



PURCHASE MANUAL

OF

MANGANESE ORE (INDIA) LIMITED

I N D E X

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P R E A M B L E

MISSION

To promote excellence in Materials Management towards national prosperity through sustainable development.

Code of Ethics

As a guiding principle of professional conduct, all purchase and other executives of Manganese Ore (India) Limited will abide by the following codes of ethics:

To consider first the total interest of Manganese Ore (India) Limited in all transactions without impairing the dignity and responsibility of one's office.

To provide level playing field to all bidders/contenders.

To buy without prejudice seeking to obtain the optimum bargain in all transactions.

To subscribe and work for honesty and truth in buying to denounce all forms and manifestations of commercial malpractices and eschew anti-social practices.

To accord a prompt and courteous reception so far as conditions will permit, to all who call up on legitimate business mission.

To respect one's obligations and those of one's organization consistent with good business practice.

To promote a healthy and harmonious buyer – seller relationship.

APPLICABILITY OF PURCHASE MANUAL

This Manual is a guideline and all purchases are to be regulated as per procedure laid down therein. However, in some specific cases, it may become necessary to arrange materials by adopting methods not indicated in the manual. In such case, specific approval of Chairman cum Managing Director of Manganese Ore (India) Limited, hereinafter referred as **CMD of MOIL** will have to be obtained before initiating such action, detailing the reasons as to why procurement becomes necessary not as per the guidelines of the Purchase Manual.

CHAPTER – I

ORGANISATION

- 1.1 **Manganese Ore(India) Limited** is a Government Undertaking under the Ministry of Steel, Government of India. The company has Board of Directors headed by Chairman cum Managing Director.

Background of the company

Manganese Ore (India) Limited (MOIL) a Miniratna PSU was originally set up in the year 1896 as Central Province Prospecting Syndicate which was later renamed as Central Provinces Manganese Ore Company Limited (CPMO), a British Company incorporated in the UK. In 1962, as a result of an agreement between the Government of India and CPMO, the assets of the latter were taken over by the Government and **MOIL** was formed with 51% capital held between the Govt. of India and the State Governments of Maharashtra and Madhya Pradesh and the balance 49% by CPMO. It was in 1977, the balance 49% shareholding was acquired from CPMO and **MOIL** became a 100% Government Company under the administrative control of the Ministry of Steel.

At present, **MOIL** operates 10 mines – six located in the Nagpur and Bhandara districts of Maharashtra and four in the Balaghat district of Madhya Pradesh. All these mines are about a century old. Excepting three, rest of the mines are worked through underground method. The Balaghat Mine is the largest mine of the Company which produces one of the best quality manganese ore in the country is also the deepest underground manganese mine in Asia. The mine has now reached a depth of over 500 meters from the surface. Dongri Buzurg Mine located in the Bhandara district of Maharashtra is the largest opencast mine that produces manganese dioxide ore used by dry battery industry. This ore in the form of manganous oxide is used as micro-nutrient for cattle feed and fertilizers. **MOIL** fulfills about 70% of the total requirement of dioxide ore in India. The total production of manganese ore from all the mines constitutes about 65% of requirement of the country. At present, the annual production is around 0.9 million tonnes which is expected to grow in the coming years. **MOIL** has set up Ferro Manganese Plant (10,000 TPY) and Electrolytic Manganese Dioxide (EMD) Plant (1000 TPY) as per its diversification plan for value addition to manganese ore. **MOIL** is further considering setting up Captive Power Plant, expanding the capacity of ferro manganese plant and setting up a new Silico Manganese Plant to meet the ever increasing demand of the ferro alloys globally.

MOIL is also the largest employer in the manganese mining industry with a total work force of about 7000 employees.

- 1.2 The purchase functions in **MOIL** are carried out by Materials Management Department. Purchase functions are also carried out by Mines/User Deptt/Officials as per powers delegated to them.

CHAPTER-II

OBJECTIVE AND PURCHASE POLICIES

2.1 The primary objective is to procure plant and equipment, spares and other stores and materials required by indentors with a view to:

- a) Helping and maintaining continuity of production by correct supplies as per users requirement, in time.
- b) Ensuring that items purchased are most economical, taking into account their quality, durability, efficiency etc.
- c) Developing effective and on-going vendor relationships to ensure fair play & equity.

2.2 The materials obtained shall be :

- a) Of right quality:
- b) In right quantity:
- c) At the right time:
- d) At right prices:
- e) From right sources.

2.3 Following are the recommended modes of tendering for placement of orders:

- i) Domestic Open Tender(advertised)
- ii) Global Tender (advertised)
- iii) Limited Tender
- iv) Single Enquiry for proprietary and non-proprietary items.

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

- i) Operating DGS&D rate contracts.
- ii) Operating rate/running contracts concluded by MOIL for revenue items of large demand and of recurring nature and if felt necessary for some of the low value capital items whose requirement are frequent and repetitive.
- iii) Repeat Orders
- iv) Orders for products with administered pricing.
- v) Emergency Purchase/local purchase/Committee purchase as per delegation of power.
- vi) Spot/Cash purchase for low value purchases.
- vii) Purchase without tender(negotiated).

(Refer CVC Circular No. 23/7/07 dt.05/07/2007)

2.4 **ADVERTISED TENDER**

2.4.1 a) Normally all demands where the Indent value is Rs.30 Lakhs or more may be advertised in Newspapers, mentioning Web Site address in the advertisement/NIT published in the Newspapers as well facility for downloading the tender documents from the website.

b) For Global Tenders, advertisement may be published in Indian Trade Journal and Indian Export Bulletin also. Web Site address must be given in the advertisement/NIT published in the Newspapers with facility for downloading the tender documents.

c) The Tender notices should also be published in the Web site. The complete bid documents along with application form shall be published on the Web site of the **MOIL**. The sale of tender paper thro' Website shall be guided by the following:

i) It shall be ensured that the firms making use of this facility of web site are not asked to again obtain some other related documents from the department manually for purpose of participating in the tender process i.e. all documents up to date should remain available and shall be equally legally valid for participation in the tender process as manual documents obtained from the department through manual process.

ii) The complete application form should be available on the web site for purposes of downloading and application made on such a form shall be considered valid for participating in the tender process. The last date of downloading the tender paper from the website should coincide with the last date of manual sale of tender papers.

iii) The bid submitted against the application form downloaded from the web site shall be considered valid only when accompanied by a Bank draft drawn in favour of **MOIL** towards the cost of the tender documents indicated on the NIT.

2.4.2 However, Advertised Tender may be dispensed with for any item of P&M, Spare Parts or Consumable Stores, irrespective of the value of the Indent, under any of the following conditions:

a) The sources are limited and whose products are proven.

b) The item(s) indented is/are proprietary to an Original Equipment Manufacturer. In this case, a Proprietary Certificate should be given by the Head of the concerned Technical Department

c) The demand is very urgent as confirmed by the Head of concerned Technical Dept. In this case, list of known and established sources should be vetted by the HODs (tech. dept.).

d) Items to be procured are required to have approval of DGMS or any other regulatory authority.

e) Any other circumstance with proper justification.

In any of the above cases mentioned from (a) to (e) above, procurement may be made through Limited/Single Tender Enquiry, subject to the approval of CMD. In all such cases, the list of vendors should be approved by the concerned Director (P&P) .

2.5 LIMITED TENDERS

2.5.1 Limited Tenders shall be issued :

- a) If the Indent value of demand is less than Rs.30 Lakhs.
- b) In cases falling under para 2.4.2 above(except b).

2.5.2 In case of 2.5.1(a), the enquiries may be issued to

- i) the registered suppliers (if registered suppliers list is available) and/or
- (ii) to the firms who have been regularly participating in Tender and whose products have been found to be proven and/or
- (iii) to those whose names have been furnished by the Head of concerned Tech. Department. The list of vendors shall be approved by Head of Materials Management Department. In case sufficient number of vendors cannot be located with the above three options, assistance may be obtained from vendors directories published by reputed agencies like DGS&D, BIS, Chamber of Commerce, All India Manufacturers Associations, Trade Associations, Yellow Pages, etc. In cases, where Limited Tender Enquiries are issued to proven/registered tenderers who have been proven/registered against Advertised Tenders, enquiries should be sent to all proven/registered firms.

2.5.3 However, notwithstanding the above, in certain circumstances where it is considered in the opinion of the Head of the MM department that inclusion of a firm in the list of enquires will be in the best interest of the Company, even though the firm may not appearing on the list of registered suppliers the same may be included in the enquiries after recording the reasons of the same.

The number of tenderers to whom enquiries will be issued will depend on the value of the purchase. In no case the number of tenderers should be less than three. Issue of limited tender will be decided with approval of Head of MM department.

2.5.4 LIMITED TENDERS FOR SAFETY ITEMS

The safety items which are covered by DGMS approval, their procurement will be limited to registered/enlisted suppliers/ manufacturers possessing above valid approval and certifications. Open Global tendering will be resorted to on special occasions,

when global manufacturers are known to possess DGMS approval. List of DGMS approved firms for the items under consideration of procurement should be obtained directly from DGMS along with the validity of such approvals or downloaded from the website of DGMS.

- 2.5.5** Limited Tender should be issued by Registered Post/Speed Post well in advance or by hand duly received by the supplier.

2.6 ISSUE OF SINGLE TENDER

Single Tender may be issued for spare parts of any equipment based on a PROPRIETARY CERTIFICATE to be provided by the Head of the concerned Technical Department. Procurement of bought out items should be taken out from such procurement as far as possible by Technical Head in consultation with the Materials Department.

Single enquiry may also be issued on certain special technical consideration giving proper justification for such procurement and thereafter the procurement may be undertaken restricting to a specific brand/model/source. In all such cases, the indenter must obtain approval of Director(P&P) .

2.7 OPERATING OF RATE CONTRACTS

In respect of items required on repetitive basis, purchase may be made on the basis of Rate Contracts concluded by :

- a) The Company, through the Direct Demanding Officers named in the Contract.
- b) DGS & D after obtaining confirmation from the supplier that they are willing to supply on same rates, and terms & conditions. During the operation of DGS&D rate contract or before operating the same, the market feedback about the rate needs to be done.

In case of (b) above, the delegation of power to purchase executives will be the same as for open tender.

- c) The validity of such Rate Contracts ,as far as should be for a minimum period of one year w.e.f. the date of issue of contract.

2.8 REPEAT ORDERS

- 2.8.1** Repeat Orders shall be avoided normally. These are to be placed more as an exception rather than as a rule; only in cases where it is commercially beneficial.

- 2.8.2** Repeat Orders may be placed against any previous own orders which was placed as a result of normal tendering process, if the demand is urgent and that tendering may not only delay purchase but may also invite higher prices . In other cases, Repeat order may be placed with proper justification.
- 2.8.3** In above cases, a specific confirmation must be obtained from the concerned supplier regarding acceptance of the same terms & conditions prior to release of the repeat order.
- 2.8.4** In addition to the above, the following conditions have to be fulfilled for processing a proposal for placement of repeat order:
- i) Repeat order should not be more than 50% of the original order quantity.
 - ii) Not more than one year (12 months) should have elapsed since placement of the original order on the date of the proposal for repeat order
 - iii) The prices of the items being purchased on Repeat Order basis have not come down in the interim, owing to drop in raw materials cost, increased competition, increased production and taxes, duties etc.
- 2.8.5** No Repeat Order shall be placed, if the earlier order has been given on delivery preference basis.

2.9 COMMODITIES WITH ADMINISTERED PRICE

- a) The procedure that may be laid down from time to time by the respective price administering authority/Govt. Agency dealing with such items has to be carefully studied and followed in this respect.

2.10 COMMITTEE PURCHASE

2.10.1 EMERGENCY PURCHASE

In cases of urgency involving risk of loss of life and property or due to consequences of natural calamities/or an accident in the mine which would lead to a stoppage/losses in production/operations resulting in considerable loss of revenue, or other urgent case emergency purchase without resorting to normal tendering procedures may be resorted to.

The following procedures will be adopted in such cases :

i) An emergent indent with clear description of the materials will be raised by the concerned technical department with competent approval.

ii) Authorization for adopting such mode of purchase would be obtained from HOD of Materials Management Department upto a value of Rs.2 Lakhs. For purchases of value more than Rs.2 Lakhs/and upto Rs.5 Lakhs, approval of Director(Comml.) or Director(P&P) will be taken. For purchase of value more than Rs.5 Lakhs, approval of Chairman-cum-MD will be obtained.

iii) After approval is obtained, the HOD of MM Department may nominate a committee consisting of one Officer, each from M.M., Finance and Engineering Departments to handle the purchase.

iv) Quotations from known reputed sources of supply may be obtained by making verbal/telephonic or written enquiry. The number of firms from whom offers will be obtained should be decided by the purchase executive/Committee. Offers obtained, may be tabulated in a proforma comparative statement and negotiations may be carried out for getting quickest delivery and the lowest price. Recommendation of purchase may be made generally from the lowest techno-commercially acceptable tenderer. Approval of purchase may be obtained from competent authority, before issuing a formal supply order, as per his delegation of power under heading Power to make emergency purchase/without tender. Concurrence of finance should also be taken accordingly, but if a member from the finance department is included in the purchase Committee, no further concurrence will be required upto the purchase value of Rs.2 Lakh. For purchase value above Rs.2 Lakh, financial concurrence shall be needed.

The above procedure may be adopted only in exceptional cases. If extreme emergency arises due to any unanticipated stock out of a critical items vital for the production/operation of mines, emergency purchase may be resorted to as per the above procedure and clear recording should be made explaining the circumstances under which this procurement became unavoidable.

v) While a brief letter of intent may be handed over to the successful tenderer on spot or by express courier giving the price, delivery etc., a detailed supply order with terms and conditions has to be issued at the earliest.

vi) In all such cases, the delivery should be arranged by the quickest mode possible. However, for dispatch by air cargo service special approval of HOD of Materials Management Department should be taken.

2.10.2 SUNDRY ITEMS SUCH AS SPORTS ITEMS, ITEMS FOR GUEST HOUSE, UNIFORM & ITEMS LINKED WITH COMPANIES OFFICIAL FUNCTIONS ETC.

Procurement of the above items may be made by a Committee consisting of representatives from Users Department, Finance & Officer from any other deptt. Constitution of the above committee and procurement will be approved by Director(P&P) .The value of procurement by the Committee will be limited to Rs.2.00 Lakhs in each case.

2.11 SPOT PURCHASE/CASH PURCHASE

Spot/Cash Purchase may be resorted to in the case when the following conditions exist :

- i) When the value of purchase is not more than Rs.5000/-(Rs.Five Thousands)
- ii) When the item is not regularly purchased and/or not generally included in Annual Indent/Materials Budget and
- iii) When the item is available ex-stock from show rooms or specially shops dealing with the item of such nature.
- iv) When the item is urgently required by the user and
- v) When the item is branded/packaged in original packing or may be accepted based on standard warranty of the manufacturer.

Spot/Cash Purchase will be made on cash payment basis from dealers/show rooms after obtaining proper cash memo, money receipt and warranty certificate, if any, against any manufacturing defects.

For such spot/cash purchase of value from Rs.25,000/- to Rs. 50,000/- per annum, approval of Director (Commercial)/Director (P & P) will have to be taken.

CHAPTER – III

DELEGATION OF POWERS

- 3.1** Officers of purchase department of Materials Management Department are empowered to make purchases against requirements approved by the Competent Authority to the extent as delegated by CMD or against requirements approved by CMD.

NOTE:

- i) Value of purchase proposal both for indigenous and imported materials will mean total value of FOR Destination price inclusive of all taxes and duties and other incidental charges (if any). In case of Rate/Running Contract, it will mean value of estimated off-take during the contracted period.
- ii) All the above powers are to be exercised with financial concurrence. In cases where it is indicated that no financial concurrence to the purchase proposal is needed, the powers may be exercised accordingly.
- iii) Whenever purchase of spare parts are made only from the Original Equipment Manufacturer on proprietary basis as detailed in Chapter-II, the delegation of power will be the same as applicable in case of purchase made by advertised tender, unless otherwise specified as per approved delegation of power.
- iv) Whenever the vendors have been short-listed against an advertised tender and the list has been approved by CMD, purchase proposal in such cases will attract the delegated powers applicable to advertised tender, unless otherwise specified as per approved delegation of power.
- v) The delegation of power for approving procurement cases is approved from time to time by CMD/Company Board. The same must be followed.
- vi) Once the purchase proposals are approved by the competent authority, the supply orders to be issued can be signed by the Purchase Executive as per delegation of power.

CHAPTER – IV

REGISTRATION OF SUPPLIERS

- 4.1** In order to have dependable sources of supply of stores, spares and equipments of right quality at the appropriate time, suppliers will be registered after ascertaining certain basic facilities available with them. Performance of such registered suppliers shall be reviewed from time to time.

The list of registered suppliers shall be kept upto date by including any additions in the list or removing names of such firms whose performance are not found upto the mark. MM Department will maintain the Supplier's lists :

The names of suppliers added/deleted to/from lists should be regularly updated.

4.1.1 REGISTRATION OF SUPPLIERS FOR SAFETY ITEMS

- (i) For safety items which are covered by DGMS approval, full details of valid approval shall be noted against each manufacturer.
- (ii) For safety items covered by BIS specifications and BIS Certificate marking, full details shall be obtained for such approval and noted against their names.
- (iii) For safety items for which DGMS have approved design and specifications only through circulars and do not issue specific approvals to manufacturers/suppliers, full particulars of such items from recognized Testing Authorities shall be noted against their names. In such cases, MOIL's Safety Deptt. will act as the approving authority after considering all aspects of safety and field trial details. Approval may be provisional till the product stand the test of time in actual use.
- (iv) For safety items covered by BIS specifications but not covered by BIS Certification /DGMS approval, full particulars of type test certificate of the items from recognized testing authorities obtained by the supplier will be noted against their name to ascertain that their products conforms to the relevant specifications. MOIL's Safety Deptt. will act as the approving authority based on all safety aspects and field trial reports. CMRI, Dhanbad should be considered as an approved testing institute, in general, for testing such safety items.
- (v) For safety items not covered by any BIS specifications or any approval from any authority, for example steel roof supports, steel props, roof bolts, etc., MOIL's Safety Deptt. shall draw up specifications and manufacturers/suppliers shall submit their product for type testing by recognized testing authority. After field trials and on satisfactory

performance these may be granted provisional approval by MOIL's Safety Deptt.. Full particulars of such type test certificate and field trial reports may be noted against the names of the manufacturers/suppliers.

4.2 **CONSTITUTION OF INSPECTION TEAM**

An Inspection Team exclusively for the purpose of registration of vendors shall be constituted. The Team shall consist of the following members :

- a) Representative of Purchase Department.
- b) Representative of concerned Technical Department .
- c) Representative of Finance Department.

The above Committee be formed with the approval of the Director(Commercial)/Dir(P&P), as the case may be.

The terms of reference of the inspection team will be as follows:

The Team will visit the premises of the vendors, if necessary, and obtain and ascertain the following:

i) **Bank reference** : If necessary, confidential report will be obtained from the Bankers concerned regarding the financial standing of the firm, as well as the limits upto which they can be entrusted with order. Balance Sheet and Income Statements may also be verified. The financial standing should be based on the average 50% turnover of the similar item on preceding three years.

ii) **Capacity Verification** : Report may be submitted after inspection of the firm's factory/workshop/godown, if necessary, in order to ascertain their capability and capacity as manufacturers/stockists, mentioning the details of Plant and Machinery, workshop facilities, testing and quality control facilities, covered and uncovered space of factory/workshop, etc. and giving clear opinion whether they have the ability to manufacture of the items as per specifications or not and their annual manufacturing capacity and the annual turn over. To satisfy about the ownership of factory/workshop/godown, etc. of the applicant firm, Rent Receipt, Electricity Bill and Corporation/Municipality Certificate, etc. should also be verified.

iii) **Tests** : In case the application for registration is for items for which test reports from a laboratory is essentially required, applicant will be advised by the Inspection Team before submission of the inspection report to the registration section to have their products tested at their own expenses and report furnished to the inspection section in original and certified true copies thereof duly attested by the testing authorities. Wherever such Test Certificates are not necessary, the Technical Member should justify the reason.

In case of indigenous development of spare parts, or any other cases of stores where felt necessary, the applicant if found suitable on inspection of their premises shall be advised to have their product tested in the field. On approval of the product by the concerned Chief (Mech)/Chief(Elect), they may be considered for registration.

iv) Tax Clearance Certificate :The firms will be asked to furnish Permanent Income Tax Account No. They should also submit Sales Tax Registration Certificate and SSI/NSIC Registration Certificate, If registered with them.

v) Documents : All documents as required in the application form such as proof of ownership certificate in the case of partnership concerns, memorandum and articles of association in the case of Limited Companies, as the case may be, will be obtained from the firms for record.

vi) Technical assessment: This should be based on technical literature provided by the firm and also on inspecting their office & factory premises to get satisfied in regard to technical competency of the firm for manufacture of various items as detailed by them in the technical literature.

4.3 PROCEDURE FOR REGISTRATION

(a) Indigenous manufacturers who own factory/workshop of their own and are, in the opinion of the inspecting officers, capable of producing materials of the required standard shall be registered. Inspecting team will be formed as per clause 4.2 above.

(b) Sole Agent/Distributors in the case of imported stores and stockists in case of imported stores and stockists in case there are no agents/distributors in the country for any particular type or class of goods shall also be registered. Their premises shall be inspected by the team before registration.

(c) For Indigenous Items, where the manufacturers do not directly market their products, or the requirement is not large, Distributors, Authorized Dealers or Sole Agents can be considered for registration like for vehicle spares, stores items.

For (b) & (c), a certificate from the original manufacturer should be obtained to get satisfied about the bonafide of such Distributors/Agents etc.

(d) (i) SSI units registered with the Director of Industries of State Government will also have to apply for registration and registration will be considered if they are found capable of producing materials of the required standard on inspection of their factory/works.

(ii) Suppliers who are registered with the DGS&D/NSIC will also have to apply for registration. Inspection may be carried out before registration, wherever felt necessary by Head of the MM Department.

(iii) No security money will be charged for registration of the suppliers who are registered with DGS&D and NSIC.

(e) Manufacturers/Suppliers of safety items who have received DGMS approval for the items of their manufacturing range shall be registered, if necessary after inspection of their works/facilities/testing equipment, etc., is carried out to establish the adequacy of their arrangements to ensure continued supply upto the requirements. In such cases the Inspection team will be constituted with at least a representative each from safety and technical department. The firm will be registered only after the report of the Inspection team is accepted by the Director(Comml)/Director(P&P).

4.3.2 Application from the supplier shall be received in the prescribed form (Annexure-I) to be obtained by them on payment of Rs.100/- per set from any of purchase offices of MOIL. The payment of Rs.100/- shall be made in the form of Crossed Demand Draft/Postal Order/Cash Payment or as may be decided from time to time, shall be non-refundable.

This application may be submitted by the suppliers against an advertisement in MOIL's website issued by MOIL for development of new sources of supply. On receipt of the application in the Purchase Department the registration section will scrutinize all the particulars given therein. If the replies given to various questions indicate that the firm is not suitable for registration, there will be no necessity for undertaking inspection of its premises or works and the registration will be refused straightway with the approval of HOD of MM dept.. This registration exercise may be done once in every twelve months.

4.3.3 (i) On receipt of all reports, each case will be examined in the registration section and decided on its merits. Approval of the Materials Management Executive of the level not less than Chief(Materials.)will be obtained for the registration or refusal of registration to the firm.

(ii) VERIFICATION OF DOCUMENTS

All documents like NSIC/DGS&D registration certificates, ISI Licence, DGMS approval etc. must be self-attested by the firm during submission. The concerned officer will verify them with the original before registration is granted. Name of the Officer who will verify such document should be indicated.

4.3.4 PERIOD OF REGISTRATION

Initially, all firms shall be registered for a period of two years only and registration shall be renewed for another one year till reports are received on the techno-commercial performance. After that registration on expiry may be renewed for a period of THREE YEARS, if the reports are satisfactory.

4.3.5 In the case of Public Sector Undertakings/State Govt. Units/Government Departments, registration shall be granted based on the information received in their applications. The registration shall be given for a period of THREE YEARS and renewed thereafter for similar period.

4.4 Registered Firms must submit Income Tax Clearance Certificate every year, failing which their registration will stand invalid.

4.5.1 REMOVAL OF FIRM FROM THE LIST OF APPROVED SUPPLIERS: **Performance Monitoring**

The performance of each registered firm shall be monitored on a continuous basis throughout the year by the concerned Head of Technical Dept. who shall submit half yearly reports to the Purchase Department twice a year within one month of the end of the half year, who in turn will note it during finalization of orders as well as for continuous monitoring.

