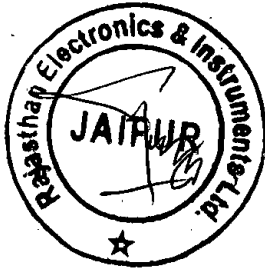




PURCHASE POLICY

DISCLAIMER

While every care has been taken to ensure that the contents of this manual are accurate and up to date till 15th November, 2022 and further updated on 25/07/2024, the procuring entities are advised to check the precise current provisions of law and other applicable instructions from the original sources. In case of any conflict between the provisions stipulated in this manual and in the prevailing laws, the provisions contained in the extant law and the original instructions shall prevail.

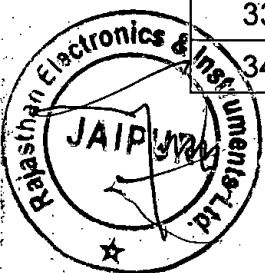




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Rajasthan Electronics & Instruments Limited

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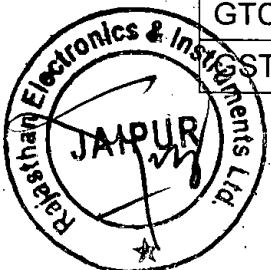




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ABBREVIATIONS AND ACRONYMS

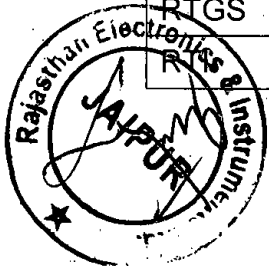
AMC	Annual Maintenance Contract
BG	Bank Guarantee
BIS	Bureau of Indian Standards
CA	Competent Authority
CAPEX	Capital Expenditure (model of acquisition/procurement)
CCI	Competition Commission of India
CFR	Cost and Freight
CIF	Cost Insurance and Freight
CIP	Carriage and Insurance Paid
CIPP	Code of Integrity for Public Procurement
CPPP	Central Public Procurement Portal
CPSE	Central Public Sector Enterprise
CST	Central Sales Tax
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
DGS&D	Directorate General of Supplies and Disposals
DMEP	Domestically Manufactured Electronic Products
DSC	Digital Signature Certificate
ECS	Electronic Clearing System
EMD	Earnest Money Deposit
Eoi	Expression of Interest (Tender)
ERV	Exchange Rate Variation
EXIM	Export Import (Policy)
FEMA	Foreign Exchange Management Act
FM	Force Majeure
FOB	Free On Board
FOR	Free On Rail
GeM	Government Electronic Market
GFR	General and Financial Rules, 2017
Goi	Government of India
GRIR	Goods Receipt and Inspection Report
GTC	General Terms & Conditions
GST	Goods and Services Tax





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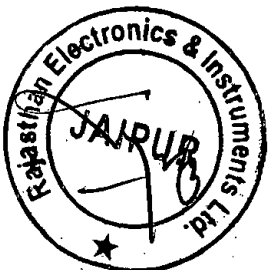
HOD	Head of the Department
IEM	Independent External Monitor
IP	Integrity Pact
ISI	Indian Standards Institute
ISO	International Organization for Standardization
L1	Lowest Bidder
LC	Letter of Credit
LD	Liquidated Damages
LPP	Last Purchase Price
LTE	Limited Tender Enquiry
MeitY	Ministry of Electronics and Information Technology
MRP	Maximum Retail Price
MSE	Micro and Small Enterprise
MSME(D)	Micro Small and Medium Enterprises (Development Act, 2006)
NEFT	National Electronic Funds Transfer
NIC	National Informatics Centre
NIT	Notice Inviting Tender
NSIC	National Small Industries Corporation
NTH	National Test House
OEM	Original Equipment Manufacturer
OPEX	Operating Expense (model of acquisition/procurement)
OTE	Open Tender Enquiry
PBG	Performance Bank Guarantee, also see SD
PPP	Public Private Partnership
PQC	Pre-qualification Criterion
PR	Purchase Requisition/Indent
PSU	Public Sector Undertaking
PVC	Price Variation Clause
QA	Quality Assurance
RA/eRA	Electronic Reverse Auction
RBI	Reserve Bank of India
RC	Rate Contract (or Framework Contract FC)
(S)RfP	(Standard) Request for Proposals (Document)
RTGS	Real Time Gross Settlement
	Right to Information





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SBD	Standard Bidding Document
SD	Security Deposit, also see PBG
SLA	Service Level Agreement
SLTE	Special Limited Tender (Enquiry)
STC	Special Terms & Conditions
STE	Single Tender Enquiry
TC T	Tender Committee also called Tender Purchase or Evaluation Committee (TPC/ TEC)
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
TS	Technical Specification
VAT	Value Added Tax
VfM	(Best) Value for Money

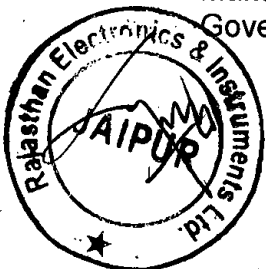




PROCUREMENT GLOSSARY

In this Manual and in the 'Procurement Guidelines', unless the context otherwise requires

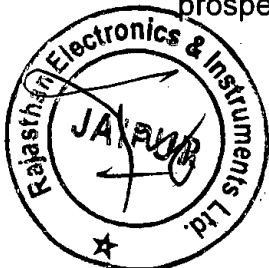
- i **"Approved Vendor"**: An approved vendor is a vendor evaluated and recommended by the vendor Evaluation committee as per laid procedures evolved by the company for specific products and services. Such vendors are subject to periodic re-evaluation for appraisal of their performance.
- ii **"Bid"** (including the term 'tender', 'offer', 'quotation' or 'proposal' in certain contexts) means an offer to supply goods, services or execution of works made in accordance with the terms and conditions set out in a document inviting such offers;
- iii **"Bidder"** (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any eligible person or firm or company, including a consortium (that is an association of several persons, or firms or companies), participating in a procurement process with a Procuring Entity;
- iv **"(Standard) Bid(ding) documents"** (including the term 'tender (enquiry) documents' or 'Request for Proposal Documents' – RFP documents in certain contexts) means a document issued by the Procuring Entity, including any amendment thereto, that sets out the terms and conditions of the given procurement and includes the invitation to bid. A Standard (Model) Bidding Document is the standardised template to be used for preparing Bidding Documents after making suitable changes for specific procurement;
- v **"Bidder registration document"** means a document issued by a Procuring Entity, including any amendment thereto, that sets out the terms and conditions of registration proceedings and includes the invitation to register;
- vi **"Bid security"** (including the term 'Earnest Money Deposit'(EMD), in certain contexts) means a security from a bidder securing obligations resulting from a prospective contract award with the intention to avoid: the withdrawal or modification of an offer within the validity of the bid, after the deadline for submission of such documents; failure to sign the contract or failure to provide the required security for the performance of the contract after an offer has been accepted; or failure to comply with any other condition precedent to signing the contract specified in the solicitation documents.;
- vii **"Central Public sector enterprise"** means a body incorporated under the Companies Act or established under any other Act and in which the Central Government or a Central enterprise owns more than 50 per cent of the issued share capital;
- viii **"Central Purchase Organization"** means a Procuring Entity which is authorized by the Government of India by an order, made in this behalf, to make procurement for one or more procuring entities or to enter into rate contracts or framework agreements for procurement by other procuring entities. However Government can authorize the Organizations for specific categories of materials;
- ix **"Class-I local supplier"** means a supplier or service provider, whose goods, services or works offered for procurement, meet the minimum local content as prescribed for 'Class-I local supplier' under the Public Procurement (Preference to Make in India), Order 2017. Procurement preference will be given as per Government guidelines for Make in India.





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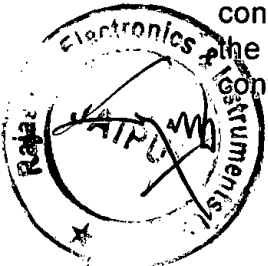
- x "Class-II local supplier" means a supplier or service provider, whose goods, services or works offered for procurement, meet the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under the Public Procurement (Preference to Make in India), Order 2017. Procurement preference will be given as per Government guidelines for Make in India.
- xi "Competent authority" means the officer(s) who finally approves the decision.
- xii "Sanctioning Authority" means Group Head/Head of Department.
- xiii "Consultancy services" means a one-off (that is, not repetitive and not routine) services, involving project specific intellectual and procedural processes using established technologies and methodologies but the outcomes – which are primarily of non-physical nature – may not be standardised and would vary from one consultant to another. It may include small works or supply of goods which are incidental or consequential to such services;
- xiv "Developmental Orders": It is a purchase order placed by REIL where an item or product is to be developed by a supplier's capability. Such orders should not be linked to immediate requirements. After due acceptance, the materials developed can be assigned to future contracts.
- xv "e-Procurement" means the use of information and communication technology (specially the internet) by the Procuring Entity in conducting its procurement processes with bidders for the acquisition of goods (supplies), works and services with the aim of open, nondiscriminatory and efficient procurement through transparent procedures;
- xvi "Goods" includes all articles, material, commodity, livestock, medicines, furniture, fixtures, raw material, consumables, spare parts, instruments, machinery, equipment, industrial plant, vehicles, aircrafts, ships, railway rolling stock assemblies, sub-assemblies, accessories, a group of machines comprising an integrated production process or such other categories of goods or intangible, products like technology transfer, licenses, patents or other intellectual properties (but excludes books, publications, periodicals, etc., for a library), procured or otherwise acquired by a Procuring Entity. Procurement of goods may include certain small work or some services, which are incidental or consequential to the supply of such goods, such as transportation, insurance, installation, commissioning, training and maintenance;
- xvii "Indenter" (or the term 'User (Department)' in certain contexts) means the entity and its officials initiating a procurement indent, that is, a request to the Procuring Entity to procure goods, works or services specified therein;
- xviii "Inventory" means any material, component or product that is held for use at a later time;
- xix "Invitation to (pre-)qualify" means a document including any amendment thereto published by the Procuring Entity inviting offers for pre-qualification from prospective bidders;
- xx "Invitation to register" means a document including any amendment thereto published by the Procuring Entity inviting offers for bidder registration from prospective bidders.





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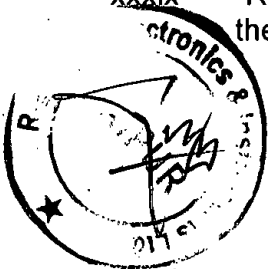
- xxi "Local Content" means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent
- xxii "Non-consultancy services" includes services of physical and procedural nature and are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied such as drilling, aerial photography, satellite imagery, mapping and similar operations. It may include small works or supply of goods which are incidental or consequential to such services;
- xxiii "Non Local Supplier" means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under the Public Procurement (Preference to Make in India), Order 2017
- xxiv "Notice inviting tenders" (including the term 'Invitation to bid' or 'request for proposals' in certain contexts) means a document and any amendment thereto published or notified by the Procuring Entity, which informs the potential bidders that it intends to procure goods, services and/or works.;
- xxv "Open Tender": Open Tenders is a type of tender that will be advertised through advertisement given on CPPP at www.eprocure.gov.in and on GeM. Tender Notice/Enquiries shall be published on the company website. The complete bidding document shall also be posted on company website and on CPPP to enable prospective bidders to make use of the document by downloading from the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. Tender Notice may also be sent to known/registered suppliers/manufacturer.
- xxvi "Pre-qualification (bidding) procedure" means the procedure set out to identify, prior to inviting bids, the bidders that are qualified to participate in the procurement;
- xxvii "Pre-qualification document" means the document including any amendment thereto issued by a Procuring Entity, which sets out the terms and conditions of the prequalification bidding and includes the invitation to pre-qualify;
- xxviii "Procurement" or "public procurement" (or 'Purchase', or 'Government Procurement/ Purchase' in certain contexts) means acquisition by way of purchase, lease, license or otherwise, either using public funds or any other source of funds (e.g. grant, loans, gifts, private investment etc.) of goods, works or services or any combination thereof, including award of Public Private Partnership projects, by a Procuring Entity, whether directly or through an agency with which a contract for procurement 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;
- xxix "Procurement contract" (including the terms 'Purchase Order' or 'Supply Order' or 'Withdrawal Order' or 'Work Order' or 'Consultancy Contract' or 'Contract for Services' under certain contexts), means a formal legal agreement in writing relating to the subject matter of procurement, entered into between the Procuring Entity and the supplier, service provider or contractor on mutually acceptable terms and conditions and which are in compliance with all the relevant provisions of the laws of the country. The term "contract" will also include "rate contract" and "framework contract";





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- xxx "(Public) Procurement Guidelines" means guidelines applicable to Public Procurement, consisting of under relevant context a set of – i) Statutory Provisions (The Constitution of India; Indian Contract Act, 1872; Sales of Goods Act, 1930; and other laws as relevant to the context); ii) Rules & Regulations (General Financial Rules, 2017; Delegation of Financial Power Rules and any other regulation so declared by the Government); iii) Manuals of Policies and Procedures for Procurement (of Goods; Works; Consultancy Services or any for other category) promulgated by the Ministry of Finance and iv) Procuring Entity's Documents relevant to the context (Codes, Manuals and Standard/ Model Bidding Documents);
- xxxii "Procurement process" means the process of procurement extending from the assessment of need; issue of invitation to pre-qualify or to register or to bid, as the case may be; the award of the procurement contract; execution of contract till closure of the contract;
- xxxiii "Procuring authority" means the officer who finally approves as well as those officials and committee members who submit the notes/reports for the approval for any decision.
- xxxiv "Procuring Entity" means any Ministry or Department of the Central Government or a unit thereof or its attached or subordinate office to which powers of procurement have been delegated.
- xxxv "Proprietary items": These are items for which there is only one manufacturer and no equivalents are acceptable from any other source and, at times, due to patent/copy right limitations too. Proprietary items need to be certified by the Head of the Indenting department. The list of proprietary items may be reviewed from time to time, by procurement department. Suitable Proprietary Article Certificate signed by appropriate authority is preferred.
- xxxvi "Prospective bidder" means anyone likely or desirous to be a bidder;
- xxxvii "Public Private Partnership" means an arrangement between the central, a statutory entity or any other Government-owned entity, on one side, and a private sector entity, on the other, for the provision of public assets or public services or both, or a combination thereof, through investments being made or management being undertaken by the private sector entity, for a specified period of time, where there is predefined allocation of risk between the private sector and the public entity and the private entity receives performance linked payments that conform (or are benchmarked) to specified and predetermined performance standards, deliverables or Service Level agreements measurable by the public entity or its representative;
- xxxviii "Rate contract" (or the term 'framework agreement' in certain contexts) means an agreement between a Central Purchase Organization or Procuring Entity with one or more bidders, valid for a specified period of time, which sets out terms and conditions under which specific procurements can be made during the term of the agreement and may include an agreement on prices which may be either predetermined or be determined at the stage of actual procurement through competition or a predefined process allowing their revision without further competition;
- xxxix "Registering authority" means an authority which registers bidders for different categories of procurement.
- xxxx "Registered Supplier" means any supplier who is on a list of registered suppliers of the Procuring Entity or a Central Purchase Organization;



- xi **"Repeat Order"**: Repeat orders are those which are placed on the same vendor, based on a previous order without calling for fresh tenders.
- xii **"Reverse auction"** (or the term 'Electronic reverse auction' in certain contexts) means an online real-time purchasing technique utilized by the Procuring Entity to select the successful bid, which involves presentation by bidders of successively more favourable bids during a scheduled period of time and automatic evaluation of bids;
- xiii **"Service"** means any subject matter of procurement other than goods or works, except those incidental or consequential to the service, and includes physical, maintenance, professional, intellectual, training, consultancy and advisory services or any other service classified or declared as such by a Procuring Entity but does not include appointment of an individual made under any law, rules, regulations or order issued in this behalf;
- xliii **"Source Standardisation"**: Decision to purchase from single source due to design, development & long term support for considerations of harmonization/ contract requirement, although equivalent or near- equivalent makes which could serve the purpose are available. Standardisation of source may be approved by the MD. Such lists should be reviewed from time to time by Procurement department.
- xliv **"Subject matter of procurement"** means any item of procurement whether in the form of goods, services or works or a combination thereof;
- xlv **"Works"** refer to any activity, sufficient in itself to fulfill an economic or technical function, involving construction, fabrication, repair, overhaul, renovation, decoration, installation, erection, excavation, dredging, and so on, which make use of a combination of one or more of engineering design, architectural design, material and technology, labour, machinery and equipment. Supply of some materials or certain services may be incidental or consequential to and part of such works. The term "Works" includes (i) civil works for the purposes of roads, railway, airports, shipping-ports, bridges, buildings, irrigation systems, water supply, sewerage facilities, dams, tunnels and earthworks; and so on, and (ii) mechanical and electrical works involving fabrication, installation, erection, repair and maintenance of a mechanical or electrical nature relating to machinery and plants.
- xlvi **"Empanelled Vendors"** : An empanelled vendor is a vendor evaluated and recommended by the Evaluation Committee constituted for selection of suitable vendors through floating Expression of Interest (EOI) for specific services/projects. Such vendors are subject to periodic re- evaluation for appraisal of their performance.



