rate Contract shall specify an upper limit in monetary value.
- (f) The period of currency of a Rate or Running Contract normally shall be normally be more than one year but not exceeding two years. In deserving cases an extension, not exceeding one year, may be given

with approval of Head of the Centre/Unit. No extension of the validity period of the Contract itself is required when deliveries against outstanding supply orders continue after expiry of the validity period. The Contract will remain alive for the purpose of delivery of all the stores ordered during the currency of the Contract until deliveries are completed. The total Contract period including extension, if any, shall not be more than three years.

- (g) No new Rate Contract shall be placed with vendors having backlog which is likely to continue for a major portion of the new Contract period.

6.12.3 In addition to the usual applicable standard terms and conditions, the following provisions should be included in the tender enquiries for Rate/Running Contracts and in the Rate/Running Contracts :

- a. **Fall Clause:** The prices charged for the stores supplied under the Contract by the vendor should in no event exceed the lowest price at which the vendor sells the stores of identical description to any other person during the period of the Contract. If at any time, the prices are reduced, the same shall be notified to the Department and shall stand correspondingly reduced.
- b. The Centre/Unit shall reserve the right to enter into parallel Rate Contract/s simultaneously, or at any time during the period of the Rate Contract, with one or more tenderers, and to terminate the Contract by giving one month's notice.
- c. The successful vendor shall maintain stocks at the station and shall make deliveries against supply orders from such stocks as and when required.
- d. The stores shall normally be supplied within a fortnight from the date of receipt of the order. Upon receipt of the order, the vendor shall, within seven days, intimate the quantity that can be supplied from stock within the period stipulated therein and the time required to supply the balance quantity. If no intimation is received from the vendor, it shall be assumed that he will make the supplies within the specified time.

6.12.4 In all cases, the delivery time as deemed to be accepted by the vendor, or agreed upon as aforesaid between him and the Centre/Unit, shall be deemed to be the essence of the Contract and delivery must be completed not later than such date. If no agreement with respect to the delivery time is reached between the vendor and the Centre/Unit, it shall be lawful for the

Centre/Unit to withdraw the supply order and the vendor shall have no claim whatsoever in respect of such withdrawal.

6.12.5 Renewal of rate Contracts: It should be ensured that new Rate Contracts are made operative after the expiry of the existing Rate Contracts without any gap for all rate Contracted items. In case, it is not possible to conclude new Rate Contracts due to some special reasons, timely steps may be taken to extend the existing Rate Contracts with the same terms and conditions for a suitable period with the consent of the vendors. Rate Contracts of the vendors, who do not agree to such extensions, are to be left out. The period of such extensions shall generally not be more than three months.

6.12.6 Order against DGS&D Rate Contract

Centres/Units can make direct procurement from the DGS&D Rate Contract holders by placing supply orders in the Departmental form, provided such Rate Contract holders are willing to make supplies as per the DGS&D rate Contract terms & conditions, except for necessary changes in inspection and paying authority. The inspection shall be carried out by the authorized representative of the Centre/Unit indicated in the Purchase Order and payment made by the respective Centre/Unit.

6.13 Repair Contract

6.13.1 Occasions may arise when an imported/indigenous system/sub-system may, after the warranty period is over, need repair and the Original Equipment Manufacturer (OEM) or his Indian Agent is unable to repair the system/sub-systems at the place of installation. This could require the transportation of such system/sub-system to the OEM for carrying out the repair work. In such cases, Repair Contracts are required to be processed as in the case of Procurement Contracts, starting with the raising of indent. If spare parts for replacement are available in the Centre/Unit, the same shall be supplied to the OEM along with the system/sub-system under repair.

6.13.2 On receipt of the indent, the Purchase & Stores Division shall issue a –

- (a) Single Tender to the OEM or his sole agent;

- (b) Limited Tender to the authorised agents of the OEM or firms approved by the OEM in case the OEM is unable to carry out the repair owing to export restrictions.

6.13.3 The invitation to tender shall contain the following details –

- (a) Name of system/sub-system and its quantity (along with type, make, model, Sl. No., date of manufacture, etc.)
- (b) Name and address of the OEM
- (c) Details of the original Purchase Order (number, date, date of shipment, installation date, Invoice No. & date, etc.)
- (d) Nature of repair/s required and history of previous repairs and details of the spare parts available for replacement in the system/sub-system.
- (e) Period of usage of the system/sub-system after installation.
- (f) Transportation details of the system/sub-system to be repaired to the country of OEM
- (g) A statement to the effect that customs clearance/formalities shall be addressed by the Centre/Unit
- (h) Any other relevant information which may aid in the repair of the system/sub-system

6.13.4 The OEM or his agent shall be requested to –

- (a) submit the quotation indicating the charges for repair and replacement of defective parts;
- (b) furnish the time schedule for completing the repair and return of the system/sub-system;
- (c) provide warranty, wherever required, for the system/sub-system after repair;
- (d) In case the OEM is unable to submit the quotation until he receives the equipment and opens/tests it at his premises to assess the failure, he may be requested to provide the cost based on the probable causes of failure giving details of costing. Subsequently, clause 6.13.6 para (f) can be applied to cover the actual cost.

6.13.5 The quotation/s received shall be referred to the Indentor/User Group, for necessary recommendation. They shall also certify the reasonableness of the charges quoted, budget availability, etc., and return the same to the

Purchase & Stores Division after obtaining the approval of the Competent Authority.

6.13.6 The Purchase & Stores Division shall, after necessary processing, issue the Repair Order incorporating the following :

- (a) All the details contained in para 6.13.4 above.
- (b) Pre-delivery inspection, if any, at the premises of OEM, prior to despatch.
- (c) Payment terms (shipping release issued by the Indentor/User Group will be essential for releasing payment)
- (d) Place/airport/seaport in the country of OEM (where the system/sub-system to be repaired will be sent for delivery).
- (e) Other clauses relating to packing, marking, consignee, paying authority, despatch through consolidation agent (in respect of air freight)/freight forwarder (in respect of sea freight), advance intimation about shipment, etc.
- (f) A clause requiring the OEM or identified service provider to intimate the Centre/Unit about the additional work/spare parts required over and above those included in the Repair Order, along with charges for the same. In the event of extra charges for such additional work/spare parts, the Purchase & Stores Division shall consult the Indentor and take necessary approval before issuing an amendment order.

6.14 Buy-Back

When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the Department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchase either to trade or not to trade the item while purchasing the new one.

6.15 Developmental Order/Technology Transfer

6.15.1 For a specialised item, where an order cannot be finalised by inviting quotations or when it is necessary to establish a parallel indigenous source of supply, pre-order discussions may be carried out with the potential supplier(s) subject to the guidelines approved by the Space Commission for industry participation/collaboration, as indicated in para 3.9 of this Manual. Developmental Order may be placed on the identified supplier with the approval of the Deputy Director where the value of the order is up to ₹2,00,000/- (Rupees two lakhs only) and Head of the Centre/Unit where the value of the order exceeds ₹2,00,000/- (Rupees two lakhs only). The purchase approval powers in the above cases shall be as in the case of Single Source Purchase. The Head, Accounts & IFA of the Centre/Unit shall be consulted before a Developmental Order is placed.

6.15.2 In cases where the technology is transferred and source developed by ISRO and the Industry sets up the facilities for productionisation, ISRO may be the only market for such products, necessitating buy-back Contracts. Pricing of such products would be extremely important to ISRO, and in many cases ISRO will have to underwrite the risk of the licensee by way of full investment or investment-sharing, guaranteed buy-back with firm off-take schedule. Further, in technology transfer, pricing (down payment and royalty) may have to be avoided or kept low since the product is meant for buy-back. Provision for royalty from sales to third parties, service tax on the royalty, imposition of penalty clause and price escalation clause, wherever applicable, shall be retained.

6.15.3 There may also be other special products for which technology has been transferred by ISRO, but the main markets for such special products would be organisations utilising the Space systems promoted by ISRO/DOS, e.g., Doordarshan, All India Radio, Department of Telecommunications, NNRMS-community, etc. In such cases, the volume of requirements would be generally higher than in the case covered above, and as such multiple licensees for each technology/know-how should be practical and highly desirable. In these cases, a hold on product price fixation through the licence agreement should be retained so that the Government-agencies promoting the Space systems and the user community are served optimally. This will result in the Department, directly or indirectly, shaping market growth with co-operation of the user agencies.

6.16 Procurement through Industry Participation

6.16.1 With a view to promoting the development of a cost-effective Space Industry, the Department may, subject to the guidelines of the Space Commission, enter into Agreements for strategic procurement and/or production under collaboration or hiring out in-house facilities, with or without lease charges, to private industries or associate with private industries/consortia, for productionisation of the required items.

6.16.2 The Department may also give management Contracts for efficient and smooth management of its production facilities by industries.

6.16.3 The Centres/Units may identify a potential private industry on Public Tender/ Limited Tender/Single Tender /Single Source basis and finalise the order accordingly. The rationale for associating any private firm or industry to collaborate for entering into Contracts should be recorded.

6.17 Fabrication Contract/Free Issue Material

6.17.1 The procedures outlined in this Manual shall, based on the value of the indent, also be applicable to Contracts for fabrication supply, erection and commissioning.

6.17.2 For fabrication of Space products, the Department generally provides Free Issue Material (FIM) – raw materials/semi-finished products, to which value addition is made by the fabricator. On most occasions, the value of FIM is very high compared to the value addition, and as such it is essential that the FIM is secured through Bank Guarantee, which shall be valid till supply and acceptance of the final product. However, Bank Guarantee may be waived in the following cases :

- (a) If a request for waiver of Bank Guarantee for a large value of FIM against a small value of Purchase Order is received from the fabricator, the Bank Guarantee may be waived taking into account the track record of the fabricator, subject to the conditions that the fabricator, at his cost, secures the FIM through an all risk insurance cover with the Department as the beneficiary.
- (b) Indemnity Bond may be accepted instead of Bank Guarantee from Central Government Organisations/PSUs/Autonomous Bodies.

6.17.3 In cases where the fabricated product is rejected due to the fault of the fabricator (like not meeting the ordered specifications etc.), fresh raw material/semi-finished product shall not be issued to the fabricator free of cost.

6.17.4 After completing the supply by the fabricator and acceptance of the final product by the Centre/Unit, the fabricator shall return the balance unutilised FIM & scrap along with the finished product. The bulk scrap of the FIM so returned by the fabricator shall be disposed off as per DOS Stores procedure and the proceeds credited to the Receipt Budget of the Government [For further provisions relating to FIM, refer to Sl. No. (35) under para 10.3 of this Manual].

6.18 Procurement of Drugs/Medicines

6.18.1 The Purchase Preference to pharma CPSEs as indicated in para 2.8.2 of this Manual shall be followed for the medicines identified by the Government/Department of Chemicals & Petrochemicals from time to time. If no pharma CPSE or its subsidiary is forthcoming for supplying such ordered medicines, the Centres/Units may procure such medicines and other medicines from pharma companies in the private sector as provided in paragraphs 6.18.2 and 6.18.3.

6.18.2 Medicines/Drugs costing < ₹2.00 lakhs : For procuring medicines/drugs, including patent medicines and drugs, direct orders may be placed on the concerned pharma company/authorised dealer on the basis of its price list as applicable to Government hospitals and institutions up to a value of ₹2.00 lakhs (Rupees two lakhs only) in each case.

6.18.3 Medicines/Drugs costing > ₹2.00 lakhs: Medicines/Drugs, including patent medicines/drugs costing > ₹2.00 lakhs (Rupees two lakhs only), shall be procured on the basis of rate Contract entered into with the pharma companies or their authorised dealers for a duration up to two years based on the manufacturer's price list as applicable to Government hospitals and institutions, and the supplies drawn as and when required.

6.18.4 In addition to general conditions of Rate Contract, including Fall Clause, the following additional conditions shall be incorporated for procurement of medicines/drugs :

- (a) The medicines/drugs supplied against each requisition should preferably be from the latest batch/es. If the full quantity of medicines/drugs supplied could not be dispensed within the expiry date, the supplier shall replace the same from the latest batch/es.
- (b) If the pharma company/authorised dealer fails to supply the medicines/drugs within the prescribed delivery period, the Centre/Unit shall recover from the pharma company/authorised dealer 0.5% of the value of the delayed portion of supply per week or part thereof or as mutually agreed.
- (c) The Centre/Unit shall also reserve the right to procure the medicines/drugs of a similar nature/formulation from the open market in case the pharma company/authorised dealer fails to make the supply by invoking the risk purchase clause.
- (d) In cases where the supplier is unable to meet the requisite demand, the Centre/Unit shall reserve the right to enter into a parallel Contract for similar or equivalent medicines/drugs with other pharma companies/authorised dealers.
- (e) The pharma company/authorised dealer shall certify that the medicines/drugs supplied are as per the formulation specified/approved under the Drug Control Act and Food & Drug Control Administration Regulations or any similar Regulations. The pharma company/authorised dealer shall be held responsible for consequences, if any, of supplying spurious, adulterated or sub-standard medicines/drugs not conforming to such Act/Regulations.
- (f) The pharma company/authorised dealer shall furnish a copy of the analytical report for each batch of medicines/drugs based on the formulation submitted by the pharma company and approved by the Drug Control Authority/Food & Drug Control Administration (FDCA), failing which the medicines/drugs supplied may be rejected. However, in case of acceptance without the test report, the Centre/Unit will be free to get the analytical test done by any of the FDCA approved laboratory. The expenditure so incurred towards getting such tests carried out shall be recovered from the payment due to the pharma company/authorised dealer.

- (g) Under the Fall Clause, the pharma company/authorised dealer shall furnish the following certificate to the Centre/Unit along with each bill :

“We certify that the medicines/drugs identical to the medicines/drugs supplied herein against the purchase requisition based on the rate Contract to the DOS/ISRO have not been offered or sold by us to any other person/organisation up to the date of the bill, at a price lower than the price charged to DOS/ISRO under the rate Contract”.

6.19 Annual Service & Maintenance Contract

6.19.1 For servicing and maintaining systems/sub-systems/equipment after expiry of the warranty period, the Centre/Unit may enter into a Contract, normally for a period of one year, with the manufacturer or their authorised service agents, either on Single Tender basis or after inviting competitive bids depending upon the merit of each case. The Contract may be either comprehensive (covering service, maintenance and replacement of defective parts) or non-comprehensive (covering only service & maintenance, wherein the actual cost of the parts replaced shall be paid by the Centre/Unit). In case of non-comprehensive Contracts, cost of the parts to be replaced shall be approved by the competent authority.

6.19.2 Centralised contract shall be finalised by the Centre/Unit for service and maintenance of common equipment, such as computers, servers, printers, air conditioners, photocopiers, fax machines, water coolers, etc.

6.19.3 In addition to the standard terms and conditions, the following aspects shall be included in the annual service and maintenance Contract :

- (a) Whether the Contract is comprehensive or non-comprehensive.
- (b) Period of the Contract
- (c) The rate payable for service and maintenance of each system/subsystem for the period of the Contract.
- (d) Statutory Taxes as applicable.
- (e) Under the non-comprehensive AMC, the service provider shall furnish the details of the parts/components, if any, along with the price for consideration and approval of the Centre/Unit prior to actually replacing the parts/components. The parts/components so replaced after approval shall carry warranty for one year.

- (f) In case the AMC provides for positioning the employee of the service provider in the Centre/Unit, the service provider shall arrange for the verification of character and antecedents of the employee concerned by the local police authorities at his cost.
- (g) Penalty maybe imposed for delay in response.
- (h) Payment shall be released for the actual number of system/subsystem, etc., based on the certification by the user.
- (i) Payment shall be made only after completion of warranty / maintenance contract period and in some specific cases, it may be allowed half yearly / quarterly after completion of the service.

6.20 Availing of Consultancy Services

6.20.1 The Centres/Units, may as prescribed in General Financial Rules, hire external experts/professionals, consultancy firms or consultants (referred to as Consultants hereinafter) for a specific job, which is well defined in terms of content and time-frame for its completion or outsource certain services. For engagement of consultants and outsourcing of services given the framework detailed in the succeeding paragraphs shall be followed.

6.20.2 The work/services required to be performed by the consultants shall first be identified. The engagement of consultants may be resorted to in situations requiring high quality services for which the Centre/Unit does not have the requisite expertise. Approval of the Department shall be obtained before engaging the consultants.

6.20.3 The Centre/Unit shall prepare, in simple and concise language, the requirement, objectives and the scope of the work/service. Parallely the eligibility and prequalification criteria to be met by the consultants shall also be clearly spelt out by the Centre/Unit.

6.20.4 Identification of likely sources :

- (i) Where the estimated cost of the work or service is less than ₹25.00 lakhs (Rupees twenty-five lakhs only), a list of at least three potential consultants may be prepared on the basis of formal or informal enquiries from other Ministries/Departments/ Organisations involved in similar activities, Chambers of Commerce & Industry, Consultancy firms, etc.

- (ii) Where the estimated cost of the work or service is ₹25.00 lakhs (Rupees twenty-five lakhs only) or more, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published in at least one national newspaper/daily and on the website of the Centre/Unit/Department and also on the CPP Portal. The website address of the Centre/Unit/Department should be given in the advertisement/s. Enquiry for seeking 'Expression of Interest' should include, in brief, the broad scope of work or service, inputs to be provided by the Centre/Unit, eligibility and the pre-qualification criteria to be met by the consultant and the requirement of past experience in similar work or service. Adequate time should be allowed for getting responses from interested consultants.

6.20.5 On the basis of responses received from the interested parties as per para 6.20.4 above, consultants meeting the requirements shall be short-listed for further consideration. The number of shortlisted consultants shall not be less than three.

6.20.6 The terms of reference should include the following :

- (i) Precise statement of objectives.
- (ii) Outline of the tasks to be carried out.
- (iii) Schedule for completion of tasks.
- (iv) The support/input to be provided by the Centre/Unit to facilitate the consultancy.
- (v) The final output that will be required of the consultant.

6.20.7 Preparation and Issue of Request for Proposal: A Request for Proposal (RFP) should be issued to the shortlisted consultants to seek their technical and financial proposals. The RFP should contain :

- (i) A letter of invitation.
- (ii) Information regarding the procedure for submission of proposal.
- (iii) Terms of Reference.
- (iv) Pre-qualification criteria in case the same has not been ascertained through enquiry for 'Expression of Interest'.
- (v) Bid evaluation criteria and selection procedure.
- (vi) Standard formats for technical and financial proposal.

- (vii) Proposed Contract terms.
- (viii) Procedure proposed to be followed for mid-term review of the progress of the assignment and review of the final report.

6.20.8 Receipt and opening of proposals: Proposals should ordinarily be sought from consultants in 'Two Part' system, with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelope duly sealed and submit the same by the specified date and time at the specified place. On receipt, the technical proposals should be opened first at the specified date, time and place. Delayed bids and late bids should not be considered and treated as invalid.

6.20.9 Evaluation of Technical Bids: Technical bids should be analysed and evaluated by a Consultancy Evaluation Committee (CEC)/Technical Evaluation Committee (TEC) constituted by the Head of the Centre/Unit. The CEC/TEC shall record in detail the reasons for acceptance or rejection of the technical proposals analysed and evaluated by them and give its recommendations.

6.20.10 Evaluation of Financial Bids of the technically qualified bidders: The financial bids of only those bidders who have been declared technically qualified by the CEC/TEC as per para 6.20.9 above shall be opened and evaluated, and the consultancy work/service awarded to the lowest technically suitable offer.

6.20.11 Consultancy by nomination: Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interests of the Department. Full justification for single-source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

6.20.12 Monitoring the Contract: The Centre/Unit shall take on a task force approach, and continuously monitor the performance of the consultant(s) so that the output of the consultancy is in line with the objectives of the Department.

6.20.13 CVC's Observations/Guidelines in respect of consultants: With regard to appointment of consultants, the observations/guidelines of the CVC are as under :

- (i) The Consultants need to be appointed only when it is felt absolutely essential. Such appointments should be done in a transparent manner and after following competitive tendering system.
- (ii) The role of a Consultant should be well defined. The Consultant is meant to assist the Departmental officers because of lack of expertise, and it should not mean that they should take over all the functions.
- (iii) The responsibilities relating to award of Contract and execution of Contract after the appointment of a Consultant should not be abdicated, and appropriate checks should be exercised at all stages in execution of the Contract. Penal clauses relating to deficiency in service should be included in the Contracts/MoUs with the consultants.

6.21 Outsourcing of Services

6.21.1 A Centre/Unit may as prescribed in General Financial Rules outsource certain services in the interests of economy and efficiency, taking into account, the basic guidelines contained in the succeeding paragraphs.

6.21.2 Identification of likely Contractors: The Centre/Unit shall prepare a list of potential Contractors on the basis of formal or informal enquiries from other Ministries/Departments/Organisations involved in similar activities, scrutiny of 'Yellow pages', Trade Journals, web sites, etc.

6.21.3 Preparation of tender enquiry: The Centre/Unit shall prepare a tender enquiry containing –

- (i) Details of the work or service to be performed by the Contractor.
- (ii) Facilities and the inputs which will be provided to the Contractor by the Centre/Unit.
- (iii) Eligibility and qualification criteria to be met by the Contractor for performing the required work/service.
- (iv) Statutory and Contractual obligations to be complied with, by the Contractor.

6.21.4 Invitation for Bids :

- (a) For estimated value of the work or service up to ₹10.00 lakhs (Rupees ten lakhs only), the Centre/Unit should scrutinise the preliminary list of potential Contractors as identified under para 6.19.2 above and decide on eligible Contractors, and issue Limited Tender enquiry, asking for their offers by a specified date and time, etc., as per standard practice. The number of Contractors so identified for issuing Limited Tender enquiry should not be less than six.
- (b) For estimated value of the work or service ₹ 10.00 lakhs (Rupees ten lakhs only) or above, the Centre/Unit should issue advertised tender enquiry asking for the offers by a specified date and time, etc., in at least one national newspaper/daily and also on the web site of the Centre/Unit/Department and on CPP Portal. The web site addresses of the Centre/Unit/ Department/CPP Portal should also be included in the advertisement.

6.21.5 Evaluation of Bids received: The Centre/Unit should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the Contract.

6.21.6 Outsourcing by Choice: In exceptional circumstances which require outsourcing to a specifically chosen Contractor, the Head of the Centre/Unit may do so in consultation with the Internal Financial Adviser. In such cases, detailed justification, circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve, shall form an integral part of the proposal.

6.21.7 Waiver of Public Tender is allowed under the following conditions:-

- (a) Service providers to be selected strictly on the basis of quality, reliability, security and other relevant considerations.
- (b) it will not in public interest to procure the service through public tender.
- (c) In cases of urgent demand, even if additional expenditure is involved.

6.21.8 Monitoring the Contract : The Centre/Unit shall continuously monitor the performance of the Contractor.

6.22 Risk Purchase

6.22.1 This is applicable in cases of Contracts where timely delivery of goods/services is of prime importance. As per the Purchase Order terms and conditions, in cases where the vendor fails to fulfil his Contractual obligations, the Centres/Units shall have an option of completing the Contract/procurement at the risk and expense of the vendor concerned. Wherever risk purchase clause is enforced, the vendor is liable to pay the additional amount, if any, spent by the Centre/Unit as against the value of the Purchase Order/Contract. However, before initiating action for resorting to risk purchase, the Centres/Units shall take into account the following aspects :

- (a) Whether the failure of the vendor to fulfil the Contractual obligations will have any impact on the project schedule, office work, etc.
- (b) Whether the vendor has been given all the opportunities as available under the Purchase Order/Contract.
- (c) Whether proper notice has been given to the vendor about the proposal of the Centre/Unit to invoke the risk purchase clause.
- (d) Whether the method of recovering the additional amount spent by the Centre/Unit when compared to the value of the Purchase Order/Contract has been considered (e.g. the Earnest Money Deposit/Security Deposit, dues payable to the concerned vendor by the Centre/Unit, etc., in respect of any other Purchase Order/Contract).

6.22.2 In cases of proprietary items, there will be only one supplier and as such it would not be possible to procure the items from any other source. In view of this, in such cases, the enquiry/Contract/Purchase Order shall have suitable clauses for Earnest Money Deposit/Security Deposit, as the case may be, instead of Risk Purchase clause.

6.22.3 In cases where there is a distinct possibility of recovering the additional amount being incurred by the Centre/Unit from the defaulting vendor, the subject matter of procurement may be done from open market on single source/single tender basis (after following the due procedure for single source/single tender) in order to avoid project slippages, etc., and recovery of the additional expenditure incurred by the Centre/Unit made from the defaulting vendor. In cases where there is no possibility of recovering from the defaulting vendor, the additional amount being incurred by the Centre/Unit, the subject matter of procurement may be done from open market on single source/single tender basis only if clause (b) of para 3.2.3.(h) is satisfied, and if not, the normal mode of procurement is to be resorted. In either of the cases,

business dealings with the defaulting vendor shall be banned/debarred for a period of two years in terms of para 3.12.2.2 of this Manual.

6.22.4 Risk Purchase clause shall be invoked only with the explicit approval of the Head of the Centre/Unit.

CHAPTER – 7

PROCESSING OF INDENTS AND TENDER DOCUMENT

7.1 Processing of indents

7.1.1 Scrutiny of Indents: Once the indent is received, the Purchase Division shall scrutinise the following :

- (a) Whether the indent has been raised by the authorised officer specified in para 4.1 and approved by the Competent Authority as specified in para 4.10 of this Manual.
- (b) Whether the Indentor/User Group has, wherever applicable, obtained the clearance of the Need-aspect Approval Committee as specified in para 4.11 of this Manual.
- (c) Whether the indent contains all the details prescribed under para 4.4 of this Manual. If further information or clarification is required, the same shall be sought from the Indentor/User Group.

7.2 Tender Document

7.2.1 Invitation to Tender

7.2.1.1 The invitation to tender shall contain –

- (a) a brief description of the subject matter of procurement;
- (b) in case of procurement of –
 - (i) goods – their specifications including the nature, quantity and place of delivery and also the conditions relating to Free Issue Material, wherever applicable.
 - (ii) services – the nature of the services and the location where they are required to be provided;
- (c) any notice of limitation to participation of bidders;
- (d) the manner, date and time for presentation of bids;
- (e) any other information which is considered as relevant by the Centre/Unit.

7.2.1.2 While purchasing sophisticated and critical systems/sub-systems, machinery & equipment, etc., factors like low running/maintenance cost, quality performance, environment friendly features, etc., are generally emphasised. In such cases, the above factors shall be incorporated in the tender enquiry document as also the criteria that will be adopted while evaluating the offers.

7.2.1.3 The terms and conditions stipulated in the tender document should be sufficiently clear and should not contain any obsolete, irrelevant or conflicting and vague provisions which may result in wrong interpretation.

7.2.1.4 In addition to the above, the following important clauses may be incorporated in the tender document, in tune with CVC guidelines, in order to safeguard the interests of the Government and satisfy the principles of transparency :-

- (a) The time/date of receipt and place of opening of tenders.
- (b) If a firm quotes 'Nil' charges/consideration, the bid shall be treated as unresponsive and will not be considered;
- (c) Taking into account the project requirement, an acceptable range of delivery period with the stipulation that no credit will be given for earlier deliveries.
- (d) Payment of Earnest Money Deposit and Security Deposit.
- (e) The evaluation/loading criteria with respect to the important terms like advance payment terms, Performance Bank Guarantee, Bank Guarantee against Free Issue Materials, etc., having financial implications need to be specified in the tender document so that the evaluation of tenders can be made in a transparent manner.
- (f) Payment terms, Performance/Warranty Bank Guarantee, Pre-despatch inspection, Arbitration, Liquidated Damages for the delayed supplies & Risk Purchase clause, etc., wherever applicable, are to be spelt out unambiguously.
- (g) At the time of inviting tenders, the Centre/Unit may specifically state that it would like to have more than one source of supply and the final orders may be given accordingly to the qualified bidders.
- (h) The detailed generic technical specifications, including performance parameters and the technical evaluation criteria, if any, shall be specified in the tender document.

- (i) The Government instructions on reservation of item and price preference to MSEs shall be incorporated in the tender document.
- (j) The contents of OM No.28/1/2012- PPD dated October 1, 2013 regarding inclusion of Exchange Rate Variation (ERV) clause in contracts relating to procurement of IT products received from Department of Expenditure, Ministry of Finance and forwarded vide Department's OM No. 19013/75/2013- III dated November 21, 2013 may be incorporated suitably in the tender documents.
- (k) It shall be ensured that the evaluation of tenders is not based on conditional discounts and suitable clause should be included in the tender document.
- (l) e-mail address of the Centre/Unit concerned should be indicated in the tender notice.
- (m) In order to have a fair and adequate competition, it is important that sufficient time is allowed to the tenderers for responding to the tender offers. This can, however, be relaxed in cases of recorded emergencies wherein a reasonable time shall be permitted and tenders shall be sent by faster means like speed post/fax/e-mail. The tenders should preferably be kept open for sale till one day prior to the date of tender opening.
- (n) Proper arrangements for receipt of tenders through tender box/fax/e-mail should be made.
- (o) Any change in the tender terms & conditions, specifications and tender opening date, etc., should be notified to all the bidders, sufficiently in advance of the revised tender opening date and time, in order to give equal opportunity to all the bidders and to maintain transparency in the tendering system.
- (p) Wherever applicable, exemption granted to the Department/ISRO from payment of Customs Duty and Central Excise Duty shall be reflected in the tender document to enable the vendors to quote the right price.
- (q) It shall be mentioned in the tender document that the drawings, specifications, end-use, etc., given by the Centre/Unit along with the tender enquiry, are confidential and shall not be disclosed to any third party.
- (r) In the case of limited tender, it shall be clearly specified that if the vendor is not willing to quote, he has to preferably submit a regret letter which will also serve as an acknowledgment for the receipt of the tender.

- (s) **Pre-bid conference:** In case of turn-key Contracts or Contracts of special nature for the purchase of sophisticated and costly equipments, a suitable provision shall be made in the tender enquiry document for a pre-bid conference to clarify issues regarding the specifications and other associated technical details of the subject procurement. The date, time and place of pre-bid conference should be indicated in the tender document, which shall be sufficiently prior to the last date for receipt of tenders. Any clarification/minutes issued pursuant to the pre-bid conference shall be intimated to all the vendors who have submitted their tender or have purchased the tender and shall also be hosted on the website of the Centre/Unit/Department and on the CPP Portal. A copy of such clarification/minutes shall also be attached to the tender document being sold. Tender of a firm which has not attended the pre-bid conference shall be disqualified.

7.2.2 Cost of Public Tender Documents

7.2.2.1 The tender documents may be sold at Rupees Five Hundred. The rate so fixed by the Department for the sale of tender documents shall be exclusive of VAT, if any, levied by the State Government, where the Centre/Unit is located. The VAT amount should be included in the basic cost of the tender, and a fixed amount shown as the cost of the tender in the tender document.

7.2.2.2 Tender documents can be downloaded by tenderers from the ISRO website. In case a tenderer is using the documents and forms downloaded from the website, the cost of tender document shall be sent by the tenderer to the Centre/Unit in the form of Bank Draft attached to a forwarding letter in a separate envelope along with the other envelopes containing the quotations.

7.2.2.3 In case of tenders submitted through EGPS, there is no need of printing any tender document as the vendor will be down-loading them from the Portal themselves. No tender fee shall be applicable for tenders submitted through EGPS

7.2.3 Free supply of Public Tender documents

One set of tender documents can be supplied free of cost to Government Departments, Public Sector Undertakings (both Central & State) and Small Scale Industries Units included in the list of National Small

Industries Corporation. Vendors registered as MSEs and registered with KVICare are also eligible for free tender documents. In case the requirement is for imported stores, including Fabrication/Developmental Orders of critical items, in addition to the advertisement in national dailies & Indian Trade Journal, a complimentary copy of the tender document shall be sent direct to the foreign manufacturer/supplier and the Embassies of the foreign countries concerned in India.

7.2.4 Time allowed for submission of Tender

The maximum time allowed for submission of tenders from the date of publication/issue of tenders may be as under :

(a)	Global Tender	...	60 days
(b)	Open/Public Tender	...	45 days
(c)	Limited Tender	...	30 days
(d)	Single Tender	...	Can be decided by the Centre/Unit on a case-to-case basis.

7.2.5 Amendment of Tender document

7.2.5.1 Sometimes it may be necessary to amend or modify a tender document already issued. After perusing the tender document, a tenderer may point out some genuine mistake/s necessitating amendment in the tender document, or may seek certain clarifications with regard to the tender documents. In these cases, the Centre/Unit may hold a pre-bid conference to clarify doubts of potential tenderers. In such cases the record/minutes of the pre-bid conference shall be disseminated to the tenderers.

7.2.5.2 In such situations, the tender document shall be suitably modified prior to the date of submission of bids. In case of Limited Tenders, copies of such amendments/ modifications/clarifications should be simultaneously sent to all the selected vendors by registered/speed post/courier/e-mail. In case of Public Tender, the copies of such amendments/modifications/clarifications are to be simultaneously despatched, free of cost, by registered/speed post/courier/e-mail to all the tenderers who have already purchased the tender document, and copies of such amendments/modifications/clarifications are also to be prominently attached to the unsold sets of tender documents, (which are available for sale), including the tender documents put on the website/CPP Portal.

7.2.5.3 Wherever felt necessary, the Centres/Units may withdraw or cancel the tender notice and resort to fresh publication of the tender.

7.2.6 Extension of due date for submission of Tender

7.2.6.1 When the amendments/modifications change the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments/modifications & prepare their revised tender, the time and date for submission of tenders shall be extended suitably, along with necessary changes in the corresponding time-frame for receipt of tender. In such cases, intimation should be sent to all the tenderers to whom tenders have been sold and a corrigendum shall be simultaneously issued adopting the same procedure as was done in the publication of the original tender enquiry.

7.2.6.2 In the event of extension of the due date, if any of the tenderers request for return of their tender before the tender due date, the request may be agreed to and their tender returned.

7.2.6.3 Generally extension of due date is to be discouraged. In emergency, it should be done with the approval of Head of the Centre with proper justification for the extension.

7.2.7 Amendments/Modifications to Tender

If any tenderer, after submitting his tender, makes alterations/modifications to his tender, duly sealed and marked like the original tender, the same may be accepted for evaluation provided the alterations/modifications are received before the due date & time scheduled for receipt of tender. In such cases, the offers/quotes given prior to making alterations/modifications shall be ignored. Any amendment/modification received after the prescribed date & time of receipt of tenders shall not be considered.