4.5.2 DEREGISTRATION OF FIRMS

(i) Any firm may be deregistered and its name removed from the approved list if considered necessary by the competent authority, without communicating any reason to the concerned firm. The action may be taken for any of the following conditions.

(a) If the Techno-Commercial Performance of the firm is found to be consistently unsatisfactory over a period of time against orders placed on them or, after carrying out vendor rating, the firm has been classified into Group D for two consecutive years. Whenever a firm is classified as D category on vendor rating, it should be informed accordingly and also be warned of the consequences of being classified into Group D for two consecutive years.

(b) If any firm fails to supply materials against a valid purchase order for any reason whatsoever.

(c) If any firm continuously resorts to submission of ambiguous and misleading offers and/or resorts to submission of post tender modifications to undermine the process of decision making.

(d) If any firm adopts any unethical commercial practices repugnant to normal business practices.

ii) Deregistration/removal from the approved list shall be completed with the approval of the Head of Materials Management dept./Purchase dept.

(iii) In the event of deregistration/removal from the approved list, all Mines/Plants shall be informed.

(iv) No firm once deregistered/removed from approved list will be reinstated without the approval of Director(Comml)/Director (P&P)

4.6 VENDOR RATING

Selection of vendors/sources with a consistent record of maintaining adequate standards in respect of quality of products and reliability in supply is an important step in Materials Management. Introduction of an objective assessment of Vendor Performance is therefore, considered necessary towards achievement of this objectives. Vendor performance may be evaluated on the following three major parameters :

1. Quality
2. Delivery
3. Price

In order to implement a Vendor Rating System, data has to be collected in regard to performance with respect to various parameters, such as price, quality and delivery against each order placed on different Vendors. This should necessarily involve the active support of the user Department.

4.6.1 Quality Performance :

It can be measured by the ratio of quantity of materials supplied as per specifications against total quantity of supply. The quality performance index can be obtained by the following rule :

$$\text{Quality Performance Index (QPI)} \\ = \frac{(Q_a + 0.5 \times Q_r) \times 100}{(Q_s)}$$

Where Q_a = Quantity accepted as per specifications
 Q_r = Quantity accepted after replacement
 Q_s = Quantity supplied

If any material/equipment has been accepted after rectification/repair/replacement weightage should be taken as 50%, instead of 100%.

4.6.2 Delivery Performance

If the supply is delayed beyond contractual delivery period, the company may suffer loss due to machine down time etc. Hence this aspect has to be given due consideration. The delivery performance index will be obtained as per the following rule :

In case of completed supply

Delivery Performance Index (DPI) =

$$\left(\frac{Q_a}{Q_c} + \frac{Q_b}{Q_c} \times \frac{T_c}{T_a} \right) \times 100$$

Q_a = Quantity supplied in Time

Q_c = Quantity Ordered

Q_b = Quantity supplied beyond original delivery period

T_c = Original delivery period in days

T_a = No. of days taken to complete supply, including delayed supply.

In case of incomplete supply, after expiry of extended delivery period

Delivery Performance Index (DPI) =

$$\left(\frac{Q_a}{Q_c} + \frac{Q_b}{Q_c} \times \frac{T_c}{T_a} \times 0.5 \right) \times 100$$

T_a = No. of days taken upto the last delivery date

Here the index is given 50% weightage as the delivery is not completed even after extension of delivery period.

4.6.3 To judge the price performance of a vendor, price reliability is an important criterion.

The Price Performance Index may be obtained by the following rule :

Price Performance Index (PPI) =

$$\left[\frac{Q_p}{O_p} \right] \times 100$$

Q_p = Quoted Price

O_p = Ordered Price

If the PPI is less than Zero, the value will be taken as Zero. Thus the vendor who has been awarded with the order at quoted rate will score the maximum index of 100 and other vendors will score lower indices. Vendors quoting twice or more will score zero.

4.6.4 Composite Index

Composite Index will be obtained by giving weightage to the above three performance parameters as below :

Quality Performance 40%
 Price Performance 40%
 Delivery Performance 20%

The Composite Index of Performance will be obtained by applying the following rule :

$$\text{Composite Performance Index} = (0.4 \times \underset{\substack{\uparrow \\ \text{Quality}}}{\text{QPI}} + 0.4 \times \underset{\substack{\uparrow \\ \text{Price}}}{\text{PPI}} + 0.2 \times \underset{\substack{\uparrow \\ \text{Delivery}}}{\text{DPI}})$$

4.6.5 Classification of Vendors

From the above rules, it may be seen that a vendor may score a maximum of 100 points as its Composite Performance Index (CPI). Based on the average CPI, calculated over a period of at least one year for all orders placed on the particular vendor, the vendors may be classified into four different groups :

	<u>GROUP</u>
a) Vendors scoring an average CPI of 80-100	A
b) Vendors scoring an average CPI of 50-79	B
c) Vendors scoring an average CPI of 30-49	C
d) Vendors scoring an average CPI less than 30	D

4.6.6 Preference may be given to ‘A’ Group vendors, wherever it is possible as per rules without violating CVC guidelines. The actual quantum of preference will be decided by the Tender Committee.

4.6.7 A vendor who is classified in ‘D’ Group for two consecutive years should either be de-registered or removed from the approved list for sending limited tender enquiries. If they participate in an advertised tender in 2 cover system, their bids should not be opened. In all other cases, their offer should not be considered.

4.6.8 Notification of performance to vendors

All registered/enlisted/regular vendors should be apprised of the methodology of vendor rating. They should also be apprised of their Composite Performance Index every year to encourage them to improve upon their rating.

4.6.9 Progressive Implementation

In a multi-unit organization like MOIL, obtaining accurate and documented information about delivery, acceptance of materials etc. from various units is a time consuming job. An extensive data-base preferably in a computerized environment has to be developed in a progressive way by the System Department to effectively implement a vendor rating system detailed above. An Executive of the rank of not less than E-3 should be entrusted to look into this job exclusively.

However, for certain critical items like Explosives, Oil Lubricant, HSD, Cement, Wire Ropes, Drill Rods, Extension Equipments, a list of vendors may be drawn, who may be brought under the vendor rating scheme at the first instance. The system may be extended to other items of lesser criticality progressively thereafter.

4.6.10 Interaction with the suppliers

Materials Management Executives will have discussions with the suppliers on technical matters to mutually update each other's knowledge on the latest technical developments/value engineering efforts regarding their products.

4.7 PENAL ACTION AGAINST SUPPLIERS

4.7.1 SUSPENSION OF BUSINESS

If the performance of any supplier is found to be unsatisfactory, or if the conduct of the supplier(firm) is under suspicion, or in the event of any breach of the conditions as stipulated in the general terms and conditions of the supply contract, committed by the supplier or a partner of the supplier, the competent authority (CMD) may consider whether such default on the part of the supplier, consequence of breach or the allegations are of a serious nature and whether pending full examination/ investigation, it would be advisable to continue business dealing with the firm. If the competent authority decides that it would not be in the interest of the Company to continue such business, pending full investigation/examination, it may suspend business dealings with the firm. The order of suspension should specify whether all subsisting Contracts/Supplies are suspended or whether the order relates to specific Contracts/Supplies. The order of suspension would operate for a period of not more than six months unless withdrawn earlier.

The competent authority (CMD) may suspend the entire business dealings covered under the existing contract in whole or any part thereof any time by giving the supplier notice in writing of such effect and the anticipated duration of such suspension, as per the relevant clauses and sub-clauses of the general terms and conditions of supply of stores of contract.

The concerned deptt. should ensure that the final examination/investigation of the case is completed well within period of six months or within the anticipated duration of suspension order notified to the supplier firm whichever is earlier.

4.7.2 The order of suspension must be communicated to all HODs /Mines/Plants. Copy of the order of suspension must be forwarded to the concerned deptt. and Vigilance Deptt. for such action as may be necessary.

4.7.3 During the period of suspension, the competent authority may review the order of Suspension on receipt of a representation from the firm, if any. If the competent authority considers in the light of its review that the order may be revoked, it may do so. Order revoking the suspension order should be communicated to the firm with copy to all concerned.

4.7.4 However, if full investigation/examination is not completed within six months and the competent authority considers that suspension order should continue

beyond that period, the firm may be issued a show cause notice by the competent authority giving 21 days time to furnish a written statement of defence. If the reply is not satisfactory, the suspension period beyond six months may be extended till the full investigation is completed. However, it must be ensured that the investigation/examination of the case is not delayed indefinitely. Extension of suspension beyond one year should have the approval of CMD .

4.7.5 After full investigation of the matter is completed, the following action will be taken.

- a) If the facts and evidences justify any penal action against the firm as detailed at para 4.7.7, such action should be taken.
- b) Otherwise, the suspension order should be revoked forthwith, under intimation to all concerned.

4.7.6 For further actions the relevant stipulations contained in the relevant clauses of the General terms & conditions of the supply of stores of the supply order/contract will prevail upon.

4.7.7 BANNING OF BUSINESS

Banning of business should be considered in the following cases :

- i) If there are strong reasons to believe that the Directors, Proprietors, Managers or any Representative of the firm has/have been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolation, etc.
- ii) Willful suppression of facts or furnishing wrong information or manipulated or forged documents by the firm or using any other illegal/unfair means.
- iii) Drawing double payment or submitting invoice for double payment for the supply of same materials or carrying out the same job/work.
- iv) Supplying defective materials and failure to replace the defective materials even after reasonable extension is given to the firm for rectification/replacement of the defective materials or carrying out defective/poor quality job, not conforming to specifications of the contract and failure to rectify it within the stipulated time.
- v) If the Directors, Proprietors, Employees, Partners of any Representative of the firm is/are found guilty of offences involving any security consideration including loyalty to the State, in connection with business dealings with MOIL.
- vi) If the Director, Proprietor or Partner, Manager or any Representative of the firm is convicted by a court of law for offences in relation to its business dealing with any State Government/Central Government or any Public Sector Undertaking.

- vii) Failure to pay legitimate dues to MOIL including dues arising out of Risk Purchase and when MOIL is satisfied that this is not due to any reasonable dispute which would attract proceedings in arbitration or a Court of Law.
- viii) Commission of economic offence like evasion of Excise Duty, Sales Tax, Customs Duty, or any other legitimate taxes, levies, duties, etc. imposed by the Government or local authorities etc.
- ix) Continued and repeated failure to meet contractual obligations.
- x) Revision of price and terms of offers within the validity period of the tender on a habitual basis, in order to undermine the decision making process.
- xi) Canvassing and lobbying to get undue favour from the Company.
- xii) Formation of price cartels with other suppliers/contractors with a view to artificially hiking the prices.
- xiii) Any other misdeed which may cause financial loss or commercial disadvantage to the Company.

4.7.8 APPROVING AUTHORITY FOR BANNING

For banning of business, approval is to be accorded by CMD.

4.7.9 PERIOD OF BANNING

The period should be a minimum of three years and should be decided based on the gravity of the offence and the quantum of loss suffered by MOIL.

Copies of all orders of banning of business issued must be forwarded to Vigilance for such action as may be considered necessary.

4.7.10 PROCEDURE FOR BANNING

Any proposal of banning of business should be put up by the concerned Executive of the Department to the Head of the Department along with all relevant documents. The HOD, in turn, will have the case investigated, if necessary with the assistance of the Vigilance Department and submit the case with his recommendation to the competent authority i.e. CMD .

In case the competent authority decides that action against a firm is called for, it may recommend issue of a notice to the firm asking it to show cause why it should not be banned for a specified period in view of the allegations against it. Details of the allegations/charges may be appended to the show cause notice and the firm should be asked to submit within 21 days a written statement of defence. All the correspondence with the firm may be made by registered post with A/D. The show cause notice should be sent by the HOD of the concerned Department.

On receipt of a reply of the show cause notice or where no reply is received, the HOD may put up a proposal for either –

- a) Exonerating the firm if the statement of defence of the firm is found to be satisfactory and the charges framed against the firm are not substantiated.
- b) Banning of business dealings with the firm for a specified period.

If the competent authority, after going through the proposal of the HOD, decides to ban business dealings with a firm, an order to that effect should be issued to the firm. The order imposing banning on the business dealings with the firm should specifically mention the period of banning in number of years.

Copies of the order of the competent authority banning business dealing with any firm should be sent to all HODs/Mines/Plants and during the period of banning, no business dealing can be entered into with the firm. As far as possible, the existing on-going contracts may also be terminated after observing the formalities regarding termination as stipulated in the contracts.

If after an order is issued banning business with a firm, the firm comes up with any appeal or representation seeking withdrawal or any modification of the order, the matter should be decided under the order of CMD.

CHAPTER - V

INDENTING PROCEDURE – PLANT & MACHINERY

- 5.1 Purchase action shall be initialized only after receipt of any indent, in the prescribed format, duly approved and financially concurred the competent authority. The indent shall be certified for expenditure in the approximate financial year and shall be accompanied with detailed specification, scope of supply, evaluation criteria and/or drawings etc. wherever considered necessary.

Indents for Plant and Machinery normally fall under two categories :

- a) New Requirement
- b) Replacement Requirement.

5.1.1 **Indent for New Requirement of Plant & Machinery –**

The purpose of new requirement is many & may generally be classified as under:

- a) New projects/schemes for increasing production.
- b) For expansion of existing production unit.
- c) For Welfare, Safety, Corporate social responsibility etc. Schemes.
- d) For research and development.
- e) For advance action for P&M for Projects likely to be approved.
- f) For Pollution Control & Environment Assessment.

Requirement of Plant and Machinery are assessed and provided for in the respective Project Reports/Feasibility Reports/Schemes etc. and purchase actions are to be initiated on the basis of provision as such in the sanctioned report/feasibility reports schemes etc. Sanctions are accorded by Competent authority, viz. Chairman-Cum-MD, depending upon the nature of the Projects/Schemes and the cost involved.

CMD has full power to approve indent of Plant and Machinery of approved Projects/Schemes. Other Officials are authorized to approve indents to the extent they have been delegated with specific powers.

- 5.2 **Indent for replacement of Plant & Machinery items** will need to be supported by approved survey off report, dis-carding from asset register by indenter in consultation with Finance Deptt.

5.3 Flow of Indents

Indents for Plant & Machinery will be initiated by the concerned Technical Heads. For replacement items, the Mines/Plants will send the indents with copy of approved survey off report duly authenticated to the concerned Technical Heads. On receipt of indents, the Technical Head will check up the availability of such equipment from the surplus list, if any. In case the equipment is available in the surplus list, such equipment will be transferred to the needy Mines/Plants.

If the equipment indented is not available in the surplus list, the concerned Technical Head will draw out the detailed specification, Scope of supply, obtain financial concurrence and approval of the competent authority and thereafter, the indent will be sent to Materials Management Department for taking procurement action. Drawings wherever needed will be sent along with the indent. Certification from Tech. Head & Financial Deptt. that surveyed off item has been discarded from the asset register.

5.4 Normal Checks to be exercised in processing indents.

While obtaining financial concurrence and approval of the indent, the point mentioned in the check list given below shall be kept in view. Concurred in and approved indent will be sent to Materials Management Department for taking procurement action along with the check list duly filled in and signed by the concerned Technical Head.

5.4.1 Name of the Project (s)/Mine(s)/Plant(s) for which the equipment is required

a) Whether the project is sanctioned and, if so, date and amount of sanction.

b) Population of the equipment already available at the project/Mines/Plant and the number in working condition and use.

c) The proposal for purchase under consideration (Number of machine and sizes)

d) If purchased in past, ref. no. of order, Dt., supplier, etc. is to be given in the indent. If new/first time, it is to be mentioned.

5.4.2 If the equipment is required for a project yet to be sanctioned, what is the justification for the advance ordering of the equipment. What is the present stage, of obtaining sanction for the project?

5.4.3 When is the indented equipment, required at site ?

Whether the machine/equipment, if any, has already been procured. If not, what is the status in respect of the same ?

5.4.4 Whether the variations have been taken up with the Competent Authority and other clearance obtained. If not, the reasons and justification for procurement action without clearance by Competent Authority.

5.4.5 If the equipment is requirement for replacement :

a) The size and year of purchase of original equipment with P.O. details.(i.e.SO No.,Dt.,Supplier etc.)

b) The life of the equipment as per the prescribed norms in terms of number of hours of useful service.

c) Actual life/hours of working achieved as against the norms.

d) Whether the original equipment has been surveyed off and condemned as unfit for further use by competent authority. If the equipment is to be replaced before serving the prescribed hour/life, the reasons for premature condemnation. Certification from Tech.Head & Financial Deptt. that surveyed off item has been discarded from the asset register.

e) The size of the equipment proposed to be purchased as replacement and reason for difference in size, if any, compared to the size of the equipment being replaced, the size of the proposed equipment match with the other machines available.

5.4.6. Availability of budget provision in the relevant year for purchase.

Whether the indent has been approved from the administrative as well as technical angle. Name and designation of the Officers who have approved the indent should be mentioned with approval number and date.

Whether concurrence of the Finance, has been taken. The name and designation of the officer who has concurred to the proposal to purchase of the equipment to be given along the number and date of the same, by way of reference.

5.4.7 Whether it has been verified that such an equipment is not available in any other project, that could be spared.

5.4.8 Performance report of the equipment, if used in the company indicating the name of the manufacturer and year of purchase/commissioning.

5.5 Advance action for procurement of equipment

The procedure for placement of actual order one year in advance for short lead items and 2 years in advance for long lead items without budget provision at the time of indenting/ordering shall be as follows :

Requirement in advance be prepared in case of long lead as well as short lead HEMM and underground equipment to be procured with reference to the approved projects which are not cost over run. The annual statement/programme of requirement under these categories should be got approved by the competent authority after financial concurrence and sent to the concerned Materials Management department.

Materials Department will place orders for their full requirement before the commencement of the financial year for all short lead items.

For long lead item, Materials Department will initiate procurement action so that orders are placed for full requirement one or two years depending on the lead time, prior to the financial year, in which the equipments are required.

- 5.6 For general consumable stores and spare parts the annual vetted requirement for the calender year or financial year for all the items regularly required at the Mines must be submitted to the Materials Department atleast 4 months advance to evaluate them to enter in the Rate Contract(s).The demand must accompany with detailed Technical Specification,Scope of supply,administrative sanction etc.
- 5.7 No indent valued upto Rs.20,000/- for any item of indigenous Plant and Machinery will be sent to the Materials Management Departments. Procurement against these indents will be done by the indenter with the approval of concerned Mine Manager.
- 5.8 Indents received in Materials Management Department of **MOIL** will be checked with reference to correct specifications for the purpose of tendering at the level of the Head of the concerned Engineering Department and only when the same is endorsed by him the indent will be registered in Materials Management Division for initiating purchase action and purchase lead time will start from the date of registration of indent in Materials Management Division. Any delay in producing/submission of an acceptable Indent will be responsibility of Indenter.

Plant & Machinery Indent form is at Annexure-IIA.

CHAPTER - VI

TENDER ENQUIRY

6.1 PREPARATION OF TENDER ENQUIRY

The following points are to be kept in view:

The invitation to tender and instructions to the tenderers is an important document as the firm's proposal/tender is based on them. The Tender Enquiry should, therefore, be carefully prepared setting out in clear terms the requirements of the purchaser as to quality, quantity, delivery required etc.

The tender enquiry form may be different in the case of limited tender or by advertisement. The Tender Enquiry usually comprises :

- a) Invitation to tender and schedule to tender accompanied by general terms and condition.
- b) (i) Places at which the stores are required to be delivered should be stated in the schedule to tender.

(ii) For all indigenous supplies, the firm should normally be asked to quote their rates on FOR Destination basis with break up of prices e.g. (i) Ex-works Price and (ii) Freight, Insurance, Packing & Forwarding Charges on lump sum basis. Excise Duty, if applicable, will be payable extra on Ex-works price only. Sales Tax will be payable extra, as applicable. The safe arrival of stores at destination shall be the responsibility of the supplier. MOIL should arrange for insurance policy only for contracts made on Ex-works/FOR Despatching station basis or where the firm has not accepted the responsibility of safe arrival of consignment at destination even though the tenderer has agreed to pay freight upto destination in the tender.

A domestic manufacturer shall be considered as an indigenous manufacturer, if the equipment manufactured and offered by them against tender has indigenous material content cost plus labour content cost in excess of 30% of ex-works value of the equipment including all taxes and duties.

- (iii) In case of imported stores, where the supplier is to arrange importation and paying customs duties etc. the rates quoted will be on FOR Destination basis and the safe arrival of the consignment from the country of origin dispatched to the destination will be of supplier's responsibility. In that case Sales Tax and Statutory Local Levies(if any) will be payable extra as applicable. No Excise duty will be payable.

- (iv) In case of direct import by MOIL the tenderers should quote price on FOB delivery port basis only. However, offers may also be invited on CIF port of destination basis.
 - (v) In case of imported items, where MOIL is to arrange Marine Insurance, the relevant claim will be lodged immediately with Insurance Company, Shipper or any other agency including the supplier as may be required for any shortage/damages/pilferage etc. Simultaneously, action for fresh importation of such items as per the relevant Import Policy will be taken so that for want of missing parts, machine does not remain idle. No fresh indent will be required for such purchase but budget provision/certification will be obtained as claim settlement may take time. Such purchases will be done with concurrence of and approval of CMD .
- c) (i) Tenders should normally be invited to standard specifications where these exist or to schedule of requirements drawn up by the Indentor. Tenders for standard items should not be called of maker's name or model/type etc. All invitations to tender for standardized items should contain full description without, as far as practicable, any reference to a particular make or trade name, model, type etc. A reference to current Indian Standard Specifications to which the items should comply, has to be mentioned. In the absence of BIS, a reference to other national standards or ISO may be mentioned..
- (ii) In case of imported stores other than direct import by MOIL the following clause should be incorporated.

The tenderer should indicate the actual rate of customs duty included in their quotation. They should also indicate in their tender where a concessional rate of customs duty is admissible and a lower duty is paid by them and the amount actually paid by them at the concessional rate of duty. A certificate from the Auditor of the firm, certifying the actual duty paid and that in case of any refund, the full refund of duty has been passed on to MOIL should be asked from the firm. Customs Duty will be reimbursed on submission of documentary evidence.

- (iii) In case of indigenous items where MOIL is to arrange insurance, the relevant claim will be lodged immediately with the Insurance Company, Carrier or any other Agency including the supplier as may be required for any shortage/damages/pilferage etc. Simultaneously, wherever felt necessary, fresh procurement action will be taken in the same manner as detailed in para 6.1(b)(v).

- d) (i) Technical Department should prepare standard/detailed generalized specifications along with the scope of supply for all items of P&M/Capital Stores/Revenue Items and attach them with the indent for inclusion in the Tender.
- (ii) Any change in the specification over the standard specification/or over the previous year must have the approval of the Head of the concerned Technical Department. The reasons for the change in specifications should be clearly brought out.
- e) The commercial conditions shall be prepared by the purchase executive as per the “General Terms and Conditions” at Annex-III(as applicable).
- f) The tender enquiry shall be approved by HOD of MM Department.

6.2 PRICE VARIATION CLAUSE

It should be mentioned in the NIT that the prices quoted must be FIRM till delivery. Otherwise, the offer will be rejected. In case, however, it is decided to allow price variations, under special circumstances, with the approval of Head of Materials Management Department, the details should be indicated in the NIT :

6.2. a) The description of the items, i.e. raw material with complete specifications for which the price variation will be allowed.

b) The date of taking the base price and the basis of price, i.e. the agreed agency or price indices such as WPI/RBI Index or the nationally acceptable Formula for PVC, the published rates pertaining to which will be taken as the basis of price for the concerned raw material or consumable or spare part.

c) The date which will be taken as the basis for calculation of the final price payable.

d) The formula for arriving at the final price.

e) The ceiling on variation in price as a percentage of quoted price. This should normally be restricted to (plus minus) 10%.

6.3 Normally 2-Part tendering should be practiced for all items of P&M/Capital/Consumable Stores/Spare Parts. In case of items of low value, proprietary, branded, single source : single part tendering may be adopted.

6.3.1 TWO PART TENDERING

In case of 2-Part tendering, the first part of the tender will consist of 2 sections.

PART-I SECTION – A: Consisting of technical offer and a check list showing deviations from the technical specifications.

PART I SECTION – B : Containing (a) Commercial Terms & Conditions, (b) a Check List showing deviations, if any, from the NIT commercial terms & conditions against each clause, (c) Blank format of price bid, as quoted by the tenderers (WITHOUT PRICE) should also be included in the section B. The price format may be devised by the purchaser according to the nature of the items and may be enclosed with the NIT.

PART – II : The second part of the tender shall consist of details of prices ONLY. The price bids of only those tenderers whose offer in Part-I is found to be techno-commercially acceptable will be opened. For this purpose, the technical scrutiny of the techno-commercial bids will be done by the HOD of the concerned Technical Department only. In case the scrutiny is done by an Officer nominated by the HOD, the final scrutiny report will have to be approved by the HOD of the Technical Department. Similarly commercial scrutiny of the techno-commercial bid shall be done by the M.M. department and shall be approved by the HOD of M.M. department.