1.0 SCOPE

This document is prepared to ensure that procurements made in the company are made by following a uniform, systematic, efficient and cost-effective procedure and also to ensure fair and equitable treatment of suppliers. There are statutory provisions, rules, financial, vigilance, security, safety, counter-trade and other regulations; orders and guidelines of the Government on the subject of public procurement which provide framework for the procurement system in the company. It lays down the directions and guidelines to be followed by the company on matters relating to procurement of Production Items, Packing Material, Completing Items (BOS), and Spares for Sales and after sales, Capital Items and delegation of powers (DOP in the company).

2.0 PURCHASE OBJECTIVES:

The main objective of procurement activity shall be to purchase the required materials/services and equipment with transparency in order to adhere to commitments made to the customers. In every procurement, public or private, the basic aim is to achieve with right balance between costs and requirements concerning the following five parameters called the Five R's of procurement. The entire process of procurement (from the time the need for an item, facility or services is identified till the need is satisfied) is designed to achieve such a right balance. The word 'right' is used in the sense of 'optimal balance'.

- 2.1 **Right Quality :** Procurement aims to buy just the right quality that will suit the needs – no more and no less– with clear specification of the Procuring Entity's requirements, proper understanding of functional value and cost, understanding of the bidder's quality system and quality awareness. The concept of the right balance of quality can be further refined to the concept of utility/value. For the Right Quality, Technical Specification is the most vital ingredient. In public procurement, it is essential to give due consideration to Value for Money while benchmarking the specification.
- 2.2 **Right Quantity:** There are extra costs and systemic overheads involved with both procuring a requirement too frequently in small quantities or with buying large quantities for prolonged uses. Hence, the right quantity should be procured (in appropriate size of contract) which balances extra costs associated with larger and smaller quantities.
- 2.3 **Right Price:** It is not correct to aim at the cheapest materials/facilities/services available. The price should be just right for the quality, quantity and other factors involved (or should not be abnormally low for facilities/works/services which could lead to a situation of nonperformance or failure of contract). The concept of price can be refined further to take into account not only the initial price paid for the requirement but also other costs such as maintenance costs, operational costs and disposal costs.
- 2.4 **Right Time and Place:** If the material (or facility or services) is needed by an organization in three months' time, it will be costly to procure it too late or too early. Similarly, if the vendor delivers the materials/ facilities/services in another city; extra time and money would be involved in logistics. An unrealistic time schedule for completion of a facility may lead to delays, claims and disputes.

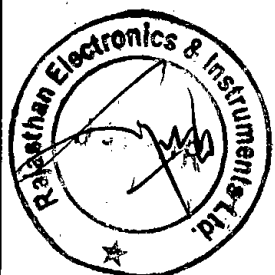


- 2.5 **Right Source:** Similarly, the source of delivery of Goods, Works and Services of the requirement must have just right financial capacity and technical capability for our needs (demonstrated through satisfactory past performance of contracts of same or similar nature). Buying a few packets of printer paper directly from a large manufacturer may not be the right strategy. On the other hand, if our requirements are very large, buying such requirements through dealers or middlemen may also not be right.
- 2.6 **Refined Concepts of Cost and Value – Value for Money:** The concept of price or cost has been further refined into Total Cost Of Ownership (TCO) or Life Cycle Cost (LCC) or Whole-of-Life (WOL) to take into account not only the initial acquisition cost but also cost of operation, maintenance and disposal during the lifetime of the external resource procured. Similarly, the concept of quality is linked to the need and is refined into the concept of utility/value. These two, taken together, are used to develop the concept of Value for Money (VfM, also called Best Value for Money in certain contexts). VfM means the effective, efficient, and economic use of resources, which may involve the evaluation of relevant costs and benefits, along with an assessment of risks, non-price attributes (e.g. in goods and/or services that contain recyclable content, are recyclable, minimize waste and greenhouse gas emissions, conserve energy and water and minimize habitat destruction and environmental degradation, are nontoxic etc.) and/ or life cycle costs, as appropriate. Price alone may not necessarily represent VfM. In public procurement, VfM is achieved by attracting the widest competition by way of optimal description of need; development of value-engineered specifications/ Terms of Reference (ToR); appropriate packaging/ slicing of requirement; selection of an appropriate mode of procurement and bidding system.

3.0 PURCHASE POLICY

In last four decades of its operation, REIL has successfully addressed the customer needs in the area of dairy electronics, renewable energy and Information Technology. The focus is on ***“Shaping Rural India through Electronics, Renewable Energy and IT Solutions”***. Company products particularly impact the sectors of rural development, women empowerment, energy, power, rural welfare and contribute to the social and economic welfare of the rural masses.

Majority of the products of the company are deployed in rural areas. BoS items such as electronics, luminaries, batteries and Solar Pumps etc. are the integral parts of various solar/ dairy electronics systems supplied by the company. These BoS items are the most critical components of the systems and have to perform under extreme environment conditions. Therefore, the selection of these items, including their specifications and make are critical and decided very carefully considering the parameters like **brand building, customer’s contract terms, reliability, long term support and last but not the least, the cost which has to be reasonable & affordable** by the esteemed customer and more importantly adding value to the stakeholders. The focus of the organization has been to ensure **customer satisfaction** through **designing, manufacturing, supply, installation and commissioning of quality products and providing reliable and dependable long-term after-sales-support.**





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Keeping above in view, it is proposed that following guidelines be followed in respect of procurement:

- 3.1 REIL should procure from vendors committed to quality, delivery and after sales support on long term basis, so as to improve quality, reduce cost and procurement time
- 3.2 Emphasis shall be more on process control rather than end inspection of the product. All incoming materials should be subject to inspection before acceptance. Purchase preference may be given to those who have adopted nationally and internationally known quality management systems.
- 3.3 REIL shall maintain goodwill of approved vendors, treating them as business partners. Procurement shall be from vendors approved as per the procedure prevalent in the company.
- 3.4 Bulk buying & bunching of materials required for several contracts shall be done, to the maximum extent possible, to derive price advantage.
- 3.5 Purchase orders/ Rate contract may also be placed against anticipated customer orders under special circumstances for which prior specific approvals of competent authority shall be taken. Delivery clearance will be released against requirement of marketing division.
- 3.6 There shall be continuous effort to reduce delivery time to customers as well as inventory levels at various stages.
- 3.7 Expressions of Interest (EOI) shall be released on company website on regular basis for registration/ enlistment of new vendors for regular items. Registration/ enlistment of subcontractors shall also be taken up through vendor meet, participation in exhibitions and open advertisement.
- 3.8 For items where specifications/ requirements are not very clear or items which are not frequently procured, Expression of Interest may be published on Company website/ National Daily. EOI should include in brief the broad scope of requirement, eligibility & qualification criteria to be met by the prospective suppliers.
- 3.9 **Procurement of critical BoS items is to be done through registered/ empanelled vendors only. In case of open tenders, approval of new participating vendors may be done before opening of price bid, if found technically eligible.**
- 3.10 **In case Estimated Price (Excluding Taxes) of the item in the indent is lower as compared to L1 price, or the value addition in the project is not as per the norms, negotiations be carried out with L1 bidder to get the better value addition and save time due to rebidding.**
- 3.11 **Large value/ quantity orders or order for critical items be distributed among two or more bidders to meet the required quantities on time depending upon the financial and or manufacturing capability of the bidder.**
- 3.12 Rate Contracts for appropriate period may be released to the parties on estimated requirement basis. Firm order/ Delivery Clearance shall be released against specific requirement.
- 3.13 Purchases having estimated value (Excluding Taxes) more than 2.00 lakh shall be done through e-procurement on Central Public Procurement Portal/ GeM portal & should also be hosted on company website.

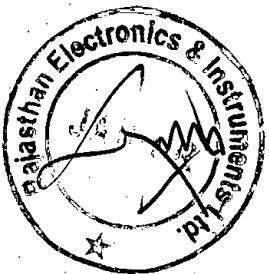




4.0 TRANSPARENCY, COMPETITION, FAIRNESS AND INTEGRITY PACT:

All purchases should be made in a transparent, competitive and fair manner, to secure best value for money. Some of the measures to be taken for ensuring the above shall be as follows:-

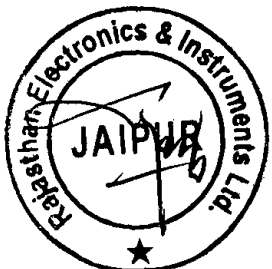
- 4.1 The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia;
 - a. the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc.;
 - b. eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc. which may required to be met by the successful bidder;
 - c. the procedure as well as date, time and place for sending the bids.
 - d. Date & time of opening of the above bid;
 - e. terms of delivery;
 - f. special terms affecting performance, if any.
 - g. not indicate a requirement for a particular trade mark, trade name or brand. In case of semiconductor devices like ICs, make/brand/Model may be indicated.
- 4.2 At the time of awarding the contract, the quantity to be procured must be re-judged based on the current data, since the ground situation may have very well changed. The purchaser reserves the right to increase/decrease the ordered quantity by up to 25 % at any time till final delivery date (or the extended delivery date of the contract) by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period). This may be mentioned in the tender documents. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.
- 4.3 If two or more suppliers are needed for a particular item to have a smooth supply, the same shall be clearly mentioned in the bidding document. If required, contract quantity can be split in ratio of 70:30 or 50:30:20 or any other ratio subject to maximum allotment to L1 Party. For imports it will be as per prevailing Government Guidelines.
- 4.4 Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/ or rejection of its bid.
- 4.5 Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- 4.6 The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- 4.7 The bidders should be given reasonable time to send their bids as specified in the relevant clause.





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- 4.8 The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening in case of open tenders in which e-bid not asked.
- 4.9 Units of quantity are a very important parameter. Some items may be manufactured in metric tons but may be used in units of numbers or units of lengths (for example, steel sheets/structural). For the sake of transparency, it is important to buy an item in units of manufacture. For example, it is better to buy steel/structural in units of weight since it has a tolerance in weight per unit of length; this usually works to the disadvantage of the buyer if it is bought in units of length. The buying and issuing units of an item may be different – but should be standardized.
- 4.10 Time-schedule and place of product/ work/ service delivery: Need assessment and generation of indent for procurement should be done sufficiently in advance of the time when goods are required. Delays in need assessment have adverse impact on the value for money and transparency. Great care is required to be exercised in filling up realistic dates for the requirement of material/services. The Procuring Entity should be allowed time in accordance with the established lead times. In urgent cases, the Procuring Entity may entertain indents providing shorter periods but such urgencies should be approved by the authority empowered to grant administrative approval for the indent and must be accompanied by proper justification.
- 4.11 The specifications of the required goods in terms of quality, type etc.as also quantity of goods to be procured, should be clearly spelt out & should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible. Efforts should also be made to use standard specifications which are widely known to the industry. The specifications so worked out should meet the basic needs without including superfluous and non-essential features, which may result in unwarranted expenditure.
- 4.12 The estimated cost in the indent is a vital element in various procurement processes, approvals and establishing reasonableness of prices at the time of evaluation of the bids. Therefore, it should be worked out in a realistic and objective manner based on previous purchase price/ industry trends, economic indices for raw materials, labour/ other input cost/ LME price trends etc. Procurement department should be satisfied that the selected offer adequately meets the requirement in all respect and should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required. At each stage of procurement the concerned procuring entity must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision. The Department shall prepare projected Annual Procurement Plan before commencement of the year and the same should also be placed on their website. There may be gap in cost of ICs and semiconductor devices. In such cases of major deviations in procurement cost and estimated cost, same may be recorded with proper reasons.
- 4.13 Criteria for determining responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.





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- 4.14 Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- 4.15 Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- 4.16 Negotiation if required with bidders after bid opening may be resorted to only with the lowest evaluated responsive bidder. Counter offer may be given to L2 or other parties if need is felt as per quantity splitting condition of tender documents with approval of Head of Procurement Department.
- 4.17 Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder is not in a position to supply the full quantity required, the remaining quantity, be ordered to the next higher responsive bidder at the rates offered by the lowest responsive bidder as per split ratio of quantity mentioned in tender documents.
- 4.18 Normally procurement involving evaluation of samples be discouraged. However in case of critical items such as solar cells, laminating material and BoS items, sample with test report from a recognized independent lab be asked along with the tender from a new supplier to judge their capability to supply required quality product. In case of BoS items, field trial may also be carried out for new vendors to ensure reliability of the product in field conditions.
- 4.19 Certificate regarding Compliance: A certificate shall be taken from the bidders in the tender documents regarding their compliance with the order. If such certificate given by the bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.
- 4.20 **Integrity Pact (IP)** : The Pre-bid Integrity Pact is a tool to help Governments, businesses and civil society to fight corruption in public contracting. It binds both buyers and sellers to ethical conduct and transparency in all activities from pre-selection of bidders, bidding and contracting, implementation, completion and operation related to the contract. This removes insecurity of Bidders, that while they themselves may abjure Bribery, but their competitors may resort to it and win contract by unfair means.

Ministry of Finance, Department of Expenditure have mandated to incorporate Integrity Pact by, depending on the nature of procurements/ contracts above a threshold value. Integrity Pact will be part of Tender Documents having Estimated Value (Basic Value) equal or above 100 Lakhs (1 Crore). Integrity Pact (IP) would be implemented through a panel of Independent External Monitors (IEMs) appointed by the organization in consultation with Central Vigilance Commission. Names and email/contact details of the Independent External Monitor(s) should be published in Notice Inviting Tender (NIT) having estimated value equal or above 1 crore.