7.2.8 Validity of Tender

The minimum validity of the tender from the date of its opening shall be fixed as under :

<u>Sl. No.</u>	<u>Tender System</u>	<u>Validity Period</u>	
1.	Global Tender	120 days	
2.	Two-Part Tender (a) if the purchase approval power vests with the Centre/Unit (b) if the purchase approval power vests with the Department	<u>After opening of Part-I</u>	<u>After opening of Part-II</u>
		120 days	60 days
		120 days	90 days
3.	Open/Public Tender (single part)	90 days	
4.	Limited Tender (single part)	90 days	
5.	Single Tender	90 days	

7.2.9 Extension of Tender validity period

After processing the tenders received, it should be ensured that the Purchase Order is placed/Contract is awarded within the tender validity period. In exceptional circumstances, if it is not possible to do so, the Centres/Units may request the tenderers concerned, before expiry of the validity period, to extend the validity of their tenders without changing the terms and conditions of their tenders. In case a tenderer does not agree to extend the validity period of his tender, the same shall not be considered for evaluation.

7.3 Review of Indents

The officers responsible for the procurement shall conduct a monthly review of all the indents, taking into account the schedule drawn for completing the procurement action under para 7.2.8 above, and take necessary action to complete the procurement within the schedule.

7.4 Standard formats for invitation of Tenders

7.4.1 The following standard formats may be used for inviting tenders for procurement of systems/sub-systems, etc. :

<u>Form No.</u>	<u>Standard Proforma for</u>
DOS:PM:19 ...	Terms & conditions of tenders where the indent value is < ₹2,00,000/- (Rupees two lakhs only) for indigenous stores items
DOS:PM:20 ...	Instructions to tenderers and terms & conditions of tender where the indent value is ₹2,00,000/- (Rupees two lakhs only) & above for indigenous stores items
DOS:PM:21 ...	Instructions to tenderers and terms & conditions of tender where the indent value is < ₹2,00,000/- (Rupees two lakhs only) for imported stores items
DOS:PM:22 ...	Instructions to tenderers and terms & conditions of tender where the indent value is ₹2,00,000/- (Rupees two lakhs only) & above for imported stores items
DOS:PM:23 ...	Standard Tender Form to be enclosed to the tender invitations (DOS:PM:19, DOS:PM:20, DOS:PM:21 and DOS:PM:22)

7.4.2 Wherever necessary, the above standard forms may be modified or additional terms and conditions included to suit the specific requirements of the Centre/Unit. While doing so, care shall be taken to secure the interests of the Government.

CHAPTER – 8

RECEIPT AND OPENING OF TENDERS

8.1 Receipt and custody of Tenders

8.1.1 The procedure for receiving tenders shall be a transparent one. All the tenders shall be received in sealed envelope/s super-scribed with tender enquiry no., due date and time, addressed to the concerned officer of the Centre/Unit before the specified due date and time. The sealed envelope/s shall also contain the name and address of the tenderer. Tenders are to be received through post or through tender box or by hand or by fax/e-mail, as the case may be.

8.1.2 The tender box should be located in a place easily accessible to the vendors for dropping their tenders. The tender box shall have two locks – one key shall be in the custody of the Head, Purchase & Stores Division and the other with the official identified by him/her.

8.1.3 The tender box shall be opened by two identified officials – one each from the Purchase & Stores Division and Accounts Division on the date and time specified in the tender document for receipt of tenders. All the tenders received shall be entered in a challan in duplicate, duly signed by the two identified officials with date and time.

8.1.4 The tender box may contain tenders in respect of other enquiries which are scheduled for opening on a later date or time. Such tenders shall be segregated, and only the tenders due for opening on that particular date shall be sent to the officials identified for opening the tenders. Particulars of the segregated tenders shall be recorded by making necessary entries in the Register maintained for keeping record of the bids. The signatures of the receiving officials shall be obtained on the duplicate copy of the challan for record. There should be at least two officials identified for opening of tenders.

8.1.5 In cases where the tenders are too bulky or no tender box has been installed, names and designations of at least two officers shall be indicated in the tender document for receipt of tenders by hand. The details of such identified officers shall also be displayed at the entrance/reception where the tenders are to be deposited. The officer receiving a tender shall acknowledge the receipt of the tender under his signature clearly indicating his name, designation, date and time of receipt of the tender.

8.1.6.1 The following tenders shall be treated as invalid tenders and not considered :

- (a) **Delayed Tenders**, i.e., tenders or modifications/amendments to tenders received after the due date and time for receipt of the tenders but before the specified time of opening of the tenders;
- (b) Techno-Commercial offers in Two-Part Tender received after the due date and time for receipt of the tenders or after the specified date and time of opening of the tenders; and
- (c) Price Bids in Two-Part Tender received after opening of the Techno-Commercial offers though before the date and time fixed for opening of Price Bids.
- (d) Late tenders
- (e) Unsolicited Offer in LT cases including offers received as a result of publication in CPP portal.

8.1.6.2 The envelope/s containing the tenders, which are being treated as invalid as above, shall be marked as “Delayed/Late Tender” under the dated signature of the officials concerned, and kept unopened in the concerned Purchase file.

8.1.6.3 In respect of single tender, the due date and time is only to ensure timely receipt of tenders, and in case no response is received within the due date and time, the Purchase & Stores Division may extend the due date suitably and evaluate the tender when received.

8.2 Opening of Valid Tenders

8.2.1 Two officials – one each from Purchase & Stores Division and Accounts Division - shall be associated with the opening of all valid Public Tenders/Open Tenders. The valid tenders shall be opened at the specified date and time indicated in the tender document. If the date specified for opening of the tenders is declared as a holiday abruptly, due to administrative reasons, the due date for opening of the tenders in such cases shall get postponed automatically to the next working day.

8.2.2 The officials identified for opening the tenders shall –

- (a) verify whether the tender is single or two part tender;
- (b) tally the number of tenders received against the concerned tender enquiry with the tenders available for opening;

- (c) ensure that the tenders being opened relate to the concerned tender enquiry;
- (d) prominently mark on the envelopes of unsolicited tenders and also bring such cases to the notice of the Head, Purchase & Stores before opening; and
- (e) verify whether the tenders being opened are properly sealed.

8.2.3 While opening the tenders, the identified officials shall –

- (a) number the tenders serially & initial with date on the first page; all other pages of the tender shall also be initialled with date.
- (b) encircle and initial the alteration/erasing/striking-off/over-writing, if any, and record the fact that such alteration/erasing/striking-off/over-writing on the original entry existed on the tender at the time of opening. The total number of corrections in each page shall be written and initialled;
- (c) in case there is no erasing or alteration, record the same as 'no correction' and initial the same;
- (d) mark the blank tenders, if any, accordingly;
- (e) mark the original, duplicate and triplicate copies in a tender set accordingly;
- (f) in case the entire tender is hand-written, record the same on the first page of the tender, and bring the same to the notice of the Head, Purchase & Stores for this approval;
- (g) in case only the quoted rates or any other portion/s of the tender are hand-written, encircle & initial the same, and also write & initial the quoted rates in words;
- (h) encircle and initial the quoted rates in figures and words;
- (i) prepare within a reasonable time giving details of the quotations received such as price, taxes/duties, EMD, etc.

After opening the tenders as above, the tender opening officials shall hand over the opened tenders to the concerned Purchase & Stores Officer, along with a signed record of the total number of tenders received & opened along with the details of regret letters, if any, received.

8.2.4 While the general guidelines relating to the opening of valid tenders are as given in para 8.2.3 above, specific guidelines as under shall be followed

with regard to Public Tender/Open Tender, Two-Part Tender, Limited Tender and e-Tendering :

(a) Opening of Public Tenders/Open Tenders/Global Tenders :

- (i) All valid Public Tenders/Open Tenders shall be opened in the presence of the attending tenderers or their authorised representatives. Such authorised representatives shall possess the letters of authority from the respective tenderers, without which they shall not be allowed to participate in the tender opening process. Such attendees shall sign in the tender opening register/sheet evidencing their attendance, and the same shall be countersigned by the tender opening officials.
- (ii) After complying with the above guidelines, the tender opening officials shall announce the salient features of the tenders like description & specifications of the goods, quoted price, terms of delivery, delivery period, discount, if any, and any other special feature of the tender for the information of the representatives attending the tender opening.

(b) Opening of Limited Tenders :

- (i) All valid Limited Tenders shall be opened by the tender opening officials on the specified date and time.
- (ii) The general guidelines given under para 8.2 above shall be adhered to after opening the tenders.

(c) Opening of Two-Part Tenders :

- (i) All the general guidelines and those applicable to Public Tender/Open Tender or Limited Tender, as the case may be, shall be followed.
- (ii) In case a tenderer has included price or any other charge in Part-I (Techno-Commercial Bid) or has failed to submit Part-II (Price Bid) separately in a sealed envelope, the tender opening officials shall record the same on the first page of the tender. Such tender shall be rejected.
- (iii) After opening Part-I (Techno-Commercial Bid), the tender opening officials shall sign on the sealed envelope/cover of Part-II (Price Bid) and write the same serial number as that of Part-I. The signatures of two tenderers or their representatives present shall also be obtained on the sealed envelopes/covers of Part-II (Price Bid).

- (iv) All the sealed envelopes/covers of Part-II (Price Bid) shall be put in a bigger envelope/cover, and the same sealed and signed by the tender opening officials and tenderers or their representatives.

8.2.5 CVC's Observations/Guidelines on opening of tenders : With regard to opening of tenders, the observations/guidelines of the CVC are as under :

- (i) The opening of the (public) tenders in the presence of trade representatives needs to be scrupulously followed. While opening the tenders by the tender opening officers/committee, each tender should be numbered serially, initialled and dated on the first page. Each page of the tender should also be initialled with date and particularly, the prices, important terms & conditions, etc., should be encircled and initialled in red ink by the tender opening officers/committee.
- (ii) Alterations in tenders, if any, made by the firms should be initialled legibly to make it perfectly clear that such alterations were present on the tenders at the time of opening. Wherever any erasing or cutting is observed, the substituted words should be encircled and initialled, and the fact that such erasing/cutting of the original entry was present on the tender at the time of opening be also recorded.
- (iii) The tender opening officers/committee should also prepare 'on the spot statement' giving details of the tenders received and other particulars like the prices, taxes, duties, EMD, etc., as readout during the opening of the tenders.
- (iv) In the case of two-part tender, it has been noticed that, after opening of the technical bids, the price bids, which are to be opened subsequently, are kept as loose envelopes. In such cases, the possibility of change of bids prior to tender opening cannot be ruled out. In order to make the system fool-proof, it should be ensured that not only the tender opening officers/committee should sign on the envelopes, but the signatures of two trade representatives should also be obtained on all the envelopes containing the price bids. Thereafter, all the envelopes should be put in a bigger envelope/box and the same should be properly sealed duly signed by the tender opening officers/committee and the trade representatives.

8.3 e-Tendering

8.3.1 Pursuant to the directive given by the Government, the Department has already deployed its e-Procurement Portal to conduct procurement activities, and the same is operational and accessible (at URL <http://eprocure.isro.gov.in>). Managing the procurement activities electronically will cut down transaction costs and improve efficiency and transparency.

8.3.2 The Centres/Units shall mandatorily process all their procurements whose estimated value exceeds ₹10,00,000/- (Rupees ten lakhs only) through e-procurement mode or such values as determined by the Government from time to time.

8.3.3 Without prejudice to the above, all Centres/Units shall migrate their procurement activities to electronic mode of interface with tenderers and IT enabled management of the entire procurement process (notice inviting tenders, supply of tender documents, receipt and evaluation of tenders, award of Contract, execution of Contract through systematic enforcement of its various clauses and tracking of claims, counter claims & payments). The source selection and registration of vendors through e-Procurement Portal shall be as provided for in para 3.4 and 3.8 of this Manual.

8.3.4 Procedure for receipt, custody and opening of tenders through e-procurement

8.3.4.1 Registered Tenderers shall submit their tenders as per the bid submission window mentioned in the tender schedule of the tender documents. The bids submitted shall be stored in an encrypted form with appropriate control mechanisms. The bids shall be submitted only in the templates made available as part of the tender. For e-tenders, quotations received through fax or e-mail shall not be accepted.

8.3.4.2 The bid opening process shall be a two step process involving open authorisation and bid opening. In the open authorisation process, the vendor authorises the Centres/Unit/ Department to open the bids submitted by them. In the second step, the bid opening process the bids shall be opened by Purchase & Stores Officer using his digital certificate at Centre/Unit/Department. The Accounts Officer or his representative of the Centre/Unit/Department may present and observe the tender opening process. Unless the open authorisation step is completed by the vendor, bid submission process can not be completed.

8.3.4.3 There shall be no delayed or late tenders as it is not possible to submit a bid beyond the specified due date and time after bid submission.

8.3.4.4 The e-procurement portal provides for the vendor to revise the bids any number of times till the due date and time of the bid submission. Only the latest submitted bid is maintained and accepted as the valid bid of the tenderer. In case of two part tenders, if the tenderer has failed to provide technical or commercial details as required, it shall stand rejected.

8.4 Exclusion of Tenders

8.4.1 The following tenders shall be excluded from the procurement process::

- (a) Unsigned tenders.
- (b) Tenders without the required tender fees.
- (c) Tenders received from vendors who have not qualified in terms of their registration.
- (d) Tenders received against publishing of a limited tender in the CPP portal.
- (e) Tenders of vendors who have been removed from the vendor list or banned/debarred from having business dealings.
- (f) Unsolicited tenders from vendors.
- (g) The tenders which materially depart from the requirements specified in the tender document or which contain false information.
- (h) The tenders which are not accompanied by the prescribed Earnest Money Deposit.
- (i) The tenders of vendors who have not agreed to furnish Security Deposit or Performance Bank Guarantee.
- (j) The validity of the tenders is shorter than the period specified in the tender enquiry.
- (k) The tenders received from vendors or their agents or anyone acting on their behalf, who have promised or given to any official of the Centre/Unit/Department, a gratification in any form, or anything of value, so as to unduly influence the procurement process.
- (l) The tenders received from vendors, who, in the opinion of the Centre/Unit, have a conflict of interest materially affecting fair competition.

- (m) Tenders received from tenderers, who are not registered in case of public tenders and empanelled in case of limited tender. This shall be applicable to tenders which are not processed through e-procurement portal.
- (n) The tenders received from Indian agents on behalf of their foreign Principals/OEMs (in cases where the Principals/OEMs also submit their tenders simultaneously for the same item/product in the same tender).
- (o) In case two or more tenders are received from an Indian agent on behalf of more than one foreign Principal/OEM, in the same tender for the same item/product,

8.4.2 The reasons for excluding a tender from the procurement process shall be recorded in writing, shall be communicated to the vendor concerned and published on the CPP Portal.

CHAPTER – 9

COMPARITIVE STATEMENT, EVALUATION AND RECOMMENDATION OF TENDERS

9.1 Preparation of Comparative Statement of Tenders

9.1.1 Both in single part and two part bids, first technical comparative statement shall be prepared and then the Commercial statement shall be prepared. Technical CST shall be prepared based on essential technical specifications laid down in the tender document and the qualification criteria, if any, mentioned therein. The technical comparison of the tenders received shall be made by the Indentor/User Group based on the specifications/parameters included in the tender document, and the Indent Approving Authority shall endorse the same.

9.1.2 The following aspects shall be taken into account while preparing the Commercial Comparative Statement of Tenders which shall be made/prepared by the purchase division only :

- (a) Details of basic price, packing and forwarding charges specified if any in the offer, transportation charges, erection & commissioning charges, taxes/duties payable, delivery period, warranty period, payment terms, interest on advance payment, if any, AMC charges, furnishing of EMD, Security Deposit, etc.
- (b) If the quoted prices are in different currencies, they should be converted into Indian Rupees taking into account the selling exchange rate prevailing on the date of tender opening (or as specified in the tender enquiry).
- (c) Conditional discounts offered by the tenderers should not be considered.
- (d) If there is a discrepancy between figures and words, the amount in words shall prevail.
- (e) If there is an error in the total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail, and the total shall be corrected accordingly.
- (f) If there is a discrepancy between the unit price and the total price (unit price x quantity), the unit price shall prevail and the total price corrected accordingly, unless, in the opinion of the Centre/Unit, there is an

obvious misplacement of the decimal point in the unit price, in which case the total price shall prevail and the unit price corrected accordingly.

- (g) If there is a discrepancy between the original copy of the tender and the other copies of the same tender, the original copy shall prevail. In such cases, the decision of the Centre/Unit shall be communicated to the tenderer concerned, and if the tenderer does not agree with the decision of the Centre/Unit, the tenderer is liable to be ignored.
- (h) Brief details about technical compliance statement may also be given in two part tender system.

9.1.3 In all cases, CST is to be audited by the IFA concerned before forwarding to the user.

9.2 Comparison of offers on total evaluated cost :

The offers should not be compared only on the basis of the prices quoted. All factors, including the price, terms and conditions, taxes & duties, freight, & other charges in conformity with the tendered specifications, shall be considered. The financial implication should be considered as the all-inclusive cost to the government at the specified place of delivery. Conditional offers and those with specifications not in conformity with the tendered specifications should not be considered. The tenders shall be compared on a common platform on the basis of the total evaluated cost of each offer which should be arrived at by adding the basic price as well as other charges and all statutory levies, as detailed at 9.2.(a) and (b).

(a) Evaluated Cost in respect of offers for indigenous stores:

- (1) Basic price less discount, if any.
- (2) Cost of accessories/spares, if any.
- (3) Packing and forwarding charges, if any specified in the offer.
- (4) Excise Duty (if applicable) on (1) + (2) + (3) above.
- (5) VAT/CST as applicable on (1) to (4).
- (6) Safe delivery charges, if any [in case the offer is ex-works (unpacked), the packing, forwarding & transportation charges shall be as specified in the tender document].
- (7) Training/testing charges or any other charges.

- (8) Erection & Commissioning charges, if any.
- (9) Service Tax on (3), (6), (7) & (8) above.
- (10) Total landed cost [sum of (1) to (9)].
- (11) Interest on advance or stage payment, if any.
- (12) Total evaluated cost [sum of (10) & (11)].

(b) Evaluated Cost in respect of offers for imported stores -

- (1) Basic price less discount, if any.
Ex-works/FCA/FOB as quoted in the currency of country of origin, including agency commission.

[In case the price quoted is ex-works (unpacked), the charges towards packing and inland freight/transportation as mentioned in the tender document shall be taken into account to arrive at FCA/FOB].
- (2) Freight as quoted or a maximum of 5% of FCA/FOB/Ex-works price quoted.
- (3) C&F Price in the currency of country of origin [sum of (1) and (2)].
- (4) C&F price converted into equivalent Indian Rupees at the prevalent exchange rate on the date of opening of the tender.
- (5) Customs duty, if applicable.
- (6) Landed cost [sum of (4) and (5)].
- (7) Training/testing charges or any other charges.
- (8) Erection & Commissioning charges, if any.
- (9) Service Tax on (2), (3), (4), (7) & (8) above.
- (10) Total landed cost [sum of (6) to (9)].
- (11) Interest on advance or stage payment, if any.
- (12) Total evaluated cost [sum of (10) and (11)].

(c) Loading Interest on Advance/Stage Payment

In the case of advance payment or stage payment, interest shall be calculated on the amount so paid for the delivery period quoted as per prime landing rate of Reserve Bank of India (RBI) for advances and added to the landed cost.

(d) Comparison between Indigenous & Imported Offers

If both indigenous offers and imported offers are to be compared, 2% of the total landed cost of foreign offers shall be added towards charges for Customs clearance and local transportation for delivery at the Centre/Unit.

9.3 Checking of the Comparative Statement

9.3.1 The purchase decision shall be made based on the Comparative Statement of Tenders. Purchase & Stores Division shall take utmost care while preparing the comparative statement and ensure that there are no errors in its preparation. The Purchase & Stores Officer concerned shall sign the comparative statement for its correctness in all respects.

9.3.2 The technical comparison of the tenders received shall be made by the Indentor/User Group based on the specifications/parameters included in the tender document, and the Indent Approving Authority shall endorse the same. In cases where the technical/price comparative statement of tenders is prepared by the purchase division and endorsed by the Indent Approving Authority, the concerned Purchase & Stores Officer shall check the same and ensure that the comparative statement has been prepared correctly in all respects before submission to the Competent Authority/Purchase Committee for approval.

9.4 Guidelines for Evaluation of Tenders

The following guidelines shall be adopted while evaluating the tenders :

- (a) Check whether invalid tenders have been excluded in terms of para 8.4 of this Manual and the Comparative Statement of Tenders prepared as per the guidelines prescribed in paras 9.1 to 9.3 above.
- (b) There shall be no deviation from the stated provisions of the tender in respect of critical provisions like warranty/guarantee, delivery schedule, liquidated damages, applicable law, taxes & duties.
- (c) Evaluation shall be on the basis of essential technical specifications laid down in the tender document and the qualification criteria, if any, mentioned therein.
- (d) Evaluation shall be in terms of the conditions already incorporated in the tender document, and no new condition shall be applied.

- (e) No special grading shall be given based on additional features, if any, offered by the bidders which was not part of the tender specifications/requirements.
- (f) The tenderer who meets all the tender specifications/requirements and whose offer is the lowest technically suitable offer shall be considered for acceptance.
- (g) In case the tenderers seek advance or stage payment, it shall be necessary to cost and load the interest on the advance/stage payment, adopting a transparent costing/loading methodology.
- (h) No weightage shall be given for early delivery when not indicated in the tender.
- (i) AMC charges shall be taken into account if it forms part of the tender for the purpose of cost comparison.

9.5 Recommendations of Indentor/User Group

9.5.1 The Indentor /User Group shall evaluate the offers taking into account the Comparative Statement of Tenders, and prepare a technical comparative statement comparing the specifications/parameters given in the tender document with those offered (even for Single Tender). The technical suitability of each offer received shall be made by the Indentor/User Group, and the recommendations shall be approved by the Indent Approving Authority.

9.5.2 The recommendations made by the Indentor/User Group, duly approved by the competent authority, shall also contain the following :

- (a) Scope of the tender in brief, recommended cost based on CST & completion time.
- (b) Technical & financial evaluation Reports on each tenderer (detailed feed-back reports and individual inspection reports shall be attached to the recommendations).
- (c) Report of Technical Evaluation Committee, if any.
- (d) Site preparedness/availability, wherever installation & commissioning are involved.
- (e) Availability of FIM, if any, to be provided to the tenderer.
- (f) Tenderers having agreed to all technical specifications, tender conditions & payment terms, etc.

- (g) Vetting of Comparative Statement of Tenders along with comments, if any.
- (h) Offer validity period.
- (i) Reasons for variation between the estimated cost and the recommended value shall be furnished. In cases where such variation is more than 10%, the Indentor/User Group shall provide quantifiable reasons for variation and not merely qualitative statements.
- (j) Approved design documents/drawings in a stipulated time as mention in the P.O.

9.6 Splitting the quantity of procurement

9.6.1 Normally the quantity of the item being procured shall not be split either to avoid the necessity of obtaining the sanction of the higher authority or to limit the competition among the tenderers, as indicated in para 4.5 of this Manual. However, there may be purchase of very large quantities of goods which would be beyond the capacity of a single tenderer, and the lowest tenderer may be unable to supply the entire quantity. In such cases, the following procedure shall be followed :

- (a) Place order on the first lowest tenderer (L-1) for supply of the quantity which he/she is capable of.
- (b) The remaining quantity may be ordered on the second lowest tenderer (L-2) or third lowest tenderer (L-3), etc., at the rates offered by the first lowest tenderer (L-1) as far as possible, and for this purpose counter offer may be made to L-2, L-3, etc., parties.

9.6.2 The above eventuality should normally be foreseen and provided for in the tender enquiry, and in such cases, the formula/ratio proposed to be adopted for splitting of the orders between multiple tenderers shall be clearly brought out in the tender enquiry.

9.7 Cancellation of procurement process/Retendering

9.7.1 A procurement process may be cancelled under the following circumstances at any time prior to opening of the tenders or after a successful tender is accepted :

- (a) Offers received do not conform to essential specifications.

- (b) There are major changes in specifications and quantity, which may have considerable impact on the price.
- (c) Prices quoted are unreasonably high with reference to the estimated price or there is evidence of a sudden slump in prices.
- (d) There may be lack of competition due to restrictive specifications, which did not permit participation of many tenderers. Such cases may be referred to the Indentor/User Group for a review of the specifications to facilitate wider competition.
- (e) The tenderer, who has quoted the lowest technically suitable offer fails to accept the Purchase Order/Contract or withdraws the offer, either after opening the tenders or after release of the order, or fails to provide the required security.

9.7.2 Where the procurement process is cancelled prior to opening of the tenders, the Centres/Units shall not open any of the tenders and return the same to the tenderers. In case the procurement process is cancelled after the successful tender has been accepted, the tenders shall not be acted upon. In either of the cases, the decision to cancel the procurement process shall be intimated to those tenderers who have participated in the procurement process.

9.7.3 If a tenderer is convicted of any offence relating to procurement by a Centre/Unit/Government body, all Centres/Units shall also cancel the procurement process. In such cases, where the Purchase Order/Contract has been issued, the same shall be rescinded on the conviction of the successful tenderer and the payment of all or a part of the Purchase Order/Contract value forfeited.

9.7.4 In case of retendering, tender enquiries/notices shall also be sent to those tenderers who had participated in the earlier tender process which has been scrapped, excluding the defaulting tenderers on whom suitable action has been initiated by the Department as provided in para 3.12.

CHAPTER – 10

TERMS & CONDITIONS AND FORMULATION OF PURCHASE ORDER/CONTRACT

10.1 General guidelines

- (a) The terms & conditions of the Purchase Order/Contract shall be precise and definite.
- (b) Standard forms shall be adopted. The alternatives used in the standard forms, which are not applicable, shall be scored out, and only the applicable ones retained.
- (c) The governing standard terms & conditions and special conditions of the Purchase Order/Contract shall form part of the tender document.
- (d) There shall be no relaxation of the specifications and the terms & conditions agreed upon in a Purchase Order/Contract.
- (e) Provision shall be made in the Purchase Order/Contract for safeguarding the Government property entrusted to a contractor/supplier and for recovery of hire charges, if any, thereof.

10.2 Award Criteria

- (a) After the receipt of the recommendations of the Indentor/User Group, the Purchase Division shall process the case further for the approval of the respective Purchase Committees. Where the order value exceeds the powers delegated to the Centres/Units, approval of the Department shall be sought.
- (b) The order shall be placed on the technically suitable lowest tenderer who meets the tendered specifications/parameters.

10.3 Terms & Conditions and other aspects to be covered in the Purchase Order

The terms and conditions being incorporated in the Purchase Order/Contract should be in conformity with the conditions stipulated in the tender. CVC guidelines in this respect should be strictly adhered to. While preparing the Purchase Order/Contract, the following aspects shall be addressed.

(1) Scope of the Purchase Order/Contract

- (a) The Purchase Order/Contract should clearly indicate whether the scope covers only the supply or includes design, manufacture, installation, testing, erection & commissioning, training, etc.
- (b) The scope should specify whether any FIM is to be issued to the contractor/supplier.

(2) Description/Specifications of the Stores

- (a) Description/specifications and drawings, if any, of the stores item should be clearly mentioned.
- (b) Wherever applicable, the Make/Brand/Model should be indicated.

(3) Quantity

The quantity as shown in the tender enquiry should be indicated.

(4) Delivery

- (a) For indigenous supplies, the normal delivery terms shall be FOR Destination. Delivery ex-works and other conditions may also be accepted based on need and suitability.
- (b) For foreign supplies, the normal delivery terms shall be either FOB or FCA or Ex-Works. Other terms may also be accepted based on need and suitability. All delivery terms shall be as for in terms of latest INCOTERMS notified prior to issue of Purchase Order/Contract.
- (c) Definite date/schedule for supply of the stores should be indicated.
- (d) In case the scope of the Purchase Order/Contract includes supply, training, installation & commissioning, etc., the delivery date shall be for completion of all the contractual obligations.
- (e) Expressions such as 'Immediate', 'As early as possible', etc., should be avoided.
- (f) Specific delivery date should be worked out when the tender is in terms of weeks or months, and the delivery period will be counted from the date of issue of the Purchase Order/Contract.
- (g) In case of supply of large quantity of stores or if the requirement is at periodical intervals, the delivery may be specified in instalments

(per month or per quarter, etc.). However, in such cases, a final date for completing the delivery of total ordered quantity should be indicated.

- (h) In case the delivery of the ordered stores is linked to approval of sample/drawing or any other particular condition, a specific time frame shall be indicated in the PO/Contract for completing such condition and the delivery period shall be as indicated in the tender. After fulfilling the requirement, the delivery period may be refixed by issuing an amendment to Purchase Order/Contract.
- (i) In case the delivery date is linked to a certain condition to happen, a definite date shall be fixed in the Purchase Order/Contract for completing that condition.
- (j) In C&F Purchase Order/Contract, the date of delivery shall be the date on which the ordered items arrive at the Indian port. In case of ex-works Contracts, the delivery date shall be the date on which the supplier has intimated readiness of the item for despatch to the freight forwarder. In case of FOB order, the delivery date shall be the date on which the items are handed over to the freight forwarder. Wherever contract includes Installation & Commissioning, the delivery date shall be the date on which installation and commissioning is completed.
- (k) The Purchase Order/Contract shall clearly indicate the name and address of the consignee to whom the ordered stores items are to be delivered.
- (l) In case of indigenous supplies, immediately after despatch of the ordered stores items, the contractor/supplier shall be required to intimate the despatch of the ordered stores items and also forward the following documents by speed post/registered post to the Purchase Division of the Centre/Unit :
 - (i) Delivery challan (indicating the description/specifications, quantity, unit price & total value in respect of ordered stores items).
 - (ii) Packing list.
 - (iii) Railway Receipt/Consignment Note.
 - (iv) Insurance certificate, if any.
 - (v) Manufacturer's warranty/ certificate & contractor/supplier's inspection certificate.
 - (vi) Inspection certificate, if any, issued by the inspecting officer of the Centre/Unit.
 - (vii) Any other document/s that may be required.

- (m) **CVC's Observations/Guidelines in respect of delivery:** CVC has observed that in some cases, only the date of offering the equipment for Pre-Despatch Inspection was stipulated as the delivery period though the terms of delivery are on CIF basis/FOR destination basis. In some other cases, the Commission has observed that only the date of completion of supply of equipment was stipulated as the delivery period although the installation & commissioning of equipment were also to be carried out by the supplier, and no specific date was stipulated for completing the installation & commissioning. Taking the above into account, the Commission has stressed that the specific delivery period for supply as per the terms of delivery and for completion of installation & commissioning with necessary provision for LDs/penalty clause in the event of delay in supply/installation & commissioning should be incorporated in the Purchase Order/Contract.

(5) Terms of payment to indigenous suppliers

- (a) The normal terms of payment shall be 100% payment within 30 days after receipt and acceptance of the ordered material/s in good condition.
- (b) If, in spite of the stipulation of the normal terms of payment in the tender enquiry, the contractor/suppliers insist on any other terms of payment in their tender, the following may be agreed to :
- (i) Payment up to 90% of the cost of the ordered material/s against proof of despatch (consignee copy of consignment note, inspection report, invoice, etc.), taking into consideration aspects like (i) the standing & reputation and previous performance of the vendors, and (ii) pre-inspection of the material/s at the premises of the contractor/supplier, wherever considered necessary; and
 - (ii) The balance 10% may be paid within 30 days from the date of receipt of the ordered material/s at the specified place of delivery and pursuant to fulfilment of the other conditions of the Purchase Order/Contract.
- (c) Where the credibility of the contractor/supplier is yet to be established and payment against delivery is to be considered, Pre-Delivery Inspection should be carried out before collection of the material. The terms of payment in such Purchase Orders/Contracts should always read as "payment against satisfactory inspection and delivery".

(d) In case the scope of the Purchase Order/Contract covers installation & commissioning, depending upon the nature of installation & commissioning activities, a certain percentage of payment, subject to a minimum of 10%, of the basic cost, should be retained till the completion of the installation & commissioning, in addition to retention of the installation & commissioning charges payable as per the Purchase Order/Contract.

(e) **Liquidated Damage**

- (i) Contracts with provision for advance payments shall invariably incorporate Liquidated Damage (LD) clause at the rate of 0.5% for the undelivered portion of the order value per week subject to a maximum of 10%. Other Contracts shall have LD clause at the rate of 0.5% of the order value per week or 0.5% of the value of the stores for which the delivery is delayed for each week of delay, as the case may be, subject to a maximum of 10% of the order value with the concurrence of the concerned Purchase Committees.
- (ii) Liquidated Damage may be waived off in exceptional cases of foreign supplies with the approval of the Head of the Department after recording proper justification and in terms of Rule 10 of DOS Book of Financial Powers. Any LD waiver beyond the powers of the Centre/Unit shall be referred to the Department.

[DOS Order: To ensure that LDs are waived with utmost care and to avoid loss of public money, the Department has issued the following instructions (*vide Office Orders No. C.13045/19/2012-Sec.3 dated 10.08.2012 and 26.05.2012*) :

- Waiver of LDs for delay on the part of the supplier should not be recommended.
- Where the waiver of LDs is for delay on the part of the Centre/Unit, the delay period should be quantified in the form of a calendar of events explaining each stage leading to such delay.
- In cases of delay on the part of the Centre/Unit, the delivery schedule has to be extended. It would also be necessary to rectify the deficiency in the system that has caused the delay.
- Where waiver of the LDs exceeds the powers delegated to the Head of the Department under Rule 10 of the DOS Book of Financial Powers, approval of the Department should be sought even if the purchase power vests with the Centre/Unit.

- Under Rule 10 of DOS Book of Financial Powers, the Head of the Department has powers to waive off an amount of ₹ 50,000/- towards loss of revenue or irrecoverable loans and advances. Thus, if the waiver of LDs results in a financial implication of more than ₹ 50,000/-, approval of the Department should be sought.
- It is advisable to take a decision on levy of LD at the completion of the project rather than at each milestone. This would avoid multiple proposals for waiver or refund of LD. Withholding of LD recoverable during milestone payments can be considered. As regards delivery date extension, the competent authority can take a decision based on the facts of the case subject to final decision on LD.
- Instructions issued vide Department's Office Order No. 13045/19/2012-III dated May 26, 2014 shall apply for delays attributable to the Department. Para 1(iii) of the May 26, 2014 order would be applicable even in cases where LD waiver is considered due to delay on part of the supplier.