6.4 THREE PART TENDERING

i) 3-Part tendering consisting of the following sections may also be resorted to in purchase of high technology and high value P&M items with detailed and complex specifications and where it is considered that the vendors shall need to have special expertise in the manufacturing and supply of the equipment. The basic aim of 3-Part tendering System is to eliminate participants who do not possess the techno-commercial and financial competency to manufacture and supply the equipment.

1st PART – PRE-QUALIFICATION BID consisting of facilities available with vendor and confirmation of minimal technical parameters required by the buyer and also past experience to supply such items to reputed buyers. The technical assessment should be based on technical literature and supply experience for last three years and if felt necessary on inspection of the firms.

Financial standings of the firm, as reflected in Balance Sheet and Income Statement and Bank references giving financial soundness of the firm may also be called for at this stage. The financial standing should be based on the average 50% turnover of the similar item on preceding three years or as the case may be depending on the nature of the item.

The parameter of the pre-qualification and techno-commercial bids will be drawn in consultation of HOD of Technical and Finance Departments.

2nd Part : Techno commercial details shall be called for.

3rd Part : Only price details to be indicated by the bidders.

2nd Part & 3rd Part shall be in line to those indicated in Part-I & Part-II of para no.6.3.1 detailed earlier.

If felt necessary, provision for holding pre-bid conference with the interesting tenderers may be kept.

This pre-qualification exercise may be made initially for shortlisting the competent vendors. Thereafter, after due approval from the competent authority, tender be floated to the short-listed manufacturers. In the Limited Tender, 2-Part tendering system should be followed as detailed in para 6.3.

Before opening of techno-commercial bids, joint pre-bid conference may be held with the tenderers. Such pre-bid conference will be held only in cases when it is felt that in view of the complexity of the item, the Technical specifications of this item need to be finalized in great detail. If after the pre-bid conference the technical or commercial terms are revised, fresh techno-commercial and price bids will be called for as per the revised specifications.

In any case, the price bids of only those tenderers will be opened whose techno-commercial bids have been found acceptable after scrutiny of the techno-commercial bids submitted by them.

6.5 **EARNEST MONEY/SECURITY MONEY** :

- a) Earnest Money Clause should be stipulated in the tender. The value of Earnest Money to be deposited by the tenderer should be 2% of the value of the estimated cost tendered for or Rs.2,00,000/-, whichever is lower. EMD should be in the form of Demand Draft and must accompany the quotation i.e. Cover-I of the bid. For unsuccessful tenderer EMD shall be refunded immediately after finalisation of the tender with the approval of the HOD of MM deptt. EMD shall be forfeited if any tenderer withdraw their offer before finalization of the tender or fails to submit order acceptance within 15 days from the date of order.
- b) Security Deposit clause should be stipulated in the tender. Two weeks time (15 days) shall be given in the order to the successful tenderer to furnish the security deposit. In case the firm fails to deposit the security money, the order

shall be cancelled and the case shall be processed to order elsewhere and the firm's performance is to be kept recorded for future dealings with them.

The value of Security Money to be deposited by the successful tenderer in the form of Bank Draft shall be 5% of the value of the awarded contract without having any ceiling. For successful tenderer, EMD should be converted to Security Money which will be refunded to the firm within 30 days of satisfactory execution of the contract with the approval of the HOD of MM deptt.. For unsatisfactory performance and/or contractual failure, the security money shall be forfeited.

- c) For procurement value less than Rs.1,00,000/-, no earnest money/security deposit will be required.
- d) If any State/Central Govt. Organisation/PSU & valid DGS&D/NSIC registered (for the tendered items) firm can produce documentary evidence issued by Govt. authorities for according exemption towards submission of EMD/SD, they may be considered for exemption from submission of EMD/Security Deposit.

6.5.1 PERFORMANCE BANK GUARANTEE

The Performance Bank Guarantee Clause must be stipulated in all the contracts for procurement of Capital Equipment. In case performance to be guaranteed can be defined, similar Performance Guarantee Clause should also be stipulated for supply of critical items viz. Wire Ropes, Cables, Tyres etc. as far as possible. Performance Bank Guarantee at the rate of 10% of the order value should be taken from the supplier. For procurement of certain specialized items and/or for certain firms, if felt necessary, performance bank guarantee of more than 10% of the order value may be obtained. This is at the discretion of the Technical Deptt. & to be clearly informed to MM deptt for incorporating in the tender enquiry.

To arrive at the value of the Performance Bank Guarantee, the order value should be calculated as per the following guidelines :

A) For Indigenous Order -

For arriving at the value for Performance Bank Guarantee to be submitted for Indigenous Orders, the order value will be arrived at by adding all the Taxes & Duties applicable, such as Excise Duty, Sales Tax, etc. to the FOR Destination Price of the materials on order as applicable on the date of opening of price bid..

B) For Import Order -

For arriving at the value for Performance Bank Guarantee to be submitted for Import Orders, the order value will be arrived at by adding estimated amount of Freight, Insurance, Port Charges and Customs Duty etc. as applicable on the date of opening of price bid, to the FOB Price of the materials on order.

C) The Performance Bank Guarantee for the above case (A) & (B), shall be released after expiry of validity period if no claim is pending, with the approval of the concerned Tech.Deptt. However, in case there is no dispute pending & No Claim Certificate is not received in writing from the user within 3(Three) months before the expiry of the validity period, the BG shall be released without further reference to the user.

6.5.2 DEEMED EXPORTS :

If the bidder has quoted the items under the deemed exports, then it will be the responsibility of the bidder to get all the benefits under deemed exports from the Government. MOIL's responsibility shall only be limited to the issuance, of required certificates. The quotation will be unconditional and phrases like "subject to availability of deemed exports benefit" etc. will not be accepted.

6.5.3 BANNED OR DELISTED SUPPLIERS

The bidders would give a declaration that they have not been banned or de-listed by any Government or quasi-Government agencies or PSUs. If a bidder has been banned by any Government or quasi-Government agencies or PSU, this fact must be clearly stated and it may not necessarily be a cause for disqualifying him. If this declaration is not given, the bid will be rejected as non-responsive.

6.5.4 DEVIATION

Deviations sought by the bidders, whether these are commercial or technical deviations, must only be given in the schedules prescribed for them. Any willful attempt by the bidders to camouflage the deviations by giving them in the covering letter or in any other documents than the prescribed schedules may render the bid itself non-responsive.

6.6 In addition, tender enquiry may include, wherever considered necessary, any other relevant terms & conditions as may be applicable from time to time depending upon the circumstances of the cases.

6.7 SUBMISSION OF TENDERS

- i) All envelopes containing the tenders shall be properly sealed /stapled.
- ii) The envelope containing the tenders must be superscribed with the Tender No. and date and time of opening.

- iii) Tenders not submitted in the above manner will not be accepted.
- iv) Copies of tender enquiries for advertised tender, limited tenders and a copy of General Terms & Conditions are given in Annexure-III & IV.
- v) Special conditions, if any, may be included with the tender enquiry.
- vi) The last date of receipt of quotation should be suitably fixed by the Purchase Executive for each tender enquiry. However, the Purchase Executive will ensure that in case of advertised tender, normally at least 21 days are available for submission of the offer from the date of publication of the tender.

In case of Global Tender, the minimum period shall be 45 days from the date of publication of the Tender.

- vii) The tenderers will be requested for keeping their offers valid for a period of 120 days from the date of opening of the Cover-I(Technical & Commercial bid).
- viii) After the preparation of tender enquiry in the manner indicated above i.e. Global/Domestic Open/Limited/Single Tender as the case may be shall be issued in terms of provisions of para 2.4, 2.5 and 2.6 respectively.

6.8 COST OF TENDER PAPERS AND THEIR SALES

Tender forms against advertised tenders shall be charged for and the tender fee shall be indicated in the advertisement itself. The rates of tender fees are given below for guidance only :

- a) When the estimated value of demand is upto Rs.10 Lakhs, Tender Fee will be Rs.1000/-.
- b) When this value is over Rs.10 Lakhs and less than Rs.50 Lakhs, Tender Fee will be Rs.2000/-.
- c) When the value is Rs.50 Lakhs and above, Tender Fee will be Rs.5000/-.
- d) In cases where special drawing or specifications are to be supplied with the tender forms, the charges including the cost of drawings/specifications for tender forms shall be fixed in each case in consultation with the Executive of Materials Management. Tender forms purchased by one firm are not transferable to another firm. Tender fees shall be received in the manner indicated in the advertisement. A Cash Receipt will be issued for the fee. Tender forms shall be issued to the firm on the basis of such Cash Receipt or DD. Sale of tender papers shall be closed 1(one) day prior to the last date of receipt of the tender.

6.9 FREE SUPPLY OF TENDER PAPERS

Tender papers shall be supplied free of cost in the following cases :

a) Tender forms against the advertised tender may be supplied free of cost on demand to all Government/Undertaking/Ancillary Units for the same items.

b) In case of Global Tenders, a specimen copy of the tender notice advertised in the Indian Trade Journal or other Newspapers shall be supplied free of charge to the Trade Commissioners/Counsellor/Representatives/High Commissions, if necessary. Copies of Global Tender Notices shall be sent to the India Embassies/High Commissions located in different countries of the World for wide publicity, wherever felt necessary.

c) Copies of all tender notices advertised may also be sent to all the Mines/Plants for display at the Notice Board.

6.10 EXTENSION OF DUE DATE OF TENDERS

Normally the last date of submission of tender shall not be extended. In case, however, where extension cannot be avoided the permission of Head of Materials Management Department shall be obtained. This decision shall be communicated not only to the individual tenderers who have purchased the tender forms but also Notices of extension of date of tenders shall be published in the Newspapers in case of Advertised Tender. In case of Limited Tender, the firms to whom enquiries were issued will be individually informed about the extension of due date of tenders. Proper justification & reasoning for such extension must be recorded in the file.

6.11 RECEIPT OF TENDER

The last date and Time for submission and receipt of tenders shall be stated in the schedule of tendering. Tenders delivered by hand not later than the specified date and time of receipt of tenders are also to be put in the tender box provided for the purpose. All the tenders received on a particular date shall be sorted out by Tender Opening Committee.

6.12 DELAYED OR LATE TENDER

i) The due date of submission and opening of the tenders will be the same.

ii) A tender which has not been received on the due date and before the due time of opening of the tender, the same will not be considered. No relaxation in this respect will be entertained.

6.13 OPENING OF TENDERS

i) ONE COVER SYSTEM

- a) In case the tendered value is less than Rs.10 Lakhs, such tenders shall be opened by the Dealing Officer/Officer nominated for Tender opening in association with a representative of the associate finance.
- b) In case, the tendered value exceeds Rs.10 Lakhs, such tenders shall be opened by dealing officer/Officer nominated for Tender opening along with a representative of associate finance and another Officer preferably from User Deptt. shall be in the presence of the representatives of the participating tenderers who must be notified before opening of tender.
- c) Only representatives authorized in writing by the respective tenderers shall be permitted to be present during the Tender Opening, along with the condition of only one person per participating/attending tenderers.
- d) Representative of a firm who has NOT participated in the tender, shall not be permitted to be present at the time of opening of a tender.
- e) The Officer opening the tender shall obtain a list of tenderers who purchased the tender papers or to whom tenders were issued and compare it with the tenders received. A list of representatives present at the opening of tender will be made and their signatures obtained on the list. The list shall be initialed and dated by the Officers conducting the opening of tenders. The following particulars shall be read out from each tender opened by him for information of the representatives of the tenderers present :-
 - i) Tender Number
 - ii) Name of the Tenderer
 - iii) Description of article in brief
 - iv) Quantity quoted for
 - v) Unit price including discount, if any, point of delivery and escalation clause ,if any
 - vi) Delivery Schedule
 - vii) Any other important particulars may also be read out.

All tenders shall be numbered serially, initialed and dated in front page. Each page of the schedule or the letter attached to the tender shall also be initialed. In addition, the schedule containing prices (that part of the main sheet of the tender) shall be initialed separately. The total number in figures and words of tenders received and opened shall be noted down by the Officers concerned in the note

portion of the relevant file so that there may not be any possibility of suppression, substitution or addition of any tender. Entries left blank, if any, by the tenderers shall be indicated by drawing a line in the space under the initials of the Officers concerned. Alterations in the tenders, if any, made by the firm shall be initialed by the Officers concerned opening the tender to make it perfectly clear that such alternations were present on the tender at the time of opening. No amendment to a tender shall on any account be permitted after the due date and time of receipt of tender, unless specifically required by the purchaser.

ii) **TWO/THREE COVER SYSTEM** : In the two/three cover system, the offers are received in two/three separate covers, viz. Cover-I and Cover-II/III as detailed at para 6.3 and 6.4. Each Cover in the above system, shall be opened as per the procedure laid down at para 6.13 above separately. The price covers of only the technically and commercially acceptable tenderers shall be opened as per recommendation of the Tender Committee.

6.14 DISCLOSURE OF PRICE

Tenders are to be treated as confidential documents and except at the time of public opening of tenders, prices quoted are not to be disclosed to anybody by any employee of the Company.

6.15 SIGNING OF ALL PAGES OF TENDER

Tenderers must be instructed in the NIT to sign with seal on all pages of their tender, including all enclosures submitted with the tenders except printed leaflets/catalogues indicating the name of the manufacturer. In case the signature with seal is missing on any page of the Price bid, the firms should be told to comply with the same at the time of opening of the tender. The officials opening the Tender must sign on all pages and record this deviation so that the same can be complied with by the firms by 3 / 4 days of tender opening

6.16 In case the Tenderers submit self attested copies of registration certificate of DGS&D/NSIC, Licence from BIS and approval certificate issued by DGS&D/other Independent Statutory Bodies of Govt. of India, along with the tender, they must be asked to show the original copies of such documents to the concerned dealing officer for verification to satisfy about their authenticity. The concerned verifying authority should indicate its name ,designation, date of verification and sign on the verified documents.

6.17 Certain vital condition for NIT

(i) Specification to be stipulated in the NIT

This is one of the most important features of the NIT and therefore it is imperative that the technical specifications is such that a large number of bidders can participate against tender. It shall be broad based as far as possible and shall be well defined leaving no scope for ambiguity and misinterpretation. While for equipment as a whole it is not desirable to indicate choice of any brand name, however if considered necessary, brand name of sub-assemblies to be fitted in the equipment may be indicated in the NIT on the basis of the past experience of a users. Specific choice of make for such supplied assemblies/accessories shall be for a minimum of two, taking into account the experience of the users.

(ii) Indigenous Manufacturers

A domestic manufacturers shall be considered as an indigenous manufacturers, if the equipment manufactured and offered by them against tender has indigenous material content cost plus labour content cost in excess of 30% of ex-works value of the equipment including all taxes and duties.

(iii) Satisfactory performance

a) It is imperative to indicate the bench mark of satisfactory level of performance of the equipment. In case of major mining equipment, if an equipment fails to achieve the guaranteed availability as indicated during the first year of operation from the date of commissioning, performance of the equipment shall not be considered satisfactorily. An equipment must give such satisfactory level of performance for a period of minimum one year and achieve the guaranteed availability detailed in the order.

b) Satisfactory performance for the equipment under trial, NIT/Order may also provide, over and above, the above condition of satisfactory performance, a clause to consider the maintenance and operating cost involved during the trial period to be a factor in determining the satisfactory performance of the equipment under trial.

(iv) Proven equipment

The equipment to be offered by the tenderer shall be considered proven provided the type and model of the equipment offered must have been supplied in the past to the Mining Industry and/or to the other Industries under PSU/Government (applicable for material handling equipment like Cranes, Drill Machine etc. only) and performed satisfactorily for a period of not less than one year from the date of commissioning. Before declaring any trial equipment proven for regular procurement, the performance of the equipment for the above said period (one year from the date of commissioning) will have to be examined along with the maintenance and operating cost involved for use of those trial equipment for a period of one year.

(v) Time period required, for declaring the items (other than equipment) as proven, may be decided suitably by the Tech.deptt. keeping in view the nature and the criticality of the items procured. However, the time period should not be less than 6 months.

CHAPTER – VII

ANALYSIS OF OFFERS, PLACEMENT OF ORDERS AND COMPLETION OF SUPPLY.

7.1 Tabulation of comparative statement for one Cover/Single bid System.

All tenders excluding delayed/late tenders received in response to tender enquiry shall be tabulated and a comparative statement shall be made .

A comparative statement shall indicate the following :-

- i) Prices quoted by all the firms shall be shown. Where suppliers have offered stores to different or alternative specifications, models, types, their prices shall also be indicated.
- ii) The prices quoted shall be compared on a total price basis including all taxes, duties, packing and forwarding charges, freight, insurance, octroi duty/Entry Tax etc. payable in each case.
- iii) Delivery terms of all the suppliers shall be given.
- iv) Deviations in specifications shall be pointed out.
- v) Deviation from standard terms and conditions and any special terms asked for has to be brought out.
- vi) Whether the duties and taxes are included in the prices quoted. In case duties and taxes are payable extra, the rates applicable shall be mentioned.
- vii) Where stores have to be imported, the amount of Foreign Exchange required (FOB Price) and any special conditions specified by the supplying firms shall be brought out.
- viii) Discount, if offered, shall be brought out.
- ix) **The LAST PURCHASE PRICE (LPP)** will be shown against each item. LPP is the basic price at which the last orders was placed for the same item. If the LPP included Tax and Duties, it should be properly discounted to the basic price level . The date of last order may be indicated. If date of last order is more than 36 months old or the item was not purchased earlier it will be mentioned that LPP is not available. In case the last order is more than 5 years old, LPP need not be searched for. However, for single offer received against tender, LPP of any date may be mentioned, if available.
- x) Taking all the factors into consideration, overall cost evaluation shall be made. The information regarding the number of tender forms issued and the number of receipts be indicated . The statement shall be signed by the dealing and assisting officers and vetted by Finance.

7.2 Method for arriving at the total composite evaluated price –

- i) Whenever the tenderers mention that taxes and duties are payable extra, the current rate of taxes and duties as applicable will be added.

ii) Conditional discounts, including quantity discounts, will be indicated in the comparative statement but the discounted price will not be shown for comparison purpose. Cash discounts or prompt payment discounts will also be treated in the same manner. Only unconditional discounts will be taken into account for arriving at total price.

If a bidder offers a rebate unilaterally after closing date and time of bid, it will not be considered for evaluation purpose but the rebate offered shall be availed of while awarding the contract if the bidder emerges as a lowest evaluated bidder.

iii) In case the price is stated to be inclusive of Excise Duty, the current rate included in the price must be obtained. If they are exempted from paying Excise Duty, the same must also be confirmed with valid documentary evidence.

In case the rate of Excise Duty varies with the turnover of the company, and the price is exclusive of Excise Duty, and the firm fails to specify the exact rate applicable, the maximum rate currently leviable will be loaded on the price.

iv) In spite of mentioning that offers should be submitted by the tenderers on FOR destination basis as per clause 6.1 (b)(ii) above, in case a tenderer does not specify the basis of price or quotes on Ex-works or FOR despatching station basis, the price will be loaded on the following manner.

a) In case of Ex-works offer and if the firm does not specify the packing and forwarding charges, 2% of the Ex-works price will be loaded to arrive at the FOR despatching station price. Insurance charge for loading purpose shall be considered as per the existing transit insurance contract concluded.

b) In case of FOR despatching station offer, the following percentage will be added to arrive at the FOR destination price, as element of estimated freight up to destination .:

<u>Approximate Distance of Dispatching station from site</u>	<u>% of FOR despatching Station price.</u>
Above 2001 Km	5%
1501 to 2000 Km	4%
1001 to 1500 Km	3%
501 to 1000 Km	2%
500 Km and below	1%

In case the firm quotes the exact amount of freight or the packing and forwarding charges , the same will be added in place of the above percentage amount.

7.3 Tabulation and Comparative Statement for two Cover System.

In this system, comparative statement for commercial terms and conditions i.e. Warranty, Performance, Bank Guarantee, LD Clause , Delivery etc. will be prepared after opening of Cover-I. The technical specifications and deviations thereof will be brought out and examined while carrying out technical scrutiny of the offers contained in Cover-I, which will be carried out by the HOD of the concerned Technical Department who shall also obtain all required technical clarification.

The comparative statement of prices will be prepared after opening of Cover-II . The general procedures in preparation of the comparative statement shall be the same as laid down in para 7.1 However, comparative statement of prices will be made for only those offers which are technically and commercially acceptable on evaluation of cover-I bids.

7.4 Purchase in excess of the estimated amount shown on indents.

In the absence of general or special instructions from the indenting officer, orders may be placed in excess of the value of the items shown on an indents without prior reference to the indenter if the excess expenditure over the indented amount is not more than 10%.

If this limit is exceeded, the order will be placed maximum up to the extent of 10% of the indent value in case of consumable stores and indenter will be informed accordingly. In other cases where purchase value is in excess of 10% of the indent value, the indenter will be asked for extra budget certification with the concurrence of the competent authority. However, the order shall be placed as per delegation of power.

Purchase executive may accept quantities in excess of the quantities within a limit of 5% where the packing unit or wagon consignment (as in case of steel) are the determining factors in placing orders. This 5% is covered by the normal latitude of 10% allowed in case of budget certification. Such acceptance of excess quantity shall, however, attract approval of the HOD of Materials Management Deptt. who may, if he considers necessary consult the Indentors/Finance.

7.5 Increase of quantity to be ordered from tendered quantity.

The bidders are to be informed through Tender Documents that the required quantity for any/all items mentioned therein may be subject to change, if required, and order for such changed quantity shall be placed.

Such situations may occur if during the period between floating of the tender and finalization of the purchase proposal, additional approved indents are received or, alternatively, indentors downscale their requirement. If the quantity to be

ordered is larger than the tendered quantity, an attempt should be made to obtain suitable discounts with respect to prices from the techno-commercially acceptable tenderers.

7.6 Scraping of tender received and issue of fresh enquiry.

Under the ordinary circumstances, it is not desirable to scrap a tender and reinvoke quotations. Reinvitation of tender is normally justified only where there has been a material change in the basic specifications after receipt of the tenders or where the offers received do not conform to the specifications in important respect or where the prices quoted are unreasonable because of sudden slump in market prices or the situation arising out of change in procurement policy, if any. Prior approval of the Head of Materials Management Deptt. will be obtained before cancelling tenders.

In case/cases where enquiries against the same demand are sent in the second or subsequent rounds, the previous ones having been scrapped for some reasons, or the other, it shall be made clear to the parties who have quoted against the previous tender that the fresh invitation to tender is in supersession of the previous one. Full & detailed justification must be recorded for scraping any tender.

7.7 Purchase of Stores from Government Department/Undertakings.

Purchase preference to Central Public Sector Enterprises as per Government guidelines shall be applicable.

7.8 Finalisation of Purchase Proposals.

- i) The proposal for purchase shall be finalized in the following manner :
 - a) In the case of all purchases where the value is within Rs.5 lakhs, this will be finalized by the Purchase Executives within their delegated powers, after obtaining concurrence from Finance. Purchase value is to be calculated after adding all Taxes and Duties applicable with the FOR destination price.
 - b) In case of purchase where the value is above Rs. 5 lakhs, the case shall be decided by a Tender Committee . The Tender Committee upto Rs.10 lakhs shall be constituted by Director(P&P) and above Rs. 10 lakhs by CMD.

1. The recommendations of Tender Committee in all cases shall be submitted to the competent authority, according to delegation of powers, for approval.

7.8.1 TECHNICAL EVALUATION OF BIDS

All the Technical Bids received against advertised, limited or single tender enquiries shall be scrutinized and evaluated by the technical department. The technical scrutiny and evaluation should be restricted to the parameters provided in the NIT. The final Technical Scrutiny Report (TSR) shall be forwarded to the purchase department, duly vetted by the concerned HOD of technical department.

Past performance of the offered product(s) should also be taken into consideration whilst submitting the final TSR, along with original copies of the performance reports.

The responsibility of obtaining technical clarification and the correctness of the final TSR shall lie with the concerned Technical Department.

7.8.2 DUTIES & RESPONSIBILITIES OF TENDER COMMITTEE :-

- a) The Technical scrutiny report should be vetted by HOD of the concerned Engineering Division and the Dealing Officer of the MM Deptt. should put up the same before the Tender Committee. Incidents of non-conformance to the NIT specifications, if any, indicated in the Technical Scrutiny Report, should be brought to the notice of the Tender Committee by the Dealing Officer.

The Tender Committee will examine the Technical Scrutiny Report on the offers submitted by the Bidders in Cover-I Bids.