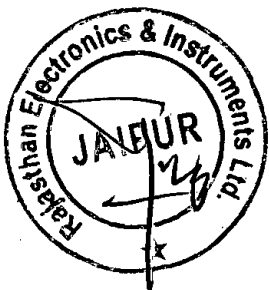




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5.0 VENDOR REGISTRATION AND APPROVED VENDORS LIST:

- 5.1 **Procedure for Registration:** Registration of suppliers will be done ensuring fundamental principles of public procurement in view (especially the transparency principle - transparency, fairness, equality, competition and appeal rights) with the approval of Head, Procurement after carefully assessing and verifying credentials, capability, quality control systems, past performance, after-sales service facilities, financial background, and so on, of the supplier/ contractor/ service provider(s).
- 5.2 Details of the procedure for registration of new firms may be uploaded on the website.
- i) Possible sources for any category/ group of requirements can be identified based on internal and external references. Data of new suppliers can be obtained from the response received from suppliers, open tender advertisements, pre-qualification bids, Expression of Interest (Eoi), against various enquiries on the website, dedicated websites, exhibitions, buyer-seller meets, various publications of NSIC , DGS&D, Development Commissioner of the Small Industries Service Institute, BIS, trade journals, GeM and so on. The e-Procurement portal does pre-registration of suppliers online. Such data can be a source of information on prospective suppliers;
 - ii) New supplier(s) may be considered for registration at any time, provided they fulfill all the required conditions. For any larger scale or critical registration or development of new suppliers, Procurement Department should call for Eoi by publicizing its need for development of sources
 - iii) While registering the firms, an undertaking may be obtained from them that they will abide by the CIPP enclosed with the application with a clear warning that, in case of transgression of the code of integrity, their names are likely to be deleted from the list of registered suppliers, besides any other penalty or more severe action as deemed fit; and
 - iv) Along with the new/renewal application for registration, the suppliers should also be asked to declare that, if awarded a contract in any LTE in which they participate, they bind themselves to abide by the Procuring Entity's General Conditions of Contract (GCC).Such GCC should be part of the application.
 - v) Eligibility
 - a) Any firm, situated in India or abroad, which is in the business of providing goods/works/services of specified categories of interest, shall be eligible for registration;
 - b) Where registration is granted based on partly outsourced arrangements/ agreements, it shall be the responsibility of the registered unit, to keep such arrangements/ agreements renewed/ alive at all times, to keep their registration valid for the period for which it has been granted. Any failure in this regard may make the registration null and void ineffective retrospectively from any such date which the registering authority considers appropriate. It will be responsibility of registered unit to inform in time for any changes in arrangements / agreements with their principle.





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- c) Suppliers should possess valid Digital Signature Certificate (DSCs) Class III with the company name at the time of registration/ renewal, so as to enable them to participate in e-Procurements through CPPP/GeM portals.
- d) Firm, against whom punitive action has been taken, shall not be eligible for re-registration during the currency of punitive action. Registration requests may not be entertained from such firms, stakeholders of whom have any interest in deregistered/banned firms;
- e) The application form, complete in all respects and accompanied with the requisite processing fee and prescribed documents shall be submitted by the firms to the registering authority. The registration application form, duly filled-in, when received from the firms shall be scrutinized carefully for assessing the capacity and capability of the firms including credentials, manufacturing capability, quality control system, past performance, after-sales service facilities, financial background, and so on, of the applicant. References shall be made to other firms of standing of whom the applicant firm claims to be a supplier/contractor.

Likewise, the applicant firm's bankers may also be requested to advice about the financial standing of the firm. Registration of suppliers should be done with approval of Head of Procurement Division.

- f) In cases where the firm is not considered capable and registration cannot be granted, the concerned authority shall communicate the deficiencies and shortcomings direct to the firms. Where a request for re-verification and review is made by the firm, along with any fee as prescribed and within the period prescribed by the Department, review shall be undertaken. Requests for re-verification after expiry of the said period would be treated as a fresh application and processing fee, if any prescribed, charged accordingly.
- g) Registration should be for specific trade groups of goods/works/services. For this purpose, all goods/works/services should be divided into trade groups and the information published on the relevant portals/websites;
- h) After completing registration process, supplier shall be informed through email. The registration would be initially treated as provisional and it would be treated as confirmed only after the firm has satisfactorily executed one order of the relevant category and value from Procuring Entity. The extension of validity of registration is not a matter of right and Procuring Entity reserves the right not to extend such registration without assigning any reason. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions;
- i) All registered suppliers should be allocated a unique registration number. The updated list of registered suppliers with name, address and item details is to be displayed during last quarter of every year on company website.
- j) Performance and conduct of every registered supplier is to be watched by the concerned Department. Procuring Entity should also reserve the right to remove firms who do not perform satisfactorily, even during





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the validity of registration (after giving due opportunity to the supplier to make a representation) if they fail to abide by the terms and conditions of the registration or fail to execute contracts on time or supply substandard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government, is not in public interest;

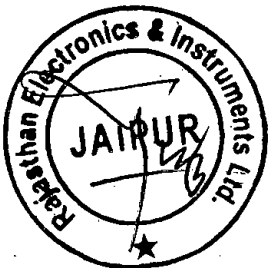
- k) Procuring Entity shall retain its option to reassess firms already registered, at any later date, to satisfy itself about the current financial soundness/ credit worthiness facilities available, and so on. Thereafter, Procuring Entity may decide to retain them as registered suppliers for the requirements and monetary limit earlier considered or with necessary changes as deemed fit. In case of adverse reports from the team of Procuring Entity officers who reassess the firm, Procuring Entity shall delete such firm from the registered suppliers list.

l) Validity of Registration

In respect of tenders, registration should be valid at the time of submission of bids, at the time of acceptance of bids and at the time of placement of order. In case of open tender/GeM, registration may be done before award of work order, if any. Vendors already registered on GeM portal shall be considered valid for any of the bidding process on GeM. Registration documents may be asked from such bidders later.

5.3 Procedure for registration and approval of vendors, their periodic performance evaluation and feedback to be evolved along with the following guidelines.

- a) In evaluation of vendors, Quality Assurance & Marketing Support group may be associated in order to (a) evaluate the vendor, (b) examine the quality control systems and procedures at vendor works, (c) formulate hold points for quality checks wherever necessary, (d) formulate the quality checks at the stage of inspection and (e) evaluate the field performance of the product supplied & after sales service provided by the vendor.
- b) The vendors having requisite facilities/ capabilities which are appropriate for the end product /services intended to be procured, should alone be registered, however distributors / sole representative may represent the qualified manufacturer.
- c) Criteria for vendor evaluation should be based on his performance on quality, delivery, price, after sales service, loyalty factor and ethical values.
- d) The vendor evaluation must be a dynamic process with provision to induct new competent vendors and de-list non performing vendors from time to time.
- e) Updated approved vendor list will be hosted on company website in last Quarter of every year.
- f) A team representing purchase, quality, marketing & finance department should be formed for approval, retaining and de-listing of vendors.



6.0 PROCUREMENT CYCLE:

The procuring entity shall maintain and retain audit trails, records and documents generated or received during its procurement proceeding in chronological order, the files will be stored in an identified place and retrievable for scrutiny whenever needed without wastage of time. The documents and record will include:

- a) documents pertaining to determination of need of procurement description of the subject matter of the procurement
- b) statement of the justification for choice of the procurement method other than open competitive bidding
- c) documents relating to pre-qualification and registration of bidders, if applicable
- d) Particulars of issue, receipt, opening of bids and the participating bidders at each stage
- e) Requests for classification and any reply thereof including the classification given during pre-bid conferences/meetings
- f) Bid evaluated and document relating to their evaluation; and
- g) Contract and Contract Amendments
- h) Complaint handling, correspondences with clients, consultants, banks.

The procurement process involves the cycle of activities that are: Need Assessment, Bid Invitation, Bid Evaluation, Contract Execution & Disposal of scrap.

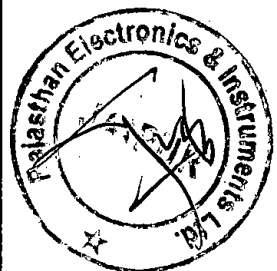
6.1 PROCUREMENT PLANNING:

Indenter will send the Indents to PPC Department. PPC Department will record the Indent and will specify excess/ unutilized stock available if any in the Indent. Indenter should monitor the progress of the indent submitted by them. For this purpose records may be maintained. On receipt of the indent, the procuring authority must monitor the progress of such Indent.

The sanctioning authority of indent (MPR) will be authorized representative for administrative approval & sanction to incur expenditure mentioned as estimated value (+10%) for the said procurement as per indent (MPR). In case of semiconductor devices, ICs, spares/components, solar cells etc. the estimates may vary which will be decided on case to case basis.

After receipt of the Indent, the Procuring Entity should take following decisions to initiate procurement, to ensure conformity to the Procurement Guidelines:

- i) Within 10 (Ten) working days of receipt of the indent from the PPC Department, the procuring authorities should critically review the description and Technical Specifications (TS) enclosed with the indent for completeness/ approvals, Value for Money and possibility of the widest competition and seek clarifications from the indenting officer, if needed, before initiating such procurement.
- ii) Reassessment of the quantity and appropriate aggregation of quantities.
- iii) Determine and declare in documents, any limitation on participation of bidders as per the Government's procurement policy regarding preference to certain





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sections of industry, if any. The Procuring Entity shall not establish any requirement aimed at limiting participation of bidders in the procurement process that discriminates against or amongst bidders or against any category thereof except to lay down a reasonable and justifiable eligibility or pre-qualification criteria for the bidders;

- iv) Selection of a system of bidding (single/ two stage; single/ two bids; suitability for e- Procurement through CPPP/GeM portal or reverse auction).
- v) Select the mode of procurement (open tenders, limited tenders, single tenders, rate contracts, and so on);
- vi) Decisions on the timeframe for completing various stages of procurement, which should be declared in the pre-qualification/ bidder registration or bidding documents. The Procuring Entity should endeavor to adhere to the time limit so decided and record reasons for any modification of such limits; and

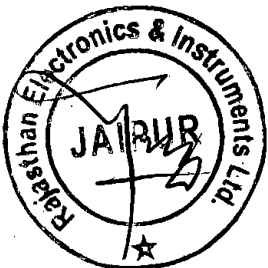
7.0 METHODS OF TENDERING FOR PROCUREMENT OF MATERIALS/ SERVICES:

- 1) **Open Tenders**
 - A) Open Tender Enquiry (OTE)
 - B) Global Tender Enquiry (GTE)
- 2) **Procurement through Selected Suppliers**
 - A) Limited Tender Enquiry upto Rs. 25 Lakh
 - B) Special Limited Tender Enquiry for Procurements more than Rs. 25 Lakh
- 3) Single Tender Enquiry
- 4) Drawals against Rate contract (RC)/ Framework contract (FC)
- 5) **Procurement without calling Tenders**
 - A) Direct Procurement without Quotation
 - B) Procurement Through Personal Enquiry
 - C) Purchase by Purchase Committee constituted by MD
- 6) Preference for Procurement of Goods and Services for Goods or services available on GeM be given.

7.1 OPEN TENDER ENQUIRY :

7.1.1 When the estimated value of materials (or Service) covered in the Indent for a single item is more than Rs. 25 Lakh or where sources of supply are not known and adequate number of approved vendors are a not listed, open tender will be invited. Tender Notice/Advertisement shall be hosted on company website, Central Public Procurement Portal (CPPP) at e- Procurement website (www.eprocure.gov.in)/GeM portal (www.gem.gov.in) and sent to known/ registered suppliers/ manufacturers through email.

7.1.2 In case the open tender is not resorted to for any procurement even though the value exceeds Rs. 25 Lakh and it is considered expeditious and appropriate/ adequate numbers of suppliers exist and



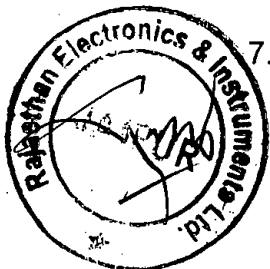


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are known, limited tender may be issued after approval by the Procurement head.

- 7.1.3 Enquiry shall be treated as an open tender if it is addressed to all approved vendors, not less than six. In case of response from up to three vendors, the open tender shall be treated as limited tender and in both case it will not be published in newspaper/e-portal.
- 7.1.4 Data base regarding potential vendors should be built up on the basis of past experience, catalogues, product directories, trade web-site, advertisement in the newspapers and professional journals.
- 7.1.5 Response from at least three parties will be preferred against Open Tender. In case of urgency, response from fewer parties may be accepted as a special case with approval of competent authority.
- 7.1.6 The due date fixed for opening of the tender shall be minimum 21 (twenty-one) days from the date of publication/e-bidding through CPP/GeM portal which may vary taking into account the nature of material/service called for and delivery requirements. The due date may be subsequently extended with the approval of the Head, Procurement only if it is felt necessary to have better competition. The tender documents shall be priced minimally keeping in view the value of the tender as also the cost of preparation and publicity of the tender documents. EMD should be sufficient to ensure that bidders honor their bids but at the same time should not be large enough to reduce competition.
- 7.2 **GLOBAL TENDER ENQUIRY (GTE): No Global Tender Enquiry (GTE) up to Rs. 200 Crores.**
- 7.2.1 The procurement of material/service where Goods of required specifications/quality are not available within the country and alternatives available in the country are not suitable for the purpose, Non-existence of a local branch of the global principal of the manufacturer/vendors/contractors, requirement for compliance to specific international standards in technical specification, absence of a sufficient number of competent domestic bidders likely to comply with the required technical specifications, and in case of suspected cartel formation among indigenous bidders.
- 7.2.2 GTE will be advertised through the press advertisement which will be released in Newspaper or through CPPP or through GeM. Tender notice shall also be hosted on company web-site and sent to known/registered domestic and International suppliers/ manufacturers. Copy of tender notice may also be sent to the Indian embassies abroad as well as foreign embassies in India, of the countries in which possibility of availability of required goods exists.
- 7.2.3 The tender document should be priced minimally keeping in the view the value of tender as also the cost of preparation and publicity of the tender documents.
- 7.2.4 GTE tender document must be in English and the price should be asked under the Reserve Bank of India's notified basket of currencies.





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- 7.2.5 GTE tender documents must contain technical specifications which are in accordance with national requirements or else based on an international trade standards
- 7.2.6 In such cases e-procurement may not be mandatorily insisted upon
- 7.2.7 The due date fixed for opening of the tender shall be minimum 28 days from the date of advertisement which may vary taking into account the nature of material/service called for as well as the time required to prepare the bids. The due date may be subsequently extended with the approval of the CA to promote better competition and also considering account delivery requirement.
- 7.2.8 Relevant INCOTERMS should be included in the tender.

7.3 LIMITED TENDER ENQUIRY:

LTE is a restricted competition procurement, where a preselected list of vendors is directly approached for bidding; bids from uninvited bidders are treated as unsolicited and are normally not entertained, except in special circumstances. For Indents of value between 2.5 lakh to Rs. 25 Lakh, Limited Tender shall be addressed to at least three approved vendors. The number of vendors to be addressed may be reduced, at the discretion of the Head of Procurement Division in cases where three approved vendors are not available. In case approved vendors are three or more, response from fewer parties may be accepted with the approval of competent authority. The purchases will be made through e-bidding on CPP portal/GeM portal and will also be hosted on company website. Offers received from approved vendors will only be considered for the purchases; however other offers received may be used for development of new vendors. 20% quantity of regularly required items will be kept reserved for new parties for development purpose who has participated in e-bid.