(f) **Payment of advance:**

- (i) Payment of advance against a Contract/Purchase Order should be resorted to in select cases. Wherever payment of advance is considered necessary or unavoidable, it should be allowed after getting an acceptable Bank Guarantee or Indemnity Bond, as the case may be, as prescribed in para 5.4 of this Manual.
- (ii) Payment of advance should not exceed the following limits of the basic cost excluding installation & training costs and taxes/duties:

(1) Purchase Order/Contract for goods/services –

- (i) 10% minimum to maximum 30% to private firms, &
- (ii) 40% to State/Central Govt. Agencies/PSUs

(2) In case of Annual Maintenance and Service Contracts advance payments shall not exceed 6 months' payment in any case.

(g) **Milestone/Progressive Payment :** Where milestone/progressive payment is agreed to, the same shall be against identified verifiable milestones. As progress of work involves expenditure on the part of the contractor/supplier, securing the milestone/progressive payments through Bank Guarantees will not be feasible. As such, the milestone/progressive payments may be agreed to only in respect of established or reputed

contractor/supplier's. However, to safeguard the interests of the Government, Performance Bank Guarantee for an amount equal to 10% of the order value shall be obtained from such established or reputed contractor/supplier's, as provided for in paras 5.3 & 5.4 of this Manual.

(6) Terms of payment to foreign suppliers

- (a) **Sight Draft :** The normal terms of payment to a foreign supplier shall be against a sight draft. The Centre/Unit shall collect the documents from the banker and after verifying that all the documents required in terms of the Purchase Order have been received and are in order, full FOB value may be released. The exchange rate applicable in such cases shall be the rate prevailing on the date of payment.
- (b) **Letter of Credit :** Another instrument for payment to a foreign supplier is through a Letter of Credit viz., a letter issued from a bank guaranteeing that a buyer's payment to a seller will be received on time provided certain documents have been presented to the Bank. A Letter of Credit (LC) in favour of foreign suppliers shall be opened only with the prior approval of the Head, Accounts & IFA and Head, Purchase & Stores. In case a Unit does not have such functionaries, the LC shall be opened with the prior approval of the Administrative Head/Deputy Director/Director of the Unit concerned.
- (c) **Liquidated Damage :** For detailed provisions on LDs, refer to Sl. No.(5) above.
- (d) **Advance Payment :**
 - (i) Payment of advance against a Contract/Purchase Order should be resorted to in selected cases. Wherever payment of advance is considered necessary or unavoidable, it should be allowed after getting an acceptable Bank Guarantee for an equivalent amount with sufficient validity. Many foreign suppliers insist on advance payment without Bank Guarantee for small value orders. Such requests may be agreed to subject to RBI guidelines, with the approval of Head of the Centre/Unit.
 - (ii) The concerned Purchase & Stores Officer shall be responsible for coordinating and taking timely action for settlement and accounting of advances paid to foreign suppliers. Normally the foreign suppliers are required to complete the delivery within a period of three months from the date of receipt of advance payment. The

concerned Purchase & Stores Officer should closely monitor such cases and coordinate with the Clearance Section & Stores Section to ascertain the supply status. In case the supply is not effected within three months, the concerned Purchase & Stores Officer should take up the matter with the foreign supplier for expediting shipment of the ordered item or for refund of the advance payment.

- (iii) The concerned Purchase & Stores Officer should maintain an Advance Payment Register to be reviewed monthly by the Head, Purchase & Stores. The register should have all the relevant details relating to the procurement like the Purchase Order number & date, name and address of the foreign supplier with telephone/fax number, description of the item, amount of advance, date on which the advance payment was remitted, due date of supply, date/s of follow up, date on which refund/supply was received, etc.
- (iv) In case of retention of advance without supplying the material suitable interest may be levied on the same.
- (v) For all foreign exchange related transactions, the following guidelines shall be followed by the Indentor/ User Group, Purchase & Accounts Division in their notings, recommendations, purchase approvals, payment approvals, foreign exchange release proposals, foreign exchange sanctions, Letter of Credit opening proposals and in all internal correspondence :
 - (i) Foreign exchange amount shall be properly worked out and recorded in the file.
 - (ii) Numerical values, including the currency of transaction, should be recorded both in figures and words.
 - (iii) Rupee equivalent shall be written along with the foreign exchange amount while noting the total amount payable.
 - (iv) Foreign exchange conversion rate shall be factored and the same together with the date of conversion shall be recorded in the note/recommendation/purchase approvals, etc. Exchange rate prevailing on the date of opening the tender shall be taken into account.
 - (v) The note addressed to the Accounts Division for opening of Letter of Credit shall be signed by the authorised Purchase & Stores Officer.

- (vi) The application and the covering letter addressed to the Banker for opening a Letter of Credit shall be scrutinised by the Head Account & IFA, and in his absence, by the Senior Accounts Officer.
- (vii) Wherever LC terms of payment are accepted, all efforts shall be made to insist that the supplier bears bank charges outside India.

(e) Payment against Imports

- (i) Payments against imports shall be in accordance with the Uniform Customs and Practice for Documentary Credits (UCPDC) of the International Chamber of Commerce (ICC). Foreign suppliers shall be requested to furnish the SWIFT Code in their proforma invoice and order acknowledgement.
- (ii) Advance payment, if any, shall be only against Bank Guarantee on the terms and conditions indicated under (d) above. However, standby Letter of Credit may be accepted provided it is unconditional. Where order value itself is small, and the request of the foreign supplier for advance payment without BG is accepted, subject to RBI guidelines the payment may be released against the supplier's invoice.
- (iii) Progressive/milestone payments, where agreed to, may be made in terms of the Purchase Order against certification by the supplier and the indenter against the supplier's invoice.

(7) Payment of Agency Commission

- (a) Agency Commission to the Indian Agents of foreign suppliers shall be paid in Indian Rupees worked out on the basis of Telegraphic Transfer buying rate of exchange prevailing on the date of placement of the Purchase Order/Contract and within 30 days from the date of receipt and acceptance of stores. The Purchase Order/Contract should specifically provide for payment of agency commission, if any, only in Indian Rupees. In no case the agency commission to Indian Agents should be paid in foreign exchange even if the Indian Agents claim payment in foreign exchange on the basis of their obtaining permission from the Reserve Bank of India.

- (b) In order to examine the nature of services being offered by the Indian Agents, the genuineness of prices quoted by them and also their compliance to relevant tax laws, the following aspects should be examined :
- (i) Foreign Principal's proforma invoice indicating the commission payable to the Indian Agent and the nature of after-sales service, if any, to be rendered by the Indian Agent,
 - (ii) Copy of agency agreement entered into by the Indian Agent with the Foreign Principal, wherever feasible.

(8) Payment of foreign currency equivalent in Indian Rupees

When certain orders are executed/services rendered, the Indian party may have to be paid in foreign currency. In such cases, the applicable conversion rate can be TT selling rates prevailing on the date of its import/bill of entry but limited to the foreign currency payable to the Indian Party as per the Purchase Order/Contract.

(9) e-Payment

Payment to the suppliers may be made under e-banking through Electronic Clearance System (ECS) and Electronic Fund Transfer (EFT) procedure. The contractor/supplier shall be required to furnish his bank account & other e-payment details to make the payment through ECS, etc.

(10) Price & Price Variation

- (a) In case the contractor/supplier recommended for placement of Purchase Order/Contract has quoted a lump-sum price in his tender and the scope of the tender covers supply of more than one item and/or installation & commissioning, training of the user, etc., the break-up of the item-wise price, installation & commissioning charges, training charges, charges for safe delivery, etc., shall be obtained from the contractor/supplier for incorporation in the Purchase Order/Contract.
- (b) Price should be as per the offer or as mutually agreed upon after negotiation.
- (c) The currency of the price should be clearly indicated.
- (d) The value should be indicated both in figures and words.
- (e) The price should show whether it is per unit or per lot.
- (f) It should be indicated whether the price is firm & final or variable.

- (g) In case the offer is for ex-works/FOR station of despatch, etc., separate charges for safe delivery of the stores at the Centre/Unit as indicated by the contractor/supplier should be incorporated in the Purchase Order/Contract.
- (h) Price variation, wherever necessary, may be accepted subject to the following :
 - (i) Price Variation Clause may be provided only in long-term Contracts, where the delivery period extends beyond 18 months. In short-term Contracts, firm and final prices shall be provided for.
 - (ii) Where a Price Variation Clause is provided, the price agreed upon should specify the base level, viz., the month and year to which the price is linked, to enable variations to be calculated with reference to the price level prevailing in that month and year. A formula for calculation of the price variations that have taken place between the base level and the scheduled delivery date should be included in this clause. The variations shall be calculated by using indices published periodically by the Government or the Chamber of Commerce.
 - (iii) The Price Variation Clause should also specify cut off dates for material and labour, as these inputs taper off well before the scheduled delivery dates.
 - (iv) The Price Variation Clause should provide for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both. The Centres/Units should include a provision in the Contract for the benefit of any reduction in the price in terms of the Price Variation Clause being passed on to the Centre/Unit.
 - (v) The Price Variation Clause should stipulate a minimum percentage of variation of the Contract price above which price variations will be admissible (e.g., where resultant increase is less than two percent, no price adjustment will be made in favour of the supplier).
 - (vi) Where advance or stage/milestone payments are made, there should be a further stipulation that no price variations will be admissible on such portions of the price, after the dates of such payment.
 - (vii) Where deliveries are accepted beyond the scheduled Delivery Date subject to levy of liquidated damages as provided for in the

Contract, the liquidated damages will be applicable on the price as varied by the operation of the Price Variation Clause.

- (viii) No price variation will be admissible beyond the original scheduled delivery date for defaults on the part of the supplier.
- (ix) Price variation may be allowed beyond the original scheduled delivery date, by specific alteration of that date through an amendment to the Contract in cases of *force majeure* or defaults by the Centre/Unit.
- (x) Where Contracts are for supply of equipment, goods, etc., imported (subject to customs duty and foreign exchange fluctuations) and/or locally manufactured (subject to excise duty and other duties and taxes), the percentage and element of duties and taxes included in the price should be specifically stated, along with the selling rate of foreign exchange element taken into account in the calculation of the price of the imported item. The mode of calculation of variations in duties and taxes and foreign exchange rates and the documents to be produced in support of claims for such variations should also be stipulated in the Purchase Order/Contract. Full increase as applicable may be allowed due to taxes and duties if they are payable as extra. Increases on account of taxes and duties during the extended delivery period should not be considered except for reasons attributable to the Centre/Unit or *force majeure*.
- (xi) Any price variation/escalation is subject to changes or instructions issued by the Government/ CVC.
- (xii) **Formula for Price Variation Clause:** The illustrative formula for Price Variation Clause given under Rule 204.(viii)(b) of GFRs [Appendix-15] may be used.

(11) Statutory Levies

(a) Excise Duty

- (b) Applicability of Excise Duty (whether inclusive or payable etc.), rate of Excise Duty, documentary evidence required, variation, if any, to be allowed, etc., should be incorporated.
 - (i) In case, as per the offer, the price is exclusive of Excise Duty, which would be payable extra, the Purchase Order/Contract should clearly state that the Excise Duty is payable at the

specified rate in addition to the cost of the stores (instead of simply mentioning Excise Duty payment in an indirect manner).

- (ii) In case the offer is silent on whether Excise Duty is separately payable or not, then subsequent reimbursement of Excise Duty is not admissible.

(iii) **Excise Duty Exemption :**

- Certain items (like scientific/technical instruments, apparatus, equipment, computers, etc., including their accessories & spares/consumables, computer software, CD-ROM, proto-types, etc.) made for the R&D Units of the Department are exempt from payment of Excise Duty. Before incorporating the Excise Duty Exemption clause in a Purchase Order/Contract, the Purchase & Stores Officer shall (i) examine whether the stores being ordered fall under the purview of the Excise Duty Exemption Notifications, and (ii) obtain a certificate from the Indentor/User Group that the stores being ordered are covered under the Excise Duty Exemption Notifications and their actual end-use.
- For the eligible stores items, i.e., end-products, Excise Duty Exemption certificates shall be issued in favour of the supplier after placement of the Purchase Order/Contract and prior to their despatch.
- Excise Duty Exemption certificates should not be issued in favour of third parties for raw materials or other components that go into the manufacture of the end-products.
- Excise Duty Exemption certificates may be issued in favour of Original Equipment Manufacturer provided (i) the tender has been received from the sole selling agent of the OEM concerned (for which documentary proof shall be produced), and (ii) a request for issue of Excise Duty Exemption certificate was made in the original offer itself.

(c) VAT/CST

- (i) Applicability of VAT/CST (intra-State and inter-State) should be clearly spelt out in the Purchase Order/Contract.
- (ii) The rate of VAT/CST should be shown as a separate item in the Purchase Order/Contract. Even if the tender simply mentions that

VAT/CST will be charged extra, the actual rate of VAT/CST (ascertained to calculate the landed cost) shall be incorporated in the Purchase Order/Contract. If the tender mentions the rate of VAT/CST, the same shall be verified and included in the Purchase Order/Contract.

- (iii) In cases where stipulation for tax in the Purchase Order/Contract is subject to legal levability, subsequent amendment should be issued indicating the new rate.

(d) Octroi & Local Taxes

The Purchase Order/Contract shall require the contractor/supplier to obtain necessary exemption certificate from the Centre/Unit for production before the concerned Local Bodies/Authorities during transportation of the stores items to claim exemption from payment of Octroi & other local taxes.

(e) Customs Duty

- (i) Where imported goods are ordered on Indian suppliers against their tender, Customs Duty concession/exemption shall be availed of by the Centres/Units by providing Customs Duty Concession/Exemption Certificates, provided the stores are not sensitive in nature. As such stores are to be transferred to the Centre/Unit by sale in India, other applicable duties and taxes shall be payable as per statutory requirements.
- (ii) Customs Duty Exemption Certificate, wherever applicable, shall be issued to a contractor/supplier, on whom the Purchase Order/Contract is placed for the supply of imported stores.

(12) Insurance

The provisions contained in the DOS Book of Financial Powers and the orders issued by the Department from time to time relating to insurance of consignments shall be followed. For insurance of FIM, refer to Sl. No. (35)(ii)(b) & (c) below.

(13) Subletting and Assignment

The Purchase Order/Contract shall prohibit the contractor/supplier, save with the previous written consent of the Centre/Unit, to sublet, transfer or assign the order/Contract or any part thereof or interests therein or benefit or advantage thereof in any manner whatsoever, to any other party. Such consent by the Centre/Unit, however, shall not relieve or discharge the contractor/supplier from any obligation, duty or responsibility under the Purchase Order/Contract.

(14) Proto-type/Sample

In cases where proto-type or sample is required to be approved, the Purchase Order/Contract should specify the –

- (a) date by which and the authority to whom the proto-type/sample should be submitted by the contractor/supplier;
- (b) date by which the authority in the Centre/Unit will convey the approval or otherwise for the proto-type/sample to the contractor/supplier;
- (c) in case of approval of the proto-type/sample, date by which the bulk supply should be effected after approval of the proto-type/sample; and
- (d) in case of rejection of the proto-type/sample, date by which a fresh proto-type/sample should be submitted by the contractor/supplier.

(15) Drawings

Wherever the engineering drawings/other documents are required to be submitted by the contractor/supplier for scrutiny and approval by the Indentor/User Group before commencing manufacturing of the equipment/instrument ordered, the Purchase Order/Contract shall specify–

- (a) the date by which and authority to whom the required engineering drawings/documents should be submitted by the contractor/supplier;
- (b) the time required by the Indentor/User Group to convey the approval or otherwise for the drawings, etc, to the contractor/supplier;
- (c) in case of approval of the drawing, etc., date by which the ordered equipment, instrument, etc., should be supplied; and
- (d) in case of rejection of the drawing, etc., date by which a fresh drawing, etc., should be submitted by the contractor/supplier.

(16) Details of Tests

In accordance with the tender notice and the recommended offer, details of tests, if any, to be carried out, the documents to be submitted by the contractor/supplier, and the charges payable for such tests as mutually agreed upon should be spelt out in the Purchase Order/Contract. If the tests are required to be witnessed by the Centre/Unit representative, the same shall be clearly incorporated in the Purchase Order/Contract.

(17) Export Licence

- (a) The contractor/supplier shall be responsible for obtaining and maintaining export licences and permits, and also for complying with all existing laws, orders, regulations or other instructions issued by the Government in the country of manufacture/supply.
- (b) In order to obtain export license, necessary end user certificate, wherever requested, shall be issued by the Centres/Units after obtaining necessary approval from Deputy Director/Project Director and Director.

(18) Inspection

The type of inspection required – whether it is quality surveillance covering inspection of raw material, sub-assemblies, bought out components, stage inspection and/or pre-shipment inspection – should be clearly prescribed in accordance with the tender specifications.

The contractor/supplier shall –

- (a) For the purpose of inspection or for ascertaining the progress of manufacture and delivery, allow the inspector reasonable facility and free access to the contractor/supplier's factory/works/records.
- (b) Provide the drawings, tooling, gauges, instruments, etc. required for carrying out the inspection.
- (c) Produce an inspection plan to the satisfaction of the Centre/Unit.
- (d) Make it a point not to supply or deliver the equipment until a shipping release or an authorization for despatch is issued by the Centre/Unit. Failure to comply with this will not only result in withholding of payment, but the contractor/supplier will also be

liable for payment of compensation to the Centre/Unit due to delay in clearance of the equipment from the carrier.

- (e) After satisfactory inspection and tests, the acceptable goods shall be stamped, labelled, marked and sealed in such a way as to make subsequent identification of accepted lots easy for the Centre/Unit. For goods not meeting the Contract requirements, the inspection notes conveying rejection shall be issued by the inspecting officer immediately.
- (f) The completed inspection note issued shall invariably bear the name, stamp with designation and other details of the officer authorised to sign and issue the inspection document.
- (g) In case of goods being imported, where it is absolutely necessary, pre-despatch inspection at the supplier's premises may be done, taking into account the nature and cost of the goods ordered, reputation of the supplier and his past performance.
- (h) In cases where payment is being released before final inspection and acceptance of the stores items, the pre-despatch inspection clause should not normally be waived. Pre-delivery inspection may be waived by the Head of the Centre/Unit in exceptional circumstances taking into account the technical/financial competence, past performance & market standing of the supplier, value of the procurement, etc.
- (i) The stores items may be rejected on receipt at site during the final inspection although they might have already been initially inspected and cleared by the inspecting officer of the Centre/Unit. However, such rejection should be strictly within the Contractual terms and conditions and no new condition should be adopted while rejecting the stores items during final inspection.
- (j) Stores items accepted by the Centre/Unit after the initial & final inspections in terms of the Contract shall in no way dilute the right of the Centre/Unit to reject the same later, if found deficient in terms of warranty clause of the Contract.
- (k) In case a written complaint is received from the contractor/supplier disputing the rejection of stores items at any time by the Inspecting Officer, the same should be investigated by a team from the Centre/Unit constituted by the Head of the Centre/Unit including an authorised representative of the contractor/supplier.

(19) Packing

- (a) In cases where the offer is for ex-works or FOR station of despatch, or the contractor/supplier has specified that packing, forwarding and freight charges are payable extra or at actuals, a reasonable amount of packing and safe delivery charges shall be arrived at in consultation with the contractor/supplier and incorporated in the Purchase Order/Contract.
- (b) The supplier shall properly pack the store items so as to ensure that the same does not suffer deterioration, damages or breakages during transportation/shipment and storage.
- (c) Each package shall be properly labelled to indicate the type and quantity of material it contains, its dimension and weight, the Purchase Order number, and any other necessary data to identify the equipment related to the Contract.
- (d) In case any special type of packing is required to be carried out in terms of the tender specification, the same should be clearly mentioned along with the charges, if any, payable as per the offer.
- (e) The supplier shall be responsible for any loss or damage or expenses incurred by the Centre/Unit due to inadequate packing. Articles classified as hazardous should be packed and marked in accordance with the necessary regulations governing their despatch by sea or air.
- (f) The supplier shall also comply with the detailed packaging and despatch instructions which accompany the Contract. The responsibility of sending despatch documents will rest with the supplier. The supplier will also be required to adhere to shipping instructions, if any, issued by the Purchase & Stores Division

(20) Mode of Transport

- (a) The supplier should take the entire responsibility to arrange for safe delivery of the material at the Centre/Unit. Delivery charge may be paid to the supplier only if it is separately payable as per the Purchase Order/Contract.
- (b) If the offer is a lump sum amount, the exact charges payable, if any, for safe delivery of the ordered stores items at the Centre/Unit should be obtained and mentioned in the Purchase Order/Contract.
- (c) In case any other mode of transport (like air) is desired by the Centre/Unit in specific cases, the same shall be clearly specified in the Purchase Order/Contract. The Purchase Order shall also identify and

define the liability of the party who will bear the transportation charges, either in full or in part.

- (d) In case it is decided to have the delivery on FOR destination basis, the same should be incorporated in the Purchase Order/Contract clearly indicating that the contractor/supplier shall be responsible for the transit risk, insurance premium payment, etc.

(21) Warranty

The supplier shall furnish a clear written warranty certificate along with the supply in the following cases :

- (a) For items where installation & commissioning are not involved, the standard warranty should be for a minimum of 12 months from the date of delivery and acceptance.
- (b) In respect of equipment, plant & machinery, where installation & commissioning are involved, the standard warranty should be for a minimum of 12 months from the date of installation & commissioning.
- (c) Notwithstanding the minimum warranty period stipulated above, in special cases, the warranty clause may be as mutually agreed between the Centre/Unit and the supplier.

(22) Training

In accordance with the tender notice and the recommended offer, the Purchase Order/Contract shall, wherever applicable, incorporate necessary clauses detailing –

- the scope of training,
- the number of persons required to be trained,
- the place of the training and the duration thereof .
- whether the training is to be provided prior to shipment or after shipment, and
- the charges payable, if any, by the Centre/Unit.

A certificate from the Indentor/User Group regarding satisfactory completion of the training shall be prescribed for settlement of final payment.

(23) Erection, Commissioning & Performance Testing

- (a) The terms of Erection & Commissioning or for supervision of Erection & Commissioning, as the case may be, and the charges payable thereof shall be clearly mentioned in the Purchase Order/Contract.
- (b) In case the price quoted by the recommended contractor/supplier includes erection & commissioning/supervision of Erection & Commissioning, the break-up of such cost should be ascertained from the contractor/supplier and included in the purchaser order/Contract.
- (c) A clause relating to the reimbursement of Service Tax shall be included. If no mention is made in the offer regarding reimbursement of Service Tax, it shall be presumed that the rate quoted is inclusive of Service Tax on erection & commissioning charges.
- (d) A clause indemnifying the Centre/Unit/Department from the Workmen's Compensation Act should be incorporated in the Purchase Order/Contract.
- (e) The utilities to be provided by the Centre/Unit, either free of charge or on chargeable basis, in accordance with the tender enquiry, shall be spelt out in the Purchase Order/Contract. In case the utilities are to be provided on chargeable basis, the details of charges shall also be specified.

A certificate from the User Group regarding completion of Erection & Commissioning and performance testing shall be prescribed for settlement of final payment

(24) Payment Terms

- (a) By issuing the Purchase Order/Contract, the Centre/Unit has undertaken the responsibility of paying the suppliers as per the payment terms included in the Purchase Order/Contract.
- (b) All matters relating to payment shall be dealt with by the Accounts Division. Before authorising payment, the relevant bills shall be verified with reference to the copies of the Purchase Order, Receipt Voucher and other necessary records including acceptance of stores. If for any reason, payment cannot be made, the supplier shall be informed of specific reasons for the same.

- (c) In case advance payment/milestone payment is provided for in the Purchase Order/Contract, suitable provision should be added in the Purchase Order/Contract for charging of interest at appropriate rate in case of any delay attributable to the contractor/supplier in effecting the supply after the prescribed delivery date. The levy of interest in such cases shall be for the period beyond the specified delivery date, on the amount of balance advance payment.
- (d) Performance bond (as detailed in para 5.3 of this Manual) shall be prescribed in cases where warranty clause is applicable.

(25) Grievance Redressal and Arbitration

- (a) The provisions relating to grievance redressal mechanism, including the details of the authority to whom a contractor/supplier may submit an application for review of any decision or action taken by the Centre/Unit, shall be incorporated in the Purchase Order/Contract.
- (b) Arbitration clause should be incorporated in the Purchase Order/Contract.
- (c) In the event of any question, dispute or difference arising out of or in connection with any of the terms and conditions of the Purchase Order/Contract, the Centre/Unit & the supplier are not in a position to settle the dispute mutually, the matter shall be referred to the Head of the Centre/Unit for arbitration or as mutually agreed upon.
- (d) The award of the arbitrator shall be final and binding on both the parties to the Contract.
- (e) The arbitration proceedings would be subject to the provisions of the Arbitration & Reconciliation Act, 1996, and the Rules framed thereunder.

(26) Risk Purchase

A risk purchase clause, in terms of para 6.22 of this Manual, may be specified, wherever required, in the Purchase Order/Contract.

(27) Secrecy

- (a) The contractor/supplier shall take all reasonable steps necessary to ensure that all persons employed in connection with the Purchase Order/Contract have full knowledge of the Official Secrets Act and the regulations framed there under.

- (b) Any information obtained in the course of execution of the Purchase Order/Contract by the contractor/supplier, his agents or consultants or advisors or employees engaged by the contractor/supplier, etc., as to any matter whatsoever, which would directly or indirectly be of use to any enemy of India, should be treated as secret and shall not, at any time, be communicated to any person.
- (c) Any breach of the aforesaid conditions shall entitle the Centre/Unit to cancel the Purchase Order/Contract and if necessary to go ahead with the purchase or authorize the purchase of the stores at the risk and cost of the contractor/supplier, in addition to any other penal action it may take at its discretion.
- (d) The contractor/supplier, his agents or consultants or advisors or employees, etc., shall not use the stores items or the name of ISRO/DOS for any publicity purpose through any public media like press, radio, TV or internet.
- (e) Drawings, specifications, prototypes, samples and such other information furnished to the contractor/supplier relating to the supply/sub-system/equipment etc., shall be held by the contractor/supplier in confidence and shall not be divulged to any third party without the prior written consent of the Centre/Unit.

(28) Compliance with security requirements

The contractor/supplier shall strictly comply with the security rules & regulations of the Centre/Unit. He shall complete the required formalities including verification of character & antecedents, of the persons engaged or deployed by him, through police or any other authority.

(29) Patents & Patent Rights Indemnification

- (a) All specifications, drawings, patents and such other relevant information furnished by the Centre/Unit to the contractor/supplier shall be the property of the Centre/Unit. If, during the process of execution of the Purchase Order/Contract, any improvements, refinements, technical changes, modifications, etc., are effected by the contractor/supplier, such changes shall not affect the title of the Centre/Unit to that property.
- (b) The Centre/Unit shall have the absolute right to assign, transfer, sublet, use and transmit all such modified drawings, specifications, patents, proto-types, etc., to any third party and the contractor/supplier shall not

have any claim or right whatsoever in respect of such modified drawings, specifications, patents, proto-types, etc.

(30) Jurisdiction

Subject to the Arbitration clause, the Courts in whose territorial jurisdiction the Centre/Unit is located shall be competent to deal with any matter arising out of the Purchase Order/Contract.

(31) Indemnity

- (a) The prices indicated in the Purchase Order/Contract shall be deemed to include all amounts payable for the use of patents, copyrights, registration charges, trademarks or other industrial property rights.
- (b) The contractor/supplier shall, at all times, indemnify the Centre/Unit against all claims including claims by any third party relating to stores for infringement of any rights protected by patent registration of design or trademarks.
- (c) Till the supplies reach their destination, the contractor/supplier shall be responsible for any damage to the supplies arising from whatever cause other than Force Majeure factors.
- (d) The contractor/supplier shall also take the entire responsibility for adequacy of supplies/services for fulfilment of the Purchase Order/Contract.

(32) Force Majeure Clause

- (a) In case the recommended contractor/supplier insists for incorporation of the *force majeure* clause, the following clause can be incorporated in the Purchase Order/Contract :

“Neither party shall bear responsibility for the complete or partial non-performance of any of his obligations (except for failure to pay any sum which has become due on account of receipt of goods under the provisions of the present Purchase Order/Contract) if the non-performance results from such *force majeure* circumstances such as, but not restricted to, flood, fire, earthquake, civil commotion, sabotage, explosion, epidemic, quarantine restriction, strike, lock-out, freight embargo, acts of the Government either in its sovereign or Contractual capacity, hostility, acts of public enemy and other acts of God as well as war or revolution, military operation, blockade, acts or actions of State authorities or any other circumstance beyond the control of the parties that have arisen after the conclusion of the present Purchase Order/Contract”.

- (b) In such circumstances, the time stipulated for the performance of an obligation under the Purchase Order/Contract may be proportionately extended.
- (c) The party for whom it has become impossible to meet the obligation under this Contract due to *force majeure* condition, will notify the other party in writing not later than twenty one days from the date of commencement of the unforeseeable event. Unless otherwise directed by the Centre/Unit in writing, the contractor/supplier shall continue to perform his obligations under the Purchase Order/Contract as far as is practical and shall seek all reasonable alternative means for performance not prevented by the *force majeure* event.
- (d) Any certificate issued by the Chamber of Commerce or any other competent authority or organization of the respective country shall be sufficient proof of commencement and cessation of the above circumstances.
- (e) In case of failure to carry out complete or partial performance of an obligation for more than sixty days, either party shall reserve the right to terminate the Contract totally or partially. A prior written notice of 30 days to the other party will be given informing of the intention to terminate without any liability. This is exclusive of any reimbursements for the goods received as provided for in the agreement.

(33) Termination of Contract

- (A) In case of a Purchase Order/Contract running for a long duration, the Centre/Unit and the contractor/supplier shall have the right to terminate the Purchase Order/Contract with adequate notice by mutual agreement.
- (B) The Centre/Unit, without prejudice to any other remedy for breach of Contract on the part of the contractor/supplier, may, after giving an opportunity to the contractor/supplier, terminate the Purchase Order/Contract in whole or in part –
 - i. If the contractor/supplier fails to deliver any or all of the ordered stores items within the period/s specified in the Purchase Order/Contract, or within any extension/s thereof granted by the Centre/Unit; or
 - ii. If the items/samples offered by the contractor/supplier do not pass the inspection and the contractor/supplier is unable to rectify the

- defects or offer fresh items/samples conforming to the quality standard prescribed in the Purchase Order/Contract; or
 - iii. If the contractor/supplier fails to perform any other obligation/s under the Purchase Order/Contract; or
 - iv. If the contractor/supplier becomes bankrupt or otherwise insolvent; or
- (C) If the Head of the Centre/Unit decides to terminate the Purchase Order/Contract for any of the above violations by the contractor/supplier, he shall give a reasonable opportunity to the contractor/supplier to represent against the intended termination of the Purchase Order/Contract clearly indicating the reason/s and other consequential actions/s proposed to be taken. If the contractor/supplier fails to submit any explanation to the show-cause notice or if, after taking into account the explanation submitted by the contractor/supplier within the due date, the Head of the Centre/Unit concludes that the Purchase Order/Contract should be terminated, a speaking order should be issued by him terminating the Purchase Order/Contract, clearly indicating the following :
- (a) The show-cause notice and the explanation, if any, submitted by the Contractor.
 - (b) Forfeiture of Security Deposit, if any.
 - (c) Encashment of security like Bank Guarantee, etc., if any.
 - (d) Enforcement of indemnity Bond, if any
 - (e) Recovery of payment, if any, made by the Centre/Unit, along with applicable interest thereon.
 - (f) Recovery of the value of FIM, if any.
 - (g) Recovery of compensation for the loss, if any, to the Government on account of termination of the Contract.
 - (h) Whether the Contractor is banned from future procurement processes, and if so, the period of such a ban.
 - (i) Opportunity to make an application for review to the Head of the Centre/Unit within a prescribed time.
- (D) In case the contractor/supplier prefers an application for review of any of the decisions taken as above, the same shall be considered and disposed of by the Head of the Centre/Unit by a speaking order. In

case, after disposal of the application for review by the Head of the Centre/Unit, the contractor/supplier concerned raises the issue as a dispute, the same shall be processed as prescribed in the PO.

(34) Despatch of stores after expiry of delivery period

- (a) It shall be provided in the Purchase Order/Contract conditions that on expiry of the Contract delivery period, the contractor/supplier should not despatch the stores till such time an extension in delivery period is granted by the Centre/Unit, and that the Centre/Unit reserves the right to cancel the Purchase Order/Contract when the ordered stores items are not received before expiry of the original delivery period or the extended delivery period.
- (b) In case the stores are despatched by the contractor/supplier before obtaining an extension of the delivery period by the Centre/Unit, he would be doing so at his risk and no claim for payment shall lie against the Centre/Unit either in respect of the cost of the stores despatched or any other related expenses which the contractor/supplier may have incurred.
- (c) In case the stores are required by the Indentor/User Group even though they are delivered after the delivery period, the delivery date may be extended and the stores taken delivery off, subject to the right to claim damages for delay in supply.
- (d) The payment shall be made to the contractor/supplier after getting necessary amendment as per clause (c) above.

(35) Orders for Fabrication

As indicated in para 6.17 of this Manual, the procedures for procurement based on value of the indent shall be applicable to orders for fabrication, supply, erection & commissioning.

- **Free Issue Material (FIM)**

- (i) The details of FIM required to be included in the indent are given in para 4.9 and the general conditions for obtaining Bank Guarantee for the FIM and its utilisation & accounting by the contractor/supplier are given in para 6.17 of this Manual.
- (ii) In addition to the above, the following terms and conditions shall also be incorporated in the PO/Contract :-
 - (a) Furnishing of a Bank Guarantee by the contractor/supplier for the value of the FIM shall be insisted upon. The Bank

Guarantee shall be valid till supply and acceptance of the final product, and return of the unutilised FIM/scrap.