- b) To make out a list of technically acceptable Bidders on the basis of Technical Scrutiny Report. If the Tender Committee disagrees with the Technical Scrutiny

Report, then the Tender Committee has to record the reason for disagreement. If any bid is technically rejected in the Technical Scrutiny Report, Tender Committee should also examine the same and record the reasons for rejection vis-à-vis NIT specifications and the terms & conditions specified in the NIT.

- c) To find out whether the technically acceptable Bidders have accepted/fulfilled all the general and commercial terms & conditions of the NIT. Dealing Officer should prepare and put up a statement of deviation/non-conformance of General and Commercial Terms & Conditions of the NIT (duly approved by HOD of MM dept.) before the Tender Committee members.
- d) To give recommendation regarding acceptance or otherwise of any deviation quoted by the Bidders from any of the general terms & conditions and specifications of the NIT.

- e) In case of 2-cover Bids, recommending the names of the Bidders whose price covers will be considered for opening and specific reason for not considering any bid for opening their price covers.
- f) Price comparison of the techno-commercially acceptable bids should be done on like to like basis. The Dealing Officer should prepare the CS based on the above principle and put up the same vetted by Finance before the Tender Committee. Any deviation with regard to price comparison on like to like basis is to be indicated in the CS (Comparative Statement).
- g) Negotiation in conformity with the procedure and guideline prescribed in the approved Purchase Manual may be carried out, if required . The Dealing Officer who has been authorized to assist the Tender Committee, should place the relevant guidelines before the Tender Committee. If any departure from the approved procedure is noticed the Dealing Officer should inform the same to the Tender Committee Members during the Tender Committee meeting/deliberation to enable the TC to take appropriate view in this respect.
- h) The Tender Committee will recommend the names of the bidder/bidders to whom orders shall be placed indicating the quantity to be ordered , unit price, total price and the total financial implication including taxes and duties etc. and other terms & conditions for supply of stores.
- i) If Tender Committee recommends distribution of orders to more than one Bidder , the distribution methodology should be mentioned in tender document itself as per CVC guidelines or due to critical or vital nature of the items.TC recommendation for distribution of order quantity, if any, must be in conformity to prevalent CVC guideline and as per other guidelines duly approved by MOIL /Govt. of India.
- j) Tender Committee should verify the offers (Both Part-I and Part-II) of the finally recommended bidders to guard against any irregularity.

7.8.2.1 EVALUATION REPORT

The evaluation report will be prepared by a Tender Committee comprising representatives from the Engineering, Purchase and Finance Departments as are handling this task. It will evaluate bids only on the basis of set criteria which will be clearly stated in the bid documents. It will not, nor will it be compelled to change the criteria, after the price bids have been opened.

No document presented by the bidder after the closing date and time of the bid will be taken into account by the Committee , unless otherwise called for during Technical Scrutiny and by the Tender Committee as clarifications. This should , however, be of purely minor technical points, without having any bearing with the price quoted in the price bid. If a bidder offers a rebate unilaterally after the closing date and time of the bid, it will not be taken into account for evaluating purposes by the Tender Committee , but ,

if that bidder emerges as the lowest evaluated , the rebate offered will be taken into account by the Head of the Department coordinating the contract, while forwarding the Tender Committee's recommendation to the approving authority and while awarding the contract. The Tender Committee's report will be self-contained, clear and unambiguous. If any cost compensation is carried out on account of technical deviations or on other factors, it will be clearly mentioned in the evaluation report, which can easily be understood by the non-technical officials also. There should not be any subjectivity in this respect.

7.8.3 Additional Role of Dealing Officer Assisting The Tender Committee.

The Dealing Officer will prepare the draft minutes based on the TC deliberation (Tender Committee proceedings and final recommendation) and put up the same before the Tender Committee for signature. Any departure from the accepted/prescribed procedure ,if any noticed, may be mentioned in a covering note for perusal of Tender Committee. Copy of such covering note shall be kept in the file for record only but it should not form a part of Tender Committee deliberation/recommendation. Tender Committee will take note of the same while approving the draft minutes.

7.9 TYPES OF CONTRACTS

- (a) **FIXED QUANTITY CONTRACT**: In this type of contract, the firms are called upon to make offers for supply of specified number or quantity and they have opportunity to work out the total cost and tender with definite knowledge of the limitation of their liabilities. The tenderer has to quote the price at which he is willing to supply the whole quantity or part thereof in accordance with the purchaser's requirement at the place and time of the delivery. The essential point of this contracts is that in the absence of mutual agreement or specific provisions for termination of contract, the successful tenderers can refuse to supply anything over and above the contracted quantity and at the same time can insist that the purchaser shall take delivery of the full quantity ordered.
- (b) **RATE CONTRACT**: Rate Contract is a contract for supply of stores at specified rates during the period covered by the contract. No quantities are normally mentioned in the contract and the supplier is bound to accept any order which may be placed on him during the pendency of the contract at the rate specified therein. As a reciprocal consideration, the purchaser undertakes to order from the supplier all stores under the contract which are required to be purchased , subject to certain reservations for submitting the prices to competitions and for dividing the contract between one or more suppliers. It is also incumbent on the purchaser or the direct demanding officers to place order on the rate contract holder for a minimum total value which should normally be about 1% of the approximate estimated purchases against the rate contract subject to minimum of Rs.1000/- .

- (c) **RUNNING CONTRACT** ; Running contract is a contract for supply of any approximate quantity of stores at a specified price during specified period. The approximate requirements of a number of indentors for a period , in question, are pooled by Purchase Wing and the contract provides that any of these indentors may demand his requirement at any time or at specified period during the currency of the contract either direct from the firm or through the Purchase Wing. In terms of the conditions covering these contracts, the Purchaser has the right to take certain quantity (usually 20%) over or below the approx. quantity mentioned in the contract. Orders against these contracts have to be carefully watched & 75% of the contractual quantity shall normally be taken before the expiry of the contract
- (d) **OPERATION OF THE RATE CONTRACT** :-Dealing Officer of Materials Management Deptt. would normally be declared Direct Demand Officer only in respect of the Rate Contracts or parallel Rate Contracts as may have been concluded.

7.10.1 Contents of Supply Order

The formal supply order shall include all the conditions applicable in respect of a particular tender, in question . In general, it should include the following :

- (a) Item No
- (b) Full nomenclature/description of the Stores and the item code, if allotted.
- (c) Quantity
- (d) Particulars governing the supply against which the stores are to be inspected
- (e) Date of delivery
- (f) Supplier's name and address
- (g) Consignee's name and address and mode of dispatch.
- (h) Designation of the Inspecting Officer.
- (i) Place of Inspection
- (j) Rate of the Accounting Unit
- (k) Total cost
- (l) Paying Accounts Officer
- (m) Liquidated Damage Clause for the late Delivery etc. where applicable.
- (n) Terms of Payment and Head of Accounts.
- (o) Guarantee/Warranty
- (p) Performance Bank Guarantee, wherever applicable.

7.10.2 Supply Order for Imported Items.

Following clauses should be included in the Supply Order placed on an overseas supplier for supply of Imported Items, in addition to standard clauses as above :

- i) Consignments should be booked directly in the name of MOIL.
- ii) The supplier should provide for proper sea-worthy and safe packing for protection of the goods and accessories against wear, tear, rough handling and whenever necessary provisions for required fittings have to be made to ensure

proper handling of the packages. Supplier will be responsible for any damages due to defective packing of the goods.

iii) Marking on the packing should be indicated in the supply order.

iv) Category of license against which the import is being made.

v) In case of spare parts, the supplier should mention full technical details.

vi) For warranty spares, the Contract No. against which the parent machine was imported should be mentioned.

vii) The Supplier should inform the Clearing & Forwarding agent about the following information by fax on the day of shipment. A copy of non-negotiable documents must be directly sent to the Clearing & Forwarding agent by 2-3 days of shipment :

- a) Contract No. / Supply Order No.
- b) L/C No.
- c) B/L No. / AWB No. & Date.
- d) Port of Shipment
- e) In case of Air delivery already effected/known to be effected, the Cargo arrival notice No. issued by carrier, full name and address of carrier and cargo flight details.
- f) Description and No. of Packages
- g) FOB value
- h) Freight amount paid/to be paid
- i) Insurance amount paid/to be paid
- j) Ultimate Consignee name(if known to the overseas manufacturer).
- k) Clearing Agency at Indian Port.

viii) The Supplier should normally submit the following dispatch documents for negotiation:

- a) Bill of Lading/AWB in 5 copies(1 original & 4 copies).
- b) Signed Invoice in 4 copies(1 original & 3 copies) including quantity ordered, quantity dispatched, itemwise value.
- c) Packing list (4 copies) indicating itemwise list of contents of each package size in cm., package weight in KGs.
- d) Certificate of Origin – Original Copy and also self-attested photo copy.
- e) Original freight bill/ certificate.
- f) Insurance certificate (for CIF contracts).
- g) Manufacturing Test Certificate.
- h) Shipping Specifications.
- i) Manufacturers Guarantee/Warranty.
- j) Beneficiary certificate

The above list of documents are generally required for customs/port clearance and payment thro' banking channel. However the purchaser may consider further addition / deletion in the above list to suit individual cases without creating hindrance to customs/port clearance and payment.

7.11 Normally copies of acceptance of tender, supply order etc. shall be forwarded to the following authorities as soon as they are placed :

- (a) Indentor (in Duplicate)
- (b) Consignee (one each where there are more than one consignee)
- (c) Accounts Officer responsible for payment/payments.
- (d) Other Section as needed.
- (e) Office Copy(of Master File)

7.12 COMPLETION OF CONTRACT

Legally, both the supplier and the purchaser are entitled to insist that they will be given an opportunity to supply or accept the exact quantity of stores stipulated in the contract. It, however, occurs occasionally that on the completion of the contract deliveries are offered in excess or less than the contracted quantity, the following procedure shall, therefore, be followed in all such cases except where the requirement of exact length(Manwinding ropes,etc) or quantity is must.

7.13 SHORT/EXCESS SUPPLY

- (i) **Short supply** : If the supply falls short of quantity ordered by 5% or less and the consignee considers that the balanced supply may be waived of, he may at his own discretion waive it and intimate the Accounts Department and order placing authority that the supply order may be treated as completed and authorize refund of security deposit if any. In such cases, the imposition of any penalty clause for such short supply will not arise.
- (ii) **Excess Supply** : If desired by the supplier, as for example in case of supply of Cables, Beltings etc. in rational lengths these may be accepted in excess of the ordered quantity upto a limit of 2% of the total value of the contract..

7.14 AMENDMENTS

Amendments to purchase orders involving changes in specifications, quantity , price, place of delivery etc. shall not be normally undertaken. Where amendments cannot be avoided, the same can be undertaken with full justification subject to compliance of the following conditions:

- i) Change in specification, if any, shall be minor in nature, duly vetted by the concerned Technical Head. The change of specification shall not affect the performance of the product, tender specification and the sanctity of the tender and without any price increase.
- ii) In regard to change in quantity, price etc., it shall be ensured that these changes do not result in acceptance of less favorable condition and that the financial implication should be clearly brought out in the proposal seeking the change. Such proposal must be financially concurred before approval.

Such amendment shall be approved by an authority who approved the original purchase proposal.

7.15 PROCEDURE FOR CONSIDERING REQUESTS FROM THE SUPPLIERS FOR EXTENSION OF DELIVERY PERIOD:

Delivery extension may be granted with or without reserving purchaser's right to levy liquidated damages depending upon the merit of the case, provided the materials are required by the consignees even after expiry of the stipulated delivery period. Approving authority for delivery extension without imposition of LD shall be the same as indicated in the case of issue of amendment under clause 7.14 above.

All cases of refusal of requests for extension of delivery and cancellation of contracts shall be decided in consultation with the Finance.

The following procedures will be adopted for considering the requests for extension of delivery period :

- a) If the reasons of delay in supply falls within "Force Majeure" conditions, extension of delivery period without imposing liquidated damages (LD) may be granted after obtaining documentary evidence about existence of the "Force Majeure" conditions or being reasonably satisfied that such conditions existed.
- b) If the reasons for delay do not fall within "Force Majeure" conditions but were beyond the control of the supplier, provisional extension may be granted, reserving the right to impose LD. After completion of supply by the supplier, final extension may be granted on examining the merits of the case.
- c) If the delay in supply was due to any other reasons, which cannot be considered to be beyond the control of the supplier and the materials are still required by the Indentor, suitable extension of delivery period with clear imposition of LD clause may be granted . In case it is felt necessary, reference to the indentor may be made to ascertain if the materials are still required.
- d) If the supplier requests for a delivery period extension after completion of supply, extension of delivery period may be granted upto the date of completion of supply, if the materials are required by the indentor even after expiry of the delivery period. Imposition of LD clause will be decided as per clause 7.15 (a), (b), (c) above & (e) and (f) as mentioned below.

In case materials are accepted by the consignee, due to urgency, though the delivery period of the supply order has expired, extension of delivery period will be granted with or without LD, as per clause a), b) and c) above.

- e) Ex-gratia extension without LD for a grace period of 25% or 21 days whichever is earlier from expiry of the original date of delivery may be granted. Such cases can be decided without reference to the finance and the user and the approving authority shall be the HOD of MM Dept.
- f) After completion of supply by the supplier, in order to consider final extension of Delivery period, in case where provisional extension of delivery period was given, it has to be ascertained if the indenter has suffered any loss due to delayed supply of materials. For the purpose, the indenter will be requested to send a report within 30 days, stating whether any loss has been suffered as a result of delay in delivery. The indenter will inform the Purchase Department whether any loss was suffered by him upto the expiry of the extended date of delivery within 30 days of the above request from purchase. If the report is likely to be delayed the indenter shall inform the Purchase Department accordingly. If no advice whatsoever is received, within the period specified, from the indenter, it will be assumed that no loss has been suffered by the indenter and the Purchase Department will proceed to finalise the case on its merits without any further reference to the indenter.
- g) In case the indenter informs that no loss has been suffered due to delayed supply, the delay in supply may be condoned and the LD clause may be waived.
- h) In any other case, where it is established that the supply is delayed, solely due to any failures on the part of MOIL to discharge any significant contractual liabilities as per the terms of the order, or as per statutory rules or regulations, which as a direct bearing on the timely execution of the order by the supplier, extension of the delivery period without imposing LD may be granted with approval as per para 7.15.
- i) In cases when a monthly or periodic rate of supply is specified in the order and there is slippage in quantity supplied over a period, imposition of LD clause will be endorsed, if the supplied quantity is less than 50% of the contracted quantity. Otherwise, LD will be imposed, if there is delay in supply beyond the stipulated date of completion of the order.
- j) In all cases, where imposition of LD is proposed to be waived, concurrence of finance should be taken.
- k) For the purpose of the calculation of the LD amount, the basic price should be considered. For direct imports, the FOB Port of delivery price will be considered. Taxes and duties should not be taken into account for calculation of LD. However, when prices indicated in the order are inclusive of taxes and duties, such prices will be taken for calculation of LD.

7.16 DELIVERY DATE FOR REPLACEMENT OF REJECTED STORES

In case of replacement supplies, the original date of delivery mentioned in the supply order may not hold for various reasons and it will not be possible to compel the supplier to make replacement supply within that particular date.

In such cases, delivery period will be extended normally .

7.17 RECOVERY OF EXCESS AMOUNT OF DUTIES AND TAXES IN CASES WHEN RATE OF DUTY/TAXES INCREASES DURING EXTENDED DATE OF DELIVERY

i) In case the delay in supply beyond the original date of delivery of the order is due to any fault of the suppliers, and there is increase in the rate of taxes and duties during the extended delivery period MOIL shall not pay the increase in the taxes and duties. This should be specifically mentioned in the amendment issued for such delivery extension.

ii) In case where the responsibilities for the delay in supplies lies both on the part of the purchaser and the supplier, the excess amount paid by way of statutory increase in duties, rates and taxes shall be treated as a potential loss and waiver of recovery of the excess amount paid may be considered only in consultation with Finance.

iii) In cases where the suppliers cannot be held responsible for the delay in supplies, the extra amount paid on account of increase in statutory duties, rates and taxes shall not be treated as actual or potential loss and waiver of LD in such cases shall be considered in consultation with Finance.

iv) In respect of stores on which the rates of existing duties and taxes have been decreased or abolished, steps shall be taken to ensure that the same is paid at the decreased rate or not paid at all, and if payment of such duties, rates and taxes have already been made, the excess amount so paid shall be recovered forthwith from suppliers.

7.18 EXTENSION OF DELIVERY DATE IN CONTRACTS CONTAINING 'PRICE VARIATION' CLAUSE - PURCHASER'S LIABILITY EXTENDED PERIOD

i) Where under the terms of the supply order, the supplier has guaranteed delivery by stipulated date and he applies for extension, the case has to be examined on its merits and unless the circumstances indicated otherwise, a decision is taken at the appropriate level with the concurrence of Finance. Whenever such extension is granted, the Purchase Wing should reserve its right to recover LD and make it clear that notwithstanding any stipulation as to 'Price Variation' Clause in terms of the

original supply order, no such increase will be granted if it takes place during the extended period of delivery. It shall, however, be stated clearly in the amendment letter that extension is granted subject to the right of the purchaser to claim any decrease in the price that may take place during the extended period of delivery. The same conditions are also applicable to supply orders for supply of stores on which customs/excise duty or any other taxes are leviable. If the supplier does not agree to the extension letter, the alternative course is to cancel the order and repurchase the outstanding quantity at the risk and cost of the supplier.

- ii) In case of difficult item or items for which sufficient capacity does not exist, the officer concerned shall have to use his discretion in deciding whether or not the order is to be cancelled and such decision shall be taken with competent approval.
- iii) If the execution of contract/supply order is delayed beyond the period stipulated in the contract/supply order as a result of force majeure, declaration of an embargo or blockage or fire or flood due to act of God, then the management may allow such additional time by extending the delivery period as it considers to be justified by the circumstances of the contract/supply shall be read and understood as if it has contained from its inception, the delivery date as extended. As a result of the above, the price variation clause may be agreed to during the extended period also.
- iv) **Force Majeure Clause** - The bidding documents will clearly state that -
 - a) The successful bidder will advise, in the event of his having to resort to this clause by a registered letter duly certified by the local Chamber of Commerce or Statutory authorities, the beginning and end of the causes of the delay, within fifteen days of the occurrence and cessation of such Force Majeure Conditions. In the event of delay lasting out of Force Majeure, MOIL will reserve the right to cancel the contract and provisions governing termination of contract, as stated in the bid documents will apply.
 - b) For delays arising out of Force Majeure, the bidder will not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither MOIL nor the bidder shall be liable to pay extra costs provided it is mutually established that Force Majeure Conditions did actually exist.
 - c) If any of the force majeure conditions exists in the place of operation of the bidder even at the time of submission of bid, he will categorically specify them in his bid and state whether they have been taken into consideration in their quotations.

7.19 CANCELLATION OF SUPPLY ORDER

Where due to the reasons of late delivery or otherwise it is intended to cancel a supply order which has been kept alive by the conduct of the suppliers, it is necessary to issue a proper notice to the supplier before cancellation. This notice

shall be sent to the supplier by registered post acknowledgement due, a copy being invariably endorsed to the Inspecting Officer/Agency and sent to him by registered post with Acknowledgement due. The Inspecting Officer/Agency shall be asked not to inspect any supplies after the stipulated target date on receipt of reply/expiry of prescribed time limited, if necessary.

Cancellation letters to the suppliers with copy to the Inspecting Officer shall also be sent without delay by registered post, acknowledgement due. Receipt of notice as well as of cancellation letter and their receipt shall be carefully watched as also the postal acknowledgement.

The Officer concerned shall see that supply orders which are intended to be cancelled are not kept alive by any action on his part. If it is intended to cancel a supply order after expiry of the delivery date where this has not been kept alive beyond the period by implication or conduct of the parties, the cancellation letter shall be issued on the expiry of the delivery date stating that quantities remaining undelivered on the due date are cancelled with copies endorsed to all concerned.

7.20 CASES WHERE THE PRICE INCREASE WILL BE ACCEPTED BY THE PURCHASE WING WITHOUT CONSULTING FINANCE

All cases of increase in price by the supplier due to statutory increase in customs and excise duty within the stipulation period of delivery shall be accepted by the Purchase Executive within whose powers the purchase case falls. Where the offer of a particular supplier has been accepted, who in his quotation, has indicated his offer is subject to change in price on account of variation due to statutory increase in customs and excise duty etc. Provision shall be clearly made in the supply order to cover such conditions in order to avoid future complication.

7.21 RISK PURCHASE

As per para 26 of general terms and conditions of Annexure-III, in the event of failure of the supplier to deliver or despatch the stores within the stipulated date/period of the supply order or in the event of breach of any of the terms and conditions mentioned in the supply order, MOIL have the right to purchase the stores from elsewhere after due notice to the defaulting supplier at the risk and cost of the defaulting supplier. It may be mentioned clearly in the tender enquiry that in the event of failure of the supplier as detailed above, the cost as per risk purchase exercise may be recovered from the bills against any other supplies pending in MOIL.

7.21.1 CONDITIONS FOR RISK PURCHASE

Risk purchase action may be initiated as a last resort, under any of the following conditions :

- a) When the supplier fails to deliver the materials even after the delivery period is extended on several occasion, on request from the supplier.
- b) When the supplier fails to respond to purchaser's request for supply of the materials and fails to provide any reason which is considered to be genuine, for the delay in supply.
- c) When in the judgement of the purchaser the supplier is unable to execute the order due to various reasons.
- d) When the materials are urgently required and the supplier fails to deliver the materials within the extended/original delivery schedule.
- e) When the supplier breaches any of the terms and conditions of the supply order and as a result fails to execute the order satisfactorily.

7.21.2 PROCEDURES FOR RISK PURCHASE

The following procedures will be adopted when it is decided to initiate Risk Purchase action. Approval of HOD of Materials Management Department will be taken before initiating such action.

- a) A risk purchase notice will be served, under registered cover, on the supplier giving a time period of not less than 30 days to complete supply. It will be stated that unless execution of the order is completed by that date the materials will be purchased at their risk and cost.
- b) In case the supplier fails to resume and complete supply even after the above time period which is considered genuine and acceptable by the purchaser, the following actions will be taken :
 - i) Cancel the order in terms of para 7.19 above and take action of forfeiture of the security deposit/Bank Guarantee, if any.
 - ii) **Float enquiry (Advertised or Limited)** as per normal tendering procedures for the outstanding quantity of the materials of identical specifications. In case of Limited Tenders, enquiries should be sent to at least all the firms to whom the original tender against which the original order was placed, were sent. A copy of the enquiry marked "Risk Purchase Tender" may be sent to the defaulting supplier under registered post and they should be specifically informed that the enquiry is sent for information only and not for submission of any offer.

iii) While evaluating the tenders, any offer submitted by the defaulting firm, in spite of the above instruction for not submitting any offer, will be ignored.

iv) Simultaneously, all pending claims of the supplier or any amount payable to the supplier will be withheld to enable the Company to recover the amount of difference, if any, between the original ordered price and price payable against the risk purchase to be made, as per para 26 of general terms and conditions of, Annexure-III. Finance will be advised to take appropriate actions in this regard. In case no such amount is pending for payment, the matter may be referred to the Finance Deptt. for advise for filing an appropriate claim on the firm. After recovery of the excess amount for risk purchase, if any, the balance amount may be paid to the defaulting supplier.

v) In case the supplier fails to pay the above amount, necessary action in the court of law should be initiated accordingly. Simultaneously, actions towards de-registration of the firm as per para 4.5.2 or suspension of business as per para 4.7.1 may also be considered with the approval of HOD of Materials Management department.

7.22 NEGOTIATION AND DISTRIBUTION OF ORDERS

Central Vigilance Commission (CVC) issued instructions vide circular no.4/3/07 dt.03/03/2007 banning post tender negotiation even with the lowest tenderer except in certain exceptional cases. These instructions are mandatory and are to be followed for all categories of contracts for procurement of materials and equipment. Negotiation, if necessary, shall be conducted with L-1 tenderer only to bring down the price to acceptable level. In the same circular, it was indicated that wherever the quantity to be ordered is much more than L-1 alone can supply, in such case the quantity ordered may be distributed in such a manner that the purchase is done in a fair, transparent and equitable manner. CVC has also insisted on pre-disclosing the ratio of splitting the supply in the tender itself. Counter offer to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However, any counter offer thereafter to L-2, L-3 etc. (at the rate accepted by L-1) in case of splitting of quantities, as per disclosed in the tender, shall not be deemed to be a negotiation.

7.22.1 QUALIFICATION CRITERIA (TO BE SPECIFIED IN THE NIT)

i) Based on the nature of item, the qualification criteria may be decided & in case of the critical items whatever felt necessary.

7.22.2 PURCHASE PREFERENCE FOR PSUs

The facilities/preferences for procurement of materials from the ancillary units as per the directive of Government of India/State Governments should also be followed.