Further, a limited or open tender which results in only one effective offer shall be treated as a single tender enquiry situation, with relevant powers of approval etc. List of registered vendors needs to be reviewed perpetually to ensure adequate number of qualified suppliers. Vendors should be selected in a non-discriminatory manner. All past successful vendors/bidders should invariably be invited. In case it is proposed to exclude any registered/approved vendor/contractor from being shortlisted for inviting LTE, detailed reasons, such as failure in supply, should be duly recorded and approval of the CA be taken before exclusion. The selection of bidders should be with due diligence, to ensure that bidders who do not meet eligibility criteria do not get shortlisted. At the evaluation stage, in LTE, passing over of a duly shortlisted bidder on grounds of poor past performance or eligibility may raise questions about transparency.

- 7.4 Special Limited Tender Enquiry for Procurements more than Rs. 25 Lakh, LTE mode even for values higher than Rs. 25 Lakh where normally OTE should have been done is permissible in certain special circumstances as follows.

1. The Head, Procurement/ Project In-Charge certifies that there is an existing of prospective urgency for operational or technical requirements and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The





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procurement department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated earlier.

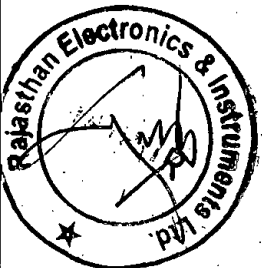
- II. There are sufficient reasons to be recorded in writing by the competent authority indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
- III. The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.
- IV. Nature of items to be procured is such that pre-verification of competence of firm is essential hence requires registration of firms ;and
- V. Government policy/Customer designates procurement from specific agencies.

7.5 SINGLE TENDER ENQUIRY (STE)

The single tender route shall be resorted to in exceptional cases. Single Tender may be invited from the approved vendors/ their authorized representative/ dealer due to any of the following reasons. Single Source Certificate approved by one step above the Indent approving authority and separate certificate of calling tender for limited/single tender basis (Formats enclosed) by the Head of Indenting Department should be attached along with the Indent for BOS items and Finished Products.

- a) Proprietary in nature.
- b) Purchases from collaborators or from their recommended vendors:
- c) Customer's contract requirement/ system design requirement:
- d) Urgency (to be certified by Head of Indenting Department along with a speaking note on the circumstances underlying the urgencies) of requirement:
- e) Source standardization:
- f) Sources recommended by R&D as per circuit/ suitability requirement:
- g) Educational and Developmental orders:
- h) Availability of Pattern / Die / Special Tooling with a single vendor:
- i) Value of purchase being less than Rs.15000/-.
- j) Spares from OEM.
- k) Capital/ Test Equipment (to be certified by Head of Indenting Department along with a speaking note on the circumstances underlying the make and model)
- l) Import of specific raw material items as per approved BOM for production.
- m) Specific Project purpose through empanelled vendors.

However, vendors other than the approved/ certified ones may be addressed with the approval of authority one step higher as per delegation of powers. Procurement Division may contact alternate sources for price negotiations.





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Single response to an open tender or limited tender shall be treated as a single tender.

7.6 Drawals against Rate contract (RC)/ Framework contract (FC)

RC is essentially a price agreement with the vendors/contractors at a specified price and terms and conditions during the period covered by the RC.

RC exploits the power of collaboration/clubbing of numerous small and frequent requirements and thus provides best Value of money. The period of Rate Contract should normally be one year for stable technology products. However, in special cases, shorter or longer period not more than two years may be considered. The purchaser reserves the right to conclude one or more than one rate contract for the same items known as Parallel Rate Contract. However entering into a new RC may have the same procedural complexity prolonged timeframe and systemic cost as in OTE which not be viable for low volumes. The description, specifications and other salient details of all RC appropriately updated should be available on the company website. The suitable records of RC firms for past performance in respect of timely delivery and quality should be maintained. Wherever there are failures against the rate contract in terms of timely delivery and quality of goods, such failures should be reported and direct alternate procurement action may be taken in order to ensure timely availability of quality materials. The purchaser is entitled to withdraw/cancel the RC by serving an appropriate notice on each other giving 15 days time.

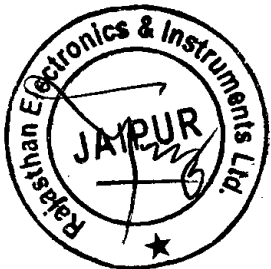
Annual Maintenance Contract starts after the expiry of the warranty period, during which period the goods are to be maintained free of cost by the supplier.

A Service level Agreement may be incorporated and should indicate guaranteed levels of service parameters like-%age uptime, performance output levels, channel of registering service request, response time for resolving the request, channel for escalation of service request in case of delay or unsatisfactorily resolution of request, monitoring of service levels etc. The maintenance contract may also include penalties (Liquidated damages) for unacceptable delays in responses and degradation in performance output of machines, including provisions for terminations.

It should be indicated in the bid documents, whether the maintenance charges would be inclusive of visiting charges, price of spares, price of consumables. In case of Comprehensive Annual Maintenance (CMC), components related with maintenance will be all inclusive. If costs of spares are to be borne by the procuring entity, then the guaranteed price list should be asked for along with the bids. The bidding document should also lay down a SLA to ensure proper service during maintenance period.

7.7 DIRECT PROCUREMENT WITHOUT QUOTATION:

Purchases up to Rs.25,000/- on each case may be made without quotation provided Head, Procurement is satisfied that the goods purchase are of requisite quality from reliable supplier at a reasonable price. Procurement Preference is through GeM.





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7.8 PROCUREMENT THROUGH PERSONAL ENQUIRY

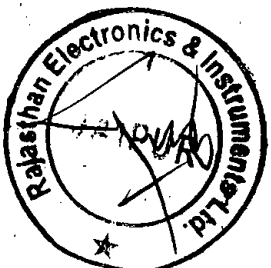
- a) Procurement of small-value items and other unforeseen emergency requirements may be carried out by constituting a committee of appropriate levels.
- b) Purchases may be done by obtaining quotations and placing order on the spot either by way of cash purchase or by a letter of order or through cheque or draft payment. These purchases shall be made by a team of representatives from Indenting, Purchase and Finance department of value over Rs.25,000/-.
- c) Petty purchases for revenue items only as per delegation of powers can be made on cash basis.

7.9 PROCUREMENT BY PURCHASE COMMITTEE:

Managing Director may constitute a Purchase Committee consisting of minimum 3 members including a representative of finance. In case of BOS/ Capital items purchases, representative of indenting department may also be co-opted. Representative of Procurement will be convener of the purchase committee. The purchase committee may approve the purchases of value up to Rs.12.50 lakh. Purchases exceeding Rs. 12.50 lakh will be recommended by the purchase committee for approval of the Managing Director.

7.10 PURCHASE THROUGH NEGOTIATIONS:

- a) Post Tender negotiations with L1 (Lowest tenderer) vendor only should be conducted. For procurement through GeM portal, negotiations with L1 is to be conducted as per standard terms and condition of GeM through uploading Annexure-1 approved by HOD of Procurement Division on GeM portal.
- b) In case of Customized Mechanical components/ customized electronic or electrical components or sub-assemblies which are manufactured as per our drawing and specifications company will like to have more than one source wherever possible for smooth availability of material looking to machine capacity and financial capability (judged as per past experience). This is also needed to keep the vendor live and maintain exclusivity (instead of joining competitors). In these cases counter offer will be given on L1 rates to other developed sources and order will be distributed. L1 party will be given higher share if have supply capability.
- c) Negotiations will be conducted by HOD/CA of Procurement Division. The purchase Committee may also function as Negotiation Committee for complex and technical nature items, if so required. For procurement through GeM portal, negotiations will be made through uploading required negotiation request format on GeM portal approved by HOD/CA of Procurement Division. Normally, negotiations are made if rates are higher than estimated/last purchase prices looking the prevailing market conditions. Negotiations are mandatory if rates are 10% higher than estimated/last purchase prices.
- d) **COST EVALUATION:** Evaluation shall be on the basis of delivered cost (i.e.) "total cost to REIL". Taxes are to be included during cost





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evaluation; however "party rate comparative statement" may be made with or without tax.

7.11 OFFER BY E-MAIL

Parties will be asked to submit e-Bid. For small purchase of value less than 2.0 lakhs, parties will be asked to submit sealed offer only. However, in case sufficient offers are not received, E-MAIL offers received in time may be considered with consent of competent authority i.e. purchase committee, if such offers are complete in all respects.

8.0 **BIDDING SYSTEMS**

8.1 SINGLE STAGE BIDDING SYSTEM

In single stage bidding, all bids are invited together in a single envelope or in multiple envelop system. This bidding system is suitable where technical requirement are simple or moderate; capability of source of supply is not too crucial and the value of procurement is not too high;

a) SINGLE STAGE SINGLE ENVELOP SYSTEM; Where qualitative requirements and technical specifications are clear capability of source of supply is not critical and value of procurement is low, the single envelop system, where eligibility technical/commercial and financial details are submitted together in the same envelop may be followed.

b) SINGLE STAGE TWO ENVELOP SYSTEM (TWO BID SYSTEM):

For purchasing high value plant & machinery, services, works contracts etc. of complex & technical nature, bids may be obtained in two parts as under:

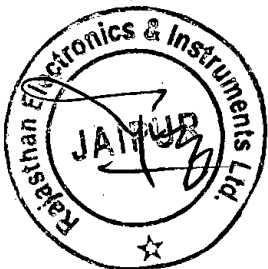
- i) Technical bid consists of technical details along with commercial terms & conditions.
- ii) Financial bid indicating item wise price for the items mentioned in the technical bid.

At the first stage technical bid to be opened & evaluated by a competent committee approved by the MD. The evaluation criteria should be clearly defined in the bid. At the second stage financial bid of only the technically accepted offers should be opened for further evaluation & ranking before awards of contract. For procurement through GeM portal, bid system will be as per features available in GeM portal.

8.2 TWO STAGE BIDDING – EXPRESSION OF INTEREST TENDER (EOI)-
MARKET EXPLORATION

Expression of interest (Eoi) bids may be invited in following situations:

- a) It is not feasible to formulate detailed specifications or identify specific characteristics for the subject matter of procurement without receiving inputs regarding its technical aspects from bidders;
- b) The character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both;
- c) The procuring entity seeks to enter into a contract for the purpose of research experiment study or development except where the contract





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includes the production of requirements in quantities sufficient to establish their commercial viability or to recover research and development costs ;

- d) The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks costs and obligations associated with the particular procurements
- e) Channel Partners/Business Associates may also empanelled through EOI by defining proper eligibility criteria on case to case basis.

For the purpose of procurement, e-bids from empanelled vendors may be invited.

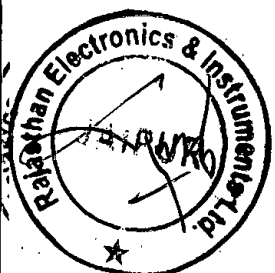
Procurement Through Exceptional Cases: In exceptional cases, where there is no previous experience of purchase relating to an item, budgetary quotations may be invited by indenting department, other than purchase, with the prior approval of MD. Such budgetary quotation after proper negotiation (with L1- lowest tenderer only), if required, may be converted into MOU and /or a purchase order on receiving the order from the customers, without going through the tendering process. The purchase order in such cases would be on single tender basis and shall be approved by MD.

8.3 ELECTRONIC REVERSE AUCTION:

Electronic Reverse Auction is a type of auction where the starting price, bid decrement, duration of auction, maximum number of automatic extensions are announced before start of online reverse auction.

Procurement by Electronic Reverse Auction shall be decided by head of the procurement division keeping in view the below points:

- a) Items of strategic critical and vital nature, items in short supply in market and where there are only a few suppliers are not good candidates for reverse auction. Items in the nature of commodities, commercially –off-the –shelf items , items having large number of suppliers and high value procurements may be more amenable to reverse auction;
- b) it is feasible for the procuring entity to formulate a detailed description of the subject matter of the procurement.
- c) there is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competition is ensured; and
- d) the criteria to be used by the procuring entity in determining the successful bid are quantifiable and can be expressed in monetary terms.
- e) In cases where pre-qualification of bidders is considered necessary, reverse auction may be carried out after a separate PQB (electronic or otherwise) among the successful bidders only.
- f) Reverse Auction on GeM portal will be made as per features available with GeM portal
- g) RA may be done in tenders with a special condition that H1 bidder may be eliminated from the RA and balance bidders may be eligible for RA starting from the lowest established rate in financial opening.





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8.4 Government e-Marketplace (GeM)

An online marketplace (or e-commerce marketplace) for common use goods and services. It is a type of e-commerce site where product or services are offered by a number of sellers and all the buyers can select the product/services offered by any one of the seller. Purchaser's transactions are processed by the marketplace operator and then product/services are delivered and fulfilled directly by the participating retailers. Other capabilities might include auctioning (forward or reverse), catalogues, ordering, posting of requirements by purchaser, payment gateways etc.

The procurement process on GeM is end to end from placement of supply order to payment to suppliers in order to ensure better transparency and higher efficiency. All the process will be electronic and online.

GeM portal: <https://gem.gov.in>.

Detailed instructions for user organization registration, supplier registration, listing of products, terms and conditions, online bidding, reverse auction, demand aggregation, call centre etc are available on this portal.

The products and services are listed on GeM by various suppliers, which are registered on GeM through online and automatic system based on PAN, MCA-21, Aadhar authentication etc.

8.4.1 DIRECT ONLINE PURCHASE THROUGH GeM:

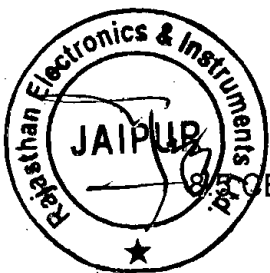
- i) Up to {Rs. 25,000/-} through any of the available suppliers on the GeM, meeting the requisite quality, specification, and delivery period.
- ii) Above Rs. 25,000/- and up to Rs. 5,00,000/- through the GeM seller having lowest price amongst the available sellers of atleast three different manufacturers, on GeM, meeting the requisite quality, specification, and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs. 5,00,000/-
- iii) Above Rs. 5,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.
- iv) The invitation for the online e-bidding/ reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.

It may be noted that. it is the responsibility of the Procuring Entity to do due diligence for ensuring reasonableness of rates.

If items are not registered with GeM portal, other mode of procurement of such items may be adopted.

CENTRAL PUBLIC PROCUREMENT PORTAL

Central public procurement portal (CPPP) has been designed development and hosted by National Informatics Centre (NIC, Ministry of Electronics & Information Technology)





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Information Technology) in association with Dept. of Expenditure to ensure transparency in the public procurement process. The CPPP has e-publishing and e-procurement modules.

9.0 TENDER DOCUMENTS

- Tender documents should preferably be sold or available for download up to date of opening of tenders and this should be clearly indicated in the documents. The organization should also post the complete tender document in the website and permit prospective tenderers to make use of the document downloaded from the website.
- The tender document fee should be as low as possible considering the cost/effort of preparing documents. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders. The Procuring Entity may decide not to take any charges for the tender documents, in view of prevalence of e-publishing/ downloading of tender documents. The cost of the tender document is to be submitted to the authority nominated therein by the prospective tenderer in the form of a demand draft/ banker's cheque/ pay order. Firms that are eligible for exemption from the tender document fee such as MSEs, Procuring Entity registered units (for relevant items and monetary limit) have to submit/ upload scanned copy of documents in support of this exemption. Although the Procuring Entity is the best judge to decide or waive the document cost, following table could be used as a starting point:

Suggested Cost of Tender Documents floated on CPP Portal or as decided by Head of Procurement Division (For STE/PAC/LTE/e-publish, No Cost will be charged)	
Estimated Value of Tender	Tender Document Cost (GST Extra)
Below Rs 1 crore	NIL
Rs 1 Crore to Rs 2 crore	Rs. 500
Rs 2 Crore to Rs 10 crore	Rs. 1,000
Rs 10 crore to Rs. 25 crore	Rs. 2,000
Rs 25 crore to Rs. 50 crore	Rs. 5,000
Above Rs 50 crore	To be decided on case to case basis

- For tenders on GeM portal, tender document cost will be as per policy of GeM.

10.0 PRE-BID CONFERENCE/MEETING:

In case of turn-key contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for a pre-bid conference/meeting for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery projected in the bidding document. Pre-bid Conference/Meeting is held for high-value products and services, not within the





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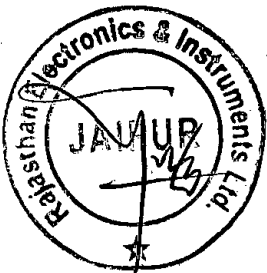
manufacturing range of company. These items normally form part of the bid to be submitted by the company to comply with system integration requirements contained in tenders of prospective customers/ capital items. The following guidelines may be followed in respect of the pre-bid tenders.

- a) A Committee consisting of indenting, purchase, quality and finance may be constituted by the MD for pre bid meeting.
- b) Sufficient time shall be given between pre bid meeting and tender submission date. The date time and place of the pre-bid conference/meeting should be indicated in the tender enquiry document. This date should be sufficiently ahead of bid opening date.
- c) All clarifications/ modifications based on pre bid conference/meeting shall be incorporated in tender document and shall also be communicated to all bidders who have purchased the tender document.
- d) Bidders should be asked to submit written queries in advance of the conference/meeting
- e) After the conference/meeting the techno-commercial requirements may be revised if considered necessary by way of issue of a formal corrigendum (mere minutes of the meeting of pre-bid conference/meeting would not suffice) and shared with all the bidders who purchase or have purchased the bid documents. The minutes of Pre-bid conference/meeting should be prepared and published on Website/ circulated widely. This shall become part of tender.

11.0 OPENING OF QUOTATIONS AND TENDERS:

11.1 Adequate notice time should be given to vendors for submission of quotations. The following minimum period of time will be allowed for submitting the quotations.

- i. For Global Tenders: Minimum 28 days from date of publication of tender.
- ii. For domestic open tenders: Minimum 21 days from date of publication of tender.
- iii. For two bids domestic open tenders: Minimum 21 days from the date of publication of tender.
- iv. If the tender documents are to be sold, the same shall be available for sale from the date of publishing the tender to the last date of submission of the tender.
- v. Domestic Limited tenders: Minimum 21 days from date of publication of tender.
- vi. Single Source Tenders: Minimum 7 days from date of publication of tender
- vii. Urgent Requirement: Minimum 5 days from date of publication of tender. For Urgent Requirement, nature of procurement should be marked as " **Emergency** " in indent (MPR) signed by H.O.D of indenting Dept. Also delivery period should be mentioned in indent.
- viii. In special cases, for recorded reasons, the Head of Procurement, Project/ Product Manager may relax this time limit.





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- 11.2 In case sufficient offers are not received within due date, due date will be extended for reasonable period of time with the approval of head of Procurement.
- 11.3 All open tenders shall be opened at a specified place at an appointed date and time. Proper records of proceedings of tender opening shall be maintained. Other tenders (Limited, Single Source etc.) will be opened by tender opening committee at appropriate time. As tender is being received electronically therefore, no invitation will be given to the bidders to participate in bid opening process. For CPP/GeM portal tenders, opening will be as per portal features available.
- 11.4 In case of capital goods, systems or packages, equipment and services, components and control instrumentation items, where specifications of requirement are generally not very clear, offer may be invited in two parts viz (1) Technical –cum –commercial offer, and (2) Price. The technical-cum-commercial offer shall be opened first, discussed and finalized and only then the price bid of technically acceptable vendors shall be opened. Reasons for rejecting a tender on technical grounds should be clearly recorded. However, In case of changes in scope and/ or technical specifications or commercial terms having price implications, technically accepted vendors may be asked to submit the impact of such changes on their price bid, after freezing technical and commercial terms, In the event of any bidder, after finalizing the technical specification & scope of supply, opting to revise and submit their latest price bid, then their original price (i.e.) the previous bid may be opened with the approval of Head of Procurement, in exceptional cases, after recording detailed reasons.
- 11.5 Quotation Received from Dealers/Agents for Items not Manufactured by Them: When a firm sends a quotation for an item manufactured by a different company, the firm is also required to attach in its quotation that manufacturer's authorization certificate and also manufacturer's confirmation of extending the required warranty for that product (in addition to the tenderers' confirmation to the required warranty). If the firm is an authorized agent/dealer of that manufacturer, certified documentary evidence to this effect is to be attached along with the quotation. This is necessary to ensure a quotation from a responsible party offering the genuine product, also backed by a warranty obligation from the concerned manufacturer.
- 11.6 EXTENSION OF TENDER OPENING DATE: A tenderer may point out some genuine mistakes necessitating amendment in the tender documents. In such situations it is necessary to amend/modify the tender documents suitably prior to the date of submission of bids. Copies of such amendment/ modification should be simultaneously dispatched free of cost by registered/speed post/courier/email to all the parties who have already purchased the tender documents and copies of such amendments are also to be prominently attached in the unsold sets of the tender documents (which are available for sale) including the tender documents for downloading put on the CPPP/GeM portal and company website.

When the amendment/ modification changes the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments, and prepare revised tender, the time and date of submission of tenders are also to be extended suitably, along with suitable changes in the corresponding time-frames for receipt of tender, tender





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validity period etc and validity period of the corresponding EMD/bid security. Depending on the situation, such an amendment may also need fresh publication adopting the same procedure as for publication of the original tender enquiry.

- 11.7 SEALING AND MARKING OF BIDS BY BIDDERS: In two envelope bidding system, the techno-commercial bid and financial bid should be sealed by the tenderer in separate covers duly marking these as techno-commercial bid and financial bid and marked these with the address of the purchase office and the tender reference number on the envelopes. Further the sentence 'NOT TO BE OPENED' BEFORE (due date & time of tender opening) are also to be put on these envelopes and these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed in a similar manner. For CPP/GeM portal tenders, it will be as per available features of the system.

12.0 TENDER EVALUATION:

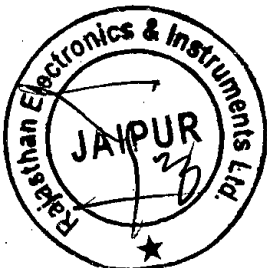
Tender Evaluation Committee should normally comprise of three members including Financial Advisor or his representative and the representative of the user as per DOP for tender evaluation. However, suitable domain/technical expert may be included in the committee & there is no need to constitute any other committee for technical evaluation, preliminary evaluation etc.

12.1 PREPARATION AND VETTING OF COMPARATIVE STATEMENT:

Except in cases upto Rs 25 Lakh (Rupees Twenty Five Lakh), the procuring entity (Procurement Division) should prepare a comparative statement of quotations received in the order in which tenders were opened. In Case of techno-commercial bid comparative statement will have information about deciding responsiveness and eligibility of bids and evaluation of technical suitability of offers. In case of Financial bid it would have information about rates quoted (including taxes or otherwise), discount if any and any other information having implications on ranking of bids etc. The comparative statement so prepared should be signed by procurement division officials.

- 12.2 UNRESPONSIVE TENDERS : Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the initial scrutiny are:

- The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document;
- The required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption;
- The bidder is not eligible to participate in the bid as per laid down eligibility criteria.
- The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacture.
- The bid departs from the essential requirements specified in the bidding document or.





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- f) Against a schedule in the list of requirements in the tender enquiry, the tenderer has not quoted for the entire requirement as specified in that schedule.

12.3 NON-CONFORMITIES BETWEEN FIGURES AND WORDS

- i) If in the price structure quoted for the required goods there is discrepancy between the unit price and total price(which is obtained by multiplying the unit price by the quantity) the unit price shall prevail and the total price corrected accordingly;
- ii) If there is an error in a total corresponding to the addition or subtraction of sub-totals the sub-totals shall prevail and the total shall be corrected; and
- iii) if there is a discrepancy between words and figures the amount in words shall prevail.
- iv) Such a discrepancy in an offer should be conveyed to the tenderer asking him to respond by a target date and if the tenderer does not agree to procuring entity's observation the tender is liable to be rejected.

12.4 DISCREPANCIES BETWEEN ORIGINAL AND ADDITIONAL/ SCANNED COPIES OF A TENDER: Discrepancies can also be observed in responsive tenders between the original copy and other copies of the same tender set. In such a case the text and so on of the original copy will prevail. However normally no submission of original documents in physical format (other than cost of bid documents (if any refer para cost and availability of tender documents), Bid security and statutory certificates if any) should be asked for in e-Procurement

12.5 CLARIFICATION OF BIDS/SHORTFALL DOCUMENT: During evaluation and comparison of bids, the request for clarification shall be given in writing by email/registered/speed post/other means, asking the tenderer to respond by a specified date and also mentioning therein that. If the tenderer does not comply or respond by the date, his tender will be liable to be rejected.

The shortfall information/documents should be sought only in case of historical documents which pre-existed at the time of the tender opening and which have not undergone change since then.

12.6 LOADING FACTOR ON SUBMITTED BIDS FOR DEVIATION :

Sometimes some suppliers are submitting their bids with deviated terms. Bids will be accepted for following deviated terms with loading factor as detailed below:-

S. No.	Standard Terms and Condition	Deviation Terms	Loading Factor
1.	Payment Terms: x% on y days clean credit	x% on y days credit through Bank or through LC	5% on quoted rate





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2.	Payment Terms: x% on y days clean credit	x% on z days clean credit	Interest charges @24% for (y-z) days
3.	Onsite Warranty	Offsite Warranty at nearest service centre	For 1 Year- 5% For >=3 Year - 10%
4.	Deviation on required Delivery Period	Deviation on delivery period be accepted by tendering authority if it does not effect project schedule.	For additional 2 week- 2% For additional 4 week - 5%

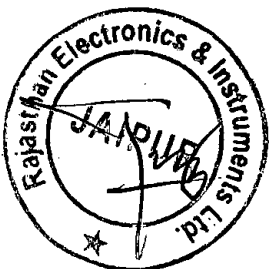
For GeM tenders, above loading factors are not applicable as such feature is not available in GeM portal.

12.7 Consideration of Abnormally Low Bids: An Abnormally Low Bid is one in which the bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the bidder, including detailed price analyses of its bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, Procuring Entity determines that the bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the bid/proposal. However it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder. Such cases shall be put up to Managing Director with recorded reasons for approval.

12.8 Re-tendering: Re-tendering may be resorted to only after the administrative approval of the Head, Procurement/ Project In-Charge for ordering under the circumstances such as :

- Inadequate response;
- Unreasonably high / low price;
- Suspected cartel formation;
- Negotiation has not yielded desired results;
- Major changes in scope and / or pre-qualification requirement in a tender.

In case L-1 bidder backs out, re-tendering shall be done (without including the L-1 bidder who had backed out).





13.0 QUALIFICATION OF BIDDER:

Any bidder participating in the procurement process shall —

- 13.1 possess the necessary professional, technical, financial and managerial resources and competence required under the bidding document, pre-qualification document or bidder registration document, as the case may be, issued by the procuring entity;
- 13.2 have filed tax returns to the Central Government as may be specified in the bidding document, pre-qualification document or bidder registration document;
- 13.3 not be insolvent, in receivership, bankrupt or being wound up;
- 13.4 not have its affairs administered by a court or a judicial officer;
- 13.5 not have its business activities suspended; and
- 13.6 not be subject to any legal proceedings for any of the foregoing reasons;
- 13.7 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;
- 13.8 fulfill any other qualifications as may be prescribed.
- 13.9 The qualifications of bidders shall be evaluated in accordance with the requirements specified in this section.

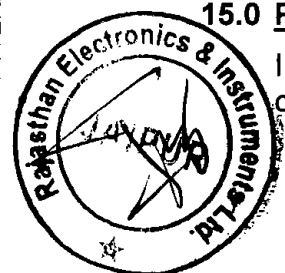
14.0 BID SECURITY/EMD:

2% of the estimated value of goods may be asked as bid security in the open tenders equal or above 200 lakhs except in case of raw material, components, solar cells/SPV Modules etc. Bid security/EMD may be reduced/ exempted subject to approval from Managing Director. The bid security/EMD may be obtained in the form of insurance surety bonds, account payee demand draft, fixed deposit receipt or bankers cheque or bank guarantee/ e-bank guaranty from any of the commercial banks of payment online in an acceptable form safeguarding the purchaser interest in all respects. The bid security is normally to remain valid for a period of 45 (forty-five) days beyond the final bid validity period. Bid securities/EMDs of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity period and latest by the 30 day after the award of the contract. However, in case of two packet or two stage bidding, bid securities of unsuccessful bidders during first stage i.e. technical evaluation etc should be returned within 30 days of declaration of results of first stage i.e. technical evaluation etc.

Standard format for BG against EMD/Bid Security and PBG are as attached which may be amended/updated on consent of Finance Department.

15.0 PERFORMANCE SECURITY:

In case of purchase of items where warranty/ guarantee is required or service contracts, 5% of basic value of the contract for contract value up to & including





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Rs.50 Lakhs with minimum of Rs. 10,000.00 & 3% of basic value of the contract for contract value above Rs. 50 Lakhs with minimum of Rs. 5 Lakhs should be asked as performance security from the supplier. This performance security may be accepted in the form of Bank Guarantee/ e-Bank Guaranty and should be valid for a period of 60 days beyond the date of completion of all contractual obligations. Relaxation in amount of performance security may be done by Purchase Committee duly approved by Managing Director, if required. On account of the COVID-19 pandemic that caused slowdown in economy it is decided to reduce performance security from existing five to ten percent to three (3) percent of the value of the contract for all existing contracts till 31.03.2023. However the benefit of the reduced performance security will not be given in the contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated. All tenders / contracts issued/concluded till 31.03.2023 should also have the provision of reduced performance security. For getting competitive rates of SPV Modules, Performance Bank Guaranty (PBG) may be waived off during floating of tenders for SPV Modules.

15.1 Original Bank Guarantee/ Earnest Money Deposit etc. shall be in custody of Finance Department and the same shall be returned on written request only after completion of contract requirement

15.2 Verification of Original Bank Guaranties and its extension submitted by bidders against Bid Securities/EMD/PBG is to be done by Finance Department in physical and as far as possible organization should follow e-verification of BGs as per the procedure prescribed by Reserve Bank of India.

16.0 PAYMENT TERMS OF THE CONTRACT:

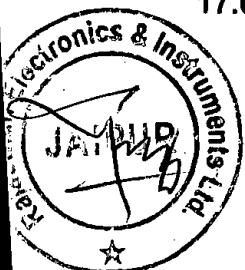
In a supply contract, delivery of goods is the essence of the contract for the purchaser. A healthy buyer-supplier relationship is based on the twin foundation of timely and quality supply, on the one hand, and prompt and full payment to the supplier, on the other. It should be ensured that all payments due to the firm, including release of the performance security, are made on a priority basis without avoidable delay as per the tender/ contract conditions.

Preferred payment terms of the PO/Contract will be minimum 30 days credit (Direct/ L/C/ through bank). For SPV Modules, Solar Cells and Semiconductor Devices including ICs, preferred payment terms may be relaxed on case to case basis. Release of advance payment to supplier will be avoided, however in case advance payment is unavoidable the same may be given up to 30% of the total contract value against adequate safeguards (for a value of 10% more than the advance amount) in the form of bank guarantee etc. with the approval of Managing Director.

Payment terms for procurement through GeM portal will be as per GeM policy,

17.0 NORMS FOR PROCUREMENT:

Norms for purchase lead time (i.e. from the date of indent, raising enquiry, order placement and receipt of material) shall be formed for different types of materials/ components depending on the complexity of the product. Indent will be raised considering norms of procurement.





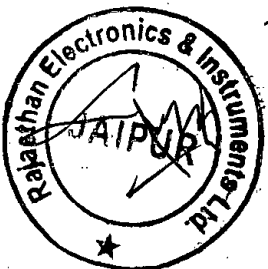
18.0 CONFLICT OF INTEREST AMONG BIDDERS/AGENTS

A bidder shall not have conflict of interest with other bidders. Such conflict of interest can lead to anti-competitive practices to the detriment of Procuring Entity's interests. The bidder found to have a conflict of interest shall be disqualified. A bidder may be considered to have a conflict of interest with one or more parties in the bidding process, if:

- a) they have controlling partner (s) in common; or
- b) they receive or have received any direct or indirect subsidy/ financial stake from any of them; or
- c) they have the same legal representative/ agent for purposes of this bid; or
- d) they have relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder; or
- e) bidder participates in more than one bid in this bidding process. Participation by a bidder in more than one Bid will result in the disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/sub-assembly/assemblies from one bidding manufacturer in more than one bid.
- f) in case of agents quoting in offshore procurements, on behalf of their principal manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender enquiry. One manufacturer can also authorize only one agent/dealer. There can be only one bid from the following:
 - i) The principal manufacturer directly or through one Indian agent on his behalf; and
 - ii) Indian/foreign agent on behalf of only one principal.
- g) a Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid;
- h) in case of a holding company having more than one independently manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/common business/management units in same/similar line of business.

19.0 REPEAT ORDERS:

- 19.1 Repeat orders, without calling for fresh tenders, may be placed after recording the reasons, with the approval of the purchase committee provided there is no downward price trend and it should give benefit in delivery.
- 19.2 Repeat order quantity should not exceed the originally ordered quantity. Repeat order may be placed against previous orders within one year from the date of issue or six months from the completion of supply on original order, whichever is earlier.





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20.0 PRICE VARIATION/ ESCALATION:

Purchases shall normally be made on the basis of firm prices. In exceptional cases where material costs depend upon statutory regulations of otherwise controlled prices or in cases where material costs are liable to wide fluctuations, price variation/ escalation clauses may be allowed. Normally in respect of long-term contracts, purchase enquiry shall include price variation/ escalation clause based on significant factors affecting the cost.

21.0 LIQUIDATED DAMAGES (PENALTY FOR DELAYED DELIVERY)

In order to avoid delayed delivery, proper penalty clause in tenders of more than Rs. 25 Lakh and in the purchase orders should be incorporated and invokes it wherever circumstances justify. LD cases are to be decided by Head of Procurement on case to case basis.

22.0 MATERIAL BUDGETTING:

The delegated powers for material procurement are to be exercised for meeting Contractual Commitments to the customer. Stocking of material in anticipation of orders may be done as per indent & if required in consultation with the business heads.

23.0 DOCUMENT & RECORD CONTROL:

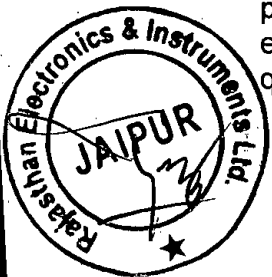
All procurements done by the organization are subject to post audit by internal audit, statutory audit and various internal and external vigilance agencies. Hence, all documents related to the procurement should be filed and kept systematically and safely. Files shall be properly numbered on the notes and correspondence side.

Purchase Records related to purchase of raw material/ components/ BOS items required for regular production and sales will be maintained for 08 years after completion of contractual period. Records older than 08 years will be disposed annually and list of disposed record will be maintained. Record of capital items will be disposed only after approval of competent authority.

Procurements and related records with respect to arbitration cases/court cases/disputes/Vigilance investigation cases etc should be kept systematically and safely.

24.0 FEED BACK AND PURCHASE POLICY REVIEW:

Adaptation of company's procurement policies to a continuously changing environment in terms of liberalization, Trade policies, Industrial policies and etc. is very essential to make REIL's products, systems & services competitive in both domestic and international markets. Inputs for such an adaptation or changes in procurements policies may be derived based on authentic feed-back about the effectiveness of the manner in which the present policy is implemented and the qualitative results of purchasing.





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25.0 GOVT. GUIDELINES / INSTRUCTIONS:

Guidelines / instructions issued by Govt. from time to time relating to Purchase activities which are mandatory and have the force of Law (such as CVC's Instructions and Presidential directives) shall be adhered to without waiting for formal amendment to the purchase policy document which, of course, will be issued at the earliest. Some of the guidelines followed presently are as under:

25.1 Relaxation of Norms for Micro & Small Enterprises in Public Procurement: Procurement preference will be given to Micro and Small Enterprises (MSEs) as per latest Government Policy.

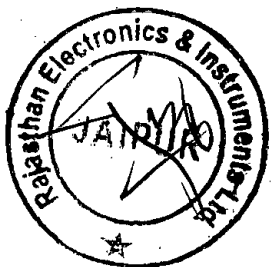
Micro and Small Enterprises (MSEs) registered under Udyam Registration are eligible to avail the benefit under the policy.

The MSEs be provided tender documents free of cost and are exempted from payment of earnest money, Subject to furnishing of relevant valid certificate for claiming exemption. However exemption from paying Performance Bank Guarantee is not covered under the Policy. Condition of prior turnover and prior experience with respect to Micro and Small Enterprises may be relaxed in procurements as per Government norms subject to meeting of quality and technical specifications. Startups, Micro and Small Enterprises (MSE) must, along with their offer, provide proof of their being registered as Startup/MSE (indicating the terminal validity date of their registration) **for the item tendered**, with any agency mentioned in the notification of the Ministry of Micro, Small and Medium Enterprises (Ministry of MSME),

In tender, participating Micro and Small Enterprises (MSE) quoting price within price band of L1+15 (fifteen) per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25 (twenty five) per cent of total tendered value. The 25 (twenty five) per cent quantity is to be distributed proportionately among these bidders, in case there are more than one MSMEs within such price band.

Within this 25% (Twenty Five Percent) quantity, a purchase preference of four per cent is reserved for MSEs owned by Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs (if they participate in the tender process and match the L1 price) & three (3) percent is reserved for MSEs owned by women entrepreneur. Provided that, in event of failure of such SC/ST MSE to participate in tender process or meet tender requirements and L1 price, four percent sub-target shall be met from other MSE. MSEs would be treated as owned by SC/ST entrepreneurs:

- i) In case of proprietary MSE, proprietor(s) shall be SC/ ST
- ii) In case of partnership MSE, the SC/ST partners shall be holding at least 51% (fifty-one percent) shares in the unit
- iii) In case of Private Limited Companies, at least 51% (fifty-one percent) share shall be held by SC/ST promoters.
- iv) If subcontract is given to MSEs It will be considered as procurement from MSEs.





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- v) In case of tender item cannot be split or divided etc. the MSE quoting a price within the band L1+15% may be awarded for full/complete supply of total tendered value to MSE, considering the spirit of the policy for enhancing Govt. procurement from MSEs.
- vi) The policy is meant for procurement of only goods produced and services rendered by MSEs. Traders/distributors/sole agent/Works Contract are excluded from the preview of the policy.

25.2 **Relaxation of Norms for Startups in Public Procurement:** The Condition of prior turnover and prior experience may be relaxed for startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality and technical specifications and making suitable provisions in the bidding document.

25.3 **Procurement Preference to Make in India**

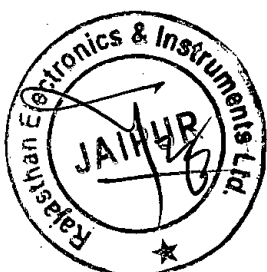
To encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, Department of Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India issued Public Procurement (Preference to Make in India), order 2017. (Enclosed at Annexure-I)

26.0 **CODE OF INTEGRITY FOR PROCURING ENTITY AND BIDDER:**

26.1 No official of a purchase department or a bidder shall act in contravention of such code of integrity as may be prescribed by the Central Government.

26.2 The code of integrity referred to in sub-section (21.1) shall include provisions for **Prohibition of:**

- i) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process;
- ii) any omission, or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided;
- iii) any collusion, bid rigging or anti-competitive behavior that may impair the transparency, fairness and the progress of the procurement process;
- iv) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain;
- v) any financial or business transactions between the bidder and any official of the procuring entity;
- vi) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process;
- vii) obstruction of any investigation or auditing of a procurement process;





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26.3 It shall include provisions for disclosure of conflict of interest;

26.4 It shall include provisions for disclosure by the bidder of any previous transgressions made in respect of the provisions of sub-clause (a) with any entity in any country during the last three years or of being debarred by any other procuring entity.

26.5 Without prejudice, if the procuring entity comes to the conclusion that a bidder or prospective bidder, as the case may be, has violated the code of integrity, the procuring entity may take appropriate measures including—

- i) exclusion of the bidder from the procurement process;
- ii) calling off of pre-contract negotiations and forfeiture or encashment of bid security;
- iii) forfeiture or encashment of any other security or bond relating to the procurement;
- iv) recovery of payments made by the procuring entity along with interest thereon at bank rate;
- v) cancellation of the relevant contract and recovery of compensation for loss incurred by the procuring entity;
- vi) debarment of the bidder from participation in future procurements of the procuring entity for a period not exceeding two years under section 49.

26.6 Debarment Of Suppliers:

- i) A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.
- ii) Firms will be debarred if it is determined that the bidder has breached the code of integrity
- iii) A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Procurement Division, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material/service, abandonment of works, sub-standard quality of works, failure to abide "Bid securing Declaration", cartel formation, collusive bidding/bid rigging etc.
- iv) Procurement Division before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (Including personal hearing, if requested by firm.)
- v) Procurement Division that issued the order of debarment can also issue an Order for revocation of debarment before the period of debarment is over, If there is adequate justification for the same. Ordinarily, the revocation of the order before expiry of debarred period should be done with the approval of Competent Authority.
- vi) Procurement Division will maintain list of debarred firms, which will also be displayed on its website.
- vii) Debarment is an executive function and should not be allocated to Vigilance Department.



27.0 SCRAP DISPOSAL:

There accumulates, a large quantity of material which is neither usable for the purpose for which it was originally procured nor of any other operational value. Such material is generally called "scrap" and should be distinguished from other stores and component parts which can be utilized after repair or renovation. Occasionally, scrap may consist of second hand or in excellent repair even new material which is surplus to the need of the organization or its sister organizations and may command a fair price in the market not normally associated with scrap.

27.1 Survey of Materials for Classifying as Scrap for Disposal: Competent Authority to declare and dispose off Scrap Material may be laid down in the SoPP, based on the 'Book Value' or 5% (Five percent) of the Original/ Market Value of new goods, if Book value is either not available or has become negligible. Before any item of stores can be sold as 'scrap', it should be declared as such by the Survey Committee (SC) appointed by the Head of Office and the sanction of the CA obtained for such a sale. The CA may relax this need for survey by SC, as a standing order, in the case of a list of known items of scrap like Newspapers, containers etc. of small value (Rs. 5,000 – Rupees Five thousand). Lots of small value may also not require to be condemned by SC, on which the Head of Office may be given powers to declare such materials as scrap without survey committee. However, this dispensation is subject to furnishing of a certificate by the concerned Departmental officer as laid down in the SoPP that the items being offered have been inspected by him personally and found unserviceable and unfit for any further use.

27.2 Survey of Scrap: Generally, items may be identified as scrap in any of the following cases:

- i) Whether the item has completed its expected useful life or not, factors such as norms for maintenance cost; norms for utilization of such equipment; usability in the organization or any other office must also to be considered before deciding on scrapping the equipment;
- ii) The item has a limited shelf life, exists in surplus quantities and there is likely to be no future use of the item during the remaining period of its useful life;
- iii) The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the SC. A standard format for SC's recommendations for disposal of goods is provided in Annexure 24;
- iv) SC may seek the approval of the CA with the concurrence of the Associated/integrated Finance.

27.3 Modes of Disposal: Obsolete/ Non Moving / Unutilized items/ Faulty Items will be disposed at regular interval (Preferably every two year).

The mode of disposal may be determined by the CA, keeping in view the necessity to avoid accumulation of such goods, consequent blockage of space and also deterioration in value of goods to be disposed of. The usual modes of disposal of scrap are:

- i) Small value scrap such as waste paper or industrial sweepings, and so on, up to a value of Rs. 5,000 (Rupees Five thousand) in each case





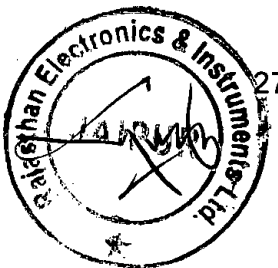
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may be sold directly to the local scrap dealers on a summary quotation basis;

- ii) Scrap up to Rupees Two Lakh may be sold on a Limited Tender basis to locally known Scrap Dealers of relevant category;
- iii) Sale through the e-auction portal, or a tender for disposal or traditional public auction may be resorted to for scrap value above Rupees two lakh. E-Auction should be the preferred mode for such disposals, using the e-Auction platforms of NIC, MSTC, Indian Railways or any other appropriate portal;
- iv) Certain useable machinery/ spare may still be useable by other Ministries/ Departments/ PSUs; these should be disposed at book value plus 20 (Twenty) per cent (7.5 (Seven and a half) per cent freight +12.5 (Twelve and a half) per cent handling charges) directly to the concerned organization.
- v) Sales by Submission of Tenders: Disposal may also be done by submitting bids in response to public invitations for tenders for supplying materials, whether such invitations are issued by Government Departments, PSUs or by private bodies. This method of sale is particularly suitable where it is proposed to dispose of its 'overstocks' and surplus stores' which are in fit to use condition.
- vi) Scrap which is a security or safety risk (stamps, negotiable instruments, money value documents, security press items) may be destroyed suitably in an eco-friendly manner in accordance with guidelines of Central Pollution Control Board (CPCB) or State Pollution Control Board (SPCB) in the presence of a committee after obtaining CA's approval. The committee should issue a certificate of having destroyed these. Video recording may also be done of such disposal.
- vii) Sale of hazardous waste items would be governed by the following procedures in addition to guidelines/notifications issued by the Central Pollution Control Board (CPCB)/Ministry of Environment and Forests (MoEF) from time to time:
- viii) Sale of old batteries/ lead acid batteries will be governed by the Batteries (Management & Handling) Rules, 2001 or as amended from time to time;
- ix) Sale of other categories of hazardous waste items will be governed by the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 or as amended from time to time;
- x) Sale of e-waste shall be governed by E-Waste (Management) Rules, 2016 or as amended from time to time;

27.4 Bidders must submit a notarized copy of the valid registration certificates issued by the State (or Union Territory) Pollution Control Board (SPCB) and produce it at the time of taking delivery of the materials, failing which their bid will be liable for rejection. In case of lead acid batteries, used/waste oils and nonferrous metal wastes, in addition to submitting necessary valid registration from the SPCB, the bidder must also submit a notarized copy of the valid registration certificate from CPCB (or MoEF); and

27.5 In case of a sale involving inter-state movement of goods, the buyer shall also submit an NOC from the concerned SPCB, with whom the buyer is





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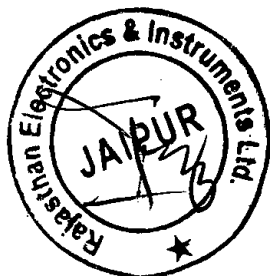
registered, to the seller before taking delivery, failing which the buyer will be responsible for the consequences and the seller shall take further decision as may be deemed fit.

27.6 Determining Reserve Price In any mode of disposal, material should not be sold at rates per lot but bids should be registered by rate per unit (number, length or weight) so that a complete check on the quantity delivered can be exercised, at any time. The Head of Office holding the stock may determine the reserve price with the concurrence of the Associated/integrated Finance and approval of CA. In case of large value disposals a Reserve Price Committee may be appointed to recommend the reserve price. The use of external costing experts, price databases, price indices and data sharing may be done in the same manner as detailed in Chapter 2, para 2.1.1 (iii)(e) relating to the reasonableness for procurement prices. Large newspapers and economic dailies have dedicated sections dealing with rates in the scrap market. The reserve price should be recorded on a page numbered register in advance of the date of disposal. This register should be sealed immediately after the reserve prices of all lots are recorded in the register, and kept in safe custody. The sealed register should be opened just before the e-auction creation/tender opening. Some methods for determining reserve prices are:

- i) Book value with depreciation. In case the Book value is not available or has become insignificant, the reserve price may be based on 5% of the Original or Market cost of the new item;
- ii) Last sale price moderated by quantity, quality, location, market condition, price trend of various metals, and so on;
- iii) Prevailing market price ascertained through a market survey; and iv) Costing analysis based on costs of various elements of the item (discounted for melting losses) labour charges and transportation cost; etc.
- iv) In cases where the reserve price cannot be fixed as per the laid down procedure an Insurance Regulatory and Development Authority (IRDA)-approved valuer may be engaged for valuation of such material and the Reserve Price Committee will take into account the valuation given by the valuer while recommending the reserve price.

27.7 Conditions of Disposal Applicable to all Modes of Disposal

- i) **'As-Is-Where-Is' basis:** Notwithstanding anything contained in the e-auction or advertisement issued on the description and particulars of material for sale, the sale is on 'as-is-where-is' basis only and the principle of caveat emptor (let the buyer be aware) will apply. As is where is means that the description/ quality/quantity indicated are approximate and the seller does not give any assurance or guarantee that the material will strictly adhere to the advertisement or e-auction. All items shall be taken delivery of from the site by the successful bidders, with its faults and errors in description, if any. Neither can the sale be invalidated nor the bidder make any claim/ compensation, whatsoever, on account of any defect in description or deficiency in the quantity and quality. No plea of misunderstanding or ignorance of





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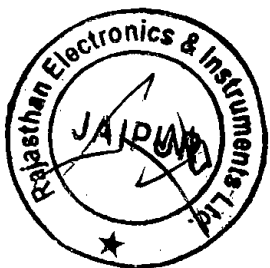
conditions put forth subsequent to a confirmation of sale shall be accepted.

- ii) **Inspection by Bidders:** In view of the 'as-is-where-is' condition, bidders are advised to quote rates only after inspection of items at the site. The bidder or his authorized representative may inspect the materials as per the inspection schedule mentioned in the auction details, between 11 am to 4 pm (excluding lunch hours) on any working day at the location specified against each lot with the prior permission from the contact person, as given in the auction details. The detailed description of all lots, including the list of spare parts, if any, is available at the site.
- iii) **Right to Reject all Bids:** The seller reserves the right to accept/reject and cancel any bid, amend the quantity under any lot or withdraw any lot at any stage before or after acceptance of bid/issue of acceptance letter/sale order/delivery order/deposit of the full sale value by the bidder, without assigning any reason thereof and the value of such material, if paid for, shall be refundable. The seller shall not be responsible for damage/loss to bidders on account of such withdrawal at any stage from the sale.

27.8 Disposal through Tender

Disposal through tender could take place through the e-Procurement portal or normal tendering. In the bidding documents, General Conditions of Sale (GCS, in place of GCC in procurement tenders) may be laid out. The broad steps to be adopted for this purpose are:

- i) Preparation of bidding documents;
- ii) Invitation of tender for the surplus goods to be sold;
- iii) Opening of bids;
- iv) Analysis and evaluation of bids received;
- v) Selection of the highest responsive bidder;
- vi) Collection of sale value from the selected bidder;
- vii) Issue of sale release order to the selected bidder;
- viii) Release of the sold surplus goods to the selected bidder; and
- ix) Return of bid security to the unsuccessful bidders;
- x) Any special conditions of contract for each lot may also be given. Important aspects to be kept in view while disposing the goods through an advertised tender are:
 - a. The basic principle for sale of such goods through an advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity should be ensured of the sale plan and the goods to be sold;
 - b. All required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. The applicability of taxes, as relevant, should be clearly stated in the document. The bidding document should





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also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding;

- c. Bidders should be asked to furnish bid security (EMD) along with their bids. The amount of bid security should ordinarily be five per cent of the assessed or reserved price of the goods. The exact bid security amount should be indicated in the bidding document. The EMD shall be forfeited if the tenderer unilaterally withdraws, amends, impairs or derogates from his offer in any respect within the period of validity of his offer;
- d. Late bids, that is, bids received after the specified date and time of receipt should not to be considered;
- e. The bid of the highest acceptable responsive bidder should normally be accepted and an acceptance/sale order be issued. However, if the price offered by that bidder is not acceptable, a negotiation may be held only with that bidder;
- f. In case the selected bidder does not show interest in depositing the balance sale value or in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter;
- g. In case the total quantity to be disposed cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder. The minimum quantity to be accepted shall be indicated in the tender;
- h. If the tenderer's offer is not accepted, the tenderer's EMD shall be refunded to him. No interest shall be payable on such refunds. The EMD deposited by the successful tenderer shall remain with the disposing Department till payment of the SD money has been made. It may be adjusted as part of the total SD money at the discretion of disposing Department;
- i. The offer should be examined by the competent level of Tender Committee as per SoPP and TC recommendations should be accepted by the Competent Authority as per the laid down SoPP;
- j. The acceptance letter/sale order would be issued to the successful bidder(s) notifying the amounts and schedule of submission of SD and Balance Sale Value (BSV);
- k. Successful tenderers, herein after referred to as purchasers, shall have to submit a SD @ 25 (Twenty-Five) per cent of the total sale value of the contract within seven calendar days of the issue of the acceptance letter/sale order (excluding the date of issue). The SD shall be deposited in the form of bank draft/pay order, drawn on any of the commercial bank in favour of officer concerned as mentioned in the NIT;
- l. BSV: The successful bidder in an e-auction or tender sale may be allowed 15 (Fifteen) calendar days (including the date of acceptance letter/sale order) for payment of BSV. The Head of





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Office (or the Officer delegated by an order as per SoPP) after taking into consideration the prevailing market rates and trends, may grant an extension of time for the payment of BSV with late payment charges @ one per cent per week or part thereof up to two weeks only and, thereafter, the SD will stand forfeited without notice. Extensions should not be granted as a matter of routine. The date of submission of the demand draft in the cash office is the date of payment for all purposes. No interest will be paid to the purchaser for the amounts paid or deposited and subsequently found refundable to the purchaser under any of the conditions of the contract; and

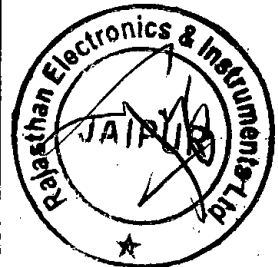
- m. Delivery Order: Delivery Order is an essential document required to be produced to take delivery of the material from the custodian and therefore after depositing BSV, the Delivery Order should be issued and the delivery should be made to purchaser or his agent on the strength of the Delivery Order and after verifying cashier's receipt.

27.9 Disposal through Auction

- i) A Ministry or Department may undertake auction of goods to be disposed of either directly or through approved auctioneers;
- ii) The basic principles to be followed here are similar to those applicable for disposal through the advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale, and so on, should be given wide publicity in the same manner as is done in case of the advertised tender;
- iii) While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale, and so on, (as already indicated earlier while giving wide publicity to it), should be announced again for the benefit of the assembled bidders;
- iv) During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, SD (not less than 25 (Twenty-Five) per cent of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of deposit-at-call-receipt, drawn in favour of the FA of the disposing organization. The goods should be handed over to the successful bidder only after receiving the balance payment as in case of sale through tenders;
- v) The composition of the auction team will be decided by the CA. The team should preferably include an officer of the internal finance wing of the Department and a representative of security staff.

27.10 Disposal at scrap value or by other modes

If a Ministry or Department is unable to sell any surplus or obsolete or unserviceable item at the reserve price, in spite of its attempts through an advertised tender or auction, it may dispose it off at its scrap value with the approval of the CA in consultation with the Associated/integrated Finance. In





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case the Ministry or Department is unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

27.11 Delivery of Sold Material

i) Free Delivery Time and Ground Rent

Delivery has to be taken within 30 (Thirty) calendar days (called free delivery period) from the date of the acceptance letter/sale order (excluding the date of issue of acceptance letter/ sale order). The delivery of material will be given only after realization of the demand draft/ pay order. If the purchaser is not able to lift the material within the free delivery period, he may request for an extension. Such extensions are generally granted after levying a ground rent @ 1/2 (half) per cent of the sale value per day. But, in some genuine cases, the levy of ground rent may be waived. An accounts representative will be responsible for seeing that when the ground rent has become due, it is recovered by the stock-holder before delivery of the stores. The amount realized as ground rent should be noted in the issue note by the stock holder and certified by the stock verifier. The stock-holder will be responsible for remitting the cash to the cashier and obtaining a receipt.

ii) All Risks to the Buyer

The items shall remain, in every aspect, at the risk of the buyer from the time of acceptance of his offer. The seller will not undertake any liability whatsoever for the safe custody, protection or preservation after the sale has been confirmed. Lots are put up for sale, subject to change by nature's wear and tear. No complaint regarding the quality or description of the materials sold will be entertained once the bid has been accepted.

iii) Terms of Delivery

No picking, choosing, sorting, welding, cutting or breaking of goods or materials sold will be permitted unless otherwise specified. In used/waste oil, separation of oil and water, and so on, shall not be allowed at the site. If these actions are allowed, there is possibility of leakages. In mixed lots, the buyer may take undue advantage by leaving cheaper components behind. If whole machinery is sold and cutting and breaking is allowed, it would be difficult to ensure that the purchaser is taking out only his own cut material and not other unsold material or from other scrap lots. If any foreign materials are found to be mixed in the lot, other than the items included in the auction catalogue and acceptance letter/sale order, the seller reserves the right to remove them at the time of delivery. The buyer shall not be entitled to re-sell an item, lot or part of a lot while the goods are still lying within the premises of the seller and any such sale or assignment of the buyer's right to the material sold in an auction will not be recognized. All documents for releasing materials will be made out in the name of the buyer only.

The material will be delivered only to the successful bidder or his authorized representatives against the presentation of the buyer's identity proof. If the successful bidder desires to authorize a representative or an agent to accept delivery, the bidder shall produce a suitable power of attorney or authorization letter for each lot separately, duly attested, by a





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notary public authorizing his representative or agent to lift the material from the seller.

iv) Default by Seller

The seller will not be, in any way, responsible for failure to deliver the material due to causes beyond his control such as a strike, lockout, cessation of work by laborers, shortened hours, act of God or other causes or other contingencies whatsoever. The buyer shall not be entitled to cancel the contract and the period of delivery shall automatically be extended proportionately.

v) Default by Buyer

Materials sold but not removed within the specified date will become the property of the seller and it will have the right to dispose of such goods in any manner as he deems fit without any notice.

vi) Witnessing Delivery

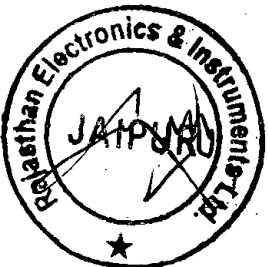
All materials sold shall be weighed or counted before delivery, this being supervised by the:

- Stock-holder's representative;
- Accounts representative – stock-verifier;
- Representative of the security force of a rank not less than constable; and
- Representative of the purchaser (if he wants to be present).

vii) Deliveries of Scrap

At the time of delivery of scrap material to the purchaser, the weighment is to be done in the presence of the stockholder's representative, so nominated by the Head of Office. The stockholder's representative and accounts representative will sign a joint statement indicating the type of scrap, name of the party to whom scrap is delivered and quantity as per the weighment slip. The stock-holder should arrange for the deliveries to be affected according to the agreement and terms and conditions of sale. He should take every possible step to expedite delivery of the auctioned materials. The stock verifier should count, measure or weigh each lot or part of a lot after comparison of the description and quantity shown in the sold lot to ensure that only such kinds and quantities of materials as have been shown in the sold lot are being issued; he should sign the gate passes and issue notes in token of such a check. In giving delivery of scrap of non-ferrous items, the material should be weighed on electronic weighing scales and the weight of each consignment should be recorded in detail by the stock verifier in his field book. All deliveries should be done through Electronic Weigh Bridges. All the Weigh Bridges should have valid certificate from Weight & Measurement Department of the State Government.

He should sign the issue note after fully satisfying himself that entries made therein agree with those in the field book. The field book should be attested by the other representatives making delivery of the goods in token of their having accepted the correctness thereof.





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The empty and loaded trucks or carts should be weighed and particulars of the gate pass issued recorded. The issue note and gate pass should be countersigned by the stock verifier.

The loading of the sold materials should be done under the supervision of the stock-holder and be witnessed by other representatives. The stock-holder will be responsible for realising the loading charges, if any, from the purchaser.

viii) Variation in Available Quantity

At the time of delivery, the actual quantity may vary from the quantity mentioned in the delivery order. In case of excess available material, the seller reserves the right to retain material in excess of quantity in the lot at its discretion. The purchaser may be allowed to lift the additional quantity after making the requisite additional payment to the seller.

If the quantity in a lot on actual weighment or count is less than the announced quantity, the seller will not make good the deficiency under any circumstances. The purchaser thereof will be entitled to obtain a refund for the undelivered quantity at the quoted rate. No interest will be paid on the amount of short delivered quantity. The reasons for shortfall should be recorded by the stock-holder and the Head of Office (or any other officer as per SoPP) should also record his opinion. Any refund in this regard will be made with the Head of Office's (or any other officer as per SoPP) recommendation, the Associated/integrated Finance's concurrence and CA' approval. Copies of the weighment slip will be the base for determining the refund amount. It may be necessary to look into the ledgers for the total quantity held by the stock-holder and particularly so in the case of non-ferrous scrap; the item concerned may have to be processed for special stock verification. In case of a short delivery of the material, the refund of taxes will be the responsibility of the successful bidder only.

ix) Conclusion of Delivery

The seller's responsibility ends after the consignment has been loaded and handed over to the representative of the purchasers. The seller will be no party to any dispute that may arise after the loading has been completed. At the conclusion of the delivery of the lot or lots, pertaining to the item of scrap, any stock, left over should be verified by the Accounts Department with the book balance and any discrepancies adjusted. Such "left over" stock may be transferred to fresh scrap of similar description. At the conclusion, a report of sale account of goods disposed has to be submitted to the CA and FA, to show that only the material paid for (and nothing else) has been disposed of and that all payments due (and nothing less) have been credited to the relevant accounts. A format of the report is shown in Annexure 25

27.12 Procedure for Adjustment of Sale Proceeds in the Books of Accounts

The following procedure may be followed for adjustment of sale proceeds in the books of accounts:

- i) If the realized price is more than the book value, the sale proceeds should first be applied towards the 'head of account' in which the book





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value is lying, and the remaining portion should be treated as "profit on sale of capital asset"; and

- ii) If the realized price is less than the book value, it should be apportioned in the ratio of the reserve price of the equipment and that of the spares. In this case, the CA's sanction to write off the difference between the book value and the realized price would be necessary.

28.0 ARBITRATION CLAUSE

Any dispute shall attempt to resolve through good faith consultation, disputes arising in connection with this contract, and such consultation shall begin promptly after a Party has delivered to the other Party a written request for such consultation. Each of the parties shall be free to choose each of the below mentioned procedures.

Any dispute, which could not be settled by the Parties through amicable settlement, shall be finally referred to arbitration of two arbitrators, one to be appointed by each party to the dispute, and in case of difference of opinion between them to an umpire appointed by the said two arbitrators before entering on the reference, and the decision of such arbitrators or umpire, as the case may be, shall be final and binding on both parties. Arbitrator shall be appointed by the parties on mutual consent or, in the absence of any such consent among the parties as per the provisions of Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof and the Rules made thereunder as applicable in India.

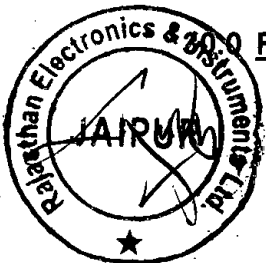
Any dispute arising from this contract or relating thereto or additional contract thereto, including disputes arising from or relating to the interpretation, invalidity, breach or termination shall be settled amicably. If the parties do not reach resolution of the matter within 2 (Two) months, the disputes shall be referred to the relevant court of Jurisdiction. The Venue of Arbitration proceedings shall be at Jaipur.

29.0 FORCE MAJEURE CLAUSE

A Force majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party non-performance entirely but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (ninety) days either party may at its option terminate the contract without any financial repercussion on either side.

30.0 FOREIGN ARBITRATION

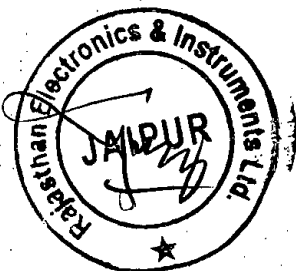
The Arbitration and Conciliation Act 1996 has provisions for international commercial arbitration, which shall be applicable if one of the parties has its





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central management and control in any foreign country. When the contract is with a foreign supplier, the supplier has the option to choose either the Indian Arbitration and Conciliation Act, 1996 or arbitration in accordance with the provisions of the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules. The arbitration clause with foreign firms should be in the form of self-contained agreements. This is true especially for large value contracts or those for costly plant and machinery. The venue of arbitration should be in accordance with UNCITRAL or arbitration rules of India, whereby it may be in India or in any neutral country.





**RAJASTHAN ELECTRONICS & INSTRUMENTS LTD.,
JAIPUR
SINGLE SOURCE CERTIFICATE**

Item (s) as per enclosed MPR No. _____ dt : _____ may be procured from M/s. _____ or their authorised distributors/stockists only, for the following reasons :
(tick the appropriate item)

- (1) This is the only known manufacturer in india for this/these item(s) in desired specifications .
- (2) The items are spares/accessories for main equipment namely _____ which has been purchase from the above referred source.
- (3) This is the only source indicated in our design specification,
- (4) This is the only known source and recommended by our collaborator.
- (5) This is the only known & developed source for this/these item(s).
- (6) Any other reasons _____
- (7) For Completing items/BOS only :
 - (a) This is the only source as per the contractul obligation with customer.
 - (b) This is the only choice of the customer/consultants.
 - (c) The source given above is as per the discussion arrived at with the customer/consultant.
 - (d) This is the only known source which fits in our system design.This was in corporated in the design after evaluating all the alternative available at that time for their technical suitability and end competitiveness of prices.

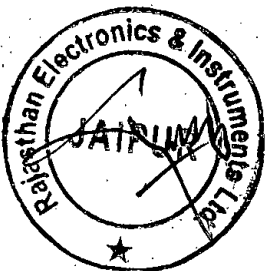
The cost of the item(s) is suitably coverd in the sale value of the end product.

Signature of
issuing authority _____

Designation _____

Date : _____

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(2)

COMMENTS OF PROCUREMENT DIVISION

- (1) This is the only known manufacturer in india for this/these item(s) in desired specifications .
- (2) The details of equivalants available in the market are being provided to the P & D division for their examination and to lying down the detailed specifications for these items so that more manufacturers could be developed for future requirments.
- (3) These are already more developed/known source for the item(s) referred above.

In view of the above the S.S.C. may be accepted/rejected for procurement of full/following quantities against the MPR under reference :

Signature : _____

Designation : _____

Date : _____

GROUP HEAD (Procurement)

Concurred by F & A Division

Signature : _____

Designation : _____

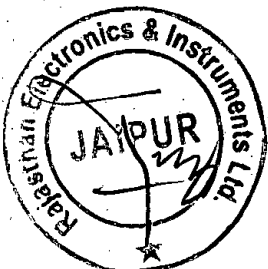
Date : _____

Approved by

Signature : _____

Designation : _____

Date : _____





**RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED,
JAIPUR**

Certificate No. _____, Dated _____

Certificate For Calling Tender On Limited / Single Tender Basis
(To be furnished by GM or AGM only in case of his reporting directly to MD)

Reference – MPR No. / service Procurement reference & Date _____

Item Description / Name of Work : _____

This tender is required to be called on Limited / Single tender basis, due to the following reasons: -

It is hereby **Certified** that the above constitute **reasonable & sufficient** ground for calling this tender on Limited / Single tender (instead of Open / Limited tender) basis.

Put up for kind approval, please. *

GM/AGM

Copy to:

Vigilance Officer, REIL Jaipur

NB: -

- (1) * *Strike out these lines in case of tender being called on Limited tender basis.*
- (2) *This Certificate is required to be furnished in addition to other papers i.e. this Certificate does not supersede / replace any of the existing documents / papers / certificates which are required to be maintained as per the existing procedures, for calling of Limited / Single tenders.*
- (3) *In case of single tender, a copy of SSC is to be attached to this Certificate.*
- (4) *For regular production items this certificate is to be signed by the Head of MM department and for other items (including BOS) by the Head of indenting department*



No. P-45021/2/2017-B.E.-II
Government of India
Ministry of Commerce and Industry
Department of Industrial Policy and Promotion

Dated 15th June, 2017
Udyog Bhawan, New Delhi

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

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

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

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

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

Now therefore the following Order is issued :

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

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

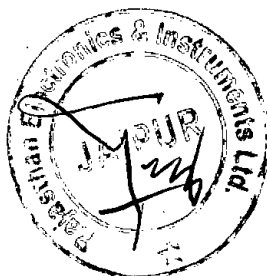
'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of this order.

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

'margin of purchase preference' means the maximum extent to which the price quoted by a local supplier may be above the L1 for the purpose of purchase preference.

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

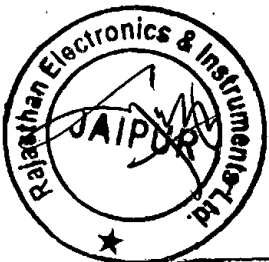
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'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

3. **Requirement of Purchase Preference:** Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder:
- a. In procurement of goods in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply.
 - b. In the procurements of goods which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
 - c. In procurements of goods not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

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4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20% .
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
 - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
 - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
 - g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the

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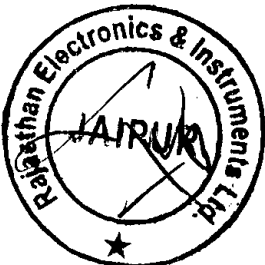
duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.

- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
- i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or (ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

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11. **Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.
12. **Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
14. **Powers to grant exemption and to reduce minimum local content:** Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
 - a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20% ;
 - c. exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

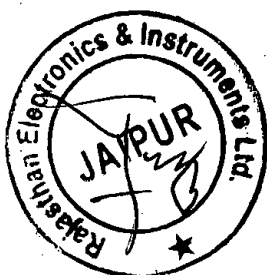
A copy of every such order shall be marked to the Member-Convenor of the Standing Committee constituted under this Order.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.
16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department of Industrial Policy and Promotion—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DIPP)—Member-Convenor

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

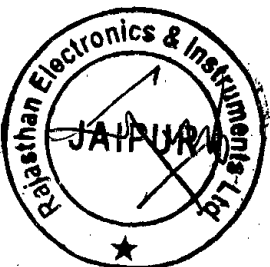
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17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary but not less than once in six months. The Committee
- shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - shall annually assess and periodically monitor compliance with this Order
 - shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - may require furnishing of details or returns regarding compliance with this Order and related matters
 - may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
 - may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
 - may consider any other issue relating to this Order which may arise.
18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.
19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.

B. S. Nayak

(B. S. Nayak)
Under Secretary to Government of India
Ph. 23061257



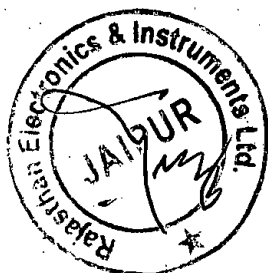
E. M. D. BANK GUARANTEE FORMAT WHEREAS

M/s. _____ (Name & Address of the Firm) having their registered office at _____ (Address of the firms Registered office) (Hereinafter called the "bidder") wish to participate in the tender No. _____ for _____ Rajasthan Electronics & Instruments Limited (REIL) and WHEREAS a Bank Guarantee for (Hereinafter called the "Beneficiary") Rs. _____ (Amount of EMD) valid till _____ (Mention here date of validity of this Guarantee which from the date of the submission of Tender's offer) which is required to be submitted by the bidder along with the tender.

We, _____ (Name of the Bank and address of the Branch giving the Bank Guarantee) having our registered office at _____ (address of Bank's Registered office) hereby give this Bank Guarantee No. _____ dated _____ and hereby agree unequivocally and unconditionally to pay immediately on demand in writing from the Rajasthan Electronics & Instruments Limited or any officer authorized by it in this behalf any amount not exceeding Rs. (Amount of E.M.D.), (Rupees _____ (In words) to the said Rajasthan Electronics & Instruments Limited on behalf of the bidder.

We _____ (Name of the Bank) also agree that withdrawal of the tender or part thereof by the bidder within its validity or Non submission of Security Deposit by the bidder within one month from the date tender or a part thereof has been accepted by the Rajasthan Electronics & Instruments Limited would constitute a default on the part of the bidder and that this Bank Guarantee is liable to be invoked and en-cashed within its validity by the Beneficiary in case of any occurrence of a default on the part of the bidder and that the en-cashed amount is liable to be forfeited by the Beneficiary.

This agreement shall be valid and binding on this Bank upto and inclusive of _____ (mention here the date of validity of Guarantee) and shall not be terminable by notice or by Guarantor change in the constitution of the Bank or the firm of bidder or by any reason whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, conceded with or without our knowledge or consent by or between the bidder and the REIL.



"Notwithstanding anything contrary contained in any law for the time being in force or banking practice, this Guarantee shall not be assignable, transferable by the beneficiary (i.e. REIL). Notice or invocation by any person such as assignee, transferee or agent of beneficiary shall not be entertained by the Bank. Any invocation of the Guarantee can be made only by the beneficiary directly.

NOTWITHSTANDING anything contained hereinbefore, our liability under this guarantee is restricted to Rs. _____ (Amt. of E.M.D.) (Rupees _____)

_____) (in words). Our Guarantee shall remain in force till _____ (Date of validity of the Guarantee). Unless demands or claims under this Bank Guarantee are made to us in writing on or before _____ (Date of validity of the Guarantee), all rights of Beneficiary under this Bank Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under:

Place:

Date:-

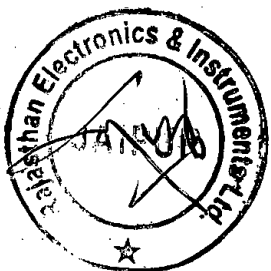
Please mention here Complete Postal Address of the Bank with Branch Code, Telephone.

SIGNATURE OF THE BANK'S
AUTHORISED SIGNATORY WITH
OFFICIAL ROUND SEAL

NAME OF DESIGNATED BANKS:

Note -1: The Bank Guarantee (B.G) shall be from the Nationalize Banks or any other Banks, as Notified by the Finance Department, from time to time.

Note -2: The B.G shall be signed by two bank officer jointly if the amount of B.G is more than Rs 50,000/- and B.G must have proper B.G number as per R.B.I guidelines.



Bank guarantee format for Performance Guarantee

(To be stamped in accordance with Stamp Act If any, of the Country of the issuing Bank)

Bank Guarantee No.....

Date.....

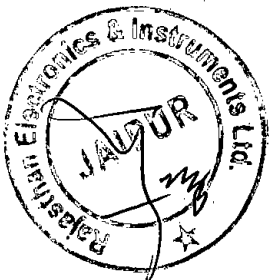
To [Purchaser's Name & Address]

Dear Sirs,

In consideration of the...*Purchaser's Name]..... (Hereinafter referred to as the 'Purchaser' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) having awarded to M/s....*Contractor's Name].....with its Registered/Head Office at.....(Hereinafter referred to as the 'Contractor'. Which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Purchaser's Purchase Order No.....dated.....and the same having been acknowledged by the contractor, for.....(Contract sum in figures and words) for.....*Name of the work] and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to -----% (*).....of the said basic value of the aforesaid work under the Purchase Order.

We.....[Name & Address of the Bank].....having its Head Office at.....(hereinafter referred to as the 'Bank', which expression shall, unless repugnant to the context of meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Purchaser's on demand any and all monies payable by the Contractor to the extent of.....(*) as aforesaid at any time up to.....(@).....*days/month/year] without any demur, reservation, contest, recourse or protest and/or without any reference to the Contractor. Any such demand made by the Purchaser's on the Bank shall be conclusive and binding notwithstanding any difference between the Purchaser's and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous consent of the Purchaser's and further agrees that the guarantees herein contained shall continue to be enforceable till the Purchaser discharges this guarantee or till....*days/month/year] whichever is earlier.

The Purchaser shall have the fullest liberty, without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of the Contract by the Contractor. The Purchaser shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the



Purchaser and the Contractor or any other course or remedy or security available to the Purchaser. The Bank shall not be released of its obligation under these presents by any exercise by the Purchaser of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance of other acts of omission or commission on part of the Purchaser's or any other indulgence shown by the Purchaser or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank:

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

Notwithstanding anything to the contrary contained herein.

1. Our liability under this Guarantee shall not exceed Rs. ----- (Rupees ----- Only).
2. This Bank Guarantee shall be valid up to -----
3. Further, a claim period of 60 days after validity period ----- is available to you to make a demand under the Bank Guarantee, in respect of a cause of action which has arisen during the validity period only.
4. We are liable to pay up to the guarantee amount only and only if we receive from you a written claim or demand duly received by authorized Bank officials within the validity period of the guarantee as above or within claim period, if any.

The said letter of guarantee has been transmitted through SFMS gateway to your bank. It is advised that in your own interest, you may verify the genuineness of above letter of guarantee from your bank/branch

WITNESSES: Signature.....
Name.....
Official Address.....
Address.....
Designation.....

Signature.....
Name.....
No.....
Address.....

Signature.....
Name.....
Official
Seal