- (b) Where the value of the FIM is more than the value of the fabrication order, security in the form of insurance policy may also be accepted in lieu of Bank Guarantee. The insurance policy should cover all risks which cause damage to the FIM including fire, theft, burglary, riot, civil commotion, terrorist act, etc.,. The policy should be valid till the Contractor completes accounting of the FIM pursuant to delivery of the ordered equipment, and return of the leftover/balance material (including scrap) to the Centre/Unit.
- (c) Transportation of the FIM from the Centre/Unit to the contractor/supplier's premise will generally be at the risk and cost of the contractor/supplier, who shall take necessary Transit Insurance Policy for the value of FIM as indicated in the tender document.
- (d) In cases where the transportation of FIM is the responsibility of the Centre/Unit, FIM can be transported at Carrier's risk.
- (e) As in the case of other supply orders, suitable LD clause shall be included in the fabrication order for late delivery.
- (f) In case of rejection of fabricated product due to the fault of the fabricator, fresh raw material will not be issued free of cost. In case of late delivery on account of such rejection, the penalty clause relating to late delivery shall be invoked.
- (g) Physical verification of the status of fabrication and condition of the FIM at the contractor/supplier's premise by the representative of the Centre/Unit shall be provided for in the fabrication order.
- (h) Suitable clauses relating to accounting of the FIM issued, the maximum percentage of wastage of FIM admissible and return of the surplus/left-over FIM & scrap along with the fabricated product shall be included in the fabrication order. A material consumption statement indicating the quantity of FIM issued, actual quantity used, balance material returned, scrap returned, etc. (Form No. DOS:PM:27), should be attached by the fabricator to his final bill.
- (i) If the fabrication order is cancelled due to the fault of the contractor/supplier, he shall be directed to return the FIM to the Centre/Unit at his risk and cost.

10.4 Standard formats for terms & conditions of Purchase Order

The following standard formats may be used for framing the terms and conditions of Purchase Order :

<u>Form No.</u>	<u>Standard Proforma for</u>
DOS:PM:24 ...	Terms and conditions for Purchase Order for indigenous stores items
DOS:PM:25 ...	Terms and conditions for Purchase Order for imported stores items
DOS:PM:26 ...	Acknowledgment/Order Acceptance
DOS-PM:27 ...	Statement of consumption of Free Issue Materials
DOS-PM:28 ...	High Sea Sales Agreement

CHAPTER – 11

PRE-AUDIT

11.1 Purchase Order value limit for subjecting to Pre-audit

11.1.1 Purchase Orders, where the value of the stores items and or services being procured exceeds ₹1,00,000/- (Rupees one lakh only) shall be pre-audited and certified by the Accounts Division before approval of the Competent Authority/Purchase Committee/CFC and release of Purchase Orders.

11.1.2 There shall be no pre-audit for Purchase Orders of value ₹1,00,000/- (Rupees one lakh only) and below, but the Accounts Division will note the commitments before release of such Purchase Orders in the Budget Control Register for verifying funds availability and monitoring commitments. However, in such cases there will be post-audit on a selective basis, in a manner to be decided by the Head Accounts & IFA.

11.1.3 All amendments to Purchase Orders having financial implications shall have to be similarly pre-audited if the value of an order after amendment exceeds ₹ 1,00,000/- (Rupees one lakh only).

11.1.4 In the case of procurements made by adopting Two-Part Tender system, the purchase files (including the Techno-Commercial Bids) shall be pre-audited and certified by the Accounts Division before opening of the Price Bids, and again pre-audited on opening of the Price Bids.

11.2 Guidelines for Pre-audit

- (1) Budget availability for the intended procurement shall be verified. If budget provision is not available, Pre-Audit Section of the Accounts Division shall ensure that the conditions stipulated in para 4.3 of this Manual have been complied with.
- (2) Verify whether all the procedures prescribed in this Purchase Manual have been complied with, commencing from raising the indent and its approval by the Indent Approving Authority.

- (3) Verify whether, in the case of procurement on proprietary basis/single tender system, technical justifications have been included in the indent duly approved by the competent authority.
- (4) Verify whether tender invitation has been issued in a fair and transparent manner after following the due procedure.
- (5) Verify whether the tenders have been received only from those to whom the tender documents were issued or also from those who have downloaded from the website.
- (6) Verify whether corrections, if any, in the tenders have been encircled and initialled legibly by the officers opening the tender and the number of corrections in each page has been recorded at the end of the page concerned. The fact of 'no correction' should also have been recorded at the end of the page concerned.
- (7) Check whether the quoted price and other terms, which have a bearing on the price, have been encircled and signed by the tender opening officials.
- (8) In cases where the technically suitable lowest offer has not been recommended, verify whether sufficient justification has been given by the Indentor/User Group along with documentary evidence and approved by the competent authority. If not, the file may be referred back to the Indentor/User Group, through the Purchase Division, for reconsideration.
- (9) The Pre-Audit Section may verify the Comparative Statement of Tenders for correctness of arithmetical accuracy.
- (10) Whether the interest on advance or stage payment, if any, quoted by the tenderer has been taken into account while arriving at L1.
- (11) Conditional discounts offered by the tenderers shall be ignored for the purposes of comparison of the prices.
- (12) Check whether taxes, duties, delivery charges, interest on advances/milestone payments, Customs Duty wherever applicable, etc., have been loaded in the CST to arrive at the total cost and the ranking has been made correctly.
- (13) There shall be no major variation between the estimated cost and the quoted price. In case of major variation, check whether the Indentor/User Group has furnished proper justification for the same, duly approved by the competent authority.

- (14) Check whether the tendered specifications are not in variance with the quoted specifications. Ensure that marginal variation/s between the specifications accepted and recommended by the Indentor/User Group do not have any financial impact.
- (15) In case of rejection of lower tender/s, check whether the Indentor/User Group has furnished proper technical justification for such rejection duly approved by the competent authority. If the rejection of lower tender/s is/are not in order, refer the file back to the Indentor/User Group, through the Purchase Division, for reconsideration.
- (16) Rejection of a tender shall be based only on proper technical justification.
- (17) Check whether necessary approvals of the various Committees are available in the purchase file.
- (18) Check whether approval of competent authority has been obtained for negotiation, if any. In case of any negotiation, check that confirmation from the tenderer in writing on negotiated and agreed terms in the meeting is available in the purchase file, and if not, call for the same for scrutiny.
- (19) The commercial terms and conditions included in the draft Purchase Order/Contract shall be mutually agreed between the Centre/Unit and the tenderer.
- (20) The final price offered is reasonable and consistent with the quality of the stores item being procured.
- (21) Ensure that the offer of the recommended tenderer is valid in all respects.
- (22) Check whether the specifications and other technical details as per the tender and/or as mutually agreed have been included.
- (23) In the case of delivery and delivery schedule, check whether the guidelines given in Sl. No. (4) under para 10.3 of this Manual are satisfied.
- (24) Verify whether the payment terms are as indicated in Chapter-10 of this Manual.
- (25) Wherever payment is to be made against production of documents, check whether details of such documents have being sought from the tenderer.

- (26) Check whether the payment through bank is against a negotiable instrument.
- (27) In case there is a price variation clause, check whether (i) the price variation clause included is mutually agreed, (ii) there is a formula for working out the price variation, (iii) the maximum ceiling for the price variation is prescribed, (iv) the base date on which the price variation clause would be calculated is indicated, and (v) Whether the price escalation provision in the contract is as per Rule 204 of GFR, 2005 and as per CVC instructions.
- (28) Whether LD provision has been included in the contract?
- (29) Ensure that only irrevocable LC is prescribed, and details of the documents required to be submitted by the tenderer for honouring the LC have been included in cases where the tenderers have insisted on confirmation of LC, check whether they have been made liable to pay the charges for confirmation.
- (30) Check whether the liabilities of both the Centre/Unit and the tenderer for payment of bank charges have been included.
- (31) Check whether the approval of the competent authority has been obtained for air-lifting of the stores item.
- (32) In case previous purchase reference is available, check whether the draft Purchase Order value is comparable with the value of the earlier purchase.
- (33) All CFC-I and CFC-II cases to be pre-audited and counter signed by Head Accounts & IFA of the Centres.
- (34) checking of the foreign currency quoted by the tenderer, what is mentioned in the order to be cross-checked. Likewise the foreign exchange conversion to INR in respect of different offers is also to be checked

The above check-list is only indicative of the basic guidelines for pre-audit and not exhaustive.

11.3 In the event of disagreement on any issue between the Pre-Audit Section and Purchase & Stores Division/Indentor, the following procedure shall be followed :

- (a) If the Heads of Purchase & Stores and Accounts Divisions are unable to resolve the issue between themselves, the same shall be referred by the Purchase & Stores Division to the respective

Purchase Committee (JPC, SPC or CFC-II). The concerned Purchase Committee shall discuss the issue and record its minutes. In case the disagreement persists even after consideration by the Purchase Committee concerned as above, the case shall be placed by the Member-Secretary of the Committee, through the Controller, before the Head of the Centre/Unit, whose decision will be final.

- (b) Disagreements between the Pre-Audit Section and Purchase & Stores Division/Indentor relating to CFC-I cases shall also be placed before the Head of the Centre/Unit, and thereafter referred to the Department.

CHAPTER – 12

PURCHASE APPROVAL

12.1 Low-value & Emergency purchase approvals

12.1.1 As indicated in Chapter 6 of this Manual, normal procurements costing less than ₹ 2.00 lakhs shall be done through the following modes :

<u>Sl. No.</u>	<u>Value of the purchase</u>	<u>Mode of purchase</u>
1.	Up to ₹ 15,000/-	Cash purchase
2.	₹ 15,000/- & above and up to ₹ 2.00 lakhs	Limited Tender

12.1.2 In respect of procurements where the estimated landed cost of a single Purchase Order is between ₹15,000/- and ₹ 2.00 lakhs, the purchase approval shall be accorded by the Purchase & Stores Officer/Sr. Purchase & Stores Officer, if it is the lowest technically suitable offer. In other cases of the same value involving procurement under Proprietary, Single Tender, Repeat Order, Orders against DGS&D & DOS/ISRO Rate Contracts, etc., approval of the Head, Purchase & Stores shall be obtained before placing the order. If the value is between ₹ 2 lakhs to ₹ 5 lakhs, such decision shall be taken by the Sr./Head, Purchase & Stores.

12.1.3 In respect of emergency procurements after obtaining fax/e-mail quotations, the purchase approving authorities for placement of order on L-1 (from amongst a minimum of three valid quotations) shall be as under:

<u>Value of stores</u>	<u>Purchase Approving Authority</u>
> ₹15,001 to ₹ 50,000	Sr.P&SO
> ₹50,001 to ₹1,00,000	Head, P&S

In case minimum number of quotations received are less than three, suitable justification shall be recorded and the case file shall be processed further for approval of the purchase approving authority.

12.1.4 In respect of emergency procurements through Special Purchase Committees, the purchase approving authorities shall be as under :

<u>Value of stores</u>	<u>Approving Authority</u>
From ₹1,00,000/- to ₹2,00,000/-	Controller/Project Director
Above ₹2,00,000/- & up to ₹10,00,000/-	Head of the Centre/Unit

12.2 High-value purchase approvals/Purchase Committees

12.2.1 For procurements costing more than ₹ 5.00 lakhs, in order to ensure transparency and fairness, the following Purchase Committees shall be constituted for approving the purchases, **excepting those** cases indicated in paras 12.6.1 & 12.7 below :

<u>Sl. No.</u>	<u>Purchase Committee</u>	<u>Estimated landed cost of a single Purchase Order</u>
1.	Junior Purchase Committee (JPC)	₹5.00 lakhs to ₹20.00 lakhs
2.	Senior Purchase Committee (SPC)	Above ₹20.00 lakhs to ₹100.00 lakhs
3.	Contract Finalisation Committee-II (CFC-II)	Above ₹100.00 lakhs to ₹200.00 lakhs
4.	Contract Finalisation Committee-I (CFC-I)	Above ₹200.00 lakhs

12.2.2 While the JPC, SPC and CFC-II shall be constituted by the Head of the Centre/Unit, the CFC-I will be constituted by the Department. Heads of Centres/Units may constitute more than one Purchase Committee, wherever required.

12.2.3 The Purchase Committees shall comprise representatives from the User Group, other Groups with technical expertise, Quality Assurance Group, Accounts Division and Purchase & Stores Division. Head, Accounts & IFA and Head, Purchase & Stores shall be members of the Purchase Committees where the value of the procurement exceeds ₹20.00 lakhs. In other cases, they or their representatives shall be included as members. In cases where value of procurement exceeds ₹100 lakhs, final approval shall be obtained from the Head of the Centre/Unit after routing the file through the Controller. In such cases, the Chief Controller / Controller of the Centre/Unit shall not be Member of the Committee.

12.3 Except in cases where the approval of the Department as indicated in para 12.7 below is required, the Purchase Committees shall function as Empowered Committees.

12.4 The above Purchase Committees shall consider various aspects of the procurement, including –

- (a) tendering process,
- (b) financial appropriateness of the indenter's recommendations,
- (c) terms and conditions indicated by the supplier which may be in variance with the tender conditions,
- (d) lack of competition,
- (e) price variation vis-à-vis estimated cost of the indent,
- (f) availability of funds,
- (g) payment terms, and
- (h) decision for retendering, if found necessary.

12.5 Guidelines for the Purchase Committees: The following guidelines shall be followed by the Purchase Committees :

- (a) The file under consideration shall contain clear recommendations of the Indenter/User Group and the approvals of the Indent Approving Authority.
- (b) All terms and condition, both commercial and technical, should be made available together with a draft copy of the Purchase Order for consideration by the Committee.
- (c) To enable functioning of the Purchase Committees in a systematic manner, there shall be a pre-set agenda for every meeting. This agenda shall be circulated to each member of the Committee seven days for CFC-I/II and two days for SPC/JPC before the meeting along with exhaustive notes/annexure on each agenda item to enable the members to study in advance. Last minute additions to the agenda shall be avoided.
- (d) Minutes of the meetings of all the Purchase Committees (including CFC-I) should be signed by all the members present.

- (e) All files should be vetted and cleared by the Pre-Audit Section before the case is presented to the Committees including CFC-I. The views, if any, of the Pre-Audit Section or any revision by the Committee shall be discussed and minuted. In case of any difference of opinion between pre-audit and the Committee, the matter shall be referred by the Member Secretary of the Committee (JPC/SPC/CFC-II), through Controller to the Head of the Centre/Unit, whose decision shall be final. In respect of CFC-I cases, the matter may be referred to the Department for a decision.
- (f) The Purchase Committee shall consider the payment terms quoted and decide on their acceptance. If not acceptable, the recommended terms should be informed to the tenderer for mutual acceptance.
- (g) Proceedings of the Committee should invariably contain the basis of approval in clear terms.
- (h) The Committee shall specifically discuss the cost differential between the estimated cost indicated in the indent and the recommended offer, and record its comments on the reasonableness of the price. It has to be established that the reasonableness of prices are on the basis of estimated cost, prevailing market rates, last purchase prices, economic indices of the raw material/labour, other input costs & intrinsic value, etc., before awarding the Contract.
- (i) Wherever any certification by the members of the Purchase Committee with regard to the tenderers/tenders is required, the same shall be complied with.
- (j) **Dissenting Opinion:** Any dissenting opinion by any member of the committee shall be recorded in the minutes. Such opinion, however, can be overruled by Chairman of the Committee for reasons recorded in writing. Cases which are within the delegated powers of the Head of the Centre/Unit may be decided by him. Cases which are not within the powers delegated to the Head of the Centre/Unit shall be referred to the Department.
- (k) In case negotiation is suggested by Indenting Officer and accepted by the Committee, reason for negotiation and terms of reference is to be recorded by the Committee.

12.6.1 Cases that need not be referred to the Purchase Committees: The following cases need not be referred to the Purchase Committees :

- (a) Repeat orders
- (b) Amendments resulting in Purchase Order value increase up to ₹50,000/-
- (c) Amendments to Purchase Orders, whose values are within the powers delegated to the Centre/Unit, as long as such amendments do not have financial implications.

However, amendments to Purchase Orders not involving financial implications but having the effect of substantially altering/changing the scope of the Purchase Orders shall be referred to the respective Purchase Committees for their consent.

Also, amendments to Purchase Orders placed with the approval of the Department (including those proposals approved by Member for Finance, Space Commission) shall be carried out only with the prior approval of the Department (*DOS Circular No. C.13045/14/2006-Sec.3 dated 20.09.2006*). However, amendments relating to price increase within the original delivery schedule due to statutory levies will not require the approval of the Department (*DOS Circular No. C.13045/14/2006-Sec.3 dated 06.02.2007*).

- (d) Cancellation of Purchase Order in full or in part and reinstatement of cancelled order.
- (e) Orders placed with reference to DOS Rate Contracts/ Rate Contracts by Centres/Units.
- (f) - Orders placed with reference to DGS&D Rate Contract subject to a maximum of ₹50 lakhs, beyond which the approval of the Head of the Centre/Unit shall be obtained.
- (g) - Amendments due to revised statutory levies within the original delivery schedule.
- (h) Change in name & address of supplier.

12.6.2 All the cases referred to in para 12.6.1 above with a Purchase Order value up to ₹ 2.00 lakhs shall be approved by the Head, Purchase & Stores and by the Controller of the Centre or Head of the Unit for cases beyond ₹2.00 lakhs.

12.7 Purchase approval to be obtained from the Department

12.7.1 Any purchase proposal, the value of which exceeds the limits prescribed below shall be referred by the Centres/Units to the Department for obtaining the approval of appropriate authority:

<u>Sl. No.</u>	<u>Mode of Tender</u>	<u>Powers delegated for procurement of stores items/service in respect of</u>	
		<u>VSSC, SDSC- SHAR/LPSC/ ISAC/SAC/NRSC</u>	<u>Other Units/Offices</u>
1.	Public Tender	Exceeding ₹500 lakhs	Exceeding ₹300 lakhs
2.	Limited Tender	Exceeding ₹300 lakhs	Exceeding ₹ 200 lakhs
3.	Single Tender	Exceeding ₹200 lakhs	Exceeding ₹100 lakhs
4.	Single Source/ Proprietary Goods/ Specific Brand Goods	Exceeding ₹100 lakhs	Exceeding ₹50 lakhs

12.7.2 All amendments to Purchase Orders/Contracts which are issued with the approval of the Department shall be referred to the Department for its approval along with the recommendation of respective CFCs except for the amendments due to revision of statutory levies within the original delivery schedule [DOS Circulars No. C.13045/14/2008-Sec3 dated 20.09.2006 & 06.02.2007].

12.8 Procedure for seeking purchase approvals from the Department

Early approval of purchase proposals and compliance with laid down procedures are vital for adhering to the project schedule. In order to ensure compliance with these parameters, the Department has prescribed check-lists of documents, as given below, for sending high-value purchase proposals/Contract amendments for the approval of the Department [DOS letter No. C.13045/8/2012-Sec.3 dated 21.08.2012]:

(1) Check-list of documents to be sent along with a new PO/Contract proposal

Covering letter should be self-contained	
DOS Proforma (in the prescribed format)	
End-Use Statement	
Indent Copy	
Basis for cost estimation	
NAC clearance	
TEC recommendation	
Budget Availability Certificate (in the prescribed format)	
Justification for Single Tender/Proprietary/Specific Brand Goods	
Details of previous/earlier purchase of the same item	
CFC-I/II Minutes	
Sub-Committee Minutes	
Best and Final Offer (BAFO)	
CFC-I/II Minutes/Approval with Agenda papers	
Approval of Director to send the proposal to the Department	
Currency of the Contract along with Exchange Rate with Indian Rupee	
Validity of the offer	
Taxes	
Advance payment	
Applicability of Liquidated Damages (LD)	
Pre-Audit observation	
Bank Guarantee	
Performance Bank Guarantee	
Draft PO/Contract copy with the initials of Head P&S	
Official e-mail id of the concerned Purchase Officer and Indentor	

(2) Check-list of documents to be sent along with proposal for amendment to an existing PO/Contract

Covering letter should be self-contained	
DOS Proforma (in the prescribed format)	
Request from vendor/indenter for amendment	
Indenter recommendation	
Current status of PO/Contract	
Financial implication of proposed amendment	
Budget Availability Certificate in case of financial implications (in the prescribed format)	
Impact on Project schedule	
Justification for amendment	
CFC-I/II Minutes along with Agenda papers	
Sub-Committee Minutes	
CFC-I/II Minutes/Approval	
Approval of Director of Centre/Unit	
Draft amendment copy with the initials of HP&S	
Consent/agreement of vendor for amendment	
Official e-mail id of the concerned Purchase Officer and Indenter	

Proforma for obtaining the approval of the Department:

1	Name of the Centre/Unit	
2	Items proposed to be procured (enclose indent copy)	
3	Whether Need Aspect Approval has been obtained (enclose Need Aspect Approval copy)	
4	Total value of the Contract/Proposal along with FE component	
5	Reason for variation in quantity and/or value proposed for procurement with reference to quantity and/or value mentioned in the indent	
6	If the requirement is for a Project, name of the Project/s and whether provision is included in the approved Project Report (give page No., Code No., etc.). If provision is inadequate, how it is proposed to meet the expenditure? (give details of re-appropriation)	
7	Whether provision has been included in the Annual Budget (give document No., page No., etc.)	
8	Whether proposal has the concurrence of IFA.	
9	Whether proposal has the approval of the MC (where necessary) and of Director/Project Director concerned (indicate whatever is applicable)	

10	Whether the purchase is through Open Tender/ Limited Tender/Single Tender/Negotiated Tender (enclose a copy of PT waiver approval by Director/ Proprietary Certificate as applicable)	
11	Whether the Contract Finalisation Committee has considered the proposal, if so whether a report of the Committee is enclosed (where applicable)	
12	Validity of the accepted offer (also, specify whether any extension of validity is sought from the supplier)	
13	Whether it is proposed to issue a Purchase Order or it is proposed to enter into a Contract (in case of Contracts, a draft Contract to be enclosed)	
14	Whether the entire expenditure will be met during the current year or the expenditure will be staggered (details may be given)	
15	Purchase File Milestone Dates – (a) Date of indent (b) Date of tendering/calling for quotations (c) Date of receiving quotations (d) Completion of Technical Evaluation (e) Date(s) of holding CFC-I meeting(s)	
16	List of enclosures (specify Page No./Flag in the proposal)	1) 2)

Budget Availability Certificate:

a	Name of the Centre/Unit	
b	Items proposed to be procured	
c	Total expenditure to be incurred for the Contract	
d	Year-wise expenditure	
e	Project under which the funds have been made available	
f	Budget Code	
g	Funds available against the indicated line item	
h	Balance that will be available against the line item after the proposed expenditure	
i	Date by which the item is required as per the Project Schedule	
Signature of the Indentor		
Signature of the Head, Accounts & IFA		
Signature of the Indent Approving Authority		

CHAPTER – 13

NEGOTIATIONS

13.1 Negotiations not to be held as a general rule: There should be no post-tender negotiations even with L1 except under certain exceptional situations. Such exceptional situations would include procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiation should be duly recorded and documented. In cases, where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, negotiations would be permitted with L1 bidder(s) for the supply of a bare minimum quantity. In any case, whenever L-1 backs-out, there should be a re-tender. (CVC Circular No.4/3/07 dated March 3, 2007 refers).

13.2 Special cases where negotiations may be held: Negotiations may be held in the following cases, with approval of the respective Purchase Committee :

- (a) In cases where the tender enquiry contained a formula/ratio for splitting of the orders between multiple tenders (due to critical nature of the items/service or, as provided for in para 9.6 of this Manual, the order may be placed on the first lowest tenderer (L-1) for supply of the quantity which he/she is capable of, and the remaining quantity may be ordered on the second lowest tenderer (L-2) or third lowest tenderer (L-3), etc., at the rates offered by the first lowest tenderer (L-1) as far as possible and for this purpose negotiations may be held with L-2, L-3, etc., parties.
- (b) In some cases, pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. In such cases if, after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable, after negotiations with the other lower tenderer/s.

13.3 Counter Offers: Counter offers to L1, in order to arrive at an acceptable price, will amount to negotiation. However, any counter-offer thereafter to L-2, L-3 etc. (at the rates accepted by L1) in case of splitting of

quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.

13.4 Guidelines for Negotiations : Where price negotiations have been approved by the competent authority, the following guidelines may be followed :

- (a) Price negotiation is to ensure that the interests of the Department is fully protected and the price paid is reasonable.
- (b) Negotiations may be conducted by the respective Purchase Committees/Contract Finalisation Committees or their Sub-Committees consisting of a representative of User Group & also a Specialist/Expert drawn from a Group other than the User Group, Quality Assurance Division, Accounts Division and Purchase Division.

ISSUE OF PURCHASE ORDER/AWARD OF CONTRACT**14.1 Legal Vetting**

While a Purchase Order is a document signed by a buyer and sent to a supplier based on their offer authorising the shipment of a product to the buyer at a specified price and agreed terms and conditions, a Contract is an agreement between two or more parties for supply and acceptance of an offer and signed by the parties concerned. The provisions of GFR, CVC instructions and any other law framed by the Government shall be incorporated while framing the Contract. Any clause in contravention of these provisions is not valid. Since a valid Contract can be enforced in a Court of Law, the Department has specified that before signing of MOUs/Agreements/Contracts, the Centres/Units/Autonomous Bodies shall get them legally vetted as prescribed in OM No. E.11020/1/2011- Sec. IV dated March 21, 2011, details of which are given below :

<u>Sl. No.</u>	<u>Category of MOUs/Agreements/ Contracts</u>	<u>Legal Authority for vetting</u>
1.	Contracts, MOUs and Agreements with International Bodies and other countries	Lawyers who may be empanelled by each Centre/Unit/Autonomous Body. These may also be got approved by the Ministry of External Affairs/External Affairs Minister and Prime Minister's Office/Prime Minister.
2.	International and National MOUs/Agreements/Contracts	Lawyers who may be empanelled by each Centre/Unit/Autonomous Body. In case there is a need, the MOUs/Agreements/Contracts may be sent to DOS for clarification. In turn, DOS may obtain the advise of MEA/MoL&J, if required.
3.	MOUs with Central Government Departments/Ministries/State Governments	Lawyers empanelled by the Centre/Unit/Autonomous Body.

14.2 Purchase Approval

The purchase approval powers are defined under Chapter-12 of this Manual and such purchase approval powers are subject to the following conditions:

- (a) The gross value prescribed for exercising the purchase powers is for each case which includes duties, taxes, freight, etc.
- (b) lowest technically suitable offer means the lowest offer among the tenders received which conforms to the technical specifications given in the tender enquiry.

14.3 Budget availability certificate

14.3.1 Normally, the budget/funds availability certification given by the Indentor/User Group at the time of raising the indent should suffice for release of Purchase Order. However, in high-value orders where it is felt necessary, the Purchase Division may advise the Indentor/User Group to again certify the budget/funds availability at the time of obtaining the recommendations on the tenders received. Where it is felt expedient, such certification may also be obtained from the PPEG/PPG before submitting the case to the concerned Purchase Committee.

14.3.2 In cases where an indent has been processed based on the administrative approval given by the Head of the Centre/Unit for procurement of stores items for which budget provision has not been made or for which funds could not be identified, Purchase Order shall not be released unless necessary re-appropriation of funds is approved by the competent authority. In order to save time, the Indentor/User Group shall take necessary action, immediately after submitting the indent to the Purchase Division, to obtain necessary funds by valid re-appropriation, without waiting for the procurement process to reach the stage of order placement

14.4 Letter of Intent

14.4.1 In some cases, though purchase approval has already been obtained, the Purchase Division may not be in a position to release the order for want of necessary budgetary provision. In such exceptional cases, e.g. where the tender validity may be expiring shortly, a Letter of Intent can be issued by the Purchase Division after taking the concurrence of the concerned Purchase Committee.

14.4.2 Immediately after issue of Letter of Intent/Advance Acceptance of the Tender, the Purchase Division shall take necessary action to obtain budget allocation and issue the Purchase Order without any delay.

14.4.3 Copies of the Letter of Intent/Advance Acceptance of the Tender/Purchase Order shall be marked to the Indentor/User Group, Stores Section and Accounts Division for necessary action.

14.5 Annexures to the Purchase Order

Proper care should be taken to enter the name and address of the tenderer, the delivery date, amount of Security Deposit, Performance Bank Guarantee, etc. The Purchase Order shall be accompanied by the relevant documents, wherever necessary, as under:

- (a) Scope of work
- (b) Specifications
- (c) Drawings
- (d) Technical terms & conditions
- (e) Commercial terms & conditions
- (f) Payment terms
- (g) Details of freight forwarder
- (h) Security Deposit/Indemnity Bond
- (i) Performance Bank Guarantee/Indemnity Bond
- (j) Any other special instructions

14.6 Signing of Purchase Orders and Contracts

14.6.1 After the draft Purchase Order is scrutinised and certified by the Pre-Audit Section and purchase approval given by the concerned Purchase Committee/Authority, the fair copy of the Purchase Order should be prepared incorporating the corrections, if any, as per the observations of Pre-Audit Section duly approved by the competent authority.

14.6.2 As indicated in Chapter-3 of this Manual, the Purchase Orders released by ISRO/DOS shall be executed "for and on behalf of the President of India" clearly indicating the name and designation of the officer executing the Purchase Order. A Contract in the case of an Autonomous Body or a PSE or an Entity under the administrative control of the Department shall be

executed by the officers so authorised by the Head of such Autonomous Body, PSE, etc., on behalf of such Heads of Autonomous Body, etc.

14.6.3 Purchase Orders shall be signed by the following authorities in the Purchase Division based on the value of the Purchase Order being released :

<u>Sl. No.</u>	<u>Value of the Purchase Order</u>	<u>Officers authorised to sign the Purchase Order</u>
1.	Up to ₹2.00 lakhs	Purchase & Stores Officer;
2.	₹2.00 lakhs & above but below ₹20.00 lakhs	Sr. Purchase & Stores Officer, or where there is no Sr. Purchase & Stores Officer, the Head of the Centre/Unit may authorise a Purchase & Stores Officer to sign the Purchase Order.
3	₹20.00 lakhs and above	Senior/Head of the Purchase & Stores Division, or where there is no Head, Purchase & Stores, the Head of the Centre/Unit may authorise the Sr. Purchase & Stores Officer, and by Purchase & Stores Officer, where there is no Sr. Purchase & Stores Officer

14.6.4 Before releasing a Purchase Order, the Purchase & Stores Officer shall, *inter-alia*, verify the following :

- (a) Whether the Purchase has been approved by the competent authority.
- (b) whether the terms and conditions incorporated in the Purchase Order are as mutually agreed,
- (c) whether in the case of import orders, the currency has been correctly reflected both in words and figures.
- (d) Whether in the Purchase Order there are any deviations from the prescribed standard terms and conditions, and, if so, whether approval of the competent authority to accept the same has been obtained.
- (e) whether the requisite certificate has been given in the prescribed form for purchases pertaining to proprietary/specific brand goods/single source.

After incorporating the date of issue and attaching the standard order acceptance form, the Purchase Order should be posted to the correct address of the tenderer by Registered Post with Acknowledgement Due. A Purchase Order can be sent through e-mail/fax also.

14.6.5 Immediately after issue of the Purchase Order/Contract, the same shall be communicated to all the participating bidders by publishing the decision on the website of the Centre/Unit/Department and also on the CPP Portal, wherever prescribed.

14.7 Amendment to the Purchase Order/Contract

14.7.1 Subsequent to the issue of Purchase Order/Contract, no order amendment, alteration/modification shall be carried out without a proper appeal either from the contractor or from the users as a general rule. Post order price hike may not be agreed to as a general rule.

14.7.2 Whenever a request for amendment/modification is received from the tenderer –

- (a) The Purchase Division shall seek the views of the Indentor/User Group on the same.
- (b) Any amendment relating to technical aspects and delivery period extension shall be approved by the concerned Purchase Committee. In case of amendment relating to extension of delivery date, the imposition of LD shall be regulated as per Chapter-10 of this Manual.
- (c) In case the requested amendment/modification does not involve any financial implication and will not be detrimental to the interests of the Centre/Unit, an amendment to the Purchase Order may be issued, with the concurrence of the Head Accounts & IFA. In case any financial implication is involved, the concurrence of Head Accounts & IFA shall be obtained and thereafter submitted to the concerned Purchase Committee, if required, for approval.

14.7.3 Legal opinion may be sought before issuing an amendment to the Purchase Order, wherever felt necessary.

14.8 Preservation of rejected tenders

All the excluded, rejected, delayed and late tenders shall be kept in the purchase file concerned, which shall be preserved in terms of the record retention schedule of the Department.

POST-CONTRACT MANAGEMENT & MONITORING

15.1 Need for post-Contract management

Post-Contract management includes supply within the delivery period, acceptance of the items supplied, settlement of bills, release of security deposit, fulfilment of warranty, invoking of performance bank guarantee, etc. It is essential to monitor the progress of the Contract to ensure its satisfactory execution. The Purchase Division shall ensure that the Contractual obligations are met by the contractor/supplier.

15.2 Acknowledgement & acceptance of Purchase Order

15.2.1 Once the Purchase Order is issued, the contractor/supplier should acknowledge and unconditionally accept the same within the date specified in the Purchase Order.

15.2.2 The contractor/supplier may send the acceptance of Purchase Order in a format different from the one sent by the Centre/Unit, in which case the concerned Purchase Officer shall check whether it contains all the details of the order confirmation format of the Centre/Unit. In case the contractor/supplier does not conform to the format, necessary action shall be taken for rectification by the contractor/supplier.

15.3 Submission of samples/drawings/proto-types by the contractor/supplier

15.3.1 If the contractor/supplier is required to submit samples/engineering drawings/proto-types, etc., before commencing the bulk supply, as per the terms and conditions of the Purchase Order/Contract, the Purchase & Stores Officer/Indentor/User Group shall pursue the matter with the contractor/supplier to ensure that the samples, etc., are received within the due date prescribed in the Purchase Order/Contract.

15.3.2 Once the samples, etc., are received, their acceptance or otherwise shall be communicated by the Indentor/User Group to the Purchase & Stores Officer, who shall immediately communicate the same to the contractor/supplier. In case of rejection of the samples, a new date shall be stipulated for submitting a fresh sample.

15.4 Submission of Bank Guarantee by the contractor/supplier

In case the Purchase Order/Contract stipulates the submission of Bank Guarantee by the contractor/supplier for advance payment, milestone payment, fulfilment of warranty obligations, etc., the Purchase & Stores Officer shall monitor the same and obtain necessary Bank Guarantee from the contractor/supplier. The guidelines given in para 5.4 of this Manual for maintenance, invoking, discharge, etc., of the Bank Guarantee shall be followed.

15.5 Insurance Policy for FIM

In cases where the contractor/supplier has been exempted from furnishing of Bank Guarantee towards FIM and is required to take an insurance policy for the value of FIM as per the terms and conditions of the Purchase Order, the Purchase & Stores Officer shall release the FIM only after receipt of the insurance policy from the contractor/supplier showing the beneficiary as the President of India acting through the Head, Purchase & Stores. The receipt of the insurance policy shall be intimated to the Indentor/User Group, Stores Section (for releasing of FIM) and Accounts Section, and the contractor/supplier informed to arrange for collection of the FIM. The guidelines relating to furnishing of the insurance policy by the contractor/supplier, etc., contained in Sl. No. (35) under para 10.3 of this Manual, shall be followed.

15.6 Expediting Supply

15.6.1 The progress of supply of stores items shall be monitored continuously by the concerned Purchase & Stores Officer. In case the progress is tardy and it is anticipated that the ordered stores item may not be supplied within the delivery date/period specified in the Purchase Order, the concerned Purchase & Stores Officer shall initiate action as provided for under Chapter-16 of this Manual.

15.6.2 In the case of fabrication orders, etc., for which FIM has been issued, the Indentor/User Group shall monitor the progress of work. In case the progress is not satisfactory, the Indentor/User Group shall intimate the same to the concerned Purchase & Stores Officer, who shall initiate necessary action as per the terms and conditions of the Purchase Order/Contract for protecting the interests of the Government.

15.7 Review of Purchase Orders/Contracts

- (a) Review of Purchase Orders/Contracts, where the delivery dates/periods will expire during the next two months, shall be conducted by the Head, Purchase & Stores Division. In cases where delay in the supply of the ordered items will impact the project schedule or where the progress of work is slow, necessary endeavours shall be made for completion of the procurement within the specified delivery date/period.
- (b) The Head, Purchase & Stores Division, shall prepare every quarter a list of Purchase Orders where the delivery dates/periods have either expired or likely to expire in the next quarter and submit the same to the concerned Purchase Committee, for review and for deciding on the further course of action.
- (c) Other Contractual obligations of the contractor/supplier shall also be reviewed as above for remedial action.

15.8 Quality Surveillance/Pre-Despatch Inspection

The Indentor/User Group will ensure that quality surveillance and pre-despatch inspections are carried out expeditiously wherever provided for in the Purchase Order/Contract so that the Purchase Order/Contract is executed within the due date/period.

15.9 Furnishing of Clarifications to the Contractor/Supplier

Any clarification or information sought by the contractor/supplier, with regard to the execution of the Purchase Order/Contract shall be furnished within a week by the Purchase & Stores Officer concerned, wherever required, in consultation with the Indentor/User Group/IFA.

15.10 Issue of Customs/Excise Duty Exemption Certificates

The concerned Purchase & Stores Officer shall appropriately issue the Custom Duty and Excise Duty Exemption Certificates in the prescribed proforma to the contractor/supplier.

15.11 Export Licence

In case of opening of the LC by the Centre/Unit and execution of the Purchase Order by a foreign supplier is linked to obtaining an export licence by the foreign supplier, such Purchase Orders shall be monitored in a systematic manner.

15.12 Opening of Letter of Credit

- (a) In cases where the mode of payment is by LC, there should be a provision in the Purchase Order for making such a payment. The Purchase Order shall also specify the bank charges payable by the Centre/Unit and the supplier either for LC opening or confirmation, and the same be clearly mentioned in the LC as well.
- (b) LC shall be opened only with the prior approval of the Head, Purchase & Stores and Head, Accounts & IFA, and if there is no Head P&S or Head, Accounts & IFA, LC shall be opened with the prior approval of Head of the Centre/Unit.
- (c) LC shall be opened only after receipt of unconditional acceptance and confirmation regarding export licence, as per Purchase Order/Contract terms.
- (d) Proper care shall be taken to fill up the LC opening form in order to avoid issue of any amendment to the LC subsequently.
- (e) Any amendment to the LC shall be arranged as per mutually agreed terms and conditions.
- (f) LC shall be valid for a period of 90 days from the date of opening, on extendable basis by mutual consent before its expiry. Where the validity of the LC is extended, the delivery period and the validity of the BG, if any, should also be extended.
- (g) LCs opened shall be reviewed every month before their expiry.

15.13 Shipping Clearance/Authorisation in respect of imports

- (a) The Purchase & Stores Division shall issue necessary shipping authorisation immediately on receipt of intimation regarding the readiness of the ordered items for shipment and the probable date of shipment. Before forwarding the shipping authorisation, all the concerned (the Indentor/User Group, Clearance Section, Clearing Agents, Accounts, Stores, etc.) shall be advised to complete the

documentation work for timely clearance and safe transportation of the ordered items.

- (b) Where pre-shipment inspection is specified in the Purchase Order, the same shall be carried out before issuing the shipping authorisation.

15.14 Erection & Commissioning

- (a) The Indentor/User Group shall keep ready the site and other facilities so that erection and commissioning work can be commenced immediately on receipt of the ordered machinery & equipment.
- (b) The Purchase & Stores Officer shall advise the supplier to undertake erection and commissioning work and complete the same within the specified period.

15.15 Submission & Acceptance of Performance Bank Guarantee

The guidelines contained in para 5.4 of this Manual with regard to obtaining of Bank Guarantees, their acceptance, etc., shall be followed.

15.16 Rectification & replacement of rejected items

15.16.1 The Stores Section shall check the condition of the stores items immediately after their receipt. 10 days - in case of stores not requiring testing and 15 days for those that require testing before acceptance of the same. If the supplied stores items are defective or deficient or not in conformity with the Purchase Order, such stores items shall stand rejected and the position intimated to the concerned Purchase & Stores Officer, who shall immediately take up the matter with the supplier for rectification and replacement.

15.16.2 If the stores items are short-supplied or damaged in transit, the concerned Purchase & Stores Officer shall lodge a claim with the supplier, carrier, etc., as the case may be.

15.16.3 In such cases, wherever advance payment has been made, the concerned Purchase & Stores Officer shall send an intimation to the Accounts Division for withholding any other payment due to the supplier.

15.16.4 The guidelines regarding rejection and lodging of claims, given in Chapter-17 of this Manual shall be followed.

15.17 Refund of advance paid to foreign suppliers

Where advance payments are made to a foreign supplier, the supplies shall be received immediately thereafter and in any case before completion of 90 days from the date of payment of advance. Where the supplies are not forthcoming even after 90 days, the concerned Purchase & Stores Officer shall initiate necessary action for expediting the supply or for obtaining refund from the foreign supplier or encashment of BG, if any. For the purposes of monitoring the supply, refund of advances, etc., the Purchase Division shall maintain necessary records/registers in this respect.

15.18 Acceptance of BG from foreign suppliers

The guidelines given in para 5.4 of this Manual shall be followed with regard to acceptance of BG from foreign suppliers.

15.19 Release of payment to the supplier

Immediately after receipt of the invoice from the supplier, the concerned Purchase & Stores Officer shall, after obtaining necessary certificate(s)/document(s) from the Indentor/User Group/Stores Section, forward the same, complete in all respects, to the Accounts Officer for arranging payment. The Accounts Division shall release the payment to the supplier as per the terms and conditions of the Purchase Order/Contract. A copy of the payment voucher (including advance payment) made by Accounts Division to the supplier shall invariably be forwarded to Purchase Section and to Stores Section for record so that Purchase & Stores Division are aware of the payments made.

15.20 Change in name/constitution of a supplier

Requests received from a supplier regarding change in the name or constitution shall be processed as per the Companies Act, 1956. In case of foreign suppliers, they shall produce the necessary papers under their Company Law.

15.21 Amendment to Purchase Order/Contract: The guidelines given in para 14.7 of this Manual shall be followed with regard to amendment to Purchase Order/Contract.

15.22 Each Centre/Unit/Project shall introduce a suitable mechanism for post-Contract monitoring.

15.23 Termination of Contract : The general guidelines relating to termination of a Contract given in Sl. No. (33) of Chapter-10 of this Manual shall be followed.

15.24 CVC's Observations/Guidelines on post-Contract management/monitoring

With regard to post-Contract management and monitoring, the CVC has stipulated the following :

- (a) After conclusion of the Contract, any relaxation in the terms/specifications should be severely discouraged. However, in exceptional cases where the modifications/ amendments are considered to be absolutely essential, the same may be allowed after taking into account the financial implications of the same.
- (b) Priority should be accorded for post-Contract follow-up. The delivery period should be extended on *bona fide* request and not in a routine and casual manner. In case of delay in supplies by the supplier, LDs to the extent possible should be recovered. Also, in case of delay attributable to the supplier, the LC extension charges should be charged to the supplier's account.

CHAPTER – 16

DELIVERY & DELIVERY PERIOD EXTENSION

16.1 The general guidelines for including the delivery date/schedule are given in Sl. No. (4) under Chapter-10.3 of this Manual.

16.2 In case the contractor/supplier fails to deliver the ordered items within the specified date/period, the Purchase Order/Contract does not, *per se*, hold good after expiry of such specified delivery date/period. The Centres/Units may refuse to take delivery of the stores items supplied by the contractor/supplier after the specified delivery date/period.

16.3 When the ordered items are not delivered within the specified delivery date/period, the Centre/Unit may –

- (a) Extend the delivery date, if the contractor/supplier makes a request for the same, in which case, the question of imposing LD shall be considered as per the extant orders of the Department.
- (b) *Suo moto* refix the delivery date/period (taking into account the necessity of the ordered items for the Centre/Unit and also other *force majeure* clauses), in which case the question of imposing LD shall be considered as per the extant orders of the Department. In suitable cases, the Security Deposit made by the supplier may also be forfeited.
- (c) Cancel the Purchase Order and resort to risk purchase.

16.4 When a request for extension of delivery date/period is received from the contractor/supplier, the Purchase & Stores Officer shall consider the same, taking into account the following factors in consultation with the Indentor/User Group:

- (a) Whether the extension of time sought by the contractor/supplier will affect the schedule of the project;
- (b) Whether the contractor/supplier would be in a position to complete the delivery of the ordered items within the extended period of delivery; and
- (c) the time required for arranging alternate supply.

After considering the request of the contractor/supplier for extension of the delivery date/period as above, if it is concluded that there is no prospect of the contractor/supplier supplying the items especially after granting one extension, it would be advisable to cancel the Purchase Order, with the approval of the competent authority, and make alternate arrangements as per the terms and conditions of the Purchase Order.

16.5 Any extension of the delivery date/period for completing the supply of items shall be resorted to only after mutual agreement, and as such any unilateral extension in the delivery date/period will tantamount to changing the terms of the original Purchase Order, and will not bind the other party. Any extension in the delivery date shall be considered by the Centre/Unit only after getting a request from the contractor/supplier for the same, reserving the right to levy LD for the delay and with a stipulation that there will be no increase in price, taxes, duties, etc., during the extended period. These clauses, referred to as Reserving the Rights & Denial Clauses, shall be appropriately included in the letter communicating the extension of delivery date/period to the contractor/supplier, and such extension shall also be communicated to the Indentor/User Group, Stores Section and Accounts Division in the Centre/Unit.

16.6 Re-fixation of the delivery date/period, i.e., fixing fresh delivery date/period by recasting the original delivery date/period, after excluding the period of delay for which the contractor/supplier was not responsible, may be made after due approvals from Head of Centre/Unit/Department in the following cases :

- (a) When the Indentor/User Group has delayed approving the sample, though it was submitted in time by the contractor/supplier.
- (b) Any other lapse on the part of the Centre/Unit having adverse effect on the delivery date.

16.7 If the contractor/supplier fails to inform the progress/status of the supply, a decision may be taken by the Centre/Unit either to grant extension or to cancel the Purchase Order/Contract, and risk purchase the short-supplied quantity, as per the prescribed procedure. If the Centre/Unit decides to give extension of the delivery date/period, a Performance Notice (Notice-cum-Extension) may be issued to the contractor/supplier. If the contractor/supplier fails to acknowledge/respond to the Performance Notice within 15 days from the date of its receipt, the Centre/Unit may cancel the

Purchase Order/Contract, and risk purchase the items as per the prescribed procedure.

16.8 In cases where the Purchase Order/Contract provides for delivery of the ordered items in instalments, wherever there is a delay in individual instalment delivery, the Purchase & Stores Officer may examine granting extension for such individual instalment delivery. In cases where the delivery of one instalment is delayed and it is decided not to cancel the Purchase Order/Contract, there shall be no objection to accepting the delivery of subsequent instalments. However, where phased delivery is to be made over a period of time, grant of extension of delivery date/period will not be necessary, and the question of granting extension will arise only if the delivery goes beyond the final date for completion of delivery.

16.9 If the contractor/supplier fails to submit the advance sample before the date/period specified in the Purchase Order/Contract, the Purchase Order/Contract may be cancelled by the Centre/Unit for breach of Contractual obligations. If, in such cases, the contractor/supplier requests for extension of the time limit, taking into account the merits of the change, the competent authority in the Centre/Unit may grant extension of time for submitting the advance sample. In case the contractor/supplier has submitted the advance sample in time but the same is rejected after inspection, extension of time limit may be allowed if so requested by the contractor/supplier. In either of the cases mentioned above, grant of extension of time may be permitted if requested by the contractor/supplier.

16.10 In cases where the Centre/Unit decides to cancel the Purchase Order/Contract for breach of any of the delivery clauses by the contractor/supplier, the general guidelines given for termination of a Contract, encashing of the BG towards Security Deposit and invoking LD clause contained in Chapter-10 of this Manual, shall be followed.

CHAPTER – 17

ACCEPTANCE OR REJECTION OF STORES AND LODGING OF CLAIMS

17.1.1 Wherever it is necessary to accept variations in supplies up to 10% in quantity for items like cables, condensers, resistors, glass materials, fasteners, ferrous and non-ferrous materials, etc., the same may be done by the Purchase Section in consultation with the Indentor/User Group. Formal amendment to the Purchase Order is required to regularise the transactions, after obtaining appropriate approvals from Head of the Centre/Unit or Department. Normally provision for variation is incorporated in the Purchase Order itself after due approval of the competent authority. Hence, only a formal amendment to the PO to regularize is required. However, if provision for variation is not incorporated in the PO, such amendment can be issued subject to clause 12.6.1(b).

17.1.2 If quantity tolerance is specifically mentioned in the Purchase Orders, Accounts Division shall release payment for the actual ordered quantity. Subsequent to the issue of formal amendments to the Purchase Orders by the Purchase Division after appropriate approvals, the balance amount shall be released by the Accounts Division.

17.1.3 In normal cases, all items of stores received from the suppliers by the Stores Section shall be inspected before acceptance by the Indentor/User Group within 10 days after receipt of intimation from the Stores Section. Stores Receipt Vouchers (SRVs) in the prescribed form shall be prepared and signed by the Purchase & Stores Officer/Inspecting Officer/Receiving Officer. The SRVs shall be forwarded by the Stores Section to the Accounts Division within 20 days from the date of receipt of stores for arranging payment or for adjustment of advances already paid.

17.2 If the ordered systems, sub-systems, etc., do not meet the prescribed specifications or are damaged at the time of delivery or fail during inspection/testing, they shall be rejected and the supplier/manufacturer shall be advised to replace them. Claims may arise due to loss, damage, short supply, rejection of items, refund of advance, etc. In respect of imported consignments, the claims for loss, etc., shall be lodged with the

underwriter/carrier. In order to ensure that there is no loss to the Exchequer, the Stores Section shall lodge all the claims in time, in consultation with the Purchase Section, Indentor/User Group and Accounts Division.

17.3 Claims in respect of indigenous goods

- (a) In case of any external or visible damage to the packages containing the ordered goods, the Stores Section shall make suitable entries regarding the damage on the carrier's copy of delivery challan /RR/LR and also immediately intimate the supplier in writing about the damage. A claim on the carrier for transit loss shall be made.
- (b) In case of short-supply, or if the supplied goods are broken or damaged or fail during inspection/testing, or do not meet the prescribed specifications, the Stores Section shall obtain a report from the Indentor/User Group and lodge a formal claim with the supplier, in consultation with the Purchase Division, Indentor/User Group and Accounts Section.

17.4 Claims in respect of imported goods

- (a) If a sea consignment is found damaged on landing or is missing prior to landing, the Centre/Unit or the CHA shall, within three days from the date of landing, apply to the shipping company for conducting a ship survey. After getting the survey report, a claim shall be lodged with the shipping company for partial loss/damage or for the missing consignment.
- (b) If a consignment is missing after landing in the airport/sea port, the Centre/Unit shall obtain a non-delivery certificate and lodge a complaint with the concerned Police Station. A claim shall be lodged by the Centre/Unit with the insurance company as well as with the Airport/Port Trust authorities for compensation.

17.5 All such claims shall be followed up periodically by the Stores Section. A discrepancy/claims register shall be maintained in the Stores Section and reviewed at least once a month by the Head, Purchase & Stores.

CHAPTER – 18

MISCELLANEOUS

18.1 Offset Policy

Any Offset Policy notified by the Central Government incorporating the conditions to be imposed on a tenderer in relation to a particular procurement so as to encourage local development by means of domestic content, transfer of technical knowhow, licensing of technology, skill development, counter-trade, investment or other similar requirements, insofar as it relates to the Department, shall be implemented by all the Centres/Units.

18.2 Reports & Returns

(1) Quarterly Progress Report relating to Stores & Purchase Contracts of value ₹ 5.00 crores & above

The Centres/Units are required to send Quarterly Progress Reports [both soft copy (in Excel) and hard copy] (as on 31st March, 30th June, 30th September and 31st December) relating to Stores & Purchase Contracts of value ₹ 5.00 crores & above, so as to reach the Department by the 1st week of the following month, duly verified and signed by the Vigilance Officer concerned, in the proforma at Appendix-IV, for consolidation and furnishing to the CVC:

(2) Quarterly Report on exemptions given from the mandatory e-publishing/ disclosure requirement

In terms of DOS OM No. C.13045/29/2011-Sec.3 dated 09.12.2011 read with the Ministry of Finance, Department of Expenditure (Public Procurement Cell) O.M. No. 10/1/2011-PPC dated 30.11.2011, and as prescribed in para 2.4.4.3 of this Manual, a quarterly report, furnishing the statistical information on the number of cases in which exemption from the mandatory e-publishing/disclosure requirement has been granted and the value of the concerned Purchase Order/Contract, shall be sent by the Centres/Units to the Department for furnishing a consolidated report to the Ministry of Finance, Department of Expenditure (Public Procurement Cell).

(3) Monthly Statement of Emergency Purchases made

In terms of para 6.4.1 of this Manual, a monthly statement indicating the value of emergency purchases made during a month should be submitted by the Head, Purchase & Stores, to the Head of the Centre/Unit by 10th of the succeeding month.

18.3 Deviations

18.3.1 If any deviation from the standard terms and conditions of Contract included in this Purchase Manual is considered necessary in any specific case, prior approval of the Head of the Centre/Unit should be obtained with proper justification. All such proposals should be routed to the Head of the Centre/Unit through the Head, Accounts & IFA and Controller. The exercise of the power to approve any deviation from the standard terms and conditions shall be subject to the observance of the provisions of DOS Book of Financial Powers, General Financial Rules and other relevant orders.

18.3.2 However, the power to approve any deviation from the standard terms and conditions shall not to be exercised either to enhance the powers or to increase the monetary ceilings prescribed in this Purchase Manual.

18.4 Removal of doubts

18.4.1 Where any doubt arises as to the interpretation of any of the provision contained in this Purchase Manual, the matter shall be referred to the Department for a decision.

18.4.2 Any aspect which is not covered in this Purchase Manual shall also be referred to the Department for a decision.

18.5 Over-riding effect on the provisions of this Manual

In the event of any of the provisions of this Manual not in consonance with any of the provisions of any statutory Act or Rules framed thereunder by the Central Government, such provisions of the statutory Act or Rules framed thereunder shall have over-riding effect on the provisions of this Manual.

APPENDIX-I
[See para 1.3.3(a)]

**Extract of Clauses (d), (e) & (i) of Section 2 of the
Disaster Management Act, 2005 (53 of 2005)**

(d) “disaster” means a catastrophe, mishap, calamity or grave occurrence in any area, arising from natural or man-made causes, or by accident or negligence which results in substantial loss of life or human suffering or damage to, and destruction of, property, or damage to, or degradation of, environment, and is of such a nature or magnitude as to be beyond the coping capacity of the community of the affected area;

(e) “disaster management” means a continuous and integrated process of planning, organizing, coordinating and implementing measures which are necessary or expedient for –

- (i) prevention of danger or threat of any disaster;
- (ii) mitigation or reduction of risk of any disaster or its severity or consequences;
- (iii) capacity-building;
- (iv) preparedness to deal with any disaster;
- (v) prompt response to any threatening disaster situation or disaster;
- (vi) assessing the severity or magnitude of effects of any disaster;
- (vii) evacuation, rescue and relief; and
- (viii) rehabilitation and reconstruction;

.....

.....

.....

(i) “mitigation” means measures aimed at reducing the risk, impact or effects of a disaster or threatening disaster situation;

APPENDIX-II (A)
[See para 3.13 and 3.15]

Guidelines for Indian Agents of Foreign Vendors/Suppliers

1. DOS/ISRO has deployed its e-Procurement portal for carrying out procurement activities of the Department (<https://eprocure.isro.gov.in>). Authorised Indian Agents of Foreign Suppliers shall compulsorily register in this portal for representing the foreign vendors/suppliers for responding to all Open/Limited/Single Tenders of DOS/ISRO.
2. The registration by the Foreign Vendors or their Indian Agents can be done by any authorised person possessing the following :
 - (a) Digital Signature Certificate issued by a Certifying Authority in India.
 - (b) Company e-mail ID for communication.
3. The registration process consists of Vendor Registration and Item Empanelment. While Registration is mandatory for Public, Limited & Single Tenders, Item Empanelment is mandatory only for Limited and Single Tenders.
4. Registration made by the Foreign Vendors or their Indian Agents shall be valid for participation in Public/Open Tenders released by any of the DOS/ISRO Centre/Unit. Item empanelment is required for participating in Limited Tenders/Single Tenders. To obtain enquiries for Limited Tenders/Single Tenders, the Foreign Vendors or their Indian Agents have to get empanelled against the defined category of items of the respective DOS/ISRO Centre/Unit.
5. Foreign Vendors can register with valid Digital Certificate issued by an Indian Certifying Agency only. If the foreign vendor already possesses a valid Indian Digital Certificate, Vendor Registration can be done using the same; otherwise, the foreign vendor has to obtain a new Indian Digital Certificate.
6. The Indian Agents shall furnish the complete particulars of their foreign principals.
7. The Foreign Vendor shall disclose the complete particulars of their Indian Agents, if any.

APPENDIX-II (B)

[See para 3.12 and 10.3.25]

Guidelines for suspension, banning/debarring of business dealings with tenderers/Contractors

1. Suspension of Business Dealings with the Tenderers/Contractors

1.1 Suspension of Business dealings with a tenderer/Contractor, whether it is registered or not, shall be suspended for a specified period for any transgression of the provisions of the Code of Integrity Pact by the tenderer/Contractor.

1.2 Business dealings with a tenderer/Contractor, whether it is registered or not, shall also be suspended in public interest, by the Head of the Centre/Unit for a period considered appropriate and sufficient by the Head of the Centre/Unit, based on the recommendations made by the Vendor Management Committee, if –

- (a) the tenderer/Contractor is suspected to be of doubtful loyalty to the State.
- (b) any State/Central investigating agency recommends such course of action in respect of a case under investigation by such agency.

1.3 Immediately after issuing the order suspending business dealings with a tenderer/Contractor, the Head of the Centre/Unit shall order an enquiry/investigation, and pending a final decision on banning business dealings with such a tenderer/Contractor, the Head of the Centre/Unit shall consider whether the matter would warrant initiation of fresh procurement action for the subject product and take action accordingly, in order to avoid any slippage in the time schedule.

1.4 As far as possible, any other existing Contract with the tenderer/Contractor may continue during the suspension period unless the Head of the Centre/Unit, having regard to the circumstances of the case, decides otherwise.

2. Banning/Debarment of Business Dealings with the Tenderer/Contractor

2.1 Business dealings with a tenderer/Contractor, whether it is registered or not, shall be banned/debarred for a period not exceeding three years on the following grounds :

- (a) any conviction under the Prevention of Corruption Act, 1988;
- (b) any conviction under the Indian Penal Code, 1860, or any other law, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement Contract.

2.2 Business dealings with a tenderer/Contractor may also be banned/debarred for a period not exceeding two years on the following grounds :

- (a) withdraws from the procurement process after opening of price bids or after being declared the successful bidder; or
- (b) fails to enter into procurement Contract or fails to provide Bank Guarantee or Performance Guarantee or any other document or security required in terms of the tendering documents after being declared as the successful bidder; or
- (c) in respect of any procurement Contract or rate Contract agreement, the entire Bank Guarantee or Performance Guarantee or any other security of the tenderer/Contractor has been forfeited for breach of Contractual terms; or
- (d) if the tenderer/Contractor continuously refuses to return Government's dues without showing adequate cause and Government is satisfied that such a refusal is not due to reasonable dispute which would attract proceedings in an arbitration or a Court of Law; or
- (e) if the result of an enquiry/investigation, pursuant to para 1.3 above, is adverse/critical of the tenderer/Contractor.

3. Procedure for suspension or banning/debarments of business dealings

3.1 It shall not be necessary to give any show-cause notice or personal hearing to the tenderer/Contractor before issuing the order of suspension of business dealings with a tenderer/Contractor.

3.2 Immediately after issuing the order of suspension, the Head of the Centre/Unit shall direct the Vendor Management Committee to investigate the transgressions, etc., made by the tenderer/Contractor and submit its recommendations.

3.3 Taking into account the recommendations made by the Vendor Management Committee, if the Head of the Centre/Unit concludes that business dealings with a tenderer/Contractor are to be banned/debarred, a show-cause notice shall be issued to the tenderer/Contractor directing the tenderer/Contractor to submit its written statement of defence within a specified period. If the Head of the Centre/Unit finally concludes that the tenderer/Contractor is to be banned/debarred, he shall issue a speaking order banning/debarring the tenderer/Contractor for a period not exceeding two or three years, as the case may be.

3.4 The tenderer/Contractor shall be given an opportunity to submit an application for review to the Head of the Centre/Unit. The application for review shall be processed in terms of para 10.3.25 of the Manual. The order banning/debarring business dealings with a tenderer/Contractor shall take immediate effect. However, if the tenderer/Contractor prefers an application for review, the ban/debarment order shall be kept in abeyance till the application for review is disposed of.

3.5 The ban/debarment imposed on the tenderer/Contractor in one Contract shall extend to all other Contracts being executed by the tenderer/Contractor in all the Centres/Units of ISRO/DOS and the Autonomous Bodies, etc., under the administrative control of the Department, for a period of two or three years, as the case may be.

APPENDIX-III

[See para 3.14]

Roles of Indentor, Accounts Division and Purchase & Stores Division

1. Role of Indentor

- Obtaining No Stock Certificate from the Stores Section before raising an indent.
- Include all the relevant details in the indent, as required in para 4.4 of the Manual, satisfying the conditions stipulated therein.
- Furnishing detailed technical justification in case of procurement on single source/single tender/proprietary basis.
- Obtaining the approval of the Indent Approving Authority, as required in para 4.11 of the Manual.
- Certifying the availability of budget provision/funds for the intended procurement. If budget provision is not available, obtaining administrative approval of the Head of the Centre/Unit and also, in due course, obtaining approval of the competent authority for reappropriation of funds.
- Before forwarding the indent to the Purchase Section, obtaining the approval of Need-Approval Committee, wherever necessary, as required in para 4.11 of the Manual.
- Ensuring that quantity is not split or divided to avoid the necessity of obtaining the approval of a higher authority.
- Ensuring the availability of FIM, and if not available, initiating action on priority for their procurement as well.
- Issue certificate after completion of erection and commissioning to be furnished in the stores/accounts section.
- Evaluation of the tenders received on priority taking into account the CST, and preparation of a Technical Comparative Statement, and furnishing of recommendation.

- Monitoring the storage & usage of the FIM by the fabricator and verification & certification of the FIM accounting statement furnished by the fabricator.
- Carrying out inspection of the items supplied and issuing acceptance report to the Stores Section.
- Ready the site and other utilities to be provided to the tenderer in case of erection & commissioning order. Furnishing of certificate after completion of erection & commissioning.
- Performance monitoring during warranty period.
- Retention of all the documents relating to determination of the need for procurement, finalizing the specifications, etc., relating to the procurement.
- Co-ordination with Purchase & Stores Division and Accounts Division.

2. Role of Accounts Division

- Study the Annual Procurement Plans/Activities of the Centre/Unit concerned hosted on the CPP Portal.
- Ensure that EMD, Security Deposit & Bank Guarantee, wherever required, have been furnished, and their validity closely monitored either for discharge or for encashment.
- Wherever advances are given for cash purchases, their timely settlement should be monitored.
- While opening the tenders, ensure that the prescribed procedures are followed.
- While pre-auditing the purchase files, follow the guidelines given in Chapter-11 of the Manual for ensuring compliance with the various requirements.
- Ensure that the draft Purchase Order/Contract, wherever required, has been vetted legally.
- Monitor the adjustment or refund of advance, if any, given to a tenderer.
- Monitoring the implementation of the Integrity Pact signed with the tenderers.

3. Role of Purchase & Stores Division

- Ensure that the annual procurement plans/activities have been prepared and hosted on the CPP Portal.
- Registration of vendors and development of vendor-base, and exchange of vendors' data with other Centres/Units.
- Immediately on receipt, mark the indent to the concerned team – normal track or fast track, depending on the estimated value of the indent, and ensure that a procurement schedule is worked out for completing the procurement action without any delay.
- Verify whether the indented stores item falls under product reservation or to be procured under purchase preference category.
- Verify whether adequate sources are available, and, if not, initiate necessary action to identify potential vendors.
- Confidentiality should be maintained while resorting to emergency purchases through fax/e-mail quotations.
- In Limited Tender cases, ensure that the selection of vendors is not done on rotation basis. To ensure fairness all empanelled vendors shall be given a chance.
- Finalisation of the tender conditions on priority, and issue of notice inviting tender.
- Receipt and opening of tenders and also keeping them in safe custody.
- Obtaining securities (EMD, SD & PBG) to protect the interest of the Government.
- Signing of Integrity Pact, wherever required, and monitoring its implementation.
- Preparation of CST by following the prescribed guidelines, and thereafter obtaining the recommendations of the Indentor/User Group.
- Arranging negotiations with L1 party, if the same has been approved by the competent authority.
- Preparation of draft PO and getting the purchase file pre-audited by Accounts Division. Legal vetting of the PO/Contract, wherever required.

- Obtaining the approval of the concerned Purchase Committee or the Department, depending on the value of the procurement.
- Issue of PO after incorporating the relevant terms and conditions, and also issue amendment to PO, wherever required.
- Attending to post-Contract management (like watching delivery, refund of advance, erection & commissioning, performance, training, etc.).
- Timely clearance of imported goods, either through CHA or through Purchase Division staff.
- Follow-up of timely settlement of bills of the suppliers.
- Lodging of claims in time (in respect of rejected goods).
- Processing of appeal and arbitration cases.
- Maintenance of proper records relating to various procurements.
- Submission of the prescribed reports & returns in time.
- Hosting of the details of the tenders, Purchase Orders, etc., on the CPP Portal, wherever required.

APPENDIX-IV
[See para 18.2]

REPORTS AND RETURNS TO BE SUBMITTED

(1) Quarterly Progress Report relating to Stores & Purchase Contracts of value ₹ 5.00 crores & above (Appendix IV A)

Quarterly Progress Report relating to Stores & Purchase Contracts of value ₹ 5.00 crores & above

Sl. No.	Name of the DOS/ISRO Centre/Unit	Contract No. and date	Brief details of material procured	Value of the Contract (₹ in crores)	Mode of tendering	Scheduled delivery period	Present status of supply	Remarks	Actual scheduled date of milestone payments	Details of bills paid to the Contractor	If bills are not enclosed, the detailed reasons for not enclosing the bills
										₹ Paid on (date)	
1										1. 2. ...	
2										1. 2. ...	
...											

(2) Quarterly Report on exemptions given from the mandatory e-publishing/ disclosure requirement

In terms of DOS OM No. C.13045/29/2011-Sec.3 dated 09.12.2011 read with the Ministry of Finance, Department of Expenditure (Public Procurement Cell) O.M. No. 10/1/2011-PPC dated 30.11.2011, and as prescribed in para 2.4.4.3 of this Manual, a quarterly report, furnishing the statistical information on the number of cases in which exemption from the mandatory e-publishing/disclosure requirement has been granted and the value of the concerned Purchase Order/Contract, shall be sent by the Centres/Units to the Department for furnishing a consolidated report to the Ministry of Finance, Department of Expenditure (Public Procurement Cell).

(3) Quarterly Report on Purchase Preferential Policy to CPSEs

The Department has evolved a Purchase/Price Preferential Policy for CPSEs and circulated the same to the Centres/Units, vide DOS letter No. 12034/30/2007-III dated 31.10.2009. In order to monitor the Policy, the Centres/Units are required to send Quarterly Reports to the Department (as on 31st March, 30th June, 30th September & 31st December), certified by the Vigilance Officer of the Centre/Unit, in the following proforma::

Quarterly Report on Purchase Preferential Policy to CPSEs for the month of

.....

Name of the Centre/Unit:

No. of Contracts entered into with CPSEs during the quarter	Whether there has been deviation in the instructions contained in the Department's letter No. 12034/40/2007-III dated 31.10.2009.	If there has been any deviation, details of the Contract together with approval of the Department.
		(1)
		(2)
		...

(4) Monthly Report on High-value Purchase proposals

In order to ensure that high-value purchase proposals are processed in time and expenditure targets met, the Centres/Units are required to send a Monthly Report [in two parts – (a) & (b)] to the Department [both soft copy (in Excel) and hard copy] in the following proforma:

Monthly Report on High-value Purchase Proposals for the month of

.....

Name of the Centre/Unit:

(a) Report on proposals sent to the Department and for which approvals have not yet been received:

Sl. No.	Name of the proposal	Financial impact in ₹.	Date on which the proposal was sent	Validity of the offer, if any	Remarks
1.					
2.					
...					

(b) Report on proposals which will be sent to the Department over the next one month:

Sl. No.	Name of the proposal	Financial impact in ₹	App. Date on which the proposal will be sent	Validity of the offer, if any	Remarks
1.					
2.					
...					

(5) Monthly Statement of Emergency Purchases made

In terms of para 6.4.1 of this Manual, a monthly statement indicating the value of emergency purchases made during a month should be submitted by the Head, Purchase & Stores, to the Head of the Centre/Unit by 10th of the succeeding month.

**PROFORMA FOR
INDENT FORM**

Government of India
Department of Space
..... (name of the Centre/Unit)

Normal/repair/buy-back
indent arrangement

PURCHASE INDENT FORM

To:
Sr./Purchase & Stores Officer
..... (name of the
Centre/Unit)
..... (place)

Please arrange to supply the
following items on
..... (date) at
.....
(place):

Indent No. & date		
Division/Code No.		
Section/Code No.		
Budget Line Item Code No.		
Originated by (not below the rank of Scientist/Engineer SC) Name Designation & Staff No. Phone No.		(Signature)
Approved by: Name Designation & Staff No. Phone No.		(Signature)

Sl. No.	Material Code No.	Description & Specifications (Metric System to be followed)	Quantity	Unit Rate	Total Estimated cost per item

Note : It shall be ensured that the Indent contains all the details prescribed under para 4.4 of this manual.

PROFORMA FOR
CASH PURCHASE INDENT FORM

Government of India
Department of Space
..... (name of the Centre/Unit)

CASH PURCHASE INDENT FORM

To:
Sr./Purchase & Stores Officer
..... (name of the Centre/Unit)
..... (place)

The following item/s may please be purchased/arranged by
..... (date) :

Sl. No.	Description of the item/s	Quantity

Requisition by

Approved by

(Signature)

(Signature)

Name :

Name :

Designation :

Designation :

Section/Division & :
Phone No.

Section/Division & :
Phone No.

PROFORMA FOR
**PROCUREMENT OF PROPRIETARY/SPECIFIC BRAND
GOODS**

Government of India
Department of Space
..... **(name of the Centre/Unit)**
Purchase & Stores Division

Sl. No.	Description	Details
1	Description of item, type, model No. including general specifications.	
2	Is the item Proprietary or Specific Brand?	
3	Source of supply	
(a)	Is the source of supply a manufacturer, dealer, agent, stockist or trader?	
(b)		
4	Briefly state end-use of the item.	
(a)	State reason/s for selecting the particular brand/make to meet the above end-use.	
(b)		
5	Is there any other known source/s for similar item?	
(a)		
(b)	If answer for (a) is YES, why same source not considered (Indentor must mandatorily bring out comparative advantage/s of the item selected from the type effected by the other?	
6	Why the requirement cannot be tendered in order to locate more competitive source?	
7	Is similar item purchased earlier	
(a)	If so, furnish details of source including Purchase reference.	
(b)		
8	What would be the approximate requirement of similar item/s in future?	
(a)		
(b)	What attempts have been made to locate alternate source for future requirement/s?	

Date :

Approved

Indentor

Head of the Division/Group

CERTIFICATE

Certified that the Public/Limited Tendering required in this case as per DOS Purchase Manual be dispensed with, as the source of supply is fairly known for this item or _____

_____, in terms of para 6.8.1 of the DOS Purchase Manual, and hence no useful purpose will be served by Public/Limited Tendering.

Date :

Group Director/Controller

PROFORMA FOR
**LETTER TO THE BANK FOR VERIFICATION OF BANK
GUARANTEE**

BY REGISTERED POST-ACK.DUE/SPEED POST-POD

Government of India
Department of Space
..... (name of the Centre/Unit)
Accounts Division

No.

Date :

To:

- (1) Branch of the Bank concerned
- (2) Head Office/Regional Office of the Bank concerned

Sir/Madam,

Subject: Verification of the Bank Guarantee issued by your Bank/Branch –
reg.

* * *

This Centre/Office has placed a Purchase Order/Contract No.
..... dated on M/s.
..... (name of the
tenderer/Contractor/supplier). In fulfilment of the terms and
conditions of the Purchase Order/Contract ibid,
M/s. have furnished a Bank
Guarantee No. dated for ₹ (Rupees
..... only), valid till, issued by your Bank/Branch.
We are enclosing a copy of the same for your perusal.

2. We would request you to kindly verify the genuineness of the Bank Guarantee
and intimate the same to this Office immediately.

Thanking you,

Yours faithfully,

(.....)
Accounts Officer

Encl: As above.

PROFORMA FOR
BANK GUARANTEE REGISTER

1	Sl. No.
2	Nature of the Bank Guarantee – Earnest Money Deposit/ Security Deposit/ Free Issue Material/ Advance Payment/ Milestone Payment/ Performance Bank Guarantee
3	Purchase Order/Contract Number & Date
4	Relevant clause/para No. of the Purchase Order/Contract
5	Bank Guarantee No. and date
6	Value of Bank Guarantee
7	Name, address, phone/fax No., etc., of the Bank/Branch
8	Validity of the Bank Guarantee (exclusive of the grace period)
9	Grace period, if any, allowed by the Bank
10	Final date for lodging the Bank Guarantee claim with the Bank (including the grace period)
11	Date on which request has been sent to the Bank for verifying the genuineness of the Bank Guarantee
12	Date on which the Bank's intimation regarding the genuineness of the Bank Guarantee has been received
13	Date of acceptance of the Bank Guarantee by the Head, Accounts & IFA
14	Date of communication of acceptance of the Bank Guarantee to the concerned Accounts Officer, P&SO and the Indentor/User Group
15	Date/s on which the tenderer/Contractor/supplier reminded for renewal/revalidation of the Bank Guarantee
16	Date up to which the Bank Guarantee has been renewed/revalidated
17	Date of lodging the Bank Guarantee claim with the Bank
18	Dated signatures of the Dealing Assistant & Custodian
19	Dated signature of the Custodian after the fortnightly review of the Bank Guarantee
20	Dated signature of the Head, Accounts & IFA after the monthly review of the Bank Guarantee
21	Quarterly review done by the Head of the Centre/Unit on
22	Date of return of the Bank Guarantee to the tenderer/Contractor/supplier after discharge or date of its encashment

PROFORMA FOR

BANK GUARANTEE FOR EARNEST MONEY DEPOSIT*(On non-judicial stamp paper of appropriate value)*

WHEREAS M/S.
(hereinafter called the "Tenderer") have submitted their offer
 dated..... for the supply of
 *(hereinafter called the "tender")*
 against tender enquiry No. dated
 made by (name of the Centre/Unit) *(hereinafter called*
the "Purchaser");

KNOW ALL MEN by these presents that
 WE..... (name of the Bank and Branch) having
 our Registered Office at *(hereinafter*
called the "Bank") are bound unto the Purchaser in the sum of
 ₹ (Rupees only) for which payment will and truly
 to be made to the said Purchaser, the Bank binds itself, its successors
 and assigns by these presents;

SEALED with the Common Seal of the said Bank this.....day
 of *(month)* *(year)*;

THE CONDITIONS OF THIS OBLIGATION ARE:

- (1) If the Tenderer withdraws or amends, impairs or derogates from
 the tender in any respect within the period of its validity; and/or
- (2) If the tenderer, having been notified of the acceptance of
 their tender by the Purchaser during the period of its validity,
 - (a) fails to furnish the Security Deposit/Performance Security
 prescribed by the Purchaser for the due performance of the
 said Contract; and/or
 - (b) fails or refuses to execute the Contract.,

WE undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that, in its demand, the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions.

THIS GUARANTEE will remain in force up to and including 45 days after the period of tender validity and any demand by the Purchaser in respect thereof should reach the Bank not later than the above date.

.....
(Signature of the Authorised Officer of the Bank)

.....
.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.

Name & Address of the Branch with Phone/Fax Nos.

PROFORMA FOR
BANK GUARANTEE FOR SECURITY DEPOSIT
(from indigenous suppliers)

(On non-judicial stamp paper of appropriate value)

WHEREAS on the day of
M/s. having registered office at
..... (hereinafter called "The Contractor") entered
into a Contract No.....dated (hereinafter
referred to as the "Contract") with the President of India acting through the
..... (hereinafter to as "The Government") for the
supply of

And whereas under the terms and conditions of the Contract, an
amount of ₹./- (Rupees only) towards Security
Deposit in the form of a Bank Guarantee is to be furnished by the Contractor
to the Government, for due performance of the Contract/Order. In the event
of non-execution of the Contract/Order by the Contractor, in line with the
Contract/Order terms, the Security Deposit shall be forfeited by the
Contractor.

Now, we the (Bank) hereby agree and
undertake to pay on demand and without any demur to the Accounts Officer,
.....(name of Centre/Unit), on behalf of the Government
(hereinafter referred as the "Accounts Officer"), a sum not exceeding
₹. /- (Rupees only) on unsatisfactory performance
of the Contract by the Contractor.

And we hereby further agree that the decision of the Accounts Officer
as to whether the Contractor has committed any breach of any terms and
conditions of the Contract or not and as to the amount of damages by the said
Accounts Officer, as damage or loss suffered by the Government on account
of such breach, would be final and binding on us (the Bank).

And, we (the Bank) hereby agree that our
liability hereinunder shall not be discharged by virtue of any agreement

between the Government and the Contractor whether with or without our knowledge and/or consent or by reason of the Government showing any indulgence or forbearance to the Contractor whether as to payment, time, performance or any other matter whatsoever relating to the Contract which, but for this provision, would amount to discharge of the surety under the law.

Our Guarantee shall remain in force until (six months from the date of issue) or until completion of the Contract and unless a claim under the guarantee is lodged with us within six months from the date of expiry of this Guarantee, all rights of the Government under the guarantee shall be forfeited and we shall be relieved and discharged from all our liabilities hereunder.

Place:

Date:

.....
(Signature of the Authorised Officer of the Bank)

.....
.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.

Name & Address of the Branch with Phone/Fax Nos.

PROFORMA FOR
INDEMNITY BOND FOR SECURITY DEPOSIT
(from CPSUs, etc.)

(On non-judicial stamp paper of appropriate value)

THIS deed of Indemnity made on this the (day, month & year) between the President of India (hereinafter called the "Purchaser") acting through the Director,(name & address of the Centre) of the first part and M/s.....(name & address of the firm), a firm registered under the Companies Act and having its Registered Office at (hereinafter called the "Contractor") of the second part.

WHEREAS the Purchaser has placed an Order bearing No. dated on the "Contractor" for the supply of at total price of ₹..... (Rupees only) on the terms and conditions mentioned in the said Order.

AND WHEREAS the "Contractor" as per the terms and conditions of the Order aforesaid has to execute an Indemnity Bond for an amount equal to % of the price payable as per Order, that is, ₹ (Rupees only) and furnish the same to the Purchaser along with the acceptance for executing the aforesaid Order within months from the date of Order.

NOW this deed witnesses that in pursuance of the said Order, the Contractor hereby agrees to indemnify the Purchaser and at all times to hold himself liable for all the losses or damages caused to or suffered or would be caused to or suffered by the Purchaser by reason of any breach by the said Contractor of the terms and conditions of the order aforesaid or from whatever causes or losses, interest, charges and incurred by the said Purchaser on account of the non-delivery of the supplies or full execution of the order aforesaid;

It is in terms of the said Order and this Deed of Indemnity that if the Contractor fails to supply the item ordered within the delivery period stipulated in the Order, it is hereby agreed that, the Contractor shall be liable to pay ₹.....(Rupees only) being the value of this

Indemnity Bond without any demur to the Accounts Officer,(name of the Centre/Unit), on receipt of a demand for the same in writing.

It is agreed by the Contractor, in terms of this Indemnity Bond, that the decision of the Director, (name & address of the Centre/Unit), in case of any dispute, will be binding on the Contractor.

This Bond and the trust hereby created shall remain valid and binding on the Contractor for a period of months from the date of signing this Bond or till the date of completion of supply, whichever is earlier. The Purchaser reserves the right to further extend the period of the Bond till the order is executed to supply the item, under the terms and conditions of the aforesaid Order.

It has been mutually agreed that the stamp duty on this deed of Indemnity Bond shall be borne by the Contractor.

In witness whereof the parties hereunto have set their hands to this Deed on the day and year herein above mentioned.

For and on behalf of the CONTRACTOR

Name and designation & seal

Witness No. 1 :

Witness No. 2 :

For and on behalf of the PURCHASER

Name and designation & seal

Witness No. 1 :

Witness No. 2 :

Name and designation of
Authorized Attorney with seal

PROFORMA FOR

BANK GUARANTEE FOR SECURITY DEPOSIT
(from Indian Agents on behalf of foreign principals)

(On non-judicial stamp paper of appropriate value)

1. WHEREAS on or about the (date), M/S. having its Office at (hereinafter referred to as "the Contractor") entered into a Contract bearing No. dated (hereinafter referred to as "The Contract") with the President of India (hereinafter referred to as "the Government") for supply of (hereinafter referred to as "the Equipment"). The Contract recognizes that M/s. as the Indian Agent of the Contractor in India who will furnish the Security Deposit bond on behalf of the Contractor for satisfactory performance of the Contract as per the terms and conditions contained in the said Contract.

2. AND WHEREAS under the terms and conditions of the Contract, an amount of ₹..... (Rupees only) representing around% of the Contract value is to be furnished as Bank Guarantee by the Indian Agent on behalf of the Contractor, in a manner herein contained, duly executed by the (Bank) towards satisfactory performance of the Contract.

3. We, (name of the Bank & address) [hereinafter referred to as "the Bank"] at the request of M/S., authorised Indian Agent of the Contractor, do hereby undertake to pay to the Accounts Officer of the (name & address of the Centre/Unit) on behalf of the Government (hereby referred to as "the Accounts Officer"), an amount not exceeding ₹..... (Rupees only) against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said Contractor of any of the terms and conditions contained in the said Contract.

4. WE, (Bank) do hereby undertake to pay the amount due and payable under this guarantee without any demur, merely on a demand from the said Accounts Officer, stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said Contractor of any of the terms and conditions contained in the said Contract or by reason of the Contractor's failure to perform the said Contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding ₹..... (Rupees only).

5. WE, (Bank) undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes

raised by the Contractor, in any suit or proceedings pending before any Court or Tribunal relating thereto, our liability under this present guarantee being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder and the Contractor shall have no claim against us for making such payment.

6. WE, (Bank) 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 Contract and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Contract have been fully paid by the said Contractor and its claims satisfied or discharged or till the said Accounts Officer certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said Contractor and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before (date) [two months beyond the Contract completion date], we shall be discharged of all liabilities under this guarantee thereafter.

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

8. THIS GUARANTEE will not be discharged due to the change in the constitution of the Bank or the Contractor.

9. WE, (Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Place :

Date :

.....
(Signature of the Authorised Officer of the Bank)

.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.

Name & Address of the Branch with Phone/Fax Nos.

PROFORMA FOR
BANK GUARANTEE FOR ADVANCE PAYMENT
(from indigenous suppliers)

(On non-judicial stamp paper of appropriate value)

WHEREAS on the day of (month & year), M/s. having their Registered Office at..... (hereinafter referred to as 'the Supplier'), entered into a Contract bearing No (hereinafter referred to as "The Contract") with the President of India (hereinafter referred to as "the Government") for supply of (hereinafter referred to as "the Equipment").

2. AND WHEREAS under the terms and conditions of the Contract, payments are to be made by the Government to the Supplier as mentioned in the Contract.

3. AND WHEREAS the Government has agreed in pursuance of the said terms and conditions of the Contract to make payment of.....% to the Supplier on their furnishing a Bank Guarantee in the manner herein contained.

4. Now WE,(bank) in consideration of the Government having agreed to pay to the Supplier advance payment of % equal to ₹.....(Rupees..... only) here by agree and undertake to indemnify the Government and keep the Government indemnified to the extent of sum not exceeding the paid sum of ₹ (Rupees..... only) against any damage or loss that may be suffered by the Government by reason of non-fulfilment of any of the terms and conditions of the Contract by the Supplier.

5. AND WE, (the Bank) hereby undertake to pay on demand and without demur to the Accounts Officer of the (name & address of the Centre/Unit) on behalf of the Government (hereinafter referred to as 'the Accounts Officer'), a sum not exceeding ₹..... (Rupees..... only) as may be ascertained by the Accounts Officer as damage or loss that the Government might have suffered by reason of the non-fulfilment of any of the terms and conditions of the Contract by the Supplier.

6. AND WE, (the Bank) hereby further agree that the decision of the said Accounts Officer as to whether the supplier has committed breach of any such terms and conditions of the Contract or not and as to the amount of damage or loss, or loss assessed by the said Accounts Officer as

damage or loss suffered by the Government on account of such breach, would be final and binding on us (the Bank).

7. AND WE, (the Bank) hereby agree that our (Bank's) liability hereunder shall not be discharged by virtue of any arrangement between the Government and the Supplier whether with or without our knowledge and/or consent or by reason of the Government showing any indulgence or forbearance to the Supplier whether as to payment, time performance or any other matter whatsoever which, but for this provision, would amount to discharge of the surety under the law.

8. The Guarantee shall remain in force until (date) or until the delivery of the Contracted stores and unless a claim under the guarantee is lodged with us (the Bank) within six months from the date of expiry of this guarantee, viz.,, all rights of the Government under the guarantee shall be forfeited and we (the Bank) shall be relieved and discharged from all liabilities hereunder.

Notwithstanding anything contained herein:

- i) Our liability under this Guarantee shall not exceed ₹..... (Rupeesonly).
- ii) This Bank Guarantee shall be valid up to (date)
- iii) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if the Government/Accounts Officer serve upon us a written claim or demand on or before..... (date).

Dated at..... this..... day of (month & year)

.....
(Signature of the Authorised Officer of the Bank)

.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.
Name & Address of the Branch with Phone/Fax Nos.

PROFORMA FOR
INDEMNITY BOND FOR ADVANCE PAYMENT
(from CPSUs, etc.)

(On non-judicial stamp paper of appropriate value)

THIS deed of Indemnity made on this the (day, month & year) between the President of India (hereinafter called the "Purchaser") acting through the Director,(name & address of the Centre) of the first part and M/s.....(name & address of the firm), a firm registered under the Companies Act and having its Registered Office at (hereinafter called the "Contractor") of the second part.

WHEREAS the Purchaser has placed an Order bearing No. dated on the "Contractor" for the supply of at total price of ₹..... (Rupees only) on the terms and conditions mentioned in the said Order.

WHEREAS the "Contractor" as per the terms and conditions of the above Order has to execute an Indemnity Bond for an amount equal to % of the price payable as per Order, that is, ₹..... (Rupees only) before payment of advance to the Contractor of ₹..... (Rupees only) for supply of materials etc., for executing the aforesaid Order within months from the date of Order.

NOW this deed witnesses that in pursuance of the said Order, the Contractor hereby agrees to indemnify the Department and at all times to hold himself liable for all the damages, loss due to non-delivery of supplies or from whatever cause with all loss, interest, charges and expenses incurred by the said purchaser on account of the non-delivery of supplies and non-adjustment of the advance in time.

It is in terms of the said Order and this Deed of Indemnity that if the Contractor fails to supply the item ordered within the delivery period stipulated in the Order, it is hereby agreed that, the Contractor shall be liable for the return of the full amount of advance being ₹.....(Rupees only) without any demur to the Accounts Officer,(name of the Centre/Unit), on receipt of demand in writing.

It is agreed by the Contractor, in terms of this Indemnity Bond, that the decision of the Director, (name & address of the Centre/Unit), in case of any dispute, will be binding on the Contractor.

This Bond and the trust hereby created shall remain valid and binding on the Contractor for a period of months from the date of signing this bond or till the date of completion of supply, whichever is earlier. The Purchaser reserves the right to further extend the period of the bond till the order is executed to supply the item, under the terms and conditions of the aforesaid Order.

It has been mutually agreed that the stamp duty on this deed of Indemnity Bond shall be paid by the Contractor.

In witness whereof the parties hereunto have set their hands to this Deed on the day and year herein above mentioned.

For and on behalf of the CONTRACTOR

Name and designation & seal

Witness No. 1 :

Witness No. 2 :

For and on behalf of the PURCHASER

Name and designation & seal

Witness No. 1 :

Witness No. 2 :

Name and designation of
Authorized Attorney with seal

PROFORMA FOR
BANK GUARANTEE FOR FREE ISSUE MATERIAL

(On non-judicial stamp paper of appropriate value)

WHEREAS on the (day, month & year), M/s. having their Registered Office at (hereinafter referred to as 'The Supplier'), entered into a Contract bearing No. (hereinafter referred to as "The Contract") with the President of India (hereinafter referred to as 'The Government') for the supply of

AND WHEREAS under the terms and conditions of the Contract, payments are to be made by the Government to the Supplier as mentioned in the Contract.

AND WHEREAS the Government has agreed in pursuance of the said terms and conditions of the Contract to supply materials to the supplier on the furnishing of a Bank Guarantee in the manner herein contained.

Now WE,(Bank) in consideration of the Government having agreed to supply the materials to the supplier equal to ₹..... (Rupees only) hereby agree and undertake to indemnify the Government and keep the Government indemnified to the extent of a sum not exceeding the paid sum of ₹.....(Rupeesonly) against any damage or loss that may be suffered by the Government by reason of non-fulfilment of any of the terms and conditions of the Contract by the Supplier.

AND WE, (Bank) hereby undertake to pay on demand and without demur to the Accounts Officer of the(name & address of the Centre/Unit), on behalf of the Government (hereby referred to as 'The Accounts Officer'), a sum not exceeding ₹.....(Rupeesonly) as may be ascertained by the said Accounts Officer as damage or loss that the Government might have suffered by reason of the non-fulfilment of any of the terms and conditions of the Contract by the Supplier.

AND WE (bank) hereby further agree that the decision of the said Accounts Officer as to whether the supplier has committed breach of any such terms and conditions of the Contract or not and as to the amount of damage or loss, or loss assessed by the said Accounts Officer as damage or loss suffered by the Government on account of such breach, would be final and binding on us (the Bank).

AND WE, (Bank), hereby agree that our (Bank's) liability hereunder shall not be discharged by virtue of any arrangement between the Government and the supplier whether with or without our knowledge and/or consent or by reason of the Government showing any indulgence or forbearance to the supplier whether as to payment, time performance or any other matter whatsoever which, but for this provision, would amount to discharge of the surety under the law.

The Guarantee shall remain in force until.....or until the delivery of the Contracted stores and unless a claim under the guarantee is lodged with us (Bank) within six months from the date of expiry of this guarantee, viz....., all rights of the Government under the guarantee shall be forfeited and we (Bank) shall be relieved and discharged from all liabilities hereunder.

.....
(Signature of the Authorised Officer of the Bank)

.....
.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.
Name & Address of the Branch with Phone/Fax Nos.

PROFORMA FOR
INDEMNITY BOND FOR FREE ISSUE MATERIAL
(from CPSUs, etc.)

(On non-judicial stamp paper of appropriate value)

THIS deed of Indemnity made on the(date, month & year) between the President of India (hereinafter called the 'Purchaser') acting through the Director, (name & address of the Centre/Unit), on the first part and M/S. (name & address of the firm), a firm registered under the Companies Act and having its Registered Office at (hereinafter called the 'Contractor') on the second part.

WHEREAS the Purchaser has placed an Order bearing No..... dated on the Contractor for the supply of(name of the item and quantity), on the terms and conditions as mentioned in the said order and which have been mutually agreed upon by the parties thereto, and in consideration of the said Contract.

WHEREAS the Contractor has agreed to execute an Indemnity Bond for the safe custody of free issue materials of value ₹..... (Rupees only) (as per enclosed list) to be supplied free of cost to the Contractor by the Purchaser (hereinafter referred to as "materials") till the materials are used for the fabrication of the said stores and delivered to the Purchaser along with the balance materials and scrap as per the terms and conditions of the Contract.

NOW this deed witnesses that in pursuance of the said agreement and in the premises, the Contractor agrees to indemnify the Purchaser and at all times to hold himself liable for all the damages, loss due to pilferage, fire or negligence on the part of the Contractor's employees or from whatever cause with all loss, interest, charges and expenses, incurred by the said Purchaser on account of the cost of the material kept in safe custody of the Contractor.

It is in terms of the said Contract and this deed of Indemnity that the materials are issued to the Contractor for the safe custody, therefore shall be deemed to be the property of the Purchaser.

It is hereby agreed that the Contractor shall be liable for all injury, losses and damage that may be caused to the materials from whatsoever cause and further that the Contractor shall not part with or deliver possession of the same materials to any other party or person save in compliance with and in performance of and in terms of the provision of the Contract, in respect of which

this Indemnity Bond has been executed, the Contractor having undertaken to deliver the said stores with balance materials and scrap complete in all respects in compliance with the terms of the Contract.

It is in terms of the said Contract and this deed of Indemnity Bond that the Contractor will bear the cost of maintenance, repair and preservation of the materials supplied by the Purchaser.

It is agreed by the Contractor, in terms of this Indemnity Bond, that the decision of the Director, (name & address of the Centre/Unit) in case of any dispute will be binding on the Contractor.

The Government further reserves the right in terms of this Indemnity Bond to take the materials supplied back from the Contractor without any reason whatsoever.

This Bond and the trust hereby created shall remain valid and binding on the Contractor for a period of months/years from the date of signing this bond till the order is executed to supply the item so developed under the terms of Contract agreement.

It has been mutually agreed that the stamp duty on this deed of Indemnity Bond shall be paid by the Contractor.

In witness where of the parties hereunto have set their hands to this deed on the day and year hereinabove mentioned.

For and on behalf of the CONTRACTOR

Witness No. 1 : Name and designation & seal

Witness No. 2 :

For and on behalf of the PURCHASER

Witness No. 1 : Name and designation & seal

Witness No. 2 :

Name and designation of
Authorized Attorney with seal

PROFORMA FOR
PERFORMANCE BANK GUARANTEE
(from indigenous suppliers)

(On non-judicial stamp paper of appropriate value)

1. WHEREAS on or about the (day, month & year), M/s. (name & address of the firm), a company registered under Companies Act and having its registered office at(hereinafter referred to as 'The Contractor'), entered into an agreement bearing No. dated (hereinafter referred to as 'The Contract') with the President of India (hereinafter referred to as 'The Government') for supply of (hereinafter referred to as 'The Equipment').

2. AND WHEREAS under the terms and conditions of the Contract, an amount of ₹..... (Rupees only) representing balance % payment out of the total value of the Contract of ₹..... (Rupees only) is to be paid to the Contractor on the final acceptance of the equipment and on the Contractor furnishing a bank guarantee in a manner herein contained towards satisfactory performance of the equipment during warranty period, viz., months from the date of acceptance/commissioning of the said equipment or months from the date of despatch of the last lot of consignment, whichever is earlier (specify here the warranty clause contained in the Order).

3. NOW WE, (name & address of the Bank), in consideration of the promises and the payment of said sum of ₹ (Rupees only) by the Government to the Contractor do hereby agree and undertake to pay to the Accounts Officer, (name & address of the Centre/Unit) on behalf of the Government (hereinafter referred as the "Accounts Officer") the amount due and payable under the guarantee without any demur, merely on a demand from the said Accounts Officer stating that the amount claimed is due by way of loss or damage caused to or suffered by the Government by reason of unsatisfactory performance of the equipment during the warranty period. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding ₹ (Rupees only).

4. WE, (Bank) undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor, in any suit or proceedings pending before any Court of Law or

Tribunal relating thereto, our liability under this present guarantee bond being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder and the Contractor shall have no claim against us for making such payment.

5. WE, (Bank) hereby further agree that the decision of the said Accounts Officer as to whether the said equipment is giving satisfactory performance or not during the warranty period and as to the amount of damages suffered by the Government on account of unsatisfactory performance of the said equipment shall be final and binding on us.

6. AND WE, the (Bank) do hereby agree that our liability hereunder shall not be discharged by virtue of any agreement between the Government and the Contractor whether with or without our knowledge and/or consent or by reason of the Government showing any indulgence or forbearance to the Contractor whether as to payment, time or performance, or any other matter whatsoever relating to the Contract which, but for this provision, would amount to discharge of the surety under the law.

7. THIS GUARANTEE will not be discharged due to the change in the constitution of the Bank or Contractor.

8. OUR GUARANTEE shall remain in force until (two months beyond the Contract warranty period) and unless a claim under the guarantee is lodged with us on or before the above date, all right of the Government under the guarantee shall be forfeited and we shall be relieved and discharged from all our liabilities thereunder.

Dated the (day, month & year)

.....
(Signature of the Authorised Officer of the Bank)

.....
.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.

Name & Address of the Branch with Phone/Fax Nos.

**PROFORMA FOR
INDEMNITY BOND FOR PERFORMANCE GUARANTEE
(from CPSUs, etc.)**

(On non-judicial stamp paper of appropriate value)

THIS deed of Indemnity made on this the (day, month & year) between the President of India (hereinafter called the "Purchaser") acting through the Director,(name & address of the Centre) of the first part and M/s.....(name & address of the firm), a firm registered under the Companies Act and having its Registered Office at (hereinafter called the "Contractor") of the second part.

WHEREAS the Purchaser has placed an Order bearing No. dated on the "Contractor" for the supply of at total price of ₹..... (Rupees only) on the terms and conditions mentioned in the said Order.

AND WHEREAS under the terms and conditions of the Order aforesaid, an amount of ₹..... (Rupees only) representing the balance % of payment out of the total value of Order aforesaid, viz., ₹ (Rupees only), is to be paid by the Purchaser to the Contractor on final acceptance of the equipment and on the Contractor furnishing an Indemnity Bond for an amount of ₹..... (Rupees only) towards satisfactory performance of the equipment during the warranty period, viz., months from the date of acceptance/commissioning of the said equipment, or months from the date of despatch of the last lot of the consignment, whichever is earlier (specify the warranty clause included in the Order).

NOW this Deed witnesses that in pursuance of the Order aforesaid, the Contractor hereby agrees to indemnify the Purchaser and at all times to hold himself liable for any loss or damage caused to or suffered by the Purchaser by reason of unsatisfactory performance of the equipment during the warranty period aforementioned.

It is in terms of the Order aforesaid and this Deed of Indemnity that if the equipment supplied by the Contractor in fulfilment of the Order aforesaid performs unsatisfactorily, it is hereby agreed that the Contractor shall be liable for the payment of an amount of ₹..... (Rupees only) to the Purchaser without any demur to the Accounts Officer, (name of the Centre/Unit), on receipt of a demand for the same in writing.

It is agreed by the Contractor, in terms of this Indemnity Bond, that the decision of the Director, (name & address of the Centre/Unit), in case of any dispute, will be binding on the Contractor.

This Bond and the trust hereby created shall remain valid and binding on the Contractor for a period of months from the date of signing this Bond or till the satisfactory completion of the warranty period aforementioned, whichever is earlier. The Purchaser reserves the right to further extend the period of the Bond as may be decided by him, under the terms and conditions of the aforesaid Order.

It has been mutually agreed that the stamp duty on this Deed of Indemnity shall be borne by the Contractor.

In witness whereof the parties hereunto have set their hands to this Deed on the day and year herein above mentioned.

For and on behalf of the CONTRACTOR

Witness No. 1 : Name and designation & seal

Witness No. 2 :

For and on behalf of the PURCHASER

Witness No. 1 : Name and designation & seal

Witness No. 2 :

Name and designation of
Authorized Attorney with seal

PROFORMA FOR
PERFORMANCE BANK GUARANTEE
(from Indian Agents on behalf of foreign principals)

(On non-judicial stamp paper of appropriate value)

1. WHEREAS on or about theday of (month & year), M/s. (name & address of the foreign supplier) having its office at (hereinafter referred to as 'the Contractor') entered into an agreement bearing No. (hereinafter referred to as 'the Contract') with the President of India (hereinafter referred to as 'the Government') for the supply of (hereinafter referred to as 'the Equipment'). The Contract recognizes that M/s. (name & address of the Indian Agent) of the Contractor in India will furnish a Performance Bond on behalf of the Contractor for satisfactory functioning of the equipment during warranty period while releasing % payment to the Contractor.

2. AND WHEREAS under the terms and conditions of the Contract, an amount of ₹..... (Rupees only) representing % payment of the FOB value of the Contract is to be paid to the Contractor after reducing the agency commission subject to the Indian Agent furnishing a Bank Guarantee on behalf of the Contractor for 10% of order value amounting to ₹ (Rupees only) in a manner herein contained towards satisfactory performance of the equipment during warranty period, viz., months from the date of acceptance/commissioning of the said equipment or months from the date of despatch of the last lot of consignment, whichever is earlier (specify as per warranty clause in the Purchase Order).

3. NOW WE, (name & address of the Bank) on behalf of M/S. (Indian Agent) in consideration of the promises and the payment of the said sum of ₹..... (Rupees only) by the Government to the Contractor, do hereby agree and undertake to pay to the Accounts Officer, (name of the Centre/Unit) on behalf of the Government (hereinafter referred as the Accounts Officer), the amount due and payable under the guarantee without any demur, merely on a demand from the said Accounts Officer stating that the amount claimed is due by way of loss or damage caused to or suffered by the Government by reason of unsatisfactory performance of the equipment during the warranty period. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, the Bank's liability under this guarantee shall be restricted to an amount not exceeding ₹..... (Rupees only).

4. WE UNDERTAKE to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor or their subsidiary companies, in any suit or proceedings pending before any Court of Law or Tribunal relating thereto, our liability under this present guarantee being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the Contractor shall have no claim against us for making such payment.

5. WE HEREBY further agree that the decision of the said Accounts Officer as to whether the said equipment is giving satisfactory performance or not during the warranty period and as to the amount of damages suffered by the Government on account of unsatisfactory performance of the said equipment shall be final and binding on us.

6. AND WE, (bank) do hereby agree that our liability hereinunder shall not be discharged by virtue of any agreement between the Government and the Contractor or their subsidiary company whether with or without our knowledge and/or consent or by reason of the Government showing any indulgence or forbearance to the Contractor whether as to payment, time for performance, or any other matter whatsoever relating to the Contract which, but for this provision, would amount to discharge of the surety under the law.

7. THIS guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor or their subsidiary company.

8. OUR Guarantee shall remain in force until (two months beyond the Contract warranty period) and unless a claim under the guarantee is lodged with us on or before the above date, all rights of the Government under the guarantee shall be forfeited and we shall be relieved and discharged from all our liabilities hereunder.

Dated the day of (month & year).

.....
(Signature of the Authorised Officer of the Bank)

.....
.....
(Name and designation of the officer)

Seal

Name, Address of the Bank (Head Office) with Phone/Fax Nos.

Name & Address of the Branch with Phone/Fax Nos.

PROFORMA FOR
PERFORMANCE BANK GUARANTEE
(from foreign suppliers)

(to be issued by the bankers of the foreign supplier)

1. WHEREAS on or about the day of (month & year), M/S. having its Registered Office at (hereinafter called 'The Contractor') entered into an Agreement No. dated (hereinafter called 'The Contract') for manufacture and supply of with the President of India (hereinafter called 'The Purchaser').

2. AND WHEREAS, under the terms and conditions of the Contract final payment amounting to ₹..... (Rupees only) under the Contract is to be made against a performance bond in the form of bank guarantee furnished by the Contractor for a sum of ₹..... (Rupees only) equivalent to 10% (ten per cent) of the value of the Contract towards satisfactory performance of the (hereinafter called 'the Equipment') valid for a period of 12 months from the date of putting into operation of the said equipment or months from the date of receipt of the last lot of consignment whichever is earlier (specify as per warranty clause in the Purchase Order).

3. NOW WE, (name & address of the Bank) in consideration of the promises and payment of the final/balance amount of ₹..... (Rupees only) under the Contract to the Contractor hereby agree and undertake to pay on demand and without any demur to the Accounts Officer, (name of the Centre/Unit) on behalf of the Purchaser (hereinafter referred to as the Accounts Officer), a sum not exceeding ₹..... (Rupees only) against any loss or damage that may be suffered by the Purchaser by the reasons of any unsatisfactory performance of the said equipment.

4. AND WE, (Bank) hereby also agree that the decision of the said Accounts Officer as to whether the said equipment is giving satisfactory performance or not and as to the amount of loss or damages suffered by the Purchaser on account of unsatisfactory performance of the said equipment shall be final and binding on us.

5. AND WE, (Bank) hereby further agree that our liability hereunder shall not be discharged by virtue of any agreement between the Purchaser & the Contractor whether with or without our knowledge and/or consent or by reason of the Purchaser showing any indulgence or forbearance to the Contractor whether as to payment, time for performance or any other matter whatsoever relating to the Contract which, but for this provision, would amount to discharge of the surety under the law.

6. OUR GUARANTEE shall remain in force until (two months beyond Contract warranty period) and unless a claim under the guarantee is lodged with us on or before the above date, all rights of the Purchaser under the Guarantee shall be forfeited and we shall be relieved and discharged from all our liabilities hereunder. Our liability under this guarantee shall not be affected by any change in our constitution or the constitution of the Contractor.

Dated the day of (month & year).

For
(name of the Bank)

Postal address of the Bank and
Fax No.& e-Mail id)

Seal of the Bank

PROFORMA FOR
**BANK GUARANTEE FOR RE-EXPORT OF
REJECTED EQUIPMENT FOR REPAIR/REPLACEMENT**
(from foreign supplier)

(to be issued by the bankers of the foreign supplier)

1. WHEREAS on or about theday of
(month & year), M/s., a company having incorporated their
office at (hereinafter referred to as 'the Contractor') entered
into an agreement bearing No. dated (hereinafter
referred to as 'the Contract') with the President of India (hereinafter referred to
as 'the Government') for manufacture and supply of number/s of
..... (hereinafter referred to as 'the Equipment(s)/Instrument(s)')
at a cost of ₹..... (Rupees only).

2. WHEREAS as per the terms and conditions of the Contract, the
Contractor delivered to the Government all the Nos. of
Equipment(s)/Instrument(s), out of which No./s. of the
Equipment(s)/Instrument(s) costing ₹ (Rupees only)
was/were found defective and not working satisfactorily after receipt by the
Government and therefore the Equipment(s)/Instrument(s) received from the
Contractor was/were rejected by the Government.

3. WHEREAS as per the terms and conditions of the Contract, the
Contractor has agreed to either repair or replace the
Equipment(s)/Instrument(s), as is deemed fit, free of cost, to the Government
within a period of months from the date of receipt of the
rejected Equipment(s)/Instrument(s), under the warranty conditions of the
Contract.

4. WHEREAS as per the Government policy, the Contractor is required to
furnish a Bank Guarantee for full value of the defective
Equipment(s)/Instrument(s) amounting to ₹ (Rupees
only) as a safeguard to the Government on account of any damage/loss that
may be caused or suffered by the Government due to the Contractor's
inability/failure to return the Equipment(s)/Instrument(s) to the Government
duly repaired or supply new Equipment(s)/Instrument(s) in replacement of the
defective Equipment(s)/Instrument(s) within the specified time and also when
the Equipment(s)/Instrument(s) lie under the Contractor's custody, control or
possession.

5. WHEREAS the Contractor, based on the Government's requirement, has agreed to furnish such a Bank Guarantee as a safeguard to the interest of the Government as indicated in para 4 above, valid till the return of the repaired Equipment(s)/Instrument(s) or replacement thereof, to the Government.

6. WHEREAS WE, (name & address of the Bank), in consideration of the Government having agreed to despatch the defective Equipment(s)/Instrument(s) to the Contractor's Works on freight to pay/paid basis and the Contractor having agreed to repair and return the defective Equipment(s)/Instrument(s) duly repaired or arrange free replacement of the defective Equipment(s)/Instrument(s) on freight paid/CIF basis, do hereby agree and undertake to indemnify the Government and keep the Government indemnified to the extent of a sum not exceeding ₹ (in words) against any loss or damage that may be caused or suffered by the Government by reason of the Contractor either not returning the repaired Equipment(s)/Instrument(s) or not arranging free replacement within the specified time and also when the instrument(s) lie under the custody, control or possession of the Contractor.

7. WE, (the Bank), do hereby undertake to pay to the Accounts Officer, (name of the Centre/Unit) on behalf of the Government (hereinafter referred to as the Accounts Officer) the amount due and payable under this guarantee, without any demur, merely on a demand from the said Accounts Officer, on behalf of the Government, stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of the Contractor either not returning the Equipment(s)/Instrument(s) duly repaired or not arranging free replacement to the Government and also when the Equipment(s)/Instrument(s) lie under the custody, control or possession of Contractor. Any such demand on the bank shall be conclusive as regards the amount due and payable by the bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding ₹ (Rupeesonly).

8. WE, (the Bank) undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor/s or by Agents in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present guarantee being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the Contractor/s and the Agents shall have no claim against us for making such payment.

9. AND WE, (the Bank) hereby further agree that the decision of the said Accounts Officer as to whether the Contractor has committed any breach of any such terms and conditions of the Contract or not

and as to the amount of damage or loss assessed by the said Accounts Officer on account of such breach would be final and binding on us.

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

11. THIS GUARANTEE will not be discharged due to the change in the constitution of the bank, the Contractor/s or the Agents.

12. OUR GUARANTEE shall remain in force until (two months beyond the Contract date for return of Equipment(s)/Instrument(s)/replacement) and unless a claim under the guarantee is lodged on or before the above date, all rights of the Government under the guarantee shall be forfeited and we shall be relieved and discharged from all liabilities thereunder.

Dated the day of (month & year)

For
(name of the Bank)

Postal address of the Bank and
Fax No.& e-Mail id)

Seal of the Bank

PROFORMA FOR
TERMS AND CONDITIONS OF TENDER
where the indent value is < ₹ 2.00 lakhs for indigenous
stores items

GOVERNMENT OF INDIA
DEPARTMENT OF SPACE
..... (name of the Centre/Unit)
PURCHASE DIVISION
Tele No...../Fax No...../e-Mail ID

TERMS AND CONDITIONS OF TENDER

1. Quotation should be sent in a sealed envelope superscribing the enquiry number and date of opening.
2. Price quoted should be on the basis of FOR/delivery at site. The Purchaser will not pay separately for transit insurance, and the risk and cost during transit shall be exclusively the responsibility of the Contractor and the purchaser shall pay only for such stores as are actually received in good condition in accordance with the Contract.
3. Quotation should be valid for at least 60 days from the date of opening of the tender.
4. The time for and the date of delivery of the stores stipulated in the Purchase Order shall be deemed to be the essence of the Contract and delivery must be completed not later than the date specified therein, and failure to do so, without adequate justification, may involve cancellation of the Contract at the discretion of the Purchaser.
- 5.(a) Prices are required to be quoted according to the units indicated in the annexed tender form. When quotations are given in terms of units other than those specified in the tender form, relationship between the two systems of unit must be furnished.
(b) Corrections, if any, in the quotation must be attested. All amounts shall be indicated both in words as well as in figures. When there is difference between the amount quoted in words and figures, the amount quoted in words shall prevail.
6. The Purchaser reserves the right to accept or reject any quotation fully or partly without assigning any reason therefore.

7. Payment terms are full payment within 30 days from the date of receipt and acceptance of material ordered. Our Bankers are State Bank of India, Branch, (place).
8. Late Tenders will not be considered.
9. Where counter terms and conditions/printed or cyclostyled conditions of sale have been offered by the tenders, the same shall not be deemed to have been accepted by the Purchaser unless the Purchaser's specific written acceptance thereof is obtained.
10. Specifications: Stores offered should strictly conform to Purchaser's specifications. Deviations, if any, shall be clearly indicated by the tenderer in his quotation. The tenderer should also indicate the Make/Type number of the stores offered and provide catalogues, technical literature and samples, wherever necessary, along with the quotation. Test certificate, wherever necessary, should be forwarded along with supplies. Wherever options are called for in our specifications, the tenderer should address all such options, wherever specifically mentioned by us, and the tenderer could suggest changes to specifications with appropriate response for the same. Even in such case, the tenderer should state why he cannot meet our specification/s and why he is suggesting the change.
11. Sales Tax and/or other duties/levies, where legally leviable and intended to be claimed, should be distinctly shown separately in the tender.
12. Guarantee: The stores offered should be guaranteed for a minimum period of twelve months against defective stores design, operation or manufacture. For defects noticed during the guarantee period, replacement/repair should be arranged free of cost within a reasonable period of such notification. In cases where our specifications call for a guarantee period more than 12 months specifically, then such a period shall apply.
13. The Contractor shall at all times indemnify the Purchaser against all claims which may be in respect of the stores for infringement of any right protected by Patent, Registration or design or Trade Mark and shall take all risks of accidents or damage which may cause a failure of the supply from whatever causes arising and the entire responsibility for the sufficiency of all means used by him for the fulfilment of the Contract.
14. Arbitration in the event of any dispute or difference arising under these terms & conditions or any condition contained in the Purchase Order or in connection with this Contract. (except as to any matter the decision of which is specially provided for by these conditions), the same shall be referred to the sole arbitration of the Head of the Purchase Office or of some other person appointed by him, and the dispute further processed in terms of the Arbitration & Conciliation Act, 1996. There will be no objection that the arbitrator is a Government Servant that he had to deal with matter which the Contract relates to or that in the course of his duties as Government Servant has expressed

views on all or any of the matters in dispute or difference. The award of the arbitrator shall be final and binding on the parties of this Contract.

If the arbitrator is the Head of the Purchase Office –

(i) In the event of his being transferred or vacating his office by resignation or otherwise, it shall be lawful for his successor in office either to proceed with the reference himself or to appoint another person as arbitrator, or

(ii) In the event of his being unwilling or unable to act for any reason, it shall be lawful for the Head of the Purchase Office to appoint another person as arbitrator.

If the arbitrator is a person appointed by the Head of the Purchase Office – In the event of his denying or neglecting or refusing to act, or resigning or being unable to act, for any reason, shall be lawful for the Head of the Purchase Office either to proceed with the reference himself or to appoint another person as arbitrator in place of the outgoing arbitrator subject, as aforesaid, to the Arbitration & Conciliation Act, 1996, and the rules thereunder and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceeding under the clause. The Arbitrator shall have the power to extend with the consent of the Purchaser and the Contractor the time for making and publishing the award. The venue of arbitration shall be the place as the Purchaser in his absolute discretion may determine. Work under the Contract shall, if reasonably possible, continue during Arbitration Proceedings.

15. Successful tenderer will have to furnish in the form of a Bank Guarantee or in any other form as called for by the Purchaser towards adequate security for the materials/property provided by the purchaser for the due execution for the Contract.
16. Packing and Forwarding: The Contractor will be held responsible for the stores being sufficiently and properly packed for transport by rail, road, sea or air, to withstand transit hazards and ensure safe arrival at the destination. The packing and marking of packages shall be done by and at the expense to the Contractor.

PROFORMA FOR
**INSTRUCTIONS TO TENDERERS AND TERMS & CONDITIONS
OF TENDER**
**where the indent value is ₹ 2.00 lakhs & above for indigenous
stores items**

INSTRUCTIONS TO TENDERERS

1. Tenders should be sent in sealed envelopes superscribing the relevant tender No, and the due date of opening. Only one tender should be sent in each envelope.
2. Late tenders and delayed tenders will not be considered.
3. Sales Tax and/or other duties/levies legally leviable and intended to be claimed should be distinctly shown separately in the tender.
4. As a Government of India Department, this office is exempted from payment of Octroi and similar local levies. Tenderers shall ensure that necessary Exemption Certificates are obtained by them from the Purchase Officer concerned to avoid any payment of such levies.
5.
 - a) Your quotation should be valid for 90 days from the date of opening of the tender.
 - b) Prices are required to be quoted according to the units indicated in the annexed tender form. When quotations are given in terms of units other than those specified in the tender form, relationship between the two sets of units must be furnished.
6. Preference will be given to those tenders offering supplies from ready stocks and on the basis of FOR destination/delivery at site.
7.
 - (a) All available technical literature, catalogues and other data in support of the specifications and details of the items should be furnished along with the offer.
 - (b) Samples, if called for, should be submitted free of all charges by the tenderer and the Purchaser shall not be responsible for any loss or damage thereof due to any reason whatsoever. In the event of non-acceptance of tender, the tenderer will have to remove the samples at his own expense.

- (c) Approximate net and gross weight of the items offered shall be indicated in your offer. If dimensional details are available the same should also be indicated in your offer.
 - (d) **Specifications:** Stores offered should strictly confirm to our specifications. Deviations, if any, should be clearly indicated by the tenderer in his quotation. The tenderer should also indicate the Make/Type number of the stores offered and provide catalogues, technical literature and samples, wherever necessary, along with the quotations. Test Certificates, wherever necessary, should be forwarded along with supplies. Wherever options have been called for in our specifications, the tenderer should address all such options. Wherever specifically mentioned by us, the tenderer could suggest changes to specifications with appropriate response for the same.
8. The purchaser shall be under no obligation to accept the lowest or any tender and reserves the right of acceptance of the whole or any part of the tender or portions of the quantity offered and the tenderers shall supply the same at the rates quoted.
9. Corrections, if any, must be attested. All amounts shall be indicated both in words as well as in figures. Where there is difference between amount quoted in words and figures, amount quoted in words shall prevail.
10. The tenderer should supply along with his tender, the name of his bankers as well as the latest Income-Tax clearance certificate duly countersigned by the Income-Tax Officer of the Circle concerned under the seal of his office, if required by the Purchaser.
11. The Purchaser reserves the right to place order on the successful tenderer for additional quantity up to 25% of the quantity offered by them at the rates quoted.
12. The authority of the person signing the tender, if called for, should be produced.

TERMS & CONDITIONS OF TENDER

1. DEFINITIONS:

- (a) The term 'Purchaser' shall mean the President of India or his successors or assigns.
- (b) The term 'Contractor' shall mean, the person, firm or company with whom or with which the order for the supply of stores is placed and shall be deemed to include the Contractor's successors, representative, heirs, executors and administrators unless excluded by the Contract.
- (c) The term 'Stores' shall mean what the Contractor agrees to supply under the Contract as specified in the Purchase Order including

erection of plants & machinery and subsequent testing, should such a condition is included in the Purchase Order.

- d) The term 'Purchase Order' shall mean the communication signed on behalf of the Purchaser by an Officer duly authorised intimating the acceptance on behalf of the Purchaser on the terms and conditions mentioned or referred to in the said communication accepting the tender or offer of the Contractor for supply of stores or plant, machinery or equipment or part thereof.

2. PRICES:

Tender offering firm prices will be preferred. Where a price variation clause is insisted upon by a tenderer, quotation with a reasonable ceiling should be submitted. Such offers should invariably be supported by the base price taken into account at the time of tendering and also the formula for any such variation/s.

3. SECURITY DEPOSIT:

On acceptance of the tender, the Contractor shall, at the option of the Purchaser and within the period specified by him, deposit with him, in cash or in any other form as the Purchaser may determine, security deposit not exceeding ten percent of the value of the Contract as the Purchaser shall specify. If the Contractor is called upon by the Purchaser to deposit, 'Security' and the Contractor fails to provide the security within the period specified, such failure shall constitute a breach of the Contract, and the Purchaser shall be entitled to make other arrangements for the re-purchase of the stores Contracted at the risk of the Contractor in terms of Sub-Clause (ii) and (iii) of clause 10(b) hereof and/or to recover from the Contractor, damages arising from such cancellation.

4. GUARANTEE & REPLACEMENT:

- (a) The Contractor shall guarantee that the stores supplied shall comply fully with the specifications laid down, for material, workmanship and performance.
- (b) For a period of twelve months after the acceptance of the stores, if any defects are discovered therein or any defects therein found to have developed under proper use, arising from faulty stores design or workmanship, the Contractor shall remedy such defects at his own cost provided he is called upon to do so within a period of 14 months from the date of acceptance thereof by the purchaser who shall state in writing in what respect the stores or any part thereof are faulty.
- (c) If, in the opinion of the purchaser, it becomes necessary to replace or renew any defective stores such replacement or renewal shall be made by the Contractor free of all costs to the purchaser, provided the notice informing the Contractor of the defect is given by the purchaser in this regard within the said period of 14 months from the date of acceptance thereof.

- (d) Should the Contractor fail to rectify the defects, the purchaser shall have the right to reject or repair or replace at the cost of the Contractor the whole or any portion of the defective stores.
- (e) The decision of the purchaser notwithstanding any prior approval or acceptance or inspection thereof on behalf of the purchaser, as to whether or not the stores supplied by the Contractor are defective or any defect has developed within the said period of 12 months or as to whether the nature of the defects requires renewal or replacement, shall be final, conclusive and binding on the Contractor.
- (f) To fulfil guarantee conditions outlined in clause 4 (a) to (e) above, the Contractor shall, at the option of the purchaser, furnish a Bank Guarantee (as prescribed by the purchaser) from a Bank approved by the purchaser for an amount equivalent to 10% of the value of the Contract along with first shipment documents. On the performance and completion of the Contract in all respects, the Bank Guarantee will be returned to the Contractor without any interest.
- (g) All the replacement stores shall also be guaranteed for a period of 12 months from the date of arrival of the stores at purchaser's site.
- (h) Even while the 12 months guarantee applies to all stores, in case where a greater period is called for by our specifications then such a specification shall apply in such cases the period of 14 months referred to in para 4 (b) & (c) shall be the 'asked for' guarantee period plus two months.

5. PACKING FORWARDING & INSURANCE:

The Contractor will be held responsible for the stores being sufficiently and properly packed for transport by rail, road, sea or air to withstand transit hazards and ensure safe arrival at the destination. The packing and marking of packages shall be done by and at the expense of the Contractor. The purchaser will not pay separately for transit insurance, all risks in transit being exclusively of the Contractor and the Purchaser shall pay only for such stores as are actually received in good condition in accordance with the Contract.

6. DESPATCH:

The Contractor is responsible for obtaining a clear receipt from the Transport Authorities specifying the goods despatched. The consignment should be despatched with clear Railway Receipt/Lorry Receipt. If sent in any other mode, it shall be at the risk of the Contractor. Purchaser will take no responsibility for short deliveries or wrong supply of goods when the same are booked on 'said to contain' basis. Purchaser shall pay for only such stores as are actually received by them in accordance with the Contract.

7. TEST CERTIFICATE:

Wherever required, test certificates should be sent along with the despatch documents.

8. ACCEPTANCE OF STORES:

- (a) The stores shall be tendered by the Contractor for inspection at such places as may be specified by the purchaser at the Contractor's own risk, expense and cost.
- (b) It is expressly agreed that the acceptance of the stores Contracted for, is subject to final approval by the purchaser, whose decision shall be final.
- (c) If, in the opinion of the purchaser, all or any of the stores do not meet the performance or quality requirements specified in the Purchase Order, they may be either rejected or accepted at a price to be fixed by the purchaser and his decision as to rejection and the prices to be fixed shall be final and binding on the Contractor.
- (d) If the whole or any part of the stores supplied are rejected in accordance with Clause No. 8 (c) above, the purchaser shall be at liberty, with or without notice to the Contractor, to purchase in the open market at the expense of the Contractor stores meeting the necessary performance and quality Contracted for in place of those rejected, provided that either the purchase, or the agreement to purchase, from another supplier is made within six months from the date of rejection of the stores as aforesaid.

9. REJECTED STORES:

Rejected stores will remain at destination at the Contractor's risk and responsibility. If instructions for their disposal are not received from the Contractor within a period of 14 days from the date of receipt of the advice of rejection, the purchaser or his representative has, at his discretion, the right to scrap or sell or consign the rejected stores to Contractor's address at the Contractor's entire risk and expense, freight being payable by the Contractor at actuals.

10. DELIVERY:

- (a) The time for and the date of delivery of the stores stipulated in the Purchase Order shall be deemed to be the essence of the Contract and delivery must be completed on or before the specified dates.
- (b) Should the Contractor fail to deliver the stores or any consignment thereof within the period prescribed for such delivery, the purchaser shall be entitled at his option either.
 - (i) to recover from the Contractor as agreed liquidated damages and not by way of penalty, a sum of 0.5% per week of the price of any stores which the Contractor has failed to deliver as aforesaid or during which the delivery of such store may be in arrears subject to a minimum of 10%, or

- (II) to purchase from elsewhere, without notice to the Contractor on the account and at the risk of the Contractor, the stores not delivered or others of a similar description (where others exactly complying with the particulars, are not, in the opinion of the purchaser, readily procurable, such opinion being final) without cancelling the Contract in respect of the consignment (s) not yet due for delivery, or
- (iii) to cancel the Contract or a portion thereof and if so desired to purchase or authorise the purchase of stores not so delivered or others of a similar description (where others exactly if complying with the particulars are not, in the opinion of the purchaser, readily procurable, such opinion final) at the risk and cost of the Contractor.

In the event of action being taken under sub-clause (ii) & (iii) of clause 10 (b) above, the Contractor shall be liable for any loss which the purchaser may sustain on that account, provided that the re-purchase or if there is an agreement to re-purchase then such agreement is made within six months from the date of such failure. But the Contractor shall not be entitled to any gain on such re-purchase made against default. The manner and method of such re-purchase shall be at the discretion of the purchaser, whose decision shall be final. It shall not be necessary for the purchaser to serve a notice of such re-purchase on the defaulting Contractor. This right shall be without prejudice to the right of the purchaser to recover damages for breach of Contract by the Contractor.

11. EXTENSION OF TIME:

As soon as it is apparent that the Contract dates cannot be adhered to, an application shall be sent by the Contractor to the purchaser. If failure, on the part of the Contractor, to deliver the stores in proper time shall have arisen from any cause which the purchaser may admit as reasonable ground for an extension of the time (and his decision shall be final) he may allow such additional time as he considers it to be justified by circumstances, of the case without prejudice to the purchaser's right to recover liquidated damages under clause 10 thereof.

12. ERECTION OF PLANT & MACHINERY:

Wherever erection of a plant or machinery is the responsibility of the Contractor as per the terms of the Contract and in case the Contractor fails to carry out the erection as and when called upon to do so within the period specified by the purchaser, the purchaser shall have the right to get the erection done through any source of his choice. In such an event, the Contractor shall be liable to bear any additional expenditure that the purchaser is liable to incur towards erection. The Contractor shall, however, not be entitled to any gain due to such an action by the purchaser.

13. PAYMENT:

Contractor's bill will be passed for payment only after the stores have been received, inspected and accepted by the Purchaser.

14. MODE OF PAYMENT:

Normally payment will be made for the accepted stores within 30 days from the date of receipt of the materials.

15. RECOVERY OF SUM DUE:

Whenever any claim for the payment of, whether liquidated or not, money arising out of or under this Contract against the Contractor, the purchaser shall be entitled to recover such sum by appropriating in part or whole, the security deposited by the Contractor, if a security is taken against the Contract. In the event of the security being insufficient or if no security has been taken from the Contractor, then the balance or the total sum recoverable as the case may be, shall be deducted from any sum then due or which at any time thereafter may become due to the Contractor under this or any other Contract with the purchaser. Should this sum be not sufficient to cover the full amount recoverable, the Contractor shall pay to the purchaser on demand the remaining balance due. Similarly, if the purchaser has or makes any claim, whether liquidated or not, against the Contractor under any other Contract with the purchaser, the payment of all moneys payable under the Contract to the Contractor including the security deposit shall be withheld till such claims of the purchaser are finally adjudicated upon and paid by the Contractor.

16. INDEMNITY:

The Contractor shall warrant and be deemed to have warranted that all stores supplied against this Contract are free and clean of infringement of any Patent, Copyright or Trademark, and shall at all times indemnify the purchaser against all claims which may be made in respect of the stores for infringement of any right protected by Patent Registration of design or Trade mark and shall take all risk of accidents or damage which may cause a failure of the supply from whatever cause arising and the entire responsibility for sufficiency of all means used by him for the fulfilment of the contract.

17. ARBITRATION:

In the event of any question, dispute or difference arising under these conditions or any conditions contained in the Purchase Order or in connection with this Contract (except as to any matter the decision of which is specially provided for by these conditions), the same shall be referred to the sole arbitration of the Head of the Purchase office or some other person appointed by him. It will be no objection that the arbitrator is a Government servant, that he had to deal with matter to which the Contract relates or that in the course of his duties as Government servant he has expressed views on all or any other matters in dispute or difference. The award of the arbitrator shall be final and binding on the parties of this Contract.

If the arbitrator be the Head of the Centre/Unit –

- (i) In the event of his being transferred or vacating his office by resignation or otherwise, it shall be lawful for his successor-in-office either to proceed with reference himself, or to appoint another person as arbitrator, or
- (ii) In the event of his being unwilling or unable to act for any reason, it shall be lawful for the Head of the Centre/Unit to appoint another person as arbitrator.

If the arbitrator be a person appointed by the Head of the Purchase Office – In the event of his dying, neglecting or refusing to act or resigning or being unable to act, for any reason, it shall be lawful for the Head of the Centre/Unit either to proceed with the reference himself or appoint another person as arbitrator in place of the outgoing arbitrator.

Subject as aforesaid the Arbitration & Conciliation Act 1996 and the rules thereunder and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this Clause. The Arbitrator shall have the power to extend with the consent of the purchaser and the Contractor the time for making and publishing the award. The venue of arbitration shall be the place as purchaser in his absolute discretion may determine. Work under the Contract shall, if reasonably possible, continue during arbitration proceedings.

In the event of any dispute or difference relating to the interpretation and application for the provisions of the Contracts, such dispute or difference shall be referred by either party to Arbitration of one of the Arbitrations in the Department of Public Enterprises. The Arbitration Act 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute provided however any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs. Ministry of Law & Justice, Govt. of India. The parties to the dispute will share equally, the cost of arbitration as intimated by Arbitrator.

18. COUNTER TERMS AND CONDITION OF SUPPLIERS:

Where counter terms and conditions printed or cyclostyled conditions have been offered by the supplier, the same shall not be deemed to have been accepted by the Purchaser, unless specific written acceptance thereof is obtained.

19. SECURITY FOR PURCHASE OF MATERIALS:

Successful tenderer will have to furnish in the form of a bank guarantee or any other form as called for by the purchaser towards adequate security for the materials and properties provided by the Purchaser for the due execution of the Contract.

PROFORMA FOR

**INSTRUCTIONS TO TENDERERS AND TERMS & CONDITIONS
OF TENDER**
**where the indent value is < ₹2.00 lakhs for imported stores
items**

INSTRUCTIONS TO TENDERERS

1. The Tenderers should submit quotations in duplicate in a sealed envelope, superscribing the Tender No. and due date of opening and complete in all respects with technical specifications, including pamphlets and catalogues.
2. Proforma Invoice may also be given which should contain the following information:
 - a) The FOB/FCA value, the C & F value for import by Sea freight / Air freight up to and for air parcel post up to should be separately indicated.
 - b) Agency Commission: The amount of commission included in the price and payable to the Indian Agent of the Contractor shall be paid directly to the Indian Agents by the Purchaser in equivalent Indian Rupees on the basis of an Invoice from him applying T.T. buying rate of exchange ruling on the date of placement of the Purchase Order and which shall not be subject to any further exchange variations. This payment will be released to the Indian Agent after the Customs Clearance and receipt of the goods by us.
 - c) The Contractor shall invoice only for the net amount payable to him, after deducting the amount of Agency Commission included in the invoice which would be paid to the Indian Agents directly by the Purchaser. However, the Contractor's invoice should separately reflect the amount of commission payable to his Indian Agent.
 - d) The earliest delivery period and country of origin of the goods / equipment.
 - e) The Banker's name along with SWIFT code & IBAN No. and address of the Contractor.
 - f) The approximate net and gross weight and dimension of packages / cases.
 - g) Recommended spares for satisfactory operation for a minimum period of one year.
 - h) Details of any technical service, if required for erection, assembly, commissioning and demonstration.

3. The FOB and C & F prices quoted should be inclusive of all taxes, levies, duties arising in the tender.
4. The offer should be valid for a minimum period 120 days from the due date of opening of the tender.
5. Samples, if called for, should be sent free of all charges.
6. Late and delayed tenders will not be considered. Quotations by cable must be followed by detailed offers.
7. Offers made by Indian Agents on behalf of their Principals, should be supported by the Proforma Invoice of their Principals.
8. We are eligible for Customs/Excise duty exemptions as per relevant notifications issued by Government of India.
9. The authority of person signing the tender, if called for, shall be produced.
10. Instructions / Operation Manual containing all assembly details including wiring diagrams should be sent wherever necessary in duplicate. All documents / correspondence should be in English language only. Wherever test etc., are called for in our specification, details of such tests as offered by the tenderer should be incorporated. He need not describe test methods; but broad details to understand what are offered and what aren't should be available.
11. The Purchaser reserves the right to accept or reject the lowest or any other offer in whole or part without assigning any reason.

TERMS AND CONDITIONS

1. DEFINITIONS:

- (a) The term 'Purchaser' shall mean the President of India or his successors or assignees.
- (b) The term 'Contractor' shall mean, the person, firm or company with whom or with which the order for the supply of stores is placed and shall be deemed include the Contractor's Successor's, representatives, heirs, executors and administrators unless excluded by the Contract.
- (c) The terms 'Purchase Order' shall mean, the communication signed on behalf of the Purchaser by an officer duly authorised intimating the acceptance on behalf of the Purchaser on the terms and conditions mentioned or referred to in the said communication accepting the Tender or offer of the Contractor for supply of stores of plant, machinery or part thereof.

(d) The term 'Stores' shall mean, what the Contractor agrees to supply under the Contracts as specified in the Purchase Order.

2. PRICES:

Tenders offering firm prices will be preferred. Where a price variation clause is insisted upon by a tenderer, quotation with a reasonable ceiling should be submitted. Such offers should invariably be supported by the base price taken into account at the time of tendering and also the formula for any such variations.

3. It is expressly agreed that the acceptance of the Stores Contracted for is subject to final approval in writing by the Purchaser whose decision shall be final.
4. If all or any of the Stores supplied are not as per specification, they may be rejected and suppliers should either replace or refund the money at the discretion of the Purchaser.
5. (a) Part shipment is not allowed unless specifically agreed to by us.
(b) As far as possible, Stores should be despatched by Indian Flag Vessel / Air India or through any Agency nominated by us.
6. Adequate packing to prevent damage in transit should be provided, keeping in view the mode of transport.
7. The Contractor will be held responsible for any demurrage / wharfage paid due to non-receipt of documents in time. Non-negotiable copies of despatch documents should be sent by Air mail immediately after shipment. Originals should be negotiated, through bank, soon after the despatch but not later than three days, reckoned from the date of despatch of the goods.
8. Being a Department of Government of India, normal terms of payment are by Sight Draft. In exceptional cases other terms of payment may be considered by the Purchaser.
9. Insurance, wherever necessary, will be arranged by the Purchaser.
10. Inspection / Test Certificate should be provided for the goods after testing them thoroughly at the Contractor's works. If any inspection by Lloyds or any other testing agency is considered necessary, it shall be arranged by the Contractors.
- 11, The Stores Contracted should be guaranteed for minimum period of 12 months from the date of acceptance against defective material, design or manufacture. For defects noticed during the guarantee period, replacement / rectification should be arranged free of cost within a responsible period of such notification. However, permits for export from and re-import into the purchaser's country, shall be provided.

12. Where erection or assembly or commissioning is part of the Contract it should be done immediately on notification. The Contractor shall be responsible for any loss/damages sustained due to delay in fulfilling this responsibility.
13. The time for and the date of delivery stipulated in the Purchase Order shall be essence of the Contract. Delivery must be completed within the date specified therein. If the Contractor fails to make the delivery of the stores by the due date, the Purchaser may, upon written notice of default to the Contractor, terminate the Contract in whole or in part. In that event the Purchaser reserves the right to purchase upon such terms and in such a manner as he may deem appropriate stores similar to that terminated and the Contractor shall be liable to the Purchaser for any additional cost for such similar stores and for any loss which the purchaser may sustain on that account provided that the purchase, or if there is an agreement to purchase, then such an agreement is made, within six months from the date of such failure.
14. The Contractor shall at all times indemnify the Purchaser against all claims which may be made in respect of the Stores for infringement of any right protected by Patent, Registration of design or Trade Mark and shall take all risks of accidents or damage which may cause a failure of the supply from whatever cause arise and the entire responsibility for the sufficiency of all means used by him for the fulfillment of the Contract.
15. **ARBITRATION:** All disputes arising in connection with this Contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The Contract shall be interpreted, construed and governed by the laws of India.
16. For items having shelf life, those with maximum shelf life should be supplied, if order is placed.
17. **SHIPPING MARKS:** The marks on the shipping documents such as invoice, bill of lading and on the packages should be as follows:

PURCHASE ORDER NO.:

DATE:

GOVERNMENT OF INDIA, DEPARTMENT OF SPACE

.....(name of the Centre/Unit)

..... (address)

DESTINATION :

PORT OF ENTRY Air freight to/ Sea freight to

18. **REPLACEMENT:** If the Stores or any portion thereof is damaged or lost during transit, the Purchaser shall give notice to the Contractor setting forth particulars of such Stores damaged or lost during transit. The replacement of such Stores shall be effected by the Contractor within a reasonable time to avoid unnecessary delay in the intended usage of the Stores. The price of replacement items shall be paid by the Purchaser on the basis of original price quoted in the tender or as reasonably worked out from the tender. The cost of damages will however be claimed by the Purchaser from the insurance

company. The Import / Customs Clearance permit for the replacement will be provided by the Purchaser.