7.22.3 TRIAL/DEVELOPMENT ORDER

For development of a new source of supply, separate tender should be floated. Tender should preferably be Open/Global tender to explore Indian as well as Overseas markets. Trial orders may be placed on the new source/sources whose offer/offers has/have been found to be techno-commercially acceptable and the prices lower than the price being paid for the proven product.

It is not necessary to place order for development of source for all items. Items required to be developed should be identified and listed by the technical deptt., 10% of the assessed requirement of the identified items may be kept aside for development order. The criteria for declaring any product as proven has been indicated at para No. 6.17(iv) (Page-44).

For payment terms in respect of trial orders, reference may be made to para No.9.4. In case of trial orders, security deposit clause as per para 6.5 will be included in the order in all cases. No exemption from depositing of security money will be granted in case of trial orders.

7.22.4 PROCUREMENT FROM ANCILLARY UNITS

Whenever the requirement is large and repetitive, efforts may be done to have ancillary units.

7.23 INSPECTION CRITERIA

The specifications will clearly indicate the acceptance norms against which supplies of equipment/materials are to be accepted. The specifications must indicate among other things the following :

- a) that inspection will be carried out to establish conformance to the acceptance criterion specified.
- b) that in case equipment and materials do not conform to the acceptance norms, they will be summarily rejected unless the deviations in this regard have, for good and sufficient reasons to be recorded in writing ,been accepted by MOIL.
- c) the cost implications as a result of deviations in such cases will invariably be taken into accounts.

d) that the contractor will give a clear notice period offering the materials/equipment for inspection and they will not be despatched unless they are inspected and cleared for despatch by the representative of MOIL. They may in exceptional cases waive this requirement for good and sufficient reasons with price adjustments, wherever required.

7.24 INSPECTION OF STORES

Normally, inspection of stores and equipment will be made after receipt of the materials at site. Inspection will be made by representative of the concerned Technical Department, who has been authorised to carry out the Inspection.

However, in case of items of complex technical nature, high value items or items for which there is no third party approval like DGMS, IS Licence etc. or where any kind of advance payment is being made or in any other case where it is felt necessary to do so, pre-despatch inspection may be stipulated in the order. Such pre-despatch inspection may be carried out either by an Inspecting Officer nominated by MOIL or by a recognised Government Inspection Agency.

Even after pre-despatch inspection is carried out, the materials will be subjected to final inspection at site after receipt of the same at site.

7.25 THIRD PARTY INSPECTION

Reputed Government agencies,(DGS & D,RITES etc.) who specialise in offering inspection Services may be engaged to carry out pre-despatch inspection, if it is decided to do so. Such Inspection services may include examination of raw materials, test certificates, verification, Inspection of materials and equipment as per specifications laid down in the order, stage inspection, review and approval of test procedures, witnessing the test procedures and signing of the test reports, marking of inspected materials and issue of Inspection notes. The contract with the agency should specify the scope of inspection by the third party.

7.26 INSPECTION OF SAFETY ITEMS

Inspection of safety items at different stages is very important. Therefore, officers from safety/Technical department should be nominated for carrying out such inspection either at the Supplier's works or at MOIL's site.

CHAPTER-VIII

PROGRESS AND FOLLOW-UP

- 8.1** Purchase department shall have computerised Management Information System. The system shall be implemented and operated with the assistance of an officer from the system department. All indents, as prescribed in Chapter-V shall be registered on Receipt and progressed thereafter through its different stages. Indents not complying with the pre-requisite of Chapter-V shall not be registered and shall be returned to the Indentor.
- 8.2** After Indent is registered, information shall be sent to the indentor of its registration. All concerned shall be requested to quote the Indent Registration No. for all correspondence on the subject.
- 8.3** Each officer of the purchase department shall update the MIS for the items dealt by him and a weekly/fortnightly/ monthly feed back shall be made available, to HOD of MM Deptt. regarding the status of each Indent and the delays, if any, during different stages of its process.
- 8.4** Reminder shall be sent on a regular basis to the Head of concerned Technical dept/Finance Department of any particular case file is being inordinately delayed at their end.
- 8.5** The MIS Cell shall prepare a monthly report which shall embody complete detail of all activities of Purchase Dept.
- 8.6** **FOLLOW UP BY CONSIGNEE**

In addition to the follow up actions taken by the Purchase Deptt., the consignee shall also take follow up actions after supply orders are placed and shall keep the ordering authority posted regularly w.r.t. receipt of materials as per the contractual delivery schedule and whether any slippage has occurred in supply of materials.

CHAPTER – IX

PAYMENT TO THE SUPPLIERS

9.1 PAYMENT AUTHORITIES

The paying authority shall have to be mentioned clearly in the supply order and the supplier shall have to be suitably advised to submit their bills with requisite documents specified in the supply order to the specified paying authority. Paying authority shall ensure prompt payment to the supplier's bills, if the same is submitted as per the terms of the supply order.

9.2 PAYMENT AGAINST SUPPLY OF EQUIPMENT

For supply of equipment, 80% payment may be released within 30 days after delivery of the equipment and receipt and acceptance of performance bank guarantee by the consignee. Balance 20% payment shall be released within 30 days after successful commissioning of the equipment. These payment terms are applicable for the suppliers whose equipment are considered proven for supplies to MOIL and to be accepted only for regular supply orders to be placed for the proven equipment.

9.3 PAYMENT AGAINST TRIAL ORDERS

For Trial Orders to be placed for supply of equipment, 100% payment shall be made after six months of satisfactory performance against submission of Bank Guarantee of equivalent amount, valid for a period of nine months thereafter (beyond initial six months). The equipment found to perform satisfactorily and fulfilling the contractual obligations as per the supply order for a period of one year from the date of commissioning, 100% Bank Guarantee shall be released on receipt of Performance Bank Guarantee of suitable amount, may be 10% or 20%, as shall be decided by the Sub.Cos. according to the nature of the item. Six months satisfactory performance shall not, however, give entitlement to claim that their equipment shall have to be considered proven. For provenness of any equipment, the concerned paragraph of the Manual may be referred to. This shall be mentioned specifically in the tender enquiry

9.4 PAYMENT FOR SPARE PARTS & OTHER CONSUMABLE ITEMS

For supply of spare parts and all other consumable items etc. (other than Capital Equipment), 100% payment shall be released after receipt and acceptance of the goods at site. This shall be arranged by 30 days of receipt of goods at site. This payment term is applicable for regular orders and for proven materials.

For overseas manufacturers, normally L.C. payment may be considered. However, under special circumstances and for low value items, other mode of payment i.e. direct remittance etc. may also be considered. For the contracts concluded for importation of materials directly from abroad, L.C. payment against proof of dispatch and other import documents namely guarantee certificate, test certificate, country of origin etc. may be considered. If felt necessary we may also insist for performance bank guarantee at the time of procurement of critical items.

For procurement of imported materials in rupee payment from any Indian suppliers, payment terms applicable for procurement of indigenous materials shall be stipulated. However, necessary documents for authenticity and genuineness of supply of imported materials shall have to be obtained from the supplying firm.

For Trial Orders for above category of materials, payment terms would be decided as per their nature of requirement.

9.5 PAYMENT THROUGH BANK

Payment through Bank shall have to be avoided as far as possible. In case of unavoidable circumstances where source of supply is one or two and that they would not accept order without the condition of payment through Bank, the same may be considered. In that situation, for payment through Bank, despatch documents must accompany bills to be presented through Bank. Despatch documents mean Railway Receipt and the Transporter's Roadway Bill and the Transporter must be Bank approved. Pre-despatch Inspection Clause shall have to be stipulated for such payment. The supplier shall have to submit Proforma Invoice or the advance copy of the Bill to the paying authority to facilitate them to take advance action for retiring of documents from the Bank expeditiously. It shall be clearly mentioned in the supply order that no payment shall be made through Bank when supplies are delayed beyond the delivery order stipulated in the supply order without obtaining amendment to the order, prior to presentation of documents through Bank.

Pre-despatch Inspection may be arranged either by the representatives authorised by the Technical Department or Third Party Inspection can be arranged through an authorised outside agency viz. RITES , DGS&D etc. as shall be decided .

Pre-despatch Inspection Clause may be stipulated for all types of orders/payment terms as stated above, suitably as per requirement.

CHAPTER – X

TENDER SYSTEM OF PURCHASE AND THE LAWS ATTRACTED BY THE RESULTANT CONTRACTS

10.1 HOW A PURCHASE CONTRACT IS CONCLUDED

Normally, all purchases of stores and equipments by Govt. department except cash purchase of limited value, are required to be made on the basis of tenders, for this purpose, Invitation to Tender in prescribed forms detailing particulars of stores / equipments and quantities thereof required, period of delivery and other terms and conditions which will govern supply, is issued . In response thereto the prospective suppliers make offers quoting price etc., which are called ‘Tenders’ which must be supported by prescribed forms duly completed and signed by the tenderers and submitted in sealed covers, date and time for receipt and opening of these tenders are clearly specified. Sealed tenders are kept in a tender Box under lock & key and the ‘Tenders’ are opened and quotations declared by the authorized officer in the presence of the representative of the tendering firms, unless otherwise stipulated. The tenders received are tabulated in a standard form, calls ‘Comparative Statement of Tenders’. Sometimes it may be necessary of obtaining clarification from some or all the tenderers to arrive at complete agreement as regard supplies to be made and attendant condition. Thereafter, when the competent authority selects a tender, one tenders handbarrows placement of Order(s) on the selected firm(s), Acceptance(s) of tender (A/T) Supply Order(s) are issued. This gives rise to a purchase Contract and all the previous documents as may be quoted in the A/T or Supply Order would generally come within the gamut of Contractual documents.

In some cases, however, self-contained contracts are concluded in the form of Agreement , which are signed by both (All) the parties to the contract and are duly witnessed.

Whatever the procedure followed and forms adopted for conclusion of contracts the same have to fulfill the provision of certain basic laws of the country. The principal laws are :-

- i) Law of Contract
- ii) The Law relating of Sale of Good and
- iii) Where contracts provide for settlement of disputes by arbitration. The law relating to Arbitration.

10.2 LAW OF CONTRACT

The Indian Law of Contract is contained in the Indian Contract Act, 1872 (Act IX of 1872). While this Act lays down the general principles of the Law of Contract, it is by no means exhaustive, because there are other Acts relating to particular types of contracts e.g. The Transfer of Property Act. The Sale of Goods Act etc. The Act also does not affect any usage or custom of trade incidents of any contract, which are not inconsistent with the provisions of the Act.

10.3 DEFINITION OF A CONTRACT

An Agreement enforceable by Law is a contract. It follows from this definition that every contract must be based on an agreement that is enforceable by law.

10.4 ESSENTIAL ELEMENTS OF A CONTRACT

(a) OFFER AND ACCEPTANCE – A lawful offer shall be made by one party and the same lawfully accepted by another.

A lawful offer is one which:

- i) Discloses an intention to create legal relations and is capable of creating such relations.
- ii) Is framed in definite and clear terms and is not vague.
- iii) May be general or specific, express or implied, positive or negative.
- iv) Is distinct and different from an answer to a question or an invitation to an offer or a statement of intention.
- v) Is made with a view to obtaining the consent of the other party to a contract, from which the offerer is willing to abstain.
- vi) Is properly communicated including special conditions, if any attachment thereto.

10.5 CHARACTERISTICS OF LAWFUL ACCEPTANCE

10.6 LEGAL RELATIONSHIP

- i) It can be given only by the person to whom the offer has been made.
- ii) It can be expressed or implied.
- iii) It must be absolute and unqualified in relation to the offer.
- iv) It is in respect of an offer duly communicated to the offeree.
- v) It has been properly communicated within the stipulated time or with a reasonable time where there is no such stipulation.

This follows from the essentials of a valid offer as above.

10.7 LAWFUL CONSIDERATION AND LEGAL OBJECTIVE

The parties to the agreement will be mutually benefited. One party will give something and other get something. For example, in a purchase contract the Seller supplies goods or services and is reciprocated by payment. This is called consideration. The consideration may be 'doing something' or not doing 'something', at present in the past or in future. The consideration must be lawful i.e. must not violate of any the prevalent laws, civil or criminal, or must not be opposed to Public Policy or offend morality. The same applies to the purpose or objective of the agreement. Further, the parties concerned must agree upon the same thing in the same sense.

10.8 CAPACITY

The parties to an agreement must be legally capable of entering into an agreement. Normally, want of capacity arises from minority, lunacy etc. In case of agreement between Govt. Deptt. and other non Govt. parties, the president of India is the Govt. party and hence all contractual documents have to be signed for or behalf of the president by officers who specifically authorized in pursuance of Article 299 of the Indian Constitution, to do so.

10.9 FREE CONSENT

Both parties must be free consent and not under influence of any coercion, undue influence or inducement etc.

10.10 CERTAINTY

This follows from a (ii) above.

10.11 POSSIBILITY OF PERFORMANCE

An agreement must not be based on something which is impossible of performance.

10.12 WRITING AND REGISTRATION

A contract must be in writing and/or must be duly registered wherever so required by some status. Contracts for Purchase/Sale should be writing, but need not be registered.

All the elements mentioned above must be present in an agreement, otherwise it will not lead to a contract.

10.13 COMMUNICATION OF AN OFFER AND ITS ACCEPTANCE

Communication of a proposal or offer is complete when it comes to the knowledge of the person/party to whom it is made. Conversely, communication of acceptance proposal or offer is complete when its acceptance comes to the knowledge of the proposer/offerer.

An offer may be made by post. An offer may also be accepted by post unless any other mode of communication is specifically prescribed by the offerer. When an offer is made through post, the Post Office becomes the agent of the offerer.

Therefore, a letter of acceptance duly addressed and posted is sufficient acceptance even though the letter does not actually reach the offer. The letter must, however, be correctly addressed. The letter must be actually posted.

Oral or telephone communication of an offer and its acceptance may be legally valid, but complication may arise in proving that communication was clear and complete.

10.14 REVOCAION OF AN OFFER

An offer may be revoked any time before acceptance, but not afterwards. The acceptance of an offer leads to a binding contract as soon as the acceptance is put in course of communication to the offerer

When a validity period is specified by the offerer, the offer expires as soon as the validity period is over, unless the offerer, either on his own or at the request of the offeree, extends the period.

Where no validity period is laid down, the offer lapses after expiry of a reasonable period. What is a reasonable period will depend on the circumstances of each case.

10.15 VOID AND VOIDABLE AGREEMENT

An agreement is void when it fails to generate legal right and obligations between the parties due to any flaw in its content or the process through which it has been arrived.

An initially valid agreement may become void subsequently due to developments which renders its performance impossible or illegal.

A voidable contract is one which can be avoided by one party but not the other contracts brought about the coercion, undue inflaon, misrepresentation etc. come under this category.

Illegal contracts/agreements are those which offend some law and these are not only themselves voided, but also nullify other agreements which are incidental collateral to it.

10.16 PERFORMANCE, BREACH AND DAMAGES

Performance means the fulfillment of the respective obligations generated by the contract by the parties to the contract. Non Performance or non-fulfillment of contractual obligations either in part or full will cause breach of contract and given rise to a right of the aggrieved party to claim damage or other remedies. If a firm fails to supply goods of stipulated quality against a supply order placed by a Govt. Deptt., the firm will be responsible for breach and incur the liability for paying damages.

Where time is of the essence of the contract as per laid down terms, as is generally the case with purchase orders placed by us if there is a failure to perform within the stipulated time, the contract or so much it is outstanding becomes voidable at the option of the Promise/purchaser. In such cases, the Purchaser/Promise may accept performance after the stipulated time, but if he does so, he cannot claim compensation unless he notifies his intention to claim compensation at the time of accepting delayed performance/supplies. Where time is not of the essence of contract failure in regard to time does not make the contract voidable, but the promise or purchaser is entitled to compensation for any loss caused to him by delay.

Apart from actual breach, there may be anticipatory breach of contracts. This occurs when a party repudiates his liability under the contract before the time of performance is due or when a party by his own act disables himself from performing contract such breaches also entitle the aggrieved party to remedies.

10.17 REMEDIES FOR BREACH OF CONTRACT

Following are the remedies available to the aggrieved party in the event of breach of contract.

10.17.1 RECESSION OF THE CONTRACT

The aggrieved party is freed from all his obligations under the contract.

10.17.2 SPECIFIC PERFORMANCE

Under certain circumstances, the aggrieved party may seek judicial order directing the defaulting party to perform when they promised to perform. Specific performance is not, however, allowed in cases where monetary compensation is in adequate relief.

10.17.3 INJUNCTION

Under certain circumstances, the aggrieved party may secure from Court a negative injunction, i.e. an order prohibiting the defaulting party from doing something.

This is appropriate for cases where financial compensation is not relevant or adequate, particularly for cases of anticipatory breach of contract.

10.17.4 QUANTUM MERUIT

When a contract has been partly performed the aggrieved party can, under certain circumstances, file a suit for the services performed before breach of contract.

10.17.5 DAMAGES

This is usual remedy against breach of contract, specially the contracts for sale/purchase.

The general principle for awarding damages is that aggrieved party is to be placed in the same financial position as he would have been but for the breach.

If the contract is broken, Law will endeavour so far as money can do it, to place the injured party in the same position as if the contract has been performed. Being in the nature of compensation for actual loss, vindicate or personal damages are out of question in case of commercial contracts. In fact, the aggrieved party is also expected to take reasonable steps within the mitigate the extent of damage caused by the breach. He has to conduct himself reasonable even after the breach.

Generally in sale/purchase contracts, damages are given on the basis of the difference between the contract price and the market price prevailing at the time of breach.

10.18 TYPE OF DAMAGES

a)The loss or damage should arise naturally in the usual courses of things, from the breach Compensation will not be awarded for any remote or indirect loss or damages-compensation thus is called “Ordinary or general Damages”.

b)The court may allow remote damages i.e. damages not arising naturally from the breach, if such damages may reasonably be supposed to have been in the contemplation of both parties at the time they made the contract – This called “Special Damages”.

c) In some contracts the quantum of compensation in the event of breach is pre-determined and stipulated. This quantum, though agreed upon between the parties, should be a genuine estimate of loss or damage arising from the breach and must not be of punitive proportion by way of penalty Sec.74 of the contract Act lays down that if the parties have fixed what the damages will be, the Court will never allow more. But the court may allow less. A decree is to be passed only for reasonable compensation, exceeding the amount laid down in the contract.

10.19 TERMINATION OF CONTRACT

A contract is terminated when the obligation created by it come to an end which may occur in the following manner :-

10.19.1 BY PERFORMANCE :

By performance when the parties to a contract fulfill the respective obligations, the contract is terminated by performance.

10.19.2 BY MUTUAL AGREEMENT:

This is contained in Section 62 of the Contract Act which read ‘if this parties to a contract agree to substitute a new contract for or rescind or alter it, the original contract need not be performed’.

10.19.3 BY LAPSE OF TIME:

This is the obligation mainly is a civil suit where obligation and liabilities in a contract may be barred by limitation, according to a vision in the Limitation Act.

10.19.4 BY OPERATION OF LAW:

A contract is terminated by operation of law in case of death, insolvency and merger.

10.19.5 TERMINATION BY MATERIAL ALTERATION:

If the document containing the terms of a contract is materially altered by a party to a contract, with the consent of other party (parties) the contract is discharged and cannot be enforced any more.

10.19.6 TERMINATION BY BREACH OF CONTRACT:

When a contract is broken by one party, other party(s) are left from obligation under the contract, in addition to being entitled for damages or other remedies arising from breach.

10.19.7 TERMINATION BY SUBSEQUENT OR SUPERVENING IMPOSSIBILITY:

As per Section 56 of the Contract Act – “a contract to do an act are which, after the contract is made, becomes impossible, or by reason some event which the promisor cannot prevent, became unlawful becomes void when the act becomes impossible or unlawful.

10.19.8 DOCTRINE OF FRUSTRATION:

This may occur in many ways, some of which are destruction of the subject matter of the contract, death of the promisor, outbreak of war, change of law and failure of precondition etc. This doctrine does not, however, normally, cover(a) difficulty in performance, (b) impossibility caused by the behaviour of a third person and (c) partial impossibility. Strike, lockout and civil disturbances are also normally outside the scope of the concept of supervening impossibility.

In the purchase contract, however, some of the contingencies mentioned above which render performance of the contract impossible either totally or over a period, are generally provided for in the shape of a ‘Force Majeure Clause’.

10.20 THE LAW RELATING TO SALE OF GOODS:

The law relates to sale of movable goods as contained in Sale of Goods Act (Act-III of 1930). The term goods include every kind of movable property except (a) auctionable claim and (b) money. An auctionable claim means a bet or a claim for money which a person may have against another and which may be recorded by suit.

The goods may be classified under two categories :-

- i) Existing goods i.e. ready and unidentifiable goods, and
- ii) Future or contingent goods.

Future goods are those which may be manufactured or produced or acquired by the seller after making the contract. The contingent goods are those acquisition of which by the seller depends upon a contingency.

A contract for sale of existing goods involving immediate transfer of property in the goods of the buyer is called a Contract of Sale. The sale of future goods where transfer of ownership takes place at a future time or subject to some condition to be fulfilled later on gives rise to agreement to sale.

10.21 ESSENTIAL ELEMENTS OF A CONTRACT OF SALE OF GOODS:

10.21.1 (i) MOVABLE GOODS FOR MONEY

Movable Goods are supplied by Seller to the Buyer against Payment.
An exchange of goods for goods is not a sale.

10.21.2 (ii) TWO PARTIES:

The contract is between the seller and the buyer. A sale is thus a bilateral contract.

10.21.3 (iii) FORMATION OF CONTRACT OF SALE:

A contract of sale is made by an offer to buy or sell goods for a price and acceptance of such offer. The contract may provide for immediate delivery of goods or immediate payment of the price or both, or for delivery and payment by instalments, or that delivery or payment by instalments, or that delivery or payment or both shall be postponed.

10.21.4 (iv) TERMS OF THE CONTRACT:

The parties may agree upon any terms concerning the time lapse and mode of delivery.

10.21.5 (v) OTHER ESSENTIAL ELEMENTS:

A contract for Sale of Goods must satisfy all the essential elements necessary for information of a valid contract as discussed in connection with the Contract Act.

10.22 CONDITION AND WARRANTY:

The terms in a contract of Sale may be divided into two categories, viz. Condition and Warranty. Condition is a term which is essential to the main purpose of contract. Warranty is only a collateral term. It is subsidiary to the main purpose of the contract. The breach of a condition gives the aggrieved party a right to repudiate a contract. It also creates a right to get damages. The breach of warranty entitles the aggrieved party to claim damages only.

A breach of condition may under certain circumstances be treated as warranty but a warranty cannot become a condition.

10.23 IMPLIED CONDITIONS:

10.23.1 (i) CONDITIONS AS TO TITLE :

There is an implied condition on the part of the seller that he has acquired a right to sell the goods involved in the transaction.

10.23.2 (ii) SALE BY DESCRIPTION:

Where there is a contract for sale of goods by description, there is an implied condition that the goods shall conform to the description.

10.23.3 (iii) SALE BY SAMPLE :

When goods are to be supplied according to a agreed sample, the following conditions are applied –

- a) The bulk shall conform to sample with regard to quality,
- b) The buyer shall have a reasonable opportunity to compare goods with the sample,
- c) The goods shall be free from any defect rendering them merchantable which would not be apparent on reasonable examination of the sample.

(N.B. The term ‘merchantable’ implies that the article is in such quality and in such condition that a reasonable man-eating reasonable, would after full examination accept it under circumstances of the case in performance of his offer to buy the article, whether he buys for his own use or to sell again.)

- d) Sale by sample as well as by description

When goods are sold by sample as well as by description the goods shall agree both with the sample and the description, and,

- e) Condition as to fitness or quality

There is no condition that the goods shall be fit for any particular purpose or regarding any particular quality of the goods,. But if the buyer make known to the seller the purpose and he also makes it known that he relies on the skill and judgement of the seller and if the goods are of description which it is in the course of seller’s business to supply the Law implies that the goods shall be reasonably fit for this purpose.

Where the goods are sold under their patent or trade names, there is no implied condition regarding its fitness for any particular performance. If there is no implied condition as regards the defects which such examination sought to have

revealed. This approach is based on the principle of 'caveat emptor', which literally means 'buyer beware'. It is for the buyer to ensure that at the time of purchase the goods shall conform to this requirement.

10.24 IMPLIED WARRANTY

1. The buyer must get quite possession. This is an extension of the principle mentioned earlier that the buyer must have a clear right to sell goods involved in the transaction.
2. The goods must be free from encumbrances. There is an implied warranty that the goods shall be free from any charge or encumbrances in favour of a third party not declared or known to the buyer or at the time when the contract is made.
3. Fitness of goods required for a purpose may be warranty by usage of trade. A warranty as to fitness for a particular purpose may be annexed to a contract of sale by a custom or usage of trade.

10.25 RULES REGARDING DELIVERY :

The terms of delivery covering the time, manner and place are generally spelt out in the contract. However, certain general principles are enunciated below:-

10.26 ACTUAL DELIVERY :

Actual delivery occurs when the goods themselves are delivered, i.e. when the goods are physically handed over to the seller or to his agent.

10.27 NATURE OF PART DELIVERY :

Delivery of a part of goods in lieu of delivery of the whole, but delivery of a part with an intention of serving from the whole does not amount to delivery of the remainder.

10.28 INSTALMENT DELIVERY:

The buyer is not bound to accept delivery by instalment unless specifically agrees upon. The agreement for instalment delivery involves the following terms of agreement :-

- i) The goods shall be delivered in specified number, if instalments.
- ii) The agreed quantity of each instalment may be equal or different.
- iii) Non-delivery or defective delivery of one or more instalments is a breach of contract by the seller.

iv) Refusal to take delivery or failure to pay for one or more instalments is a breach of contract by the buyer.

There may be two kinds of agreements in this regard:-

a) The breach may be treated as a repudiation of contract,

b) The each breach will be treated as separate. Only compensation and not repudiation will arise from the breach.

10.29 DELIVERY TO THE CARRIER:

Delivery of goods to a carrier for transmission to a buyer is prima facie deemed to be delivered to the buyer.

10.30 EXAMINATION OF GOODS:

The buyer has the right to examine the goods for purpose of ascertaining whether they are in conformity with the contract.

10.31 ACCEPTANCE :

The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them or when the goods are delivered to him and he behaves in the manner that indicates his acceptance.

10.32 RETURN OF REJECTED GOODS :

Unless otherwise agreed, when the goods delivered are rejected by the buyer he is not bound to return them to the seller. It is sufficient if the buyer intimates to seller that he refuses to accept them.

10.33 DUTIES OF THE BUYER

a) The buyer must pay the price of goods according to terms of the contract.

b) If the buyer wrongfully refused to accept delivery he must pay compensation to the seller.

c) When the seller is ready and willing to deliver the goods and requests buyer to take delivery and the buyer does not do so within a reasonable time, he is liable to the seller for any loss occasioned by his neglect refusal to take delivery and also for reasonable charge for the care and custody of the goods.

d) The seller or the buyer may recover interest or special damages in any case where by law interest or special damages may be recovered.

10.34 EFFECT OF TAX TENURE :

Where in a contract there is no stipulation for payment of taxes or other statutory levies or there were not such levies on the articles in question at the time of purchase/sale or where the contract is over sale of goods on which tax has been paid and subsequently may of the statutory levies on the sale or purchase of goods is imposed, increased, decreased or remitted, (a) the seller may add to the price the amount of levy made or increased and (b) the buyer may deduct the amount of levy decreased/remitted. The aforesaid provision will not apply if a contrary intention appears on terms of the contract.

10.35 REPUDIATION OF THE CONTRACT BEFORE DUE DATE :

Where one party to a contract of sale repudiates a contract before the date of delivery, the other party may either trade the contract as subsisting and wait till the date of delivery, or he may treat the contract as rescinded and sue for damages on account of breach.

10.36 CONTRACT CONCLUDED BY ACCEPTANCE OF TENDER/

SUPPLY ORDER PLACED BY US :-

Tender advertisement/Enquiries are in the nature of an invitation to suppliers to make an offer. Quotations submitted by the firm will amount to offers. If an A/T or Supply Order issued without any departure from the terms and conditions contained in the firm's quotation/tender, a formal contract would arise. Sometimes however, supply order deviates from the quotation in respect of terms and conditions. In such an event, supply order becomes a counter – offer and it is then necessary that the supply order is asserted by the concerned parties unconditionally before the contract comes into existence. However, even if the concerned firm does not formally communicate part can be interpreted but proceeds to act on the supply order, such action on his part can be interpreted as implied acceptance of supply order and the party will be bound by the terms and conditions in the supply order.

In the process of execution of the supply order if the supplier commits any breach, the purchaser has to proceed with necessary action to secure remedies against the breach, instead of going so, if the purchaser by his action or conduct gives the impression i.e. if the purchaser continues to accept supplies even after expiry of the stipulated delivery period or enter into correspondence giving the deemed to have been kept alive by the purchaser by his conduct. In other words , in such an event the conduct of the parties will have to be looked into apart from the terms and conditions of the contract, as at the time when a breach is committed.

10.37 OTHER LAWS AND STATUTORY PROVISIONS :

Although not directly invoked certain other laws statutory provisions come into operation in the process of purchase of sale of goods. These relate to Carriage, Insurance, Statutory Levies etc.

10.38 Laws relating to carriage are of the following categories :-

i) CARRIAGE BY LAND

- a) Railways Act, 1890 which deals with Carriage by Railways.
- b) The common Carriers Act 1865, which deals with common carriers of goods over land, inland, waterways.

ii) CARRIAGE BY SEA

- a) The Indian Bills of Lading Act, 1856.
- b) The Carriage of Goods by Sea Ct,1925.
- c) The Merchant Shipping Act, 1958.
- d) The Marine Insurance Act, 1963.

iii) CARRIAGE BY AIR :

- a) Carriage by Air Act, 1972.

CHAPTER - XI

AMENDMENT AND CHANGES IN THE MANUAL & FLOW CHART DETAILING THE APPROVING AUTHORITY ITEM-WISE

- 11.1** Any procedural changes in the Manual in future so as to maintain its effectiveness could be made by CMD,MOIL whenever deemed necessary and such changes will be intimated to all concerned.
- 11.2** In some specific cases under exceptional circumstances, if the procurement become necessary be relaxing certain provision in the manual, the reason for such relaxation must be recorded clearly and thereafter specific approval shall have to be taken from CMD ,MOIL.
- 11.3** This manual supersedes all relevant circulars w.r.t. procurement of materials issued till 31.03.2007.
- 11.4** Flow chart indicating the item-wise approving authority is listed below

SI	ACTIVITY	MANUAL REF.	APPROVING AUTHORITY
01	Issue of Advertised tender > Rs 30 lac	2.4.1	CMD
02	Limited Tender > Rs 30 lac	2.4.2	CMD
03	Limited tender < Rs 10 lac ; > 10 lac	2.5.2	HOD of MM ; CMD
04	Single Tender	2.6	HOD of MM/Dir.(P&P)
05	Adopting Emergency Purchase ≤ Rs.2 lac	2.10.1	HOD of MM
06	Adopting Emergency Purchase > Rs 2lac ≤ Rs 5lac	2.10.1(ii)	Dir(Comml.)/Dir.(P&P)
07	Adopting Emergency Purchase > Rs 5 lac	2.10.1(ii)	CMD
08	Adopting Sundry Purchase ≤ Rs 2 lac	2.10.2	Dir(P&P)
09	Spot Purchase ≤ Rs 25000/year	2.11	HOD of MM Deptt.
10	Spot Purchase > Rs 25000/- ≤ Rs 50000/year	2.11	Dir.(Comml.)/Dir.(P&P)
11	Constitution of Inspection team	4.2	Dir.(Comml.)/Dir(P&P)
12	Registration/Refusal of registration	4.3.2	HOD of MM
13	Reinstatement of deregistered firm	4.5.2	Dir.(Comml.)/Dir(P&P)
14	Suspension of Business	4.7.1	CMD
15	Extension of Suspension > One year	4.7.4	CMD
16	Banning of Business	4.7.8	CMD
17	Reinstatement of Banned Firm	4.7.10	CMD
18	Approval of Indents	5.1.1	As per delegation of Power
19	Finalization of tender enquiry	6.1.(f)	HOD of MM

SI	ACTIVITY	MANUAL REF.	APPROVING AUTHORITY
20	Technical scrutiny report of offers	6.3.1	HOD of technical dept.
21	Commercial scrutiny report	6.3.1	HOD of MM dept
22	Refund of EMD/Security deposit	6.5(a),(b)	HOD of MM

23	Purchases by Officers of M.M. Deptt.	3.1	As per delegation of power
24	Release of Performance Bank Guarantee	6.5.1.C	HOD of Tech. Deptt.
25	Extension of Due Date of Tender	6.10	HOD of MM
26	Acceptance of excess qty upto 5%	7.4	HOD of MM
27	Cancellation of tender	7.6	HOD of MM
28	Constitution of tender committee	7.8	Officer competent to approve the purchase proposal
29	Amendments to the order	7.14	Athority who approved the purchase .
30	Amendment for extension of delivery period without imposition of LD .	7.15	Athority who approved the purchase .
31	Ex gratia extension of delivery period	7.15(e)	HOD of MM
32	Cancellation of purchase order	7.19	The authority who approved the purchase .
33	Risk purchase	7.21.2	The authority who approved the purchase .
34	Relaxation from the provisions of manual	11.2	CMD
35	Adopting procedure outside of manual	Preamble	CMD
38	Procedural change in the manual	11.1	CMD
39	Addition/deletion in the general terms and conditions annexed to manual	Annexure-III	Dir (Comml.)

ANNEXURE-I

FORM OF APPLICATION FOR ENLISTMENT AS APPROVED SUPPLIER

1. Name

- (a) Name of the firm:
- (b) Year of Establishment:

2. Address

- (a) Head Office:
- (b) Branches :

3. Telephone and Fax Nos. with STD Code:

- (a) Head Office:
- (b) Branches :

4. Is your firm registered under :

- (a) The Indian Companies Act, 1919 ?
If so, please give the name of Active Directors :
- (c) The Indian Partnership Act, 1932 ?
If so, please give the names of the partners.
- (d) If not registered under any of the Acts, please furnish particulars of your constitution and proprietorship.
- (e) The Indian Factories Act. If so, please furnish details:
- (f) If you are registered as a “Small Scales Industry” or with “National Small Industries Corporation”, give particulars and with photo copy of registration certificate indicating the items for which registered & validity period of registration.
- (g) Name and designation with telephone nos. of person having executive authority in the firm.

5. If you have any collaboration with overseas firms either technical or financial, please furnish brief particulars of the same.

6. Are you a manufacturer? If so, please give the details of

- (a) All type of product/stores being manufactured by you specifying each item separately.
- (b) Give full address of the factory or workshop owned by you (with true copies of documentary proof of ownership).
- (c) Are you authorized to use ISI marks? If so, for which items? Give photo copy of BSI certificate of marking.
- (d) Give the following details of your factory.
 - (i) Plant & machinery, machine tools and equipment erected and functioning: Please give sketch of plant.
 - (ii) Production capacity, capacity utilized, plan for expansion.
 - (iii) Particulars of quality control, inspection and laboratory facilities which you have.
 - (iv) Number of skilled labourers, Technicians employed :
Total number of employees.
 - (v) Particulars of materials handling equipments and transportation facilities (e.g. sidings, approach yard) available.

7. Are you manufacturer's Agent ?

- (a) Name and address of each manufacturer and stores manufactured by them.
- (b) attested photo copies of Letter of Authority appointing you as agents to be enclosed.

8. If you are Stockists only, please give.

- (a) The items of stores stocked.
- (b) The quantity and value of stock at present of which you are the owner.

9. If you are an Importer, Please state.

- (a) The class of goods imported by you and the annual value of such imports.
- (b) State your present stocks and give the address of the Godown where they are stocked.

10. Give particulars alongwith photocopy of

- (a) Central Sales Tax Registration Number.....
- (b) Your ST RegnDate.....
- (c) TIN No.

11. (a) Name and address of your Banker & Account No.

- (b) Please state the name in which the account stands.
- (c) Please state the year in which the account was opened.

12. Are you on the approved list of supplier for similar stores with.

- (i) DGS&D, New Delhi – If so, please submit
 - (a) copies of Registration certificate and
 - (b) Rate Contract.
- (ii) Any other important customers in public or private sector with whom you have had dealings since last 5 years.
- (iii) Give details of large contracts executed during the last 2 years with the above customers.

13. Please mention your PAN No. & enclose Photocopy :

Also enclose your last Income Tax Clearance Certificate.

14. Annual Report/Balance Sheet/Profit and Loss Statements.

One copy each of the following should be furnished.

- (a) The last Annual report.
- (b) Profit & Loss Account and Balance Sheet for and at the end of the last year.
- (c) A statement showing the results of operation and financial position of the firm during the preceding 3 years in the form given below :
 - A. Sales.
 - B. Gross Profit.
 - C. Depreciation.

- D. Pretax profit.
- E. Taxation.
- F. Net after tax.
- G. Percentage of net profit on sales.
- H. Divident declared.
- I. Nett block.
- J. Capital employed.
- K. Reserves.
- L. Percentage profit on capital employed.

For each subsequent year also one copy each of the Annual Report, the Balance Sheet and the Profit and Loss Account of that year should be furnished regularly as soon as they are prepared/published together with the comparative statement of the results of operation and financial position in the same form.

15. Potentiality for supplying

State classes of stores which the firm is in a position to supply. The value and quantity of stock held at present may please be indicated. State for what items or classes of stores, the firm is in a particularly strong position to supply this company and thus to warrant in the firm's opinion its name being registered as a supplier.

16. Security Deposit:

Whether you are willing to furnish a standing security deposit of Rs.25000/- in the form of Demand Draft.

17. Existing supply to MOIL or any other PSUs.

State the main items for which you have received orders from PSU's during the past 12 months as per the format enclosed. (all small orders below Rs.5,000/- in value should be excluded in this reply). A photo copy of each orders shall be attached.

18. Registration

If approved, will be for the period of 3 years from the date of registration. It will be the Contractor's responsibility to apply for renewal of registration at least 3 months in advance of the date of expiry of the period.

I/We do hereby declare that the entries made in the application form are true to the best of my/our knowledge.

Place:

Signature with Name, Designation & Address:

ANNEXURE-II A
MANGANESE ORE (INDIA) LTD.
(A GOVT.OF INDIA ENTERPRISE)
.....**MINE**
INDENT FOR CAPITAL ITEM.

INDENT NO. : _____ **DATE :** / /

To,
CHIEF (MECH)
NAGPUR.

Kindly accord technical vetting and supply items mentioned below :

SL. No.	DESC.OF ITEM REQD.	MOIL'S CODIFICATION NO.	QTY REQD	APPROX. VALUE	REQD FOR	PROBABLE SUPPLIERS	PRE-SENT STOCK	DELIVERY PERIOD(MINE TO MENTION PERIOD BY WHICH INDENTED ITEM IS REQD)	CONSUMPTION DURING LAST ONE YEAR (PERIOD TO BE SPECIFIED)	REF. OF LAST ORDER & RATE (PURCHASE ORDER NO. & DT. TO BE GIVEN)
1	2	3	4	5	6	7	8	9	10	11
1										
2										
3										

NOTE:

1. NORMALLY DELIVERY PERIOD OF CAPITAL ITEMS (E.G., PUMPS WITH MOTOR, STARTER PANEL ETC., EXCAVATORS, DUMPERS, TIPPERS, AIR COMPRESSOR, SIDE DISCHARGE LOADERS, DRILL MACHINES, LCVS/JEeps, AMBULANCES, TUBS, ETC) IS TOO LONG. KEEPING IN VIEW THIS ASPECT OF LONG DELY. PERIOD OF INDENTED ITEM & ALSO KEEPING IN VIEW INTERNAL LEAD PERIOD AT VARIOUS LEVELS WE HAVE MENTIONED DELIVERY PERIOD ITEM-WISE IN INDENT.
2. IF ITEMS ARE REQUIRED ON EMERGENCY BASIS, DETAIL REASONS BE INDICATED.
3. CAPITAL BUDGET PROVISION DETAILS FOR ABOVE MENTIONED INDENTED ITEMS ARE AS UNDER :

(SIGN)
CHIEF (MECH.)

(SIGN)
CHIEF (FINANCE)

(SIGN)
MINES MANAGER

1. TECHNICAL SPECIFICATIONS OF ABOVE MENTIONED INDENTED ITEMS HAS BEEN VERIFIED BY THE UNDERSIGNED & REQUIRED CORRECTIONS (IF ANY) HAS BEEN MADE.
2. RELEVANT SET OF DRAWINGS (REQD. IF ANY) IN REQD. NOS. ARE ALSO ENCLOSED WITH THIS INDENT.
3. ADMINISTRATIVE SANCTION OF COMPETENT AUTHORITY HAS BEEN OBTAINED, COPY OF WHICH IS ENCLOSED WITH THIS INDENT.
4. MATERIALS DEPT. IS REQUESTED TO KINDLY INITIATE NECESSARY PROCUREMENT ACTION AT EARLIEST.

(SIGN)
CHIEF (MECH.)
NAGPUR.

ANNEXURE-II B
MANGANESE ORE (INDIA) LTD.
(A GOVT.OF INDIA ENTERPRISE)
.....MINE
INDENT FOR REVENUE ITEMS.

INDENT NO. : _____ **DATE :** / /

To,
CHIEF (MECH),
NAGPUR.

Kindly accord technical vetting and supply items mentioned below :

SL. NO	DESC.OF ITEM REQD. (PART NO.(IF ANY) TO BE MENTIONED.	MOIL'S CODIFICATION NO.	QTY REQD.	APPROX. VALUE	REQD FOR	PROBABLE SUPPLIERS	PRE-SENT STOCK	DELIVERY PERIOD(MINE TO MENTION PERIOD BY WHICH INDENTED ITEM IS REQD)	CONSUMPTION DURING LAST ONE YEAR (PERIOD TO BE SPECIFIED)	REF. OF LAST ORDER & RATE (PURCHASE ORDER NO. & DT. TO BE GIVEN)
1	2	3	4	5	6	7	8	9	10	11
1										
2										
3										

NOTE:

1. KEEPING IN VIEW NORMAL DELIVERY PERIOD OF INDENTED ITEMS AS PER PAST EXPERIENCE AND ALSO KEEPING IN VIEW INTERNAL LEAD PERIOD AT DIFFERENT LEVELS, WE HAVE MENTIONED ITEM-WISE DELIVERY PERIOD.
2. IN RESPECT OF SPARES THE BRIEF SPECIFICATION OF EQUIPMENT FOR WHICH SPARES ARE REQUIRED MUST BE INDICATED.
3. IF ITEMS ARE REQUIRED ON EMERGENCY BASIS, DETAIL REASONS BE INDICATED.

(SIGN)
CHIEF (MECH.)

(SIGN)
CHIEF(FINANCE)

(SIGN)
MINES MANAGER

1. TECHNICAL SPECIFICATIONS OF ABOVE MENTIONED INDENTED ITEMS HAS BEEN VERIFIED BY THE UNDERSIGNED & REQUIRED CORRECTIONS (IF ANY) HAS BEEN MADE.
2. RELEVANT SET OF DRAWINGS (REQD. IF ANY) IN REQD. NOS. ARE ALSO ENCLOSED WITH THIS INDENT.
3. ADMINISTRATIVE SANCTION OF COMPETENT AUTHORITY HAS BEEN OBTAINED, COPY OF WHICH IS ENCLOSED WITH THIS INDENT.
4. MATERIALS DEPT. IS REQUESTED TO KINDLY INITIATE NECESSARY PROCUREMENT ACTION AT EARLIEST.

(SIGN)
CHIEF (MECH.)
NAGPUR.

DETAILS OF MATERIALS SUPPLIED TO PSU's DURING PAST 12 MONTHS

S.N.	Name and address of PSU	Order No.	Description	Qty	Value	Name of consignee	Due date of delivery	Date of materials delivered	Despatch particulars	Remarks
1	2	3	4	5	6	7	8	9	10	11

TERMS AND CONDITIONS FOR APPROVED SUPPLIERS

1. If you are registered with the DGS&D, you will be automatically considered as registered with MOIL . If not, immediately after enlistment, an approved supplier must furnish a standing security deposit of Rs.25000/- by demand draft as a safe-guard against any default in supply either in respect of quality or delivery period.

MOIL shall have the full right to penalize any defaulting supplier and realize such amount from the security deposit as may be warranted under the terms and conditions of supply order. Should any deduction from the security deposit be made it shall be immediately made good by the supplier, failing which, his name will be liable for removal from the approved list.

2. Approved suppliers shall not unless specifically mentioned in any Tender Notice be required to furnish any security against any individual order.

3. The list of approved suppliers will be reviewed every year and the names of those firms whose performance has been unsatisfactory will be liable for removal from the list.

4. The approved supplier shall not transfer or at sign any supply order or any part thereof without the written permission of MOIL.

ANNEXURE III



FORM – TE 1

GRAM : ORMIX	TEL : 0712 -2590050, 2590642	FAX : 0712 -2592360
MANGANESE ORE (INDIA) LIMITED (A GOVT. OF INDIA ENTERPRISE) "MOIL BHAWAN", 1-A, KATOL ROAD, NAGPUR : 440 013		

GENERAL TERMS & CONDITIONS OF TENDER ENQUIRY

1. Tenderers are requested to submit **lowest rate** for the tendered items.
2. Tenders in a sealed cover superscribing the Tender Enquiry No. and due date of opening should reach the office before the specified date and time. The envelope containing the offer should be addressed to Chief (Materials), Manganese Ore (India) Limited, "MOIL Bhawan, 1-A, Katol Road, Nagpur-440 013. Tender may be submitted in duplicate for Part-II Price Bid only. However, Part-I Technical & Commercial Bid need not be submitted in duplicate.
3. **RECEIPT AND OPENING OF TENDER:** The last date & time of receipt of tender as well as the Date & Time of opening of the tender has been specified in the Tender Notice.
4. **VALIDITY:** The prices quoted must be FIRM and the tenders must remain open for acceptance up to 120 days (four months) from the due date of the tender opening. Tenders with a validity of less than 120 days will be liable to be rejected.
5. **DELAYED/LATE TENDERERS:** Delayed/Late tenders, telegraphic tenders, Fax Offers and incomplete tenders are liable for rejection. Any late tender received shall not be opened and MOIL reserves the right to return the tender intact to the tenderer concerned without assigning any reasons for not accepting. Similar shall be for delayed tenders in which case MOIL reserves the right to open or to return the tender intact to the tenderer concerned without assigning any reasons thereof. MOIL also reserves the right to accept whole or partly any tender or reject any tender without assigning any reason whatsoever.
6. **EARNEST MONEY:**
 - 6.1 Earnest Money to the extent of 2% (TWO PERCENT) of the quoted value

or Rs.2,00,000/- (Rs. Two Lakhs only) whichever is less should be deposited along with Part-I i.e. "Technical-commercial Bid" (Envelope No.1). Earnest Money by way of demand draft drawn in favour of Manganese Ore (I) Limited, Nagpur, payable at Nagpur will ONLY BE ACCEPTED.

6.2 Earnest Money by way of cheque, bank guarantee, deposit receipt or any other form will not be entertained.

6.3 Successful tenderer will be required to submit security deposit equivalent to 5% (Five percent) of the total value of the order (i.e. basic value + all duties, taxes, freight & insurance charges, erection and commissioning, supervision etc.) within 15 days of the receipt of our purchase order. The earnest money deposited alongwith tender will be adjusted against security deposit and balance money i.e. 3% (THREE PERCENT) will be required to be deposited.

6.4 The tenderer registered with NSIC and DGS&D shall be exempted from EMD. However, the tenderer is required to enclose photocopy of valid registration certificate with the above authorities for the item for which they have submitted the tender and the said certificate should be enclosed along with Part-I i.e. "Technical-Commercial Bid" (Envelope No.1) of the tender.

6.5 Please note that the tender without earnest money deposit as mentioned at 6.1 or valid registration certificate at 6.4 will be straightway rejected and no further correspondence will be entertained on the subject.

6.6 This clause of Earnest money is not applicable where the total value/price quoted by the tenderer for all the products in their tender is less than Rs.1.00 Lakh.

7. **I.T. & S.T. CLEARANCE CERTIFICATE:** The tenderer must submit Income tax and Sales Tax clearance certificate (for immediate past financial year) as per Govt. guidelines along with the tender, failing which the tender may be liable to be ignored.

8. **PARTICIPATION BY MANUFACTURERS:** Wherever as per Tender notice or Tender enquiry the tenders are invited only from the 'Manufacturers', the manufacturers must only quote. However, if the manufacturer divert the Tender enquiry to their authorised distributor/ authorised dealer/authorised stockist, necessary authorisation letter alongwith valid certificate of authorised distributorship/dealership/stockist to this effect must be sent alongwith the Tender and also the authorised distributor/ dealer/stockist should quote for their Principals product only, who has diverted the Tender enquiry. Offer for other make/ brand shall be liable to be rejected.

9. **DOWNLOADING TENDER DOCUMENTS BY MANUFACTURERS:**

9.1 Wherever the tenders are invited only from the Manufacturers and the tender documents are downloaded from the website by the tenderers they must submit in the Part-I 'Technical and commercial bid' the valid documentary proof such as DGS&D, NSIC, SSI etc. registration copy confirming that they are the manufacturers of the items for which the tender has been submitted, failing which the tender shall be liable for rejection without any further correspondence thereof.