19. **BANK CHARGES:** While the Purchaser shall bear the Bank Charges payable to his Bankers, the Contractor shall bear the Bank Charges payable to his Bankers including the charges towards advising / amendment commissions.
20. **COUNTER TERMS AND CONDITIONS OF SUPPLIERS:** Where counter terms and conditions / printed or cyclostyled conditions have been offered by the supplier, the same shall not be deemed to have been accepted by the Purchaser, unless specific written acceptance thereof is obtained.

PROFORMA FOR
INSTRUCTIONS TO TENDERERS AND TERMS & CONDITIONS OF
TENDER
where the indent value is ₹ 2.00 lakhs & above for imported
stores items

I. INSTRUCTIONS TO TENDERERS

1. The Tenderers should submit quotations in duplicate in a sealed envelope, superscribing the Tender No. and due date of opening and complete in all respects with technical specifications, including pamphlets and catalogues.
2. A Proforma Invoice may also be given which should contain the following information:
 - a) The FOB/FCA value, the C & F value for import by Sea freight / Air freight up to and for air parcel post up to should be separately indicated.
 - b) Agency Commission: The amount of commission included in the price and payable to the Indian Agent of the Contractor shall be paid directly to the Indian Agent by the Purchaser in equivalent Indian Rupees on the basis of an Invoice from him applying T.T. buying rate of exchange ruling on the date of placement of the Purchase Order and which shall not be subject to any further exchange variations. This payment will be released to the Indian Agent immediately after Customs clearance of the goods in India.
 - c) The Contractor shall invoice only for the net amount payable to him, after deducting the amount of Agency Commission included in the invoice which will be paid to the Indian Agent directly by the Purchaser. However, the Contractor's invoice should separately reflect the amount of commission payable to his Indian Agent.
 - d) The earliest delivery period and country of origin of the Stores.
 - e) Banker's name, address, telephone/fax Nos. & e-Mail ID of the Contractor.
 - f) The approximate net and gross weight and dimensions of packages / cases.
 - g) Recommended spares for satisfactory operation for a minimum period of one year.

- h) Details of any technical service, if required for erection, assembly, commissioning and demonstration.
- 3. The FOB/FCA and C & F prices quoted should be inclusive of all taxes, levies, duties arising in the tenderer's country.
- 4. The offer should be valid for a minimum period of 120 days from the due date of opening of the tender.
- 5. Samples, if called for, should be sent free of all charges.
- 6. Late and delayed tenders will not be considered. Quotations by cable must be followed by detailed offers.
- 7. Offers made by Indian Agents on behalf of their Principals, should be supported by the proforma invoice of their Principals.
- 8. The details of Import Licence will be furnished in the Purchase Order.
- 9. The authority of person signing the tender, if called for, shall be produced.
- 10. Instructions / Operation Manual containing all assembly details including wiring diagrams should be sent wherever necessary in duplicate. All documents / correspondence should be in English language only.
- 11. The Purchaser reserves the right to accept or reject the lowest or any offer in whole or part without assigning any reason.
- 12. It is expressly agreed that the acceptance of the Stores Contracted for is subject to final approval in writing by the Purchaser.
- 13. a) Part shipment is not allowed unless specifically agreed to by us.
b) As far as possible stores should be despatched by Indian Flag Vessels / Air India through any Agency nominated by us.
- 14. Inspection / Test Certificate should be provided for the goods after testing it thoroughly at the Contractor's works. If any Inspection by Lloyds or any other testing agency is considered necessary, it shall be arranged by Contractors.
- 15. Where erection or assembly or commissioning is a part of the Contract, it should be done immediately on notification. The Contractor shall be responsible for any loss/damage sustained due to delay in fulfilling this responsibility.
- 16. For items having shelf life, those with maximum shelf life should be supplied if order is placed.

II. TERMS AND CONDITIONS

1. DEFINITIONS:

- (a) The term 'Purchaser' shall mean the President of India or his successors or assignees.
- (b) The term 'Contractor' shall mean, the person, firm or company with whom or with which the order for the supply of stores is placed and shall be deemed to include the Contractor's Successors, representatives, heirs, executors and administrators unless excluded by the Contract.
- (c) The term 'Purchase Order' shall mean the communication signed on behalf of the Purchaser by an officer duly authorised intimating the acceptance on behalf of the Purchaser on the terms and conditions mentioned or referred to in the said communication accepting the Tender or offer of the Contractor for supply of stores of plant, machinery or equipment of part thereof.
- (d) The term 'Stores' shall mean what the Contractor agrees to supply under the Contract as specified in the Purchase Order.

2. PRICES:

Tenders offering firm prices will be preferred. Where a price variation clause is insisted upon by a tenderer, quotations with a reasonable ceiling should be submitted. Such offers should invariably be supported by the base price taken into account at the time of tendering and also the formula for any such variations.

3. TERMS OF PAYMENT:

3.1 Being a Department of the Government of India, the normal terms of payment are by Sight Draft. However other terms of payment like establishment of Letter of Credit may be considered by the Purchaser on such terms and conditions as may be agreed upon.

3.2 The Sight Draft / Letter of Credit will be operative on presentation of the undermentioned documents:

- a) Original Bill of Lading / Airway Bill
- b) Commercially certified invoices describing the stores delivered, quantity, unit rate and their total value, in triplicate. The invoice should indicate the discounts, if any, and Agency Commission separately.
- c) Packing List showing individual dimensions and weight of packages.
- d) Country of Origin Certificate in duplicate.
- e) Test Certificate.
- f) Declaration by the Seller that the contents in each case are not less than those entered in the invoices and the quality of the Stores are guaranteed as per the specifications asked for by the Purchaser.

g) Warrantee and guarantee Certificate/s vide Clause 20 hereinbelow

4. IMPORTANT LICENCE:

Reference to Import License No. & date and Contract number & date shall be prominently indicated in all the documents vide para 3.2

5. DEMURRAGE:

Supplier shall bear demurrage charges, if any, incurred by the purchaser due to delayed presentation of shipping documents as prescribed in para 3.2 to the bankers within a reasonable time (say within 10-12 days) from the date of bill of lading for sea consignments and within 3-4 days from the date of Air Way Bill for air consignments.

6. ADDRESS OF INDIAN AGENTS:

.....

7. GUARANTEED TIME DELIVERY:

The time for and the date of delivery stipulated in the Purchase Order shall be deemed to be the essence of the Contract. Delivery must be completed within the date specified therein.

8. INSPECTION AND ACCEPTANCE TEST:

8.1 The Purchaser's representatives shall also be entitled at all reasonable times during manufacture to inspect, examine and test on the Contractor's premises the material and workmanship of all stores to be supplied under this Contract and if part of the said stores is being manufactured on other premises, the Contractor shall obtain for the purchaser's representative permission to inspect, examine and test as if the equipment were being manufactured on the Contractor's premises. Such inspection, examination and testing shall not release the Contractor from the obligations under this Contract.

8.2 For tests on the premises of the Contractor or of any of his sub-Contractors, the Contractor shall provide free of cost assistance, labour, material, electricity, fuel and instruments as may be required or as may be reasonably needed by the purchaser's representative to carry out the tests efficiently.

8.3 When the stores have passed the specified test, the purchaser's representative shall furnish a certificate to the effect in writing to the Contractor. The Contractor shall provide copies of the test/s certificates to the purchaser as may be required.

9. MODE OF DESPATCH:

Generally, stores should be despatched through Indian Flagged Vessel / Air India or through any other Agency nominated by the purchaser. A copy of the invoice and packing list should invariably be kept inside each of the packages.

10. PORT OF ENTRY:

Thiruvananthapuram/Chennai/Mumbai/Hyderabad/Bangalore/.....
.....

11. CONSIGNEE:

Purchase & Stores Officer, Stores, _____,

12. SHIPPING MARKS.

The mark on the shipping documents such as invoice, bill of lading and on the packages should be as follow:

PURCHASE ORDER NO.

DATED

GOVERNMENT OF INDIA
DEPARTMENT OF SPACE

..... (name of the Centre/Unit)

Destination: &

Port of Entry:

13. INSURANCE OF THE STORES:

The necessity or otherwise of insurance will be as indicated in the Purchase Order.

14. CONTRACTOR'S DEFAULT LIABILITY:

14.1 The purchaser may upon written notice of default to the Contractor terminate the Contract in whole or in part in circumstances detailed hereunder:

- a) If in the judgement of the Purchaser the Contractor fails to make delivery of Stores within the time specified in the Contract/agreement or within the period for which extension has been granted by the Purchaser to the Contractor.
- b) If in the judgment of the Purchaser the Contractor fails to comply with any of the other provisions of this Contract.

15. In the event the Purchaser terminates the Contract in whole or in part as provided in Clause 14 the Purchaser reserves the right to Purchase, upon such terms and in such a manner as he may deem appropriate, stores similar to that terminated and the Contractor shall be liable to the Purchaser for any additional costs for such similar stores and/or for liquidated damages for delay as defined in Clause 19 until such reasonable time as may be required for the final supply of stores.

15.1 If this Contract is terminated as provided in Clause 14 the Purchaser in addition to any other rights provided in this Article, may require the Contractor to

transfer title and deliver to the Purchaser under any of the following clauses in the manner and as directed by the Purchaser:

- a) Any completed stores.
- b) Such partially completed stores, drawing, information and Contract rights (hereinafter called manufacturing material) as the Contractor has specifically produced or acquired for the performance of the Contract as terminated. The Purchaser shall pay to the Contractor the Contract price for completed stores delivered to and accepted, by the purchaser and for manufacturing material delivered and accepted.

15.2 In the event the Purchaser does not terminate the Contract as provided in Clause 14, the Contractor shall continue the performance of the Contract in which case he shall be liable to the purchaser for liquidated damages for delay as set out in Clause 19 until the stores are accepted.

16. REPLACEMENT:

If the stores or any portion thereof is damaged or lost during transit, the Purchaser shall give notice to the Contractor setting forth particulars of such stores damaged or lost during transit. The replacement of such stores shall be effected by the Contractor within a reasonable time to avoid unnecessary delay in the intended usage of the Stores. In case the purchaser agrees, the price towards replacement items shall be paid by the purchaser on the basis of original price quoted in the tender or as reasonably worked out from the tender.

17. REJECTION :

In the event that any of the stores supplied by the Contractor is found defective in material or workmanship or otherwise not in conformity with the requirements of the Contract specifications, the purchaser shall either reject the stores or request the Contractor, in writing, to rectify the same. The Contractor, on receipt of such notification, shall either rectify or replace the defective stores free of cost to the purchaser. If the Contractor fails to do so, the purchaser may at his option either –

- a) replace or rectify such defective stores and recover the extra cost so involved from the Contractor, or
- b) terminate the Contract for default as provided under clause 14 above, or
- c) acquire the defective stores at a reduced price considered equitable under the circumstances. The provision of this article shall not prejudice the Purchaser's rights under clause 19.

18. EXTENSION OF TIME:

If the completion of supply of stores is delayed due to reason of *force majeure* such as acts of god, acts of public enemy, acts of Government, fires, floods, epidemics, quarantine restriction, strikes, freight embargoes, etc., the

Contractor shall give notice within 15 days to the purchaser in writing of his claim for an extension of time. The purchaser on receipt of such notice after verification, if necessary, may agree to extend the Contract delivery date as may be reasonable but without prejudice to other terms and conditions of the Contract.

19. DELAY IN COMPLETION / LIQUIDATED DAMAGES:

If the Contractor fails to deliver the stores within the time specified in the Contract or any extension thereof, the purchaser shall recover from the Contractor as liquidated damages a sum of one-half of one percent (0.5 percent) of the Contract price of the undelivered stores for each calendar week of delay. The total liquidated damages shall not exceed ten percent (10 percent) of the Contract price of the unit or units so delayed. Stores will be deemed to have been delivered only when all their component parts are also delivered. If certain components are not delivered in time, the stores will be considered as delayed until such time as the missing parts are delivered.

20. GUARANTEE & REPLACEMENT:

- a) The Contractor shall guarantee that the stores supplied shall comply fully with the specifications laid down for material, workmanship and performance.
- b) For a period of twelve months after the acceptance of the stores, if any defects are discovered therein or any defects therein are found to have developed under proper use arising from faulty materials, design or workmanship, the Contractor shall remedy such defects at his own cost provided he is called upon to do so within a period of 14 months from the date of acceptance thereof by the Purchaser who shall state in writing in what respect the stores or any parts thereof are faulty.
- c) If in the opinion of the purchaser it becomes necessary to replace or renew any defective stores, such replacements or renewals shall be made by the Contractor free of all costs to the purchaser provided the notice informing the Contractor of the defect is given by the purchaser in this regard within the said period of 14 months from the date of acceptance thereof.
- d) Should the Contractor fail to rectify the defects, the purchaser shall have the right to reject or repair or replace at the cost of the Contractor the whole or any portion of the defective stores.
- e) The decision of the Purchaser, notwithstanding any prior approval or acceptance or inspection thereof on behalf of the purchaser, as to whether or not the stores supplied by the Contractor are defective or any defects has developed within the said period of 12 months or as to whether the nature of the defects requires renewal or replacement shall be final, conclusive and binding on the Contractor.
- f) To fulfill guarantee conditions outlined in Clause 20 (a) to (e) above, the Contractor shall, at the option of the purchaser, furnish a Bank Guarantee (as prescribed by the purchaser - Bank Guarantee format enclosed) from a Bank approved by the purchaser for an amount equivalent to 10% of the value of the

Contract along with first shipment documents. On the performance and completion of the Contract in all respects, the Bank Guarantee will be returned to the Contractor without any interest.

- g) All the replacement stores shall also be guaranteed for a period of 12 months from the date of arrival of stores at purchaser's site.
- h) Even while the 12 months guarantee applies to all stores, in case where a greater period is called for by our specifications, then such a specification shall apply, and in such cases, the period of 14 months referred to in Clause 20 (b) and (c) shall be asked for guarantee period plus two months.

21 REQUIREMENT OF ADDITIONAL NUMBERS OF THE STORES/SPARE PARTS ORDERED:

The Contractor shall also undertake the supply of additional number of items covered by the order as considered necessary by the purchaser at a later date, the actual price to be paid shall be mutually agreed to after negotiations.

22. PACKING:

- a) The Contractor wherever applicable shall pack and crate all stores for sea / air shipment as applicable in a manner suitable for export to a tropical humid climate, in accordance with internationally accepted export practices and in such a manner so as to protect it from damage and deterioration in transit by road, rail or sea for space qualified stores. The Contractors shall be held responsible for all damages due to improper packing.
- b) The Contractor shall ensure that each box / unit of shipment is legible and properly marked for correct identification. The failure to comply with this requirement shall make the Contractor liable for additional expenses involved.
- c) The Contractor shall notify the purchaser of the date of shipment from the port of embarkation as well as the expected date of arrival of such shipment at the designated port of arrival.
- d) The Contractor shall give complete shipment information concerning the weight, size, content of each packages, etc.
- e) Transshipment of equipment shall not be permitted except with the written permission of the purchaser.
- f) Apart from the despatch documents negotiated through Bank, the following documents shall also be airmailed to the purchaser within 7 days from the date of shipment by sea and within 3 days in case of air-consignments:
 - a) Commercial Bill of Lading / Air Way Bill / Post parcel Receipt. (Two non-negotiable copies)
 - b) Invoice (3 copies)
 - c) Packing List (3 copies)
 - d) Test Certificate (3 copies)
 - e) Certificate of Origin.

The Contractor shall also ensure that one copy of the packing list is enclosed in each case.

23. ARBITRATION:

If at any time any question, dispute or difference whatsoever shall arise between the purchaser and the Contractor upon or in connection with this Contract, either party may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the same shall be referred to the adjudication of two arbitrators, one to be nominated by purchaser, other by a Contractor and in the event of any difference of opinion, the arbitrators will refer the matter to the umpire. The arbitration shall be conducted in accordance with the rules and procedure for arbitration of the International Chamber of Commerce at Paris. The expenses of the arbitrators and umpire shall be paid as may be determined by them. However, the venue of such arbitration should be in India.

24. LANGUAGE AND MEASURES:

All documents pertaining to the Contract including specification, schedule, notice, correspondence, operating and maintenance instructions, drawings or any other writings shall be written in English language. The metric system of measurement shall be used exclusively in the Contract.

25. INDEMNITY:

The Contractor shall warrant and be deemed to have warranted that all Stores supplied against this Contract are free and clean of infringement of any patent, copyright or trade mark and shall at all times indemnify the purchaser against all claims which may be made in respect of stores for infringement of any right protected by Patent, Registration of design or Trade Mark, and shall take all risk of accident or damage which may cause a failure of the supply from whatever cause arising and the entire responsibility for the sufficiency of all the means used by him for the fulfillment of the Contract.

26. COUNTER TERMS AND CONDITIONS OF SUPPLIERS:

Where counter terms and conditions/printed or cyclostyled conditions have been offered by the supplier, the same shall not be deemed to have been accepted by the purchaser unless specific written acceptance thereof is obtained.

27. SECURITY INTEREST:

On each item to be delivered under this Contract, including an item of work in progress in respect of which payments have been made in accordance with the terms of the Contract, purchaser shall have a security interest in such items which shall be deemed to be released only at the time when the applicable deliverable item is finally accepted and delivered to the purchaser in accordance with the terms of the Contract. Such security interest of the purchaser shall constitute a prior charge as against any other charge or interest created in respect of such items by any entity.

28. BANK CHARGES:

While the purchaser shall bear the bank charge payable to his Bankers (State Bank of India), the Contractor shall bear the Bank charges payable to his Bankers including the cheques towards advising amendment commissions.

29. TRAINING:

The Contractor shall, if required by the purchaser, provide facilities for the practical training of Purchaser's engineering / technical personnel from India and for their active association on the manufacturing processes throughout the manufacturing period of the Contract / stores, number of such personnel to be mutually agreed upon.

30. APPLICABLE LAW:

The Contract shall be interpreted, construed and governed by the laws of India.

PROFORMA FOR
STANDARD TENDER FORM
 to be attached to tender invitations

(Seal of the Company)

Tender No. :
 Due on :
 Ref. No. :
 Date :

TENDER FORM

From:

To: The Sr./Purchase & Stores Officer,
 (name of the Centre/Unit)

Dear Sir,

I/We hereby offer to supply the stores detailed below at the price hereunder quoted and agree to hold this offer open till..... I/we shall be bound to supply the stores hereby offered upon the issue of the Purchase Order communicating the acceptance thereof on or before the expiry of the last mentioned date. You are at liberty to accept any one or more of the items of stores tendered for or any portion of any one or more of the items of such stores. I/We, notwithstanding that the offer in this tender has not been accepted in whole, shall be bound to supply to you such items and such items and such portion or portions of one or more of the items as may be specified in the said Purchase Order communicating the acceptance:

Sl. No.	Description	Quantity	Unit	Rate ₹	Delivery Date

Note: All the rates should be given both in figures and words

Place at which delivery will be made	
Date by which the ordered item/s will be supplied	

2. I/We have understood the items of the tender annexed to the invitation to tender and have thoroughly examined the specifications/drawing and/or pattern quoted or referred to herein and am/are fully aware of the nature of the stores required and my/our offer is to supply the stores strictly in accordance with the requirements subject to the terms and conditions stipulated in the enquiry and contained in the Purchase Order communicating the acceptance of this tender either in whole or in part.

Date:

Signature of Tenderer

(Seal)

PROFORMA FOR

**TERMS AND CONDITIONS FOR PURCHASE ORDER
for indigenous stores items**

TERMS & CONDITIONS (for Indigenous stores items)

1. Purchase Order Number must be quoted on all correspondence, Challans and Invoices.
2. The Order acknowledgement Card enclosed should be signed by the person who has signed the tender and sent immediately. If no reply is received within seven days from the date of receipt of this order from you, it will be deemed that this order has been accepted by you.
3. Bill should be submitted in triplicate to the Accounts Officer,..... (name of the Centre/Unit & address).
4. Copy of a challan quoting our Purchase Order No. and copy of your bill indicating the Challan No. and date under which the delivery has been effected, should be sent to the purchaser.
5. Stores are to be delivered/dispatched to the consignee as per the instructions given overleaf, consigned to
6. Local delivery shall be made only on working days and during working hours.
7. No stores will be accepted by the consignee unless delivery challans giving full details of Purchase Order number, date, description of stores, quantity, unit, gross weight, etc., are submitted with the stores. In the absence of any of the above, the consignee shall refuse to take delivery of the stores.
8. If the delivery of the stores covered by this Purchase Order is effected after the stipulated delivery period, the receipt of the stores will be without prejudice to Purchaser's rights.
9. A receipt for the packages only and not for the contents will be given at our stores. The suppliers are advised to properly seal the packages. Final receipt will be given by the stores subsequently.

10. State Bank of India,, are our bankers.
11. Documents relating to dispatches should be sent immediately by Registered post to the consignee, wherever applicable.
12. A copy of all correspondence made pertaining to this order should invariably be sent to the Purchaser/consignee, as the case may be.
13. The date of delivery of the stores stipulated in the Purchase Order is the essence of this Contract and your special attention is drawn to Clause No.4 of our enquiry in this connection.
14. The courts within the local limits of whose jurisdiction the place from which the Purchase Order issued is stipulated only shall have jurisdiction to deal with the decide any matter arising out of this Contract.
15. Packing : The packing of the goods shall be proper and adequate according to the nature of transport intended.

PROFORMA FOR
**TERMS AND CONDITIONS FOR PURCHASE ORDER
for imported stores items**

TERMS AND CONDITIONS (for Import Orders)

Purchase Order No.

Dated:

1. Confirmation of order

Your order acknowledgement should be received by us within 25 days reckoned from the date of order; otherwise it will be treated as accepted by you.

2. Reference

The Purchase Order number and date shown at the top of this order should be quoted in all correspondence, package and shipping documents.

3. Delivery

Delivery period is the essence of the order. All items of the order should be supplied in one lot without any short shipment before the expiry of the delivery period. For late delivery our prior approval should be obtained.

4. Payment

(a) Our bankers are M/s. STATE BANK OF INDIA,, INDIA. Where payment is against Sight Draft, two sets of originals of dispatch documents as at para 7 (c) should be presented to our Bankers with Sight Draft. Kindly instruct your bankers not to collect bank commission/charge from us.

(b) Letter of Credit wherever agreed will be established immediately on receipt of intimation of readiness of goods for shipment. Such intimation should be sent before one month from expected date of shipment.

(c) **Indian agents commission:** The amount of agency commission included in the price should be confirmed to enable us to pay the

net value to you. The Indian Agent's commission shall be paid by us directly in Indian currency.

5. Packing

Adequate packing with proper markings to prevent damage and loss in transit should be provided. For shipments by sea, sea-worthy packings should be provided. On each packages/cases the Consignees Name, Purchase Order No., the serial number of cases/packages, etc., should be marked.

6. Guarantee

The Stores Contracted should be guaranteed for a minimum period of 12 months from the date of acceptance against defective material, design, operation or manufacture. For defects noticed during the guarantee period, replacement/rectification should be arranged free of cost within a reasonable period of such notification. However export and re-import permits, if required, shall be provided.

7. (a) Consignee – All goods should be consigned to:

.....
.....
(name and address of the consignee/Centre/Unit)

All cargos should be booked for discharge at AIRPORT

All Air parcel post should be delivered at

(b) Identification Marks:

The following identification marks should be written clearly on each packet with
the serial number of package.

Marks

..... (Address of the Centre/Unit)

(c) Despatch Documents

Suppliers will be held responsible for any demurrage/wharfage paid at customs due to non-receipt of Original documents in time for clearance and they have to refund such amount on notification.

Immediately after dispatch but in any case not later than 2 days in the case of Air freight and 5 days in the case of Sea Freight despatches, the original of the following documents should be negotiated through your bank with instruction to them to Air Mail the documents immediately to our bankers:

- 1) Your Sight Draft in duplicate
- 2) Invoice in Triplicate
- 3) Air Way Bill/Clean Bill of Lading/Parcel Post Receipt in duplicate.(wherever applicable)
- 4) Packing list in duplicate
- 5) Certificate of Insurance in duplicate (wherever applicable)
- 6) Certificate of origin
- 7) Guarantee and inspection/Test Certificate in duplicate, wherever applicable. Immediately after but not later than 2 days from the date of dispatch, three (3) copies of the invoice, packing list and Air Way Bill/Bill of Lading /Parcel Receipt should be Air Mailed directly to the PURCHASE & STORES OFFICER,.....(name & address of the Centre/Unit).
- 8) Inspection and test certificate should be issued after testing the goods thoroughly in your works.
- 9) All documents/Correspondence should be in English language only.
- 10) Instructions/Operation Manual containing all assembly details including wiring diagrams should be sent where necessary in duplicate.
- 11) Depending on the mode of dispatch stipulated in the order, dispatch should be effected through Air India/our Cargo Consolidation Agency in your country/Indian Flag Vessels only.
- 12) In the event of any dispute arising on the Contract, it shall be settled by arbitration.
- 13) Seller is deemed to have warranted and indemnified the purchase against any claim/ dispute whatsoever on Patent, Trade Mark, etc.
- 14) **Declaring of shelf life:** For items having shelf life, items with maximum shelf life should be supplied.
- 15) On the package as well as on the despatch documents including the invoice, the date of expiry of shelf life has to be indicated clearly. Special Storage conditions, if any, which are required to be followed at the port of discharge in India, should be brought to our notice before supply is arranged.

PROFORMA FOR

ACKNOWLEDGEMENT/ORDER ACCEPTANCE

ACKNOWLEDGEMENT/ORDER ACCEPTANCE

(This form should be signed and returned by the supplier/tenderer/Contractor to the Purchase & Stores Officer, (name & address of the Centre/Unit)

From:

.....
.....
.....
.....
(name & address of the Supplier)

To:

Purchase & Stores Officer
.....
.....
(name & address of the Centre/Unit)

Subject: P.O. No. dated

The supply of Stores/Plant/Machinery/Service will be taken in hand in terms of the subject Purchase Order and supply will be made within the delivery period stipulated.

Date of receipt of the PO:

Signature of the Supplier
(with Official seal and date)

Form No. DOS:PM:27
(Refer Ch.10.4)

PROFORMA FOR
STATEMENT OF CONSUMPTION OF FREE ISSUE MATERIALS

Government of India/Department of Space
..... (name of the Centre/Unit)

STATEMENT OF CONSUMPTION OF FREE ISSUE MATERIALS

Purchase Order/Work Order Ref.: Contractor's Invoice No.: Date:

Sl. No.	Description of Materials received by Contractor	Quantity			Remarks	To be filled by Main Stores
		Received	Consumed	Balance returned		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						<ul style="list-style-type: none"> • Taken in to Stock vide No. • Scrap (Cut pieces to be accounted as scrap only)
Signature & Seal of the Contractor						
(To be filled at (name of the Centre/unit))						
Certified that the material consumed is as per drawings/standard specification <div style="text-align: right;">Engineer In Charge (name of the Centre/Unit)</div>		Certified that balance materials as above has been taken into account <div style="text-align: right;">Purchase & Stores Officer (Stores) (name of the Centre/Unit)</div>			For use in Accounts	

PROFORMA FOR
HIGH SEA SALES AGREEMENT

(On non-judicial stamp paper of appropriate value)

We, M/s. (name & address of the firm), having their office at, (hereinafter referred to as the "Seller") and Government of India, Department of Space, (name & address of the Centre/Unit) (hereinafter referred to as the "Buyer"), hereby enter into a Contract vide PO No..... dated..... for sale on "High Sea Sales" basis for the goods specified below; subject to the terms and conditions hereinafter mentioned:

Sl. No	Description of the item/s	Quantity	Rate	Amount (In ₹)
Total				

Number of Packages :

Weight :

MAWB/HAWB No & Date :

This Agreement is also subject to Government directions and regulations.

The above price is FOR/FOB/EX-WORKS/CIF.....

Sales Tax is not applicable as the goods have been sold on 'High Sea Sales' basis as a foreign consignment.

This agreement is signed on the (day, month & year)

Signature & Stamp of
Authorised Signatory
of the Seller

Signature & Stamp of Authorised
Purchase & Stores Officer of
..... (name of Centre/Unit)

ACRONYMS

<u>Sl. No.</u>	<u>Acronym</u>	<u>Expansion</u>
1	ADCOS	Advisory Committee for Space Sciences
2	ADRIN	Advanced Data Processing Research Institute
3	ABs	Autonomous Bodies
4	ACASH	Association of Corporations and Apex Societies of Handlooms
5	AMC	Annual Maintenance Contract
6	Antrix	Antrix Corporation Ltd.
7	AWB	Air Way Bill
8	BE	Bill of Exchange
9	BG	Bank Guarantee
10	BL	Bill of Lading
11	CA	Certifying Authority/Consolidation Agent
12	CAN	Cargo Arrival Notice
13	CD	Customs Duty
14	CEC	Consultancy Evaluation Committee
15	CFC	Contract Finalization Committee
16	CHA	Customs Home Agent
17	CHSS	Contributory Health Service Scheme
18	CIF	Cost, Insurance and Freight
19	CIP	Carriage and Insurance Paid
20	CM	Customs Manual
21	CPP Portal	Central Public Procurement Portal
22	CPSE	Central Public Sector Enterprise
23	CPSU	Central Public Sector Undertaking
24	CPT	Carriage Paid To
25	CPWD	Central Public Works Department
26	CST	Central Sales Tax/Comparative Statement of Tenders
27	CTA	Customs Tariff Act
28	CVC	Central Vigilance Commission
29	CVO	Chief Vigilance Officer
30	DAE	Department of Atomic Energy
31	DC	Digital-signature Certificate
32	DCA	Drug Control Authority
33	DD	Delivery Date
34	DECU	Development and Educational Communication Unit

35	DG&SD	Directorate General of Supplies and Disposal
36	DOS	Department of Space
37	DP	Delivery Period
38	DPE	Department of Public Enterprises
39	ECS	Electronic Clearance System
40	ED	Excise Duty
41	EDIS	Electronic Data Interchange System
42	EFT	Electronic Fund Transfer
43	EMD	Earnest Money Deposit
44	Eoi	Expression of Interest
45	EPF	Employees' Provident Fund
46	ESI	Employees' State Insurance
47	EXW	Ex-Works
48	FAS	Free Alongside Ship
49	FCA	Free Carrier/Free up to Customs Area
50	FDCA	Food and Drugs Control Administration
51	FIM	Free Issue Material
52	FM	Force Majeure
53	FOB	Free on Board
54	FOR	Free on Rail
55	GE	General Exemption
56	GFRs	General Financial Rules
57	Head P&S	Head, Purchase & Stores
58	Head A/C & IFA	Head, Accounts & Internal Financial Adviser
59	IATA	International Air Transport Association
60	ICC	INSAT Co-ordination Committee/ International Chamber of Commerce
61	IEM	Independent External Monitor
62	IIRS	Indian Institute of Remote Sensing
63	IIST	Indian Institute of Space Science and Technology
64	IISU	ISRO Inertial Systems Unit
65	INCOTERMS	International Commercial Terms
66	IP	Integrity Pact
67	IRC	Indent Review Committee
68	ISAC	ISRO Satellite Centre
69	ISRO	Indian Space Research Organisation
70	ISTRAC	ISRO Telemetry, Tracking and Command Network
71	JPC	Junior Purchase Committee
72	KVIC	Khadi and Village Industries Commission
73	LC	Letter of Credit
74	LDs	Liquidated Damages

75	LEOS	Laboratory for Electro-Optic Systems
76	LFD	Last Free Date
77	LPSC	Liquid Propulsion Systems Centre
78	LR	Lorry Receipt
79	LT	Limited Tender
80	MCF	Master Control Facility
81	MOU	Memorandum of Understanding
82	MSCSs	Multi-State Co-operative Societies
83	MSEs	Micro and Small Enterprises
84	NAC	Need-aspect Review Committee
85	NARL	National Atmospheric Research Laboratory
86	NCCF	National Consumer Co-operative Federation
87	NESAC	North Eastern Space Applications Centre
88	NIT	Notice Inviting Tender
89	NNRMS	National Natural Resources Management System
90	NPPA	National Pharmaceutical Pricing Authority
91	NRSC	National Remote Sensing Agency
92	NSIC	National Small Industries Corporation
93	OEM	Original Equipment Manufacturer
94	PB	Performance Bond
95	PBG	Performance Bank Guarantee
96	PDI	Pre-Despatch Inspection
97	PO	Purchase Order
98	PPEG	Policy Planning and Evaluation Group
99	PPG	Policy Planning Group
100	PPP	Purchase/Price Preferential Policy
101	PRL	Physical Research Laboratory
102	PT	Public Tender
103	PV	Price Variation
104	PVC	Price Variation Clause
105	RBI	Reserve Bank of India
106	RC	Rate Contract/Running Contract
107	RFD	Result-Framework Document
108	RFP	Request for Proposal
109	RO	Repeat Order
110	RR	Railway Receipt
111	RR&D Clause	Reserving the Rights and Denial Clause
112	RTI	Right To Information Act
113	SAC	Space Applications Centre
114	SCL	Semi-Conductor Laboratory
115	SD	Security Deposit

116	SDSC-SHAR	Satish Dhawan Space Centre-Sriharikota
117	SPC	Senior Purchase Committee
118	SR	Shipping Release
119	SRV	Stores Receipt Voucher
120	SSI	Small Scale Industry
121	ST	Single Tender/Sales Tax
122	SWEC	Single Window Empowered Committee
123	SWIFT	Society for Worldwide Interbank Financial Telecommunications
124	TEC	Tender Evaluation Committee
125	UCPDC	Uniform Customs and Practices for Documentary Credits
126	UNCITRAL	United Nations Commission on International Trade Law
127	VAT	Value Added Tax
128	VMC	Vendor Management Committee
129	VO	Vigilance Officer
130	VSSC	Vikram Sarabhai Space Centre