9.2 The firms down loading tender documents must also enclose tender documents cost as per relevant tender enquiry no. in the form of Demand Draft drawn in favour of Manganese Ore (India) Ltd. payable on any Nationalised Bank at Nagpur alongwith the Part-I Technical & Commercial Bid failing which the tender(s) shall be summarily rejected.

10. **ISI MARK:** Wherever the tenders are called for items having relevant ISI mark the tenderers must quote for the same only **alongwith valid copy of BIS registration** clearly indicating the description of item and validity of BIS license.

11. **DGMS APPROVAL:** Wherever the items required are as per DGMS approval, tenderers must enclose copy of approval granted by DGMS for the items quoted. If the approval is for restricted quantity/length/depth tenderers must mention the same and indicate the quantity/length so far supplied. Also, in the event of placement of order it shall be essential for successful tenderer to submit all relevant test certificate as per the latest circular of DGMS.

12. **PRICES:**

12.1 The basic as well as the other prices, quoted for tendered items (hereinafter called contract price) shall be for design, procurement of materials for manufacture, fabrication, assembly, testing for guaranteed performance, painting, packing, forwarding and delivery at purchasers site by railway wagon or carrier road transport. Tenderer shall also indicate separately the prices of special tools, if any and spare parts needed for commissioning and for 2 years of operation of the Equipment/item with the list of spares quantity and price.

The Contract price shall also indicate excise duty, Octroi and any other State or Central Sales Taxes and Duties applicable at the time of quoting and may be leviable at the time of supply of goods. For the purpose of paying Sales Tax at concessional rate, necessary declaration form 'Form C' will made available by the purchaser to the Tenderer in the event order is placed. All the aforesaid taxes and other levies if any, shall also be shown separately and specifically in the

tender.

12.2 The Tenderer (wherever applicable) shall indicate in his tender separately binding price for erection and commissioning of the items to be supplied. Alternatively charges for deputation of specialists if any for supervision (in case the purchaser desires to get the erection and commissioning carried out by separate agency) may be specified.

12.3 For all Plant, Equipment, Machinery, Materials, etc. that have to be imported from outside India, prices shall be quoted FOB port of shipment, Extra charges to cover insurance and Freight shall be quoted separately. The Customs duty applicable and the Category (Import trade control classification as brought up to date) under which the items are assessable shall also be stated suitably.

12.4 Prices quoted by tenderer should be strictly as per Destination mentioned in the tender documents.

13. **TAXES & DUTIES:**

13.1 Taxes and duties should be indicated under separate head with its percentage and amount. Any other charges to be paid should also be indicated clearly under separate head. Please note that in case your tender does not clearly spell out the taxes and duties and any other charges, in that case it will be presumed that the price quoted by you are inclusive of all taxes, duties & other charges. No clarification to this effect will be called for from you.

13.2 In respect of materials meant for our Ferro Manganese Plant (FMP) and Electrolytic Manganese Dioxide (EMD) Plant we are getting Modvat/Cenvat benefit. Therefore, for supply of items to these Plants the tenderers must specifically and separately indicate Excise duty to be charged and also confirm that they shall raise invoice/bill suitable and acceptable to the Excise Department for availing the Modvat/Cenvat benefit.

13.3 `Set off' on State Sales tax shall be considered wherever applicable, while comparing prices, only in cases wherein the tenderer mention specifically and separately the Sales Tax amount in their tender/invoice/bills. In case where the tenderer mentions in their tender as Sales tax inclusive and does not indicate the element of Sales tax separately, the set off of Sales tax will not be considered while comparing the prices.

Therefore, in the interest of tenderers they must indicate the State Sales tax element separately in their Tender/invoice/bills.

14. **PRICE VARIATION CLAUSE:** The tenderer is required to quote firm rate. Price variation clause will not be accepted.

15. **PAYMENT TERM:** 100% payment will be released within 30 days of receipt and acceptance of materials at our site. However, wherever there is case of erection/commissioning or its supervision, 80% payment shall be made within 30 days of receipts and acceptance of material at our site and balance 20% within 30 days of satisfactory commissioning.

16. **ADVANCE PAYMENT:** Request for advance payments will not go in favour of the tenderer. Similarly for the payment term through bank, MOIL will have full liberty not to consider such tender or load interest as per company's policy for evaluating. However, decision of MOIL shall be final and binding.

17. **PERFORMANCE BANK GUARANTEE:** The successful tenderer will have to submit performance bank guarantee for 10% of total Value of order (i.e. final landed price). This guarantee shall be valid for 12 months from the date of commissioning or the guarantee period of the equipment whichever may be later for its satisfactory performance

18. **DELIVERY:** Firm delivery should be quoted. Once order is placed with agreed delivery period, the same will not be revised or amended under any circumstances unless disturbance in production because of natural calamities, war or similar other unavoidable circumstances.

19.1 **ASSIGNMENT AND SUBLETTING:** The Supplier shall not, without the written permission of the Purchaser, sublet or assign a portion or portions of the supplies, erection provided that any such consent shall not relieve the Supplier from any obligation, duty or responsibility under the contract. Provided further, this clause shall not apply to purchase by the Supplier of standard products which have been approved by the Purchaser.

19.2 **WITHDRAWAL OF TENDER :** After submission of tender if it is withdrawn before expiry of validity period, the company can take any one or more of following action(s) without notice :

1. Forfeiture of Earnest money deposit
2. Lodging complaint with NSIC/DGS&D/ any other Government Departments.
3. Removal of supplier's name from the company's approved list of Suppliers.

20. **TECHNICAL REQUIREMENTS:** The items shall be of the best quality and workmanship and comply with the Contract in all respects and shall be to the technical & commercial satisfaction of the Purchaser/Representative as per ordered terms and condition. The tenderer shall be deemed to have fully examined and to have the knowledge of the general and special technical requirements of the items for which he has submitted his tender. The tenderer, if he so desires, shall seek clarification from the Purchaser/ Representative on any aspects of the technical requirements, before submission of the tender, and ignorance of any aspects of the technical requirements, before submission of the tender, shall not absolve the Supplier of his responsibility.

21. **INSPECTION AND TEST AT SUPPLIER'S PREMISES:**

21.1 The Purchaser/Representative shall have the right of inspection and testing the contract items or any part thereof at any time during the manufacture, and the supplier, on demand from the Purchaser/Representative shall carry out such test on appropriate manner in the presence of Purchaser/Representative free of charge. Should the Supplier himself not be in a position to carry out the test, he shall on Purchaser's/Representative's demand, prepare specimen of samples and send them at his own cost, to such testing stations normally owned by Central Government or State Government as the Purchaser may specify and the cost for the test to be effected shall be to the Supplier's account. Should a part of the plant be manufactured not on Supplier's own premises but on other premises, the Supplier shall likewise obtain permission for the Purchaser/Representative to inspect and test the work as if the said plant were being manufactured on the Supplier's premises. The inspection, examination or testing carried out by the Purchaser/Representative shall not, however, release the Supplier from any of his obligations under this contract.

21.2 The Purchaser/Representative shall have right to be present at all tests carried out by the Supplier. The Supplier on being requested so to act, shall present sufficient documentary evidence that the material used will meet the specified requirements. If called for samples and specimen shall become the Purchaser's property. The Supplier shall notify the Purchaser/Representative in an appropriate manner as to the progress of the contract work, particularly before any assembly in order that the inspection and test can be carried out as may be required to ascertain without prejudice to the Supplier liability whether the items and/or services are in conformity with the requirements of the contract.

21.3 The Purchaser/Representative shall, on giving reasonable notice in writing to the Supplier setting out any grounds of objections, which he may have in respect of the work, be at liberty to reject all or any part of the item, the subject of any of the said grounds of objection being that they are not in the position of the Purchaser/Representative in accordance with the Contract or do not fulfill the requirements of the Contract.

21.4 The Supplier shall give the Purchaser/Representative a minimum of fifteen day's notice from the date of receiving advice of any material being ready for testing specifying the period likely to be required for such testing, and the Purchaser/Representative shall (unless the inspection or test is voluntarily waived) on giving 24 hour's previous notice in writing to the Supplier attend at the Supplier's or Subcontractor's premises (as the case may be) complete the testing as soon as possible in a period normally not more than 15 days, from the date of which the Purchaser/Representative receive the due notice in writing from the Supplier of the material as being ready for testing or inspection, failing which the Supplier may proceed with the test which shall be deemed to have been made in the Purchaser/Representative's presence and shall forthwith forward to the Purchaser/Representative duly certified copies of the test report in triplicate.

21.5 In all cases of works of the Supplier or of any Sub-Contractor the Supplier except where otherwise specified, shall provide free of charge to the Purchaser/Representative such labour, materials, electricity, fuel, water, stores, apparatus and instruments as may reasonably be demanded to carry out efficiently such tests of the items in accordance with the contract and shall give facilities to the Purchaser/Representative to accomplish such testing.

21.6 When the test have been satisfactorily completed at the Suppliers or his Sub-Contractor's works the Purchaser/Representative shall forthwith issue an inspection Certificate to the effect, if a final certificate cannot be issued, a preliminary or provisional certificate shall be issued. If the test were not witnessed by the Purchaser/Representative the certificate shall be issued on receipt of the test report from the Supplier; by not later than 15 days after the receipt of the test report by the Purchaser/Representative. No plant shall be dispatched before such certificates have been issued. The copy of the inspection certificate should be attached to the supplier's bill in support thereof. The satisfactory completion of these tests or the issue of the certificates shall not bind the Purchaser/Representative to accept the items, should it on further tests at site on/or after erection or commissioning be found not to comply with the contract.

22. **GUARANTEE:**

22.1 12 months from the date of commissioning/use or 18 months from the date of dispatch whichever is earlier i.e. for a period of twelve calendar months of regular working of the items, commencing from date of the unit going into operation but not later than 18 months after the shipment last consignment necessary to complete the items has been reported by the Supplier after due approval by the Purchaser/ Representative after inspection. The Supplier shall be liable to replace any parts that may fail or show signs of defect and under proper use and arising from faulty designs, materials or workmanship or erection or supervision or from any acts of omission of the Supplier.

22.2 All such replacement of defective parts mentioned above shall be made free of cost at site by the Supplier and the return of the defective parts to supplier's works shall be Supplier's responsibility and shall be made at his expense. The Purchaser will, however, render such assistance in this matter as well as expedite the same. In the case of defective parts not repairable at site but essential in the meantime for the commercial use of the item, the Supplier shall replace at site free of cost to the Purchaser the said defective parts, before the defective part are removed to his works.

22.3 It becomes necessary for the Supplier to replace or renew any defective portion of the items under this Article, the provisions of this article shall apply to portions of the items so replaced or renewed until the expiration of six months from the date of such replacement or renewal or until the end of the above mentioned period of twelve months, whichever may be later. If any defect be not satisfactorily remedied within a reasonable time, the purchaser may proceed to do the work at the Supplier's risk and expenses but without prejudice to any other contractual rights which the purchaser may have against the supplier in respect of any such defects.

22.4 If the replacement or renewals are of such character as may effect the efficiency of the items, the Purchaser shall have the right to give to the Supplier within one month of such replacement or renewal, notice in writing that 'test on completion' be made. Should such tests show that the item fulfills the guarantee given in the contract; the cost of tests will be borne by the Purchaser. Should the guarantees be not fulfilled, the costs of the tests will be borne by the Supplier and shall be limited to those arising from the use of his own.

22.5 Until the end of the guarantee period, the Supplier shall have the right of entry at his own risk and expense, by himself or his duly authorised representative whose name shall previously have been communicated in writing

to the Purchaser, at all reasonable working hours, upon all necessary parts of the works for the purpose of inspection the working and the records of the items and taking notes therefrom and, if he desires, at his own expenses, making any tests subject to the approval of the Purchaser/Representative, which shall not be unreasonably withheld.

22.6 The issue of the inspection Certificate by Purchaser/Representative shall in no way exempt the Supplier from the provisions of this article.

23. **SPARE PARTS:** The tenderer shall submit separate list of recommended spare parts for maintenance and commissioning of the items. The maintenance spare parts shall be for a period of 2 years/5000 hrs. of operation. The tenderer shall submit item wise price for such spare parts.

24. **LIQUIDATED DAMAGES FOR LATE DELIVERY:** In case the Supplier defaults in delivery and the Supplier has not explained the position to the Purchaser well in time and/or the Purchaser has not accepted an extension of delivery period, the Purchaser may at his option deduct from the Supplier's bill a sum not less than ½% (half percent) of the price of any material which the successful tenderer has not been able to supply within the delivery schedule for each week or part of a week during which the delivery of such material may be in arrears subject to a ceiling limit of 10% by way of agreed liquidated damages and not as penalty provided the delay was not due to any force Majeure.

25. **PENALTY :** In the event of placement of order the successful tenderer fails to deliver the goods the Company may at its discretion impose any or more of the following penalties:

- (a) Cancellation of the purchase order in part or whole;
- (b) Imposition of penalty ranging 3% to 10% of the total value of the order;
- (c) Forfeiture or adjustment of earnest money or security deposit or PBG wholly or partly without notice to the Supplier;
- (d) Recovery of extra cost incurred by Company in procuring the goods from other sources which may be without notice;
- (e) Removal of Supplier's name from the Company's approved list of Suppliers;
- (f) Recovery of liquidated damages;

(g) Recovery may be from any of the pending bill(s) of the supplier now or in future as the case may be.

26. **RISK PURCHASE**: In the event of placement of order if the successful tenderer fails to execute the same to the satisfaction of the Company within the stipulated time, the Company shall arrange procurement of items at supplier's/tenderer's risk and cost.

27. **FORCE MAJEURE**: In the case of strikes/lockout, closure of works (whole or partial), breakdown of machinery, act of God or any other cause beyond the control of the Company preventing or hindering the normal operation, the Company shall be at liberty to cancel the order at any time before receipt of the goods without being liable to the Supplier for damages or other claims.

28. **FALL CLAUSE**: In the event placement of order, the prices of ordered item would not in any case during the currency of the contract period exceed to prices charged by the successful tenderer from any other Govt.Deptt/Undertakings/Customer and if there is any reduction in prices/lower prices being charged by the successful tenderer to any Govt.Deptt/PSU/Customer the same would be applicable against this tender. The sole responsibility of informing the reduction in prices shall be on the successful tenderer.

29. In case the equipments/items are on DGS&D rate contract, tenderers must quote DGS&D rates only. In that case copy of the DGS&D rate contract must also be enclosed along with the tender. However, if the equipments/ items are not on DGS&D rate contract tenderers must certify in the tenderer that "the rates quoted are same as applicable to other Govt. Organization/Public Sector Undertakings."

30. If the tenderers is the authorized distributors of the manufacturer(s) tenderer must enclose Photostat copy of the valid certificate of their principals appointing them as authorized distributor for marketing their product.

31. Detailed technical literature/leaflets/brouchers should be submitted along with the tender containing complete specification. Drawings wherever necessary be also submitted.

32. Tenderers must furnish the details of the machinery they have installed in their factory(s) for manufacturing such items.

33. List of the supplies during the preceding last 3 financial years for the offered item/equipment/model should be furnished alongwith the tender in the

format as mentioned below. Photostat copies of some purchase orders preferably of Govt. organization/Public Sector Undertakings must also be furnished with the tender:-

S. No.	Purchase/supply/ Contract No. & Dt.	Total Value	Name, full address, telephone nos., & contact person of the Company.	Order executed or not	Std. Performance report (if any) to be enclosed
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34. Tenderer must mention the details of after sales service facilities which shall be rendered to along with the name, address and telephone No. of the service station, at Nagpur or the place from where the after sales service shall be rendered. If any service engineer is posted at Nagpur the same may also be mentioned alongwith details thereof.

35. The Company shall be at liberty to enter into a parallel rate contract or place parallel Purchase order with other tenderer(s)/supplier(s).

36. The Tenderer should clearly certify in their tender that they/their principals posses valid license required under the Industrial Development and Regulation Act 1961, wherever applicable and necessary, for materials tendered by them.

37. Any person signing the tender form or any documents forming part of the contract shall be deemed to have authority to our company to bind the Tenderer/Supplier and if it subsequently comes to light that the person so signing had no authority do so the Purchaser may without prejudice to other Civil and criminal remedies cancel the order or the tender and hold Tenderer/Supplier liable for recovery of costs and damages incurred by the purchaser.

38. The supplier is responsible for the due return of all Purchaser's property including specifications certified samples with labels intact and will be liable for paying value thereof on account of loss or damage thereto.

39. Inspection will be carried out after receipt of material at our site. However, if the inspection of material at party's premises is necessary, before dispatch of the material it will be treated as purely preliminary inspection. Acceptance or rejection of material will be determined only on the basis of final inspection which will be carried out at our site.

40. Authorized representative (one) of the tenderer may be deputed to attend the opening of the tender with proper authorization letter without which the representative will not be allowed to attend the tender. The visiting card shall not be treated as authentic/valid document of identification of the person/representative attending the Tender Opening.

41. No representative will be allowed to attend the tender opening whose tender is not received before the due date of the tender.

42. The right to alter our requirements or to reject any or all the tenders without assigning any reasons is reserved with company.

43. Original Bill/Invoice in triplicate to be submitted to the DGM(Finance), Manganese Ore (India) Ltd., "MOIL Bhavan" 1-A, Katol Road, Nagpur-440 013, alongwith other necessary transit documents. Copy of bill/Invoice be also sent directly to the consignee. While submitting Bill/Invoice please ensure that Sl. item No. of our purchase order is to be mentioned against each item. Relevant Purchase order No. & date should be mentioned essentially failing which process of releasing payment is likely to be delayed for correspondence. etc. for which supplier shall be responsible.

44. Purchase preference to Central Public Sector Enterprises as per Government guidelines shall be applicable.

45. **JURISDICTION:** All questions, disputes or differences, arising under, outside or in connection with the tender/order contract shall be subject to the exclusive jurisdiction of the Courts at Nagpur only.

46. **IMPORTANT NOTES.**

(a) "Any firm/individual who are relatives of the employees working in MOIL and who have direct or indirect business relations with the contractors and other parties having business dealings with the Company are not eligible for offering tenders".

(b) The firm/individual while submitting the tender should submit the under mentioned declaration duly signed and sealed alongwith the Part-I i.e. Technical-Commercial bid.

"I/We declare that I or none of our partners are relatives of any employee of MOIL"

In case, while submitting the tenderer the tender does not submit the above mentioned declaration, their tender shall be liable to be rejected without assigning any reasons thereof and no correspondence on this matter shall be entertained.

CHIEF (MATERIALS)



FORM – TE 2

GRAM : ORMIX	TEL : 0712 -2590050, 2590642	FAX : 0712 -2592360
MANGANESE ORE (INDIA) LIMITED (A GOVT. OF INDIA ENTERPRISE) "MOIL BHAWAN", 1-A, KATOL ROAD, NAGPUR : 440 013		

PROCEDURE FOR SUBMISSION OF TENDER (Two Parts)

- a) Tender containing two parts. Part-I containing "Tech. & Comml. Bid" & Part-II containing "Price Bid" shall be accepted till the specified last date and time of receipt of tender.
- b) The Part-I containing "Tech. & Comml. Bid" only shall be opened on the specified due date and time of opening of tender in the presence of attending tenderers.
- c) All pages of the tender should be typed and duly signed in each and every page by the tenderer. The rates should be given both in figures and words.
- d) Any person signing the tender form or any documents forming part of the contract shall be deemed to have authority to bind the Supplier and if it subsequently comes to be that the person so signing had no authority to do so, the Purchaser may without prejudice other civil and criminal remedies, cancel the order or the tender and hold the supplier liable for cost and damages.
- e) The tender should be submitted in 2 separate envelopes as per details given hereunder:-
 - i) The tender should be submitted in separate sealed envelopes marked Part-I "Technical Commercial Bid" and Part-II "Price Bid" respectively, Part-I super scribed with tender enquiry number and due date of opening.
 - ii) The above 2 envelopes (i.e. 1st envelope containing "Technical and Commercial Bid" including details of EMD and the 2nd envelope containing "Price Bid") shall again be sealed in another envelope super scribing the tender enquiry No. and due date of opening on its top. We are enclosing 3 envelopes for this purpose.

iii) The technical and commercial bid should include detailed para-meter with technical literature, pamphlets, drawings, etc. wherever required. This bid should also contain the commercial terms and conditions like base price, taxes, duties, delivery terms, past supply reference giving statement of past supplies with supply order copies, performance report, if any, etc. copies of authorisation and complete registration certificate of DGS&D, NSIC etc. confirmation regarding submission of security deposit ISI license, etc. and any other commercial terms and details required to be given excluding "Price".

iv) Those tenderers who are down loading the tender enquiry from the website are requested to submit the Tenders in their own envelope as per the size, colour and detail given below :-

ENVE- LOPE No.	SIZE IN CMS.	COLOUR	SUPERSCRIBED BOLDLY ON			ADDRESSED TO
			LEFT HAND SIDE TOP	RIGHT HAND SIDE TOP	CENTRE TOP	
1.	36x 22	Light Blue	Tender Enquiry No. & Due date of Opening	Enve- lope No.1	PART-I Technical & Commer- cial Bid	Chief (Materials), Manganese Ore (India) Ltd., "MOIL Bhavan" 1-A, Katol Road, NAGPUR:440 013
2.	36x 22	Red	Tender Enquiry No.	Enve- lope No. 2	PART-II Price Bid	-do-
3.	37x 25	Green	Tender Enquiry No. & Due Date of Opening	Enve- lope No. 3		-do-

P.S. :

1. Tender Enquiry No. and due date of opening **MUST BE BOLDY WRITTEN AS PER TENDER NOTICE.**

2. ENVELOPE No.1 and ENVELOPE No.2 must be sealed and both put in Envelope No.3, which should be sealed and submitted (ref. clause e (i) &(ii) above).

NOTE : The documents asked for as above are for better evaluation of the tenderer and hence it is in the interest of the tenderer that all such documents are submitted along with the tender itself in the “ Technical and Commercial Bid” which shall go in their favour for consideration of opening of the “Price Bid” .

- v) “Price Bid” should indicate only the item-wise price along with discount structure, if any. The “Price Bid” should not contain any other terms and conditions. The “Price Bid” should indicate the following details:-

Sl. No.	Description of item offered	Quantity	Basic Rate Each	Packing Charges	Excise Duty Amt.	State Sales Tax Or CST Amt.	Freight & Forwarding Amt.	Transit Insurance Amt,	Total	Total
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs. (D to I)	Rs. (JxC)
A	B	C	D	E	F	G	H	I	J	K

- f) The photocopy of Price bid **without indicating price** should be enclosed in Part-I i.e. Technical-Commercial Bid.

CHIE (MATERIALS)



FORM – TE 3

GRAM : ORMIX	TEL : 0712 -2590050, 2590642	FAX : 0712 -2592360
MANGANESE ORE (INDIA) LIMITED (A GOVT. OF INDIA ENTERPRISE) "MOIL BHAWAN", 1-A, KATOL ROAD, NAGPUR : 440 013		

**(TO BE FILLED AND SUBMITTED ALONGWITH PART-I
(i.e. TECHNICAL and COMMERCIAL BID)**

A) **TECHNICAL DETAILS:**

The complete technical specification of the items tendered should be indicated. Wherever applicable necessary technical literature, Pamphlets, brochures, drawings, etc., should also be enclosed. **This is essential.(Refer details mentioned in FORM-TE2)**

B) **COMMERCIAL DETAILS:**

The following commercial details should be mentioned:

1. Price term:
(Please specify whether Price quoted is Ex-works/FOR dispatching Station/FOR Destination).
2. Packing Charges (in % or in Rs.)
3. Excise Charges (in %)
4. Taxes (State Sales tax/VAT/CST AGAINST Form 'C' in %)
5. Freight & Forwarding charges (in Rs.)
6. Transit Insurance charges (in Rs.)
7. Payment term
8. Delivery Schedule

9. Validity of tender
10. Details of earnest money deposit.
11. Copy of BIS license clearly indicating the license No. and its validity (wherever tenderers are called for ISI marked items.)
12. Details of NSIC/DGS&D/BIS registration with copy of certificate should be enclosed wherever applicable.
13. Price variation clause, if any.
(Tenderer is requested to quote firm prices).
14. Confirm Acceptance to NIT's Liquidated Damage Clause No.24 of Form-TE 1.
15. Confirm Acceptance to NIT's Performance Bank guarantee Clause No. 17 of Form TE 1.
16. Submit List of past supplies as per Clause No.33 of Form TE 1.
17. Confirm acceptance of Guarantee Period as per clause No. 22 of Form TE 1.
18. Submit List of recommended spares as per clause No. 23 of Form TE 1.
19. Place of inspection with address may be mentioned here.
20. Confirm free supply of two sets of manuals comprising of Operation maintenance manual, spare parts Catalogue & Shop Manuals in the event order is placed. Please specify in detail.
21. Address & Place from where after sales services shall be rendered may be mentioned here in detail with contact person, telephone No., Mobile No. , etc.
22. Erection & Commissioning charges (Please specify the scope of work Included).

23. Photocopy of the original Price Bid but WITHOUT INDICATING THE PRICES should also be enclosed in Part-I Bid (i.e. Technical & Commercial bid). This is essential.
24. Declaration as per Clause No.46(b) of Important Note in the Form-TE1.
25. Tenderer to confirm that they have submitted valid STCC (Sales Tax Clearance Certificate) alongwith tender.
26. Any other Commercial details.

CHIEF (MATERIAL)



FORM – TE 4

GRAM : ORMIX	TEL : 0712 -2590050, 2590642	FAX : 0712 -2592360
MANGANESE ORE (INDIA) LIMITED		
(A GOVT. OF INDIA ENTERPRISE)		
“MOIL BHAWAN”, 1-A, KATOL ROAD, NAGPUR : 440 013		

A . ESSENTIAL CONFIRMATION BY THE TENDERER(S), TO BE SUBMITTED ALONGWITH PART-I (i.e. TECHNICAL & COMMERCIAL BID).	Tenderers to please indicate (YES) against each point.
---	---

1.	Photo copy of Price-Bid (without indicating prices) as submitted by you in your Part-II tenderer, has been enclosed or not in Part-I i.e. Technical & Commercial Bid.	
2.	Price-Bid submitted in Part-II is in accordance with FORM-TE-2 (Procedure for submission of Tender - (Two Parts System), Clause No. e. i) to v) , PS & NOTE and in accordance all charges/ duties/rates have been specifically & separately mentioned (in terms of percentage and or amount):	
3.	FORM -TE 3 has been filled (Point No.1 to 24), signed & enclosed with Part-I -Technical & Commercial Bid alongwith necessary documents wherever asked.	
4.	EMD as per Clause 6 (6.1 to 6.5) of FORM -TE1 accepted and demand draft submitted or photo copy of valid NSIC/DGS&D registration submitted clearly indicating the items for which such registration is granted.	
5.	Rates quoted by tenderers on account of Pkg. (if any), Freight, Forwarding & Transit insurance (if any), etc., shall be treated by MOIL upto Destination mentioned in tender documents.	
6.	Photo copy of purchase orders received & executed during immediate last 3 financial years have been enclosed. (if there are large No. of order executed, enclose only copy of last 5 purchase order executed for Govt.Deptt/PSU). {Refer clause No.33 of Form-TE1}	

7.	<p>In the event order is placed on successful tenderer, charges for Commissioning (if any) shall be borne by the tenderer/supplier. This includes deputing free of cost technical representative at site (if required) by tenderer. MOIL shall provide free lodging only (at respective destination) to maximum 2 persons. Conveyance (supplier's premises to purchaser's Site, local or any type) to be borne by the supplier.</p>	
8.	<p>Acceptance of payment terms as "100% within 30 days of receipt & acceptance of material at our site, Wherever there is case of commissioning or its supervision, 80% shall be made within 30 days of receipt and acceptance of material at our site and balance 20% within 30 days of satisfactory commissioning. (As per Clause No. 15 of Form TE-1).</p> <p>N.B: In case tenderer quotes payment terms other than mentioned above, MOIL will have full liberty to not accept the tender or else shall load interest as per company's policy on the total value of the rates quoted by tenderer, for evaluating their tenderer with the other tenderer(s) who have accepted payment as per tender documents mentioned above. Decision of MOIL in the above shall be final and binding.</p>	
9.	<p>In the event order is placed, successful tenderer shall be required to submit Performance Bank Guarantee as per Clause No.17 of FORM-TE 1. This is essential. In case of non-acceptance, their tenderer shall be liable to be ignored/rejected.</p>	
10.	<p>List of recommended spares with cost submitted (Refer Clause No.23 of Form TE-1 Clause No. 18 of Form TE-3).</p>	
11.	<p>Prices will remain firm till supply is completed satisfactorily in all respects.</p>	
12.	<p>MOIL is having depot arrangement at its Chikla Mine, Distt. Bhandara (M.S) with M/s IOC Ltd., for supply of various types of lubricants & greases required for its various types of Equipments/Vehicles/Machineries at various mines. Tenderer to confirm that the Equipment for which they have submitted their tender is suitable to be operated with equivalent oil/lubricant of IOC Make. Tenderer to also submit list of oil & Lubricants Grades with make to be used in the offered equipment/machinery with equivalent chart of Oil/ Lubricant of IOC Make. This is essential.</p>	

13.	The scope of supply is as per Technical specification mentioned in tender documents.	
14.	Declaration (Ref.Clause No.46{b} of Important Note in the Form-TE1)	

**Confirmed & accepted all the Clauses/
Conditions mentioned above from 1 to 13**

**Sign of the tenderer
Name of tenderer
Seal of Co.
Date:**

B. Other essential confirmation by the tenderer(s) to be submitted by them alongwith Part-I Technical and Commercial Bid .

1. EXCISE DUTY:

a) If excise duty is payable at Slab Rates depending on turn over, tenderer must clearly mention the applicable rate for the tendered quantity/value included in the tender for supply during the delivery period quoted by him to "MOIL" considering that in the event order is placed within the validity period. If nothing is mentioned, tenderer will be loaded with the maximum rate of excise duty applicable for the item and tender will be evaluated accordingly.

b) In no case, should the tenderer be vague on the elements of Excise Duty and Taxes chargeable, whenever, slab excise rate or Sales Tax are applicable & tenderer(s) are submitting tenderer indicating lower slabs but not confirm that the same lower Excise Duty Slab or Sales Tax would be applicable even if the slab is increased due to increase in their turnover tenderer will be loaded with the maximum excise duty or Sales Tax applicable for the items for comparison / evaluation purpose.

c) In case the tenderer mentions clearly applicable Slab Rates of excise duty, as mentioned above under Point No.a) MOIL shall pay the excise duty accordingly i.e. as declared by tenderer in their original tender. However, excise duty in no case shall be paid at higher slab rate under any circumstances whatsoever may be the reason, even though the tenderer pays excise duty at higher slab rate at later date if the tenderer does not mentions clearly in the tender as mentioned above under (a):-

d) If nothing is mentioned, and tenderer is vague as mentioned under point No.b) above, tenderer will be loaded with the maximum rate of excise duty and/or Sales Tax applicable for the item and tenderer will be evaluated accordingly and no correspondence shall be entertained in this regard at a later date.

2. a) Tenderer who has tendered as per DGS&D rate contract, to kindly submit photocopy of complete DGS&D rate contract. Confirm submitted.

b) If the item is not covered under DGS&D R/C the tenderer must certify following:

"Certified that the rate/price quoted is lowest and that we are not charging lower than the tendered rate/price, to any other Govt.Deptt/ PSU/ Customer".

3. Applicable in case of tender enquiry for Equipment/Vehicle/Machinery/etc.

a) Tenderer (OEM) to confirm that in the event order is placed, they are ready to supply spares/accessories directly to MOIL against annual rate contract, which they are having with other PUS's including Coal India Ltd., and its subsidiaries.

b) Tenderer (OEM) to mention names of Govt.Deptt/PSU/Customer to whom they are supplying spares/accessories directly against rate contract (short term/long term/depot arrangement/any other type of contract).

c) Tenderer (OEM) to enclose photocopy of rate contract for supply of spares/accessories mentioned under b) above.

d) In the event the tenderer (OEM) is not having any type of rate contract for supply of spares/accessories mentioned above under b) in past or current, they should certify the same.

e) In the event the tenderer (OEM) certifies (as mentioned above under d)) that they are not having any type of rate contract for supply of spares/accessories, tenderer to confirm whether spare/accessories are being supplied by them through their authorised dealer, etc. If yes, tenderer to submit full details of supply method, with copy of documentary evidence indicating all terms and conditions, prices, etc.

f) Tenderer to submit details of after-sale-services for which tender has been submitted for :

i) Equipment/Vehicle/Machinery if failed under warranty and secondly in the event it failed and is not under warranty.

ii) Spares/Accessories support for Equipment/Vehicle/Machinery during warranty period & during out of warranty period.

g) Tenderer to confirm minimum period in which they can supply the spares/accessories at our site in the event of the break down of Equipment/Vehicle/Machinery.

Confirmed & accepted all the clauses/conditions mentioned under B as following:

CLAUSE NO.	CONFIRMATION
1. a) , b), c) & d)	1) Noted, Accepted & tender submitted accordingly.
2. a)	* Submitted/Not submitted.
b)	*Yes Certificate submitted/Not applicable.
3. a)	Yes/No
b)	*Details submitted /Not applicable
c)	Enclosed/Not enclosed
d)	i) No R/C Certificate submitted ii) R/C details submitted
e)	*Details submitted/Not applicable
f) i. & ii.	Details submitted for i), ii) & iii)
g)	Mentioned in tender

* Strike whichever applicable

Sign. & Designation of Tenderer :

Name of Tenderer:

Seal of Co.:

Date :



FORM – TE 5

GRAM : ORMIX	TEL : 0712 -2590050, 2590642	FAX : 0712 -2592360
MANGANESE ORE (INDIA) LIMITED		
(A GOVT. OF INDIA ENTERPRISE)		
“MOIL BHAWAN”, 1-A, KATOL ROAD, NAGPUR : 440 013		

CHECK - LIST

**(TO BE FILLED & SUBMITTED BY THE TENDERER ALONGWITH
PART-I (i.e. TECHNICAL & COMMERCIAL BID)**

S. No.	Particulars	TENDER- ER TO PLEASE INDICATE
1.	a) Whether Manufacturer/sole selling Agent/ authorised dealer/ any other type (indicate whichever applicable).	
	b) Copy of valid Certificate as Manufacturer/ Selling Agent Authorised Dealer Submitted.	YES/NO
	a) Copy of Valid NSIC/DGS&D/registration Certificate enclosed alongwith list of tendered item(s)	YES/NO
2.	Accepted Security Deposit Clause as per NIT (Refer Cl. No. 6.3 of Form TE 1)	YES/NO
3.	Copy of Valid DGMS & BIS Certificate, CMRS Test etc. Report Submitted.	YES/NO
4.	Acceptance of payment terms as per NIT . (Refer Cl.No. 15 of Form TE 1)	YES/NO
5.	Acceptance of validity period as per NIT (Refer Cl.No. 4 of Form TE 1)	YES/NO
6.	Acceptance of Guarantee/Warranty Clause as per NIT (Refer Cl.No. 22 of Form TE 1)	YES/NO
7.	PRICE Firm as per NIT accepted (Refer Cl.No. 14 of Form TE 1)	YES/NO
8.	Acceptance of Performance Bank Guarantee. (Refer Cl.No. 17 of Form TE 1)	YES/NO

9.	Acceptance of Liquidated Damages (Refer Cl.No. 24 of Form TE 1)	YES/NO
10.	Price Fall Clause accepted as per NIT (Refer Cl.No. 28 Form TE 1)	YES/NO
11.	Complete Technical Literatures submitted. (Refer Cl.No. 31 of Form TE 1)	YES/NO
12.	Copies of Current Supply Orders for tendered items from Govt.Deptt/PSU submitted. (Refer Cl.No. 33 of Form TE 1)	YES/NO
13.	Photo Copy of DGS&D R/C for the item offered submitted. (Refer Cl.No. 29 of Form TE 1)	YES/NO
14.	Original Tender of Principal in case of Imported Items submitted	YES/NO
15.	Risk Purchase Clause accepted as per NIT (Refer Cl.No. 26 of Form TE 1)	YES/NO
16.	Declaration (Ref.Cl.No.46(b) of Important Note in the Form -TE1)	YES/NO
17.	STCC(Sales Tax Clearance Certificate) enclosed alongwith tender	YES/NO

- NOTE:** 1) Check-list should be properly filled indicating deviation if any,
Signed by authorised person with seal of company &
to be submitted alongwith tender (i.e.Part-I Technical
& Commercial bid).
- 2) All documents submitted are to be self attested duly Stamped.
A list of documents being submitted shall be prepared & enclosed
with the tender. (i.e.Part-I - Technical & Commercial Bid)

Sign & Designation of the tenderer
Name of Tenderer
Seal of Co.

Date: / /



FORM – TE 6

GRAM : ORMIX	TEL : 0712 -2590050, 2590642	FAX : 0712 -2592360
MANGANESE ORE (INDIA) LIMITED		
(A GOVT. OF INDIA ENTERPRISE)		
"MOIL BHAWAN", 1-A, KATOL ROAD, NAGPUR : 440 013		

DETAILS OF THE LOCATION OF MINES & PLANTS SITUATED IN MAHARASTRA & MADHYA PRADESH

Name of Mines & Postal address	Nearest Rly.Station/Connecting Road.	Off day/ Authority to be contacted
BALAGHAT MINE P.O.Bharweli Dist.Balaghat(MP) Tel: 07632 -245185 (Off.) 245312/245311 245187/245189 (Res.) FAX: 07632-245184	Balaghat Rly. Station Via. Gondia Junction Howrah- Nagpur Main Lines, S.E.C. Rly. Connecting Road: Balaghat-Baihar Rd. 4 kms. from Balaghat Town. 215 kms. from Nagpur via Gondia.	Saturday Mine Manager
FERRO MANGANESE PLANT, Balaghat Mine, P.O. Bharweli, Dist.Balaghat(MP) Tel: 07632-245210(Res.) 07632-245188(Off.)	Balaghat Rly. Station Via. Gondia Junction Howrah- Nagpur Main Lines, S.E.C. Rly. Connecting Road: Balaghat-Baihar Rd. 4 kms. from Balaghat Town. 215 kms. from Nagpur via Gondia.	Saturday Chief (Process)
UKWA MINE PO-Ukwa,Tah-Baihar, Distt.Balaghat(MP) Tel:07636-274532(Off.) 274526(Res.)	Balaghat Rly. Station Via. Gondia Junction Howrah- Nagpur Main Lines, S.E.C. Rly. Connecting Road: Balaghat-Baihar 44 kms. from Balaghat Town. 259 Km. from Nagpur via Gondia – Balaghat.	Friday Mine Manager

<p>TIRODI MINE PO-Tirodi, Tah.-Katangi, Distt.Balaghat(MP) Tel: 07630-276735(Off.) 276734(Res.) Fax: 07630-276890</p>	<p>Tirodi Rly.Station, Via. Tumsar Rd. Junction, Howrah-Nagpur Main Lines, S.E.. Rly.Connecting Road: 1) Jabalpur to Seoni (N.H.7)then to Katangi & from there to Tirodi Mine via Katedhara(approx. 180 Km) 2) Nagpur via Bhandara, Tumsar Goberwahi - Katedhara- Tirodi Mine. (approx. 150 Kms. from Nagpur).</p>	<p>Monday Mine Manager</p>
<p>CHIKLA MINE PO. Chikla Tah.-Tumsar Distt.-Bhandara(MS) Tel:07183-220231(Off.) 220314(Res.)</p>	<p>Goberwahi Rly.Station Via. Tumsar Road Junction, S.E.Rly Connecting Road : Nagpur via. Bhandara, Tumsar- Goberwahi. Tumsar to Goberwahi 20 Kms. Goberwahi to Chikla Mine 1.5-2 Kms. Chikla Mine approx. 116 Kms. From Nagpur.</p>	<p>Friday Mine Manager</p>
<p>DONGRI BUZURG MINE PO-Dongri Buzurg Tah.-Tumsar Distt.-Bhandara(MS) Tel:07183-220230(Off.) 220243 (Res.) FAX:07183-220242</p>	<p>Dongri Buzurg Rly.Station Via. Tumsar Road Junction, S.E.Rly 126 kms. from Nagpur. 1) Nagpur-Bhandara-Tumsar- Goberwahi-Dongri Buzurg Mine 2) Nagpur-Munsar square -Ramtek Tumsar-Goberwahi-Dongri Buzurg Mine. (Tumsar Town-Goberwahi 20 KM approx. Goberwahi to Dongri Buzurg Mine 6 KM approx.)</p>	<p>Monday Mine Manager</p>

<p>EMD PLANT DONGRI BUZURG MINE PO-Dongri Buzurg Tah.-Tumsar Distt.-Bhandara(MS) Tel:07183-220242(Off.) 220208(Res.) FAX:07183-220242</p>	<p>Dongri Buzurg Rly.Station Via. Tumsar Road Junction, S.E.Rly 126 kms. from Nagpur. 1) Nagpur-Bhandara-Tumsar- Goberwahi-Dongri Buzurg Mine 2) Nagpur-Munsar square -Ramtek Tumsar-Goberwahi-Dongri- Buzurg Mine. (Tumsar Town-Goberwahi 20 KM approx. Goberwahi to Dongri Buzurg Mine 6 KM approx.)</p>	<p>Monday Chief (Process)</p>
<p>BELDONGRI MINE PO-Nagardhan, Tah.Ramtek, Distt. Nagpur(MS) Tel:07102-246160(O) & (R)</p>	<p>Dumrikhurd Rly. Station Via. Kanhan Junction, S.E.Rly. 40 kms. from Nagpur. (Nagpur-Kanhan Nagardhan Rd(viaNeemtola vil.)-Nagardhan Market- Beldongri mine) or (Nagpur-Munsar Square- KITS College-Nagardhan Market- Beldongri Mine)</p>	<p>Saturday Mine Manager</p>
<p>KANDRI MINE PO-Kandri Tah.-Ramtek Distt.-Nagpur(MS) Tel:07114-268179(Off.) 268149(Res.), 268150 (NOS Kandri)</p>	<p>Ramtek Rly.Station . Via. Kanhan Junction S.E.Rly. Connecting Road: Nagpur-Jabalpur NH No.7, 42 Kms. from Nagpur. (Munsar Square to Kandri mine 1.5-2 KM approx.)</p>	<p>Thursday Mine Manager</p>
<p>MUNSAR MINE PO-Kandri,Tah.-Ramtek Distt.-Nagpur(MS) Tel: 07114-268154(Off.) 268272(Res.)</p>	<p>Ramtek Rly.Station . Via. Kanhan Junction S.E.Rly. Connecting Road: Nagpur-Jabalpur NH No.7, 42 Kms. from Nagpur. 45 kms. from Nagpur (Munsar Square to Munsar Mine on Ramtek Road 5 KM approx.)</p>	<p>Thursday Mine Manager</p>
<p>GUMGAON MINE PO-Khapa,Tah-Saoner, Distt.-Nagpur(MS) Tel:07113-286123(Off.) 286133 (Res.)</p>	<p>Khapa Rly.Station Via Paraoni S.E.Rly. Connecting Road:Nagpur-Khapa Road. 35 kms. from Nagpur.</p>	<p>Sunday Mine Manager</p>

ANNEXURE-IV

INTEGRITY PACT

On this _____ day of _____ 2007, at Nagpur, in presence of following two witnesses, this Integrity Pact is being executed between:

Manganese Ore (India) Ltd. hereinafter referred to as "The Principal/MOIL".

AND

-----hereinafter referred to as "The Bidder/Contractor"(which expression shall include all its partners/directors, agent, representative, servant, sub contractors (wherever permitted/permissible) & successor in interest etc. including all person claiming through it)

Whereas, it has been directed by the Ministry of Steel, New Delhi and Central Vigilance Commission, New Delhi that Government of India undertakings shall execute Integrity Pact with the Contracting parties/bidders in all the forthcoming Contracts/Tender processes above prescribed/specified value of Rs.15 Crores, it is necessary to execute Integrity Pact between such parties. Pursuant thereto, the present Integrity Pact is being executed.

The terms and conditions of the Integrity Pact are as under :-

Commitment of MOIL Section-I

Being the Principal, MOIL commits itself to take all necessary steps to prevent corruption & unethical practices and bring transparency in all the processes through the following Commitments :-

A) No official of the Principal (MOIL), personally or through family will accept or demand any gratification, for which he/she is not entitled from any of the counter/contracting parties.

B) The Principal (MOIL) during the tender process, will treat all the bidders/tenderer equally and provide level playing fields to all.

C) The Principal(MOIL) commits to provide to all bidders the same information.

D) The Principal(MOIL) will not make available any confidential information to any of the bidder which will give him an edge over the others.

E) The Principal(MOIL) will make public the details of contract awarded.

F) The Principal (MOIL) will exclude any of the officials who is found prejudiced or have conflict of interest in dealing with the bidders.

G) The Principal (MOIL) will take appropriate disciplinary action, as per the prescribed Rules, against its officials if found guilty of breach of commitment. Commitment of Bidders.

Commitment of Bidders.
Section-II

The Bidder/Contractor commits himself to take all necessary measures not to involve in any type of corrupt practice during the Tender Process as well as Execution of the Contract including the following :-

A) The Bidder/contractor will not offer or promise to offer to any of the MOIL's employee the gratification/benefit for which he/she is not legally entitled to get undue favour/advantage or information related to Tender Process or during Execution of the Contract.

B) The Bidder/contractor will not enter into Agreement with other Contenders/Contractors to derail/disturb fair Tender Process like price fixing or other unethical understanding like Cartel Formation.

C) The Bidder/Contractor will not pass on to others the Confidential Information provided by MOIL as a part of Tender Documents/Contracts.

D) The Bidder/Contractor will disclose about all the payments made to the Agents/Intermediaries, wherever such arrangement is permissible, in connection with the award of Contract/Tender Process.

E) The Bidder/Contractor will immediately inform MOIL, if asked to pay any illegal gratification or bribe, in violation of this Integrity Pact, by any of MOIL's employee or comes to know any illegal payment made to any of the employee. The Bidder/Contractor will not do any Act, by way of commission or omission, which may defeat the spirit behind the present Integrity Pact.

Violation & Penalties
Section - III

The Bidder/Contractor, if found to violate the clauses of the Integrity Pact, will be liable to the following penalties :-

A) MOIL will be entitled to disqualify the Bidder/Contractor from the tender process.

B) If after the award of contract, the bidder is found guilty of breach of the Integrity Pact, the MOIL will be entitled to terminate the contract.

C) The MOIL will have right to disqualify the default Bidder/Contractor for participation in future contracts of the Principal (MOIL) for a certain period or black list it permanently depending upon seriousness of offence.

D) The MOIL, if the contract is terminate due to violation of the Integrity Pact on part of Bidder/Contractor, will be entitled for material damages as decided by the MOIL Management and will be binding to all. The Principal (MOIL) will also have right to forfeit the Security deposit.

E) The CMD of the Principal(MOIL) will be the final authority in respect of the aforesaid clauses of Violation and Penalties. The decision taken by CMD of the Principal (MOIL) shall be final and acceptable and would not be amenable to any challenge.

Independent Monitor
Section-IV.

A) CMD , of the Principal (MOIL) may/will appoint Independent Monitor who are suitably qualified and experienced and are of impeccable integrity to oversee the implementation of the Integrity Pact in cases wherever he feels necessity to do so. The decision taken in this behalf by CMD, MOIL shall be final and conclusive and will be agreeable to both the parties. Such decision, about the appointment of Independent Monitor shall not be amenable to challenge on any ground whatsoever. The Independent Monitors will be non-salaried having voluntary status and will have benefits of Independent Directors.

B) The Independent Monitors will not have administrative or enforcement power and submit his non-binding suggestions or recommendations to the management of MOIL when he observes violation or deviation of any of the conditions of the Integrity Pact.

General Conditions.
Section-V

A) This Agreement is subject to Indian Laws. Place of execution & performance of this Integrity Pact shall be Nagpur. Any dispute arising out of the Integrity Pact shall be subject to exclusive jurisdiction of the Courts at Nagpur only

B) The Bidder/Contractor will undertaking from all subcontractors about the commitment to implement the Integrity Pact in letter & spirit and submit to MOIL the said undertakings before sub-contracting the work wherever permitted.

C) The Bidders/Contractors, who do not sign the Integrity Pact, will not be entitled to participate in the Tender Process or continue with the contract.

D) The Agreement will commence into force when MOIL & the Bidder/Contractor sign it & it will come to end twelve months after the last payment.

E) If the Bidder/Contractor is a Partnership Firm or Association of persons, the Agreement must be signed by all Partners or should be signed by his/their Authorized Representative.

F) MOIL will periodically review the effectiveness of the Integrity Pact by conducting 360 degree review with concerned executives & Bidder/Contractor.

G) Should one or some of the Provisions of this Integrity Pact turn out to be invalid; the reminder clauses of this Agreement shall remain valid.

On behalf of the Principal/MOIL.

Place:

Date:

Witness No.1-----

Designation/Occupation-----

Address:

On behalf of Bidder/Contractor.

Place:

Date :

Witness No.2 -----

Designation/Occupation-----

Address:

