

220KV GIS and Pothead yard of 240 MW Heo
Hydro Electric Project, Arunachal Pradesh.



ISO: 9001, 14001,
& 45001

Bid Document
Sec-III: Instruction to Bidders

Sec-III: INSTRUCTION TO BIDDERS



TABLE OF CONTENTS

1	GENERAL	3
1.1	SCOPE OF BID:	3
2.	SOURCE OF FUNDS:.....	4
3.	ELIGIBLE BIDDERS	4
4.	QUALIFYING REQUIREMENTS OF BIDDERS:	5
5.	TIME SCHEDULE:	5
6.	COST OF BIDDING	5
7.	CONTENT OF BID DOCUMENTS:	5
8.	CLARIFICATION OF BID DOCUMENTS:.....	6
9.	AMENDMENTS TO BID DOCUMENTS:.....	6
10.	LANGUAGE OF BID:.....	7
11.	BID GUARANTEE (EARNEST MONEY):	7
12.	UNDERSTANDING AND CLARIFICATIONS ON DOCUMENTS & SPECIFICATIONS.....	8
13.	PREPARATION AND SUBMISSION OF BIDS:.....	8
14.	SIGNATURE OF BIDS:	10
15.	INFORMATION REQUIRED WITH THE PROPOSAL:	11
16.	EFFECT AND VALIDITY OF BIDS:	12
17.	POLICY OF BIDS UNDER CONSIDERATION:	12
18.	PRICE BASIS:	13
19.	JURISDICTION OF COURT:	14
20.	TAXES AND DUTIES:	14
21.	Vulnerability Atlas of India (VAI)	15
22.	OPENING OF BIDS:	16
23	EVALUATION AND COMPARISON OF BIDS:.....	17
24	PRICE PREFERENCE TO MICRO AND SMALL ENTERPRISES.....	24
I.	DEFINITIONS APPLICABILITY FOR PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA), ORDER 2017:	24
II.	The following list of goods/ services are to be supplied/ sourced as/ from Class-I Local Suppliers only:	25
III.	VERIFICATION OF LOCAL CONTENT:	25
25	AWARD CRITERIA:	27
26	PURCHASER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS:	27
27	SIGNING OF CONTRACT / AGREEMENT:	27
28	CORRUPT OR FRAUDULENT PRACTICES:	28
29	TRADE RECEIVABLE DISCOUNTING SYSTEM (TReDS)	29
30.	CHECK LIST:	29
	ANNEXURE-I.....	30
	REGISTRATION	30
	SEARCHING FOR TENDER DOCUMENTS	30
	PREPARATION OF BIDS.....	31
	SUBMISSION OF BIDS.....	31
	ASSISTANCE TO BIDDERS.....	32
	ANNEXURE-II.....	33
	Formulae for Adjustment for GIS	Error! Bookmark not defined.
	(Supply and E&C)	Error! Bookmark not defined.
	Annexure-III.....	36

INSTRUCTION TO BIDDERS

1 **GENERAL**

1.1 **SCOPE OF BID:**

North Eastern Electric Power Corporation Limited (hereafter referred to as NEEPCO), invites online electronic bids from prospective bidders through Domestic Competitive Bidding (DCB) for 220KV GIS and Pothead yard of 240 MW Heo Hydro Electric Project, Arunachal Pradesh.” as described under various sections of the Technical Specifications, Vol-II- Sec-I to IV of Bid Document.

The successful Bidders shall have to complete the Works in all respects within the Time of Completion, as specified under Detail Notice Inviting Bids (DNIB).

1.2 **NOTES for BIDDERS**

- 1.2.1 It will be imperative for the bidders in their own interest to fully acquaint themselves with all local conditions and factors that may have effect on the execution of the works covered under these bid documents and specifications. Before submitting their bids, the bidders shall satisfy themselves as to the nature and location of work , the general and local conditions including, but not limited to, those conditions bearing upon transportation, disposal, handling and storage of materials, availability and nature of labour, availability of water and construction materials etc, the configuration and condition of ground, the character, quality, quantity of surface and subsurface materials to be encountered, the character and capacity of equipment and facilities needed preliminary for and during the execution of the work and other matters which can, in any way, affect the work or the cost thereof under the Contract. Any default or failure by the Contractor to acquaint him with all information concerning these conditions will not relieve him from the responsibility for the execution of the Contract.
- 1.2.2 The laws, rules and regulations of the Government of India, State Government and local Authorities having jurisdictions over the work and the work sites shall govern the works of the Contract with the same force and effect as if incorporated in full into this document. The bidders, before quoting their prices, shall take into account the effect of such laws, rules and regulations. Wherever such laws, rules and regulations are in conflict with the corresponding stipulations of the bid documents, the more stringent requirements as interpreted by the Purchaser shall govern. Should such conflict require changes in the documents, the bidders shall promptly notify the Purchaser before opening of bids.
- 1.2.3 No extra charges on account of any misunderstanding or subsequent discovery of adverse conditions or otherwise shall be allowed.
- 1.2.4 Access to the site will be granted to the bidders during the period of preparation of bids through prior appointment with the Purchaser. The cost of inspection of site shall be to the bidders' own account.
- 1.2.5 It will be presumed that the bidders have acquainted themselves fully with the site conditions and have taken those and other factors, as stated above, into consideration while submitting their bids, irrespective of whether or not they have undertaken site visits.
- 1.2.6 The bidders shall also be deemed to have inspected and examined the site and its surroundings and to have satisfied themselves as the form and nature of the site, including the soil bearing capacity , the quantities and materials necessary for the completion of the works and the means of transport and access to the site, the general labour position at site and to

have fixed their prices, taking into account risks, contingencies and other circumstances which may influence or affect the execution of the works.

- 1.2.7 The responsibility of arranging any license, permit etc. required by the Contractor for execution of the work, shall lie with the Contractor. The Purchaser shall provide necessary assistance to the Contractor in obtaining the same, wherever required.
- 1.2.8 It must be understood and agreed that such factors have properly been investigated and considered while submitting bids. Neither any change in the time schedule of the Contract nor any financial adjustments arising thereof, which are based on lack of such clear information, shall be permitted by the Purchaser.
- 1.2.9 Time extension due to Force Majeure shall be granted without any financial benefit to the Contractor.

2. SOURCE OF FUNDS:

The Projects as mentioned under scope of Bid will be funded with a debt-equity ratio of 70:30 whereby the debt portion is to be funded through commercial loans/ bonds and the equity portion will be funded from internal resources.

3. ELIGIBLE BIDDERS

(A) Eligible bidders:

This invitation to bid is open to any bidder, who satisfies the Qualifying Requirements indicated in Cl.No.6 of Detail NIB, subject to the following:

- a) A bidder's participation is not barred by any sanction issued by the UN Security Council.
- b) A bidder is not affiliated with a firm or entity that has provided consulting services related to the Works to Employer during the preparatory stages of the Works or of the Project of which the Works form a part, or that has been hired (or is proposed to be hired) by the Employer as Engineer for the Contract.
- c) Participation is not allowed, if the bidder is legally barred from the procurement process in India on any grounds including previous violations of regulations on fraud and/or corruption.

A Declaration to this effect (Sl. 3(A) a, b, and c above) under Form-G, Sec-VII, Vol-I (Bid Form and Other Forms) of the Bid Document shall be submitted by the bidders.

(B) Disqualification/Ineligibility of Bidders:

Even though the bidders meet the above qualifications/qualifying criteria, they are subject to be disqualified if they either directly in its own name or indirectly in any other name in carrying out of its business have:

- a) been convicted by any Investigating Agencies of Central/State Government or convicted under any criminal, fraud, corruption cases against them in a court of Law as on the last date of bid submission.
- b) been involved in the corrupt or fraudulent or collusive or coercive practices as defined in Clause 28 hereof; and/or
- c) made misleading or false representation(s) in the forms, statements and attachments submitted in proof of the qualification requirements; and/or
- d) been either declared ineligible/ blacklisted /terminated/ debarred from qualification, participating or bidding in/award of tenders/ projects/ works/ bids,

nor have had any record of poor performance/ poor workmanship/ defaults/ failure in execution of awarded works, discharge any obligations or abandonment of any works/contracts awarded by NEEPCO or the Ministry of Power, Govt. of India, during last 5(five) years as on the latest date of submission of bids.

A Declaration to this effect (Clause 3(B) a, b, c, d above) under Form-H, Sec-VII, Vol-I (Bid Form and Other Forms) of the Bid Document shall be submitted by the bidders.

4. **QUALIFYING REQUIREMENTS OF BIDDERS:**

As detailed under Cl. No. 6 of DNIB

5. **TIME SCHEDULE:**

- 5.1 The basis of consideration shall be the strict adherence to the time schedule for performing the specified works under the Contract.

The entire scope of supply and work under this contract shall be completed as per the schedule indicated below, to be reckoned from the date of issue of LOI (letter of Intent). The Contractor shall so organize his resources and perform his work as to complete it not later than the date agreed to.

- 5.2 The completion of all the Scope of Supply, Erection, Testing, and Commissioning under this contract as indicated in the Technical sections of the bid document, shall be reckoned from the date of issue of LOI. The scheduled Time for Completion of the Work shall be 30 (thirty) months reckoned from the date of issue of LOI.

- 5.3 The completion schedules as stated above shall be one of the major factors that shall be considered during the evaluation of bids. The Purchaser reserves the right to request for a change in the work schedule during pre-award discussion with the successful bidder.

6. **COST OF BIDDING:**

Bidders shall bear all costs associated with the preparation and submission of their bids and the “Corporation”, hereinafter referred to as “the Purchaser” will, in no case, be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

7. **CONTENT OF BID DOCUMENTS:**

- 7.1 The equipment required, bid procedures, and Contract terms are prescribed in the bid documents. In addition to the Notice Inviting Bids, the bid documents include:

Vol-I	Section-I	Notice Inviting Bids
	Section-II	Information for Bidders
	Section-III	Instruction to Bidders
	Section-IV	General Terms and Conditions of Contract
	Section-V	Erection Conditions of Contract
	Section- VI	General Technical Conditions
	Section-VII	Bid Forms and other Forms

Vol-II	Section-VIII	Data Sheets
	Section-IX	Price Schedules
	Section-X	E-RA Business Rules
	Section-I	Technical Specification
	Section-II	Schedule of Requirement
	Section-III	Tender Drawings
	Section-IV	Technical Data Sheets

- 7.2 Bidders are expected to examine all instructions, forms, terms, and technical specifications as contained in the bid documents. Failure to furnish all information as required by the bid documents, or submission of a bid not substantially responsive to the stipulations of the bid documents in every respect will be at bidders' risk and may result in rejection of their bids.

8. CLARIFICATION OF BID DOCUMENTS:

- 8.1 A prospective bidder requiring any clarification on the stipulations of the bid documents may notify the Purchaser in writing by post or mail at the Purchaser's mailing address indicated in the Notice Inviting Bid. The Purchaser will respond in writing to any request for clarification on the stipulations of the bid documents, which is received not later than 8(Eight) days prior to the deadline for submission of bids prescribed by the Purchaser. The Purchaser's response (including an explanation of the query but without identifying the source of inquiry) will be published in e-tender portal <https://etenders.gov.in> and Purchaser's website (www.neepco.co.in)
- 8.2 A pre-bid conference amongst the intending bidders may be held to clarify the bidders queries, prior to the submission of the Techno-Commercial bids, where decisions of the Purchaser shall be final and binding. **However, queries should reach not later than 3 (three) days before the date fixed for the pre-bid meeting.** Non- attendance at the pre-bid meeting will not be a cause for disqualification of a bidder. Any modifications of the Bid Documents which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to clause 9 The persons attending the pre-bid meeting shall carry a written authorization from the Bidder.

9. AMENDMENTS TO BID DOCUMENTS:

- 9.1 At any time prior to the deadline for submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the bid documents by amendment.
- 9.2 All such amendment will be notified in the online portal <https://etenders.gov.in> in and in NEEPCO's website www.neepco.co.in . Such amendment issued in the website and online portal will be binding on the bidder. The bidders are requested to regularly visit the above portal/ website for any amendment/ corrigendum
- 9.3 All such amendments shall form part of bid documents. The Owner / Purchaser shall bear no responsibility or liability arising out of non-receipt of the above in time by the Bidders.

- 9.4 In order to allow prospective bidders reasonable time in which to take the amendment into account in preparing their bids, the Purchaser, at its discretion, may extend the deadline for the submission and opening of bids.

10. LANGUAGE OF BID:

The bids prepared by bidders and all correspondences and document relating to the bid exchanged by the bidder and the Purchaser shall be in English. Supporting documents and printed literature furnished by the bidders with their bids may be in another language, provided they are accompanied by an appropriate and correct translation into English. For the purpose of interpretation of the bids and for all future purposes, only English version will prevail.

11. BID GUARANTEE (EARNEST MONEY):

- 11.1 A bid Guarantee equivalent to **INR 71 Lakh (Rupees Seven One) Lakh only** shall accompany each bid.

- 11.2 The Bank Guarantee shall be acceptable only if they are issued either by a Nationalized/Scheduled Bank incorporated in India through any of its branches in India, or a foreign bank situated in India and registered with RBI as a scheduled Foreign Bank.

Alternatively, the Bidder may submit the Bid Security in the form of account payee Demand Draft/ Fixed Deposit Receipt/ Banker's Cheque /Insurance Surety Bond / payment through online also. The Demand Draft shall be drawn on Nationalised Bank/Scheduled Bank only located in the country of the Corporation in favour of NEEPCO Ltd. payable at Shillong. Fixed Deposit Receipt shall be duly pledged to NEEPCO Ltd.

- 11.3 Proforma of Bank Guarantee is enclosed in Section-VII.

- 11.4 The bidder shall also have the option to deposit the EMD amount **through “SB-COLLECT” of State Bank of India** as per procedure / steps elaborated in Section-I of bid document.

- 11.5 The bidder shall submit/upload the EMD payment receipt /scanned copy of BG along with the techno-commercial bid.

- 11.6 The Bid Guarantee shall be made payable without any condition to the Purchaser. The Bid Guarantee shall be valid for a minimum period of 180 (One Hundred Eighty) days and 04(four) weeks thereafter from the date set for opening of bids. If any further extension of this Guarantee is required the same shall be extended to such required period on receiving instructions from the Corporation. All bank charges shall be borne by the bidder.

- 11.7 The Bid Guarantee of the successful bidder to whom the Contract is awarded, will be returned after acceptance of the Contract Performance Guarantee furnished by the bidder and signing of the Contract Agreement.

- 11.8 The Bid Guarantees of the unsuccessful Bidders i.e. other than L-1 Bidder, whose Techno-Commercial bids have been evaluated to be acceptable, will be returned only after issuance

of LOI to the successful bidder. The Bid Guarantee of the Techno- Commercially unsuccessful / rejected bidder shall be returned after completion of the Techno-Commercial evaluation.

- 11.9 Any bid not accompanied by a Bid Guarantee will be rejected.
- 11.10 No interest and bank charge will be payable by the Purchaser on the above Bid Guarantee and its extension, if any.
- 11.11 The Bid Security shall be forfeited if:
- a) The Bidder withdraws its Bid or varies any terms & conditions in regard thereto during period of bid validity or,
 - b) in the case of a successful Bidder, if he fails within the specified time limit to;
 - (i) Sign the Agreement, or
 - (ii) furnish the required performance security.
 - c) if the Bidder adopts corrupt or collusive or coercive or fraudulent practices covered under ITB Clause-28 or defaults committed under Integrity pact if applicable in this tender.

12. UNDERSTANDING AND CLARIFICATIONS ON DOCUMENTS & SPECIFICATIONS.

- 12.1 The bidder is required to carefully examine the specifications and documents and fully inform himself as to all the conditions and matters which may, in any way, affect the work or the cost thereof. If the bidder finds discrepancies or omissions in the specifications and documents or is in doubt as to the true meaning of any part, he shall at once request in writing for interpretation / clarification to the Purchaser. The Purchaser, then, will issue interpretations and clarifications, as he may think fit, in writing. After receipt of such interpretations and clarifications, the bidder may submit his bid but within the time and date as specified in the invitation to bid. All such interpretation and clarification shall form as part of the specifications and documents accompanying the bidder's proposal.
- 12.2 Request for clarification / interpretation on the specifications as a whole i.e. general terms and conditions / technical specification should reach the Purchaser in writing not later than 8 (Eight) days prior to the deadline for submission of bids prescribed by the Purchaser. The Purchaser shall issue corrigendum to the specifications subject to the clarifications / interpretations etc., which shall form part of the specifications. The general terms and conditions and technical conditions so finalized shall become the basis of tendering and no deviations on these terms and conditions shall be applicable thereafter.
- 12.3 Verbal clarifications and information given by the Purchaser or his employee (s) or his representative (s) shall not, in any way, be binding on the Purchaser.

13 PREPARATION AND SUBMISSION OF BIDS:

- 13.1 Bids should be submitted in electronic form in <https://etenders.gov.in>. The bidder may refer to the instruction for online submission of bids in CPP portal as annexed to this section. Bidder shall submit their financial bids in the format provided in the e-tender portal against the NIB. Bid documents and the BOQ/Price Schedule(s) can be downloaded from this website

13.2 In the online bid submission, bidders will submit their Techno-Commercial bids and Price Bids in the online bidding forms using their digital signatures. Technical data and prices shall be furnished as per schedules contained in Section IV of Vol II and Section- IX of Vol-I of the bid document. Bids submitted by prospective Bidders and documents attached thereto shall be considered as forming a part of the Contract Agreement documents.

13.3 Each sealed set of bids will contain the following sealed covers:

a) **Sealed Cover**

- i) Techno-Commercial Bid along with Commercial Terms & Conditions, Bid Guarantee and documents in support of qualifying requirements.
- ii) Duly filled in Bid Forms & Schedules, Commercial & Technical Data sheets.
- iii) Un – Priced Schedule indicating QUOTED/NOT QUOTED against each item in similar manner of their Price Bids however **without indicating the Prices**. The bidder shall indicate rates of applicable Taxes & Duties in the unpriced schedules. **Prices and other information except as mentioned above should not be filled in the unpriced bid submitted** with Techno- commercial bid. In case the Bidder indicates prices in the unpriced schedules and/or upload priced schedules in Envelope-I the bid shall be summarily rejected.

b) **Sealed Cover – 2**

Price Bid (Price Part).

13.4 The Sealed Cover containing the documents indicated in clause 13.3 (a) shall be opened first.

13.5 The following documents are required to be compulsorily submitted physically within 15(fifteen) days after the date of the Techno-Commercial bid opening which shall have to be submitted either personally or by Registered Post in a sealed envelope addressed to:

The documents are:

- a) BG for Earnest Money Deposit (EMD)/Bid Security Declaration
- b) Power of Attorney as per the format provided in Sec-VII, Vol-I of the Bid Document.
- c) Bid Form as per the format provided in Sec-VII, Vol-I of the Bid Document.
- d) Undertaking by the Parent/Holding company (Form-E, Sec-VII, Vol-I)
- e) E-receipt of money paid towards the non-refundable bid fee.

The above-mentioned documents shall be submitted by hand or by registered Post/ Courier in a sealed envelope superscripted as “Hard Copy of documents against NIB No. 490 Dated 19.03.2026 for “220KV GIS and Pothead yard of 240 MW Heo Hydro Electric Project, Arunachal Pradesh.” at the following address:

The Executive Director, Contracts & Procurement,
North Eastern Electric Power Corporation Ltd., Brookland Compound, Lower
New Colony, Shillong – 793 003, Meghalaya, India.
E-mail: contract@neepco.co.in

13.6 The documents submitted/sent by post must be sent by Registered Post with

acknowledgement due / transmitted receipt/ Courier/Speed post sufficiently in advance so as to reach the above address within a reasonable time. The Purchaser will not be held responsible for delay or loss of documents.

- 13.7** The Bidder will have to ensure that the bids are submitted through the e-tender portal. No request from any bidder to the Owner to accept offline proposals shall be entertained by the Owner / Purchaser.
- 13.8** The Bids will be opened online as per time and date set for opening of bids.
- 13.9** The Purchaser reserves the right to reject any or all bids, in case the qualifying requirement and Bid Guarantee furnished do not satisfy the stipulation of this specification.
- 13.10** Bids not covering the scope covered in the specification shall be treated as incomplete and shall be rejected.
- 13.11** The Techno-Commercial bids of the qualified bidders would be analyzed and, wherever essential, clarifications and confirmations on Techno-Commercial issues would be sought from them so as to further analyze and evaluate the bid in terms of the requirements of the specifications to the satisfaction of the Purchaser. Letters seeking clarifications and replies thereof shall be sent through mail/fax/post.
- 13.12** The date and time of opening of Price Bids shall be intimated online to the respective techno-commercially qualified Bidders.
- a) The Price Bid(s) of the Bidders whose Technical and Commercial Bids have been found to be acceptable by the Purchaser will be opened online.
- b) The Price Bid(s) of the Bidders whose Technical and Commercial Bid(s) have not been accepted by the Purchaser will not be considered for opening and their Bid Guarantee will be returned after completion of evaluation of Technical- Commercial Bid.
- 13.13** Any action on the part of the bidder to revise the price or to change the structure of the price at his own instance after the opening of the bids and within the validity of the offer may result in rejection of the bid and/or debarring the bidder from participation in future tenders of the Purchaser.
- 13.14** The Bidder may modify, substitute, or withdraw his online bid after its submission but in any case before the official deadline for submission as per the provisions at the portal. Any alteration/ modification in the Bid or additional information supplied subsequently to the Bid Due Date and time shall be disregarded.
- 13.15** The bidders are requested to submit the bid through the online e-tendering system well before the bid submission end date and time (as per server system clock). The Corporation shall not be responsible for any sort of delay or the difficulties faced during the submission of bids online by the bidders at the eleventh hour.

14 SIGNATURE OF BIDS:

- 14.1** The bids must contain the name, residence and place of business of the person or persons making the bid and must be signed and sealed at each page by the bidder with his usual

signature. The names of all persons signing should also be typed or printed below the signature.

For online bids, the document submitted by the bidder must be signed and sealed on each page by the Bidder with this usual signature before scanning and uploading.

- 14.2** Bids by Corporation/Company must be signed with the legal name of the Corporation / Company by the President, Managing Director or by the Secretary or other person or persons authorized to bid on behalf of such Corporation / Company in the matter.
- 14.3** A bid by a person who affixes to his signature the word “President”, “Managing Director”, “Secretary”, “Agent”, or other designation must be supported by his name.
- 14.4** The bidder’s name stated on the proposal shall be the legal exact name of the firm.
- 14.5** Erasures or other changes of the bid documents shall be initialed by the person signing the bid.
- 14.6** Each and every page of the bid should be numbered and properly signed. Contents and pages should be indicated on the index page.

15 INFORMATION REQUIRED WITH THE PROPOSAL:

- 15.1** The bids must clearly indicate the name of the manufacturer, the type and model of each equipment proposed to be supplied. The bids should also contain drawings and descriptive materials indicating general dimensions, material from which the component are manufactured, principles of operation, the extent of pre-assembly involved, method of erection.
- 15.2** The above information shall be provided by the bidder in the form of separate sheets, drawings, catalogues etc, and shall be uploaded with Techno-commercial bid.
- 15.3** Any bid not containing sufficient descriptive material to describe accurately the equipment proposed may be treated as incomplete and hence may be rejected. Such descriptive materials and drawings submitted by the bidder will be retained by the Purchaser. Any major departure from these drawings and descriptive material submitted will not be permitted during the execution of the Contract without specific written permission from the Purchaser. In case of such permission, price repercussions, if any, will be mutually settled.
- 15.4** Oral statements made by the bidder at any time regarding the quality or arrangement of the equipment or any other matter will not be considered.
- 15.5** Standard catalog pages and other documents of the bidder may be used in the bid to provide additional information and data as deemed necessary by the bidder.
- 15.6** In case the proposal information contradicts specific requirements, the specification requirements will govern, unless otherwise brought out clearly in the technical deviation

schedule in the bid.

16 EFFECT AND VALIDITY OF BIDS:

- 16.1** The submission of any bid connected with these documents and specifications shall constitute an Understanding/Agreement that the bidder shall have no cause of action or claim against the Purchaser for rejection of his bid. The Purchaser shall always be at the liberty to reject any bid or bids at his sole discretion and any such action will not be called into question and the bidder shall have no claim in this regard against the Purchaser.
- 16.2** Bids should be kept valid for acceptance for a period of **180 (One hundred Eighty calendar days)** from the date set for opening of the Techno-Commercial bid, exclusive of the date of opening. If the bidder withdraws his bid before the said period or makes any modification in the terms and conditions of the bid, the Purchaser shall, without prejudice to any other right or remedy, be at liberty to forfeit claim the Bid Guarantee (Earnest Money).
- 16.3** Bids giving validity of less than mentioned above will be rejected.
- 16.4** The Purchaser may request the bidders to extend the period of validity of Bid and Bid Guarantee (Earnest Money) for a specified additional period. The request and the bidder's response shall be made in writing. A bidder may refuse the request without forfeiting its bid security. A bidder agreeing to the request will not be required or permitted to otherwise modify its bid, but will be required to extend the validity of bid and Bid Guarantee (Earnest Money) for the period of extension

17 POLICY OF BIDS UNDER CONSIDERATION:

- 17.1** Bid shall be deemed to be under consideration immediately after they are opened until such time official intimation of award / rejection is made by the Purchaser to the bidders. While the bids are under consideration, Bidders and / or their representatives or other interested parties are advised to refrain from making correspondences and contacting by any means the Purchaser and / or his Employees / representatives on matters related to the bids under consideration. The Purchaser, if necessary, will obtain clarifications on the bids by requesting for such information from any or all the bidders, either in writing, as may be necessary. Bidders will not be permitted to change the Price Bid or substance of the bid after the bid has been opened.
- 17.2** Any efforts by a bidder to influence the Corporation in the process of examination, clarification, evaluation and comparison of bids and in any decision concerning award of contract, may result in rejection of the bidder's bid. Canvassing in connection with the bid is strictly prohibited and the bids submitted by the bidders who resort to canvassing shall be liable for rejection.
- 17.3** During the evaluation of techno-commercial bid, the Purchaser may seek / obtain clarifications, confirmations or modifications if any.
- 17.4** Any action on the part of the bidder to revise the price or the structure of price or to change

the substance of the bid at his own instance after opening of Price bid and within the validity period of the bid will result in rejection of the bid and/or debarring the bidder from participating in future tenders of NEEPCO. If the bidder withdraws his bid while it is under consideration and within the validity period of bids, action shall be taken by the Purchaser as deemed fit. **All techno-commercial consultations and clarifications required by the bidder should be completed before the opening of Price Bid.**

- 17.5** The Corporation shall notify the successful bidder about the **Letter of Intent** by **E- Mail / Registered Letter** and, in no case, this notification should be construed as an Agreement with the bidder. The Corporation will enter into an Agreement, subject to fulfillment of further requirements as stipulated in the bid documents. The notification regarding the Letter of Intent shall be given offline.

17.6 Conflict of Interest among Bidders.

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

- a) They have controlling partner(s) in common; or
- b) They receive or have received any direct or indirect subsidy/financial stake from any of them; or
- c) They have the same legal representative/agent for purposes of this bid; or
- d) They have relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder; or
- e) Bidder participates in more than one bid in this bidding process. Participation by a bidder in more than one bid will result in the disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/sub-assembly/assemblies from one bidding manufacturer in more than one bid.
- f) A bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the bid.
- g) In case of a holding company having more than one independently manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/common business/management units in same/similar line of business.

18 PRICE BASIS:

18.1 For Supplies:

- 18.1.1** The bidders shall quote item wise prices both in numerical figures and in words as per Price Schedules at Section IX of Volume-I for the entire scope included in this tender.
- 18.1.2** Price adjustment formula for supply:
The quoted price for the supply shall be subject to adjustment as per the Price Variation (PV) Formulae given in Annexure-II of this section.

- 18.2** Price for Inland Transportation including Freight and Insurance, Storage and Preservation of all Equipment at any intermediate locations (if required), Delivery to Project Site shall remain FIRM and be indicated separately, in Price Schedule, given in Section-IX of Volume –I.
- 18.3 Loading and unloading at site, handling and transportation within site, Storage and Preservation at site and erection, testing and commissioning:**
- 18.3.1 Bidders shall quote prices for **Loading and unloading at site, handling and transportation within site, Storage and Preservation at site and erection, testing and commissioning**, as per the scope of work indicated in Schedule of Requirement.
- 18.3.2 Price adjustment formula for **Loading and unloading at site, handling and transportation within site, Storage and Preservation at site and erection, testing and commissioning**:
The quoted price for the abovementioned Works shall be subject to adjustment as per the Price Variation (PV) Formulae given in Annexure-II.
- 18.4** The items / equipment / systems / works generally required for completion of the scope of work as per the technical specifications Volume-II of the bidding documents. However, the brief descriptions shall not be construed to limit the scope of work, and the same shall be read in conjunction with the corresponding sections of the bid documents, including amendment if any, thereto.
- 18.5** The total adjustment (plus or minus) shall be subject to a **ceiling amount of 30% of the** contract price during contractual completion period.
- 18.6** Even if there is no price adjustment claim, supplier must submit all relevant data to prove that there is no downward variation. In any case, he must submit a declaration as follows:

“It is certified that there has been no decrease in the price of price variation indices and in the event of any decrease of such indices during the currency of this contract, we shall promptly notify the same to the purchaser and offer requisite reduction in the contract rate”.
- 18.7** No claim, whatsoever, for price adjustment/variation, other than those stipulated above shall be entertained.
- 18.8** No price adjustment shall be allowed beyond the scheduled completion date of each activity, unless the scheduled completion date is extended, in which case the cut off dates shall be refixed with reference to the revised scheduled completion date of each activity such as Supply, Erection, Testing and Commissioning. No price adjustment shall be allowed for the period of default/ delay on the part of the contractor.
- 18.9** Rates and amount of all the applicable Taxes and Duties shall have to be shown separately as per Price Schedules of Volume-I Section –IX of detailed bid documents.
- 19 JURISDICTION OF COURT:**
The Contract shall be governed by the laws of India for the time being in force and shall be subjected to the jurisdiction of the High Court of judicature at Meghalaya High Court, Shillong.
- 20 TAXES AND DUTIES:**

- 20.1** Taxes, duties and levies as indicated by the Bidder at price schedules Section -IX shall be inclusive of all existing Taxes, Duties, Levies, Monopolies, Mahal Charges, Royalties, Octroi, Cess, etc. imposed by the Government as on the date 28 (twenty eight) days prior to the latest date for submission of bids except whatever is specified hereunder, and shall be paid to the concerned authorities by the Contractor and the same shall be reimbursed by the Purchaser at actual against production of documentary evidence. In the event of increase or decrease in Taxes and Duties and / or imposition of new Taxes or Duties if any, as on the date 28 (twenty eight) days prior to the latest date for submission of bids the same will be reimbursed/ recovered by the Purchaser to/ from the Contractor as the case may be, at actual on production of documentary evidence.

In case of replacement or re-structuring of any tax in lieu of existing tax which is in force as on the date 28 (twenty eight) days prior to the latest date for submission of bids the differential amount will be reimbursed to or recovered from the Contractor by the Purchaser at actuals on production of documentary evidence.

Monopoly Tax, dao tax, royalty or other taxes on stone, sands, forest products etc.

Royalty or other taxes as admissible on stone, sands, forest products etc., obtained from quarries will be paid by the Contractor and documentary evidence of such payment shall be furnished for record.

- 20.2** The successful bidder shall be liable to pay all Non-Indian Taxes, Duties, Levies assessed against him in pursuance of the Contract, including any deviations thereof. The Purchaser shall not be liable to pay any Non-Indian Taxes, Duties, and Levies in pursuance of the Contract, including any deviations thereof.
- 20.3** Income Tax and Corporate Tax:
- Income Tax and surcharge thereof leviable as per the taxation laws of India on the Contractor's company or its personnel in respect of income arising in favour of either of the Company or its personnel under this Contract Agreement, shall be the absolute liability of the Contractor and not of the Purchaser.
 - Payments stipulated under this Contract Agreement shall be made by the Purchaser to the Contractor after deduction of income tax at source at the applicable rates. The Purchaser shall provide the Contractor with certificates for tax deducted at source.
 - In this connection, attention of the Bidders is invited to the provisions of Indian Income Tax Act and Corporate Tax Act and any other circular issued by the Central Board of Direct Taxes, Government of India from time to time.

21 Vulnerability Atlas of India (VAI):

VAI is a comprehensive document which provides existing hazard scenario for the entire country and presents the digitized State/UT - wise hazard, maps with respect to earthquakes, winds and floods for district-wise identification of vulnerable areas. It also includes additional digitized maps for thunderstorms, cyclones and landslides. The main purpose of this Atlas is its use for disaster preparedness and mitigation at policy planning and project formulation stage.

This Atlas is one of its kind single point source for the various stakeholders including policy makers, administrators, municipal commissioners, urban managers, engineers, architects, planners, public etc. to ascertain proneness of any city/location/site to multi-hazard which includes earthquakes, winds, floods, thunderstorms, cyclones and landslides. While project formulation, approvals and implementation of various urban housing, buildings and infrastructures schemes, this Atlas provides necessary information for risk analysis and hazard assessment.

The Vulnerability Atlas of India has been prepared by Building Materials and Technology Promotion Council under Ministry of Housing and Urban Affairs, Government of India and available at their website www.bmtpc.org.

It is mandatory for the bidders to refer Vulnerability Atlas of India for multi-hazard risk assessment and include the relevant hazard proneness specific to project location while planning and designing the project in terms of:

- i) Seismic zone (II to V) for earthquakes.
- ii) Wind velocity (Basic Wind Velocity: 55, 50, 47, 44, 39 & 33 m/s).
- iii) Area liable to floods and Probable max. surge height.
- iv) Thunderstorms history
- v) Number of cyclonic storms/ severe cyclonic storms and max sustained wind specific to coastal region
- vi) Landslides incidences with Annual rainfall normal
- vii) District wise Probable Max. Precipitation

22 OPENING OF BIDS:

22.1 The Purchaser will first open the **Sealed Cover** containing Techno-Commercial Bid (Technical Part), EMD, along with commercial terms and conditions and Un- priced Tender Forms in the presence of bidder's representative who choose to attend the bid opening on the stipulated date and time, in the Office of the Executive Director, Contract & Procurement, NEEPCO Ltd, Shillong. The bidder's authorized representatives who are present during opening of the Techno-Commercial bids shall sign a register evidencing their attendance. In the event of the specified date of bid opening being declared a holiday for the Purchaser, the bids shall be opened at the appointed time and location on the next working day. Sealed Cover containing the Price Bid(s) of the bidders, whose Technical and Commercial bids have been found to be acceptable by the Purchaser will be opened at the Office where the Price Bids were received, in presence of the intending bidders or their authorized representatives, if any. The date of price bid opening will be intimated to the techno-commercially qualified bidders.

22.2 The Bidders' names, Bid modifications or withdrawals, and the presence or absence of requisite bid security and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening of the Techno-Commercial bids. No bid shall be rejected at the time of bid opening.

22.3 Bidders may view the tender opening results of techno-commercial and price bids in

<https://etenders.gov.in> by marking their presence for online tender opening.

- 22.4** Hard copy of bid document if any to be submitted physically as per stipulation elsewhere, if received by the Purchaser after the deadline for submission prescribed by the Purchaser, will be rejected and / or returned unopened to the bidder.
- 22.5** Bids that are not opened and declared at the time of bid opening shall not be considered further for evaluation, irrespective of the circumstances.

23 EVALUATION AND COMPARISON OF BIDS:

23.1 General:

23.1.1 The bids will be evaluated by the Purchaser to ascertain the lowest evaluated technically and commercially responsive bid for the complete scope of the proposal as detailed in the bidding documents.

23.1.2 Evaluation of the bids will be carried out in two stages:

Stage 1 Evaluation of Techno-Commercial bids (Sealed Cover)

Stage 2 Comparison of Price bids (Sealed Cover) of the acceptable Techno-Commercial bids.

Price Bids (Sealed Cover) of only those bidders whose Techno-Commercial bids have been evaluated as acceptable after Stage 1 will be evaluated in Stage 2.

23.1.3 If the bid, which results in lowest evaluated bid price, is seriously unbalanced or front-loaded in relation to the Corporation's estimate of the items of work to be performed under the Contract, the Purchaser may request the bidder to produce detailed price analysis for any or all items given in the Bill of Quantities, to demonstrate the internal consistency of those prices with the construction methods and the schedule proposed. After evaluation of the price analysis, taking into consideration the schedule of estimated contract payments, the Purchaser may require that the amount of Contract Performance Guarantee set forth in Clause No.4, Volume I, Sec-IV be increased at the expense of the bidder to a level sufficient to protect the Corporation against financial loss in the event of default of the successful bidder under the Contract (10% of the Corporation's cost estimate).

23.1.4 If a bid price appears to be unusually low in relation to the services to be rendered, the bidder will be requested to submit a written breakdown of his price calculation. If after review of the notes submitted by the bidder reasonable doubt persists as to whether the required goods and works can be provided at the rates offered and if this is reasonably expected to pose a considerable risk to the performance of the Contract, the bid in question will be excluded.

23.2 Stage 1: Evaluation of Techno-commercial Bids (Sealed Cover)

23.2.1 During Techno-commercial evaluation of bids, the Purchaser may, at its discretion, request bidders for clarifications on their bid. The request for clarification and the response shall be in writing and no change in prices or substance of the bid shall be permitted.

23.2.2 The Purchaser will examine the bids to determine whether they are complete and conform to the stipulated specification, whether the documents have been

properly signed,-whether all the Forms and datasheets have been filled up as per the formats provided in the bid documents and whether the bids are generally in order. The Purchaser will determine the substantial responsiveness of each bid to the bid documents. A substantially responsive bid is one which conforms to all terms and conditions, technical specification of the bid documents without material deviations. Deviations from or objections or reservations to critical provisions such as those concerning performance security, warranty, force majeure, payment terms, completion time, applicable law and taxes & duties will be deemed to be a material deviation. The Purchaser's determination of bid's responsiveness shall be based on the contents of the bid itself without recourse to extrinsic evidence. The Purchaser may waive any minor infirmity or non-conformity or irregularity in a bid, which does not constitute material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder.

23.2.3 If a bid is not substantially responsive, it will be rejected by the Purchaser and shall not subsequently be made responsive by the bidder by correction of the non-conformity. No bid will be considered if the complete requirements covered in the bid documents are not included in the bid.

23.2.4 To ascertain a substantially responsive bid, evaluation of the Techno-Commercial bids will be carried out in two steps:

- a) Preliminary evaluation
- b) Detailed evaluation.

a) **Preliminary evaluation**

The Purchaser will examine the bids to determine whether they are complete, whether the documents have been properly signed, whether all the forms, data sheets have been filled up as per the formats provided in the bid documents and whether the bids are generally in order. Bid submitted without fulfilling the Qualifying requirements as indicated in Clause 6, Section-I of this Volume, shall be rejected as non-responsive.

Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the preliminary evaluation are:

- (i) The required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption;
- (ii) The bidder is not eligible to participate in the bid as per laid down eligibility criteria (for example: the bid condition says that the bidder has to a registered MSE unit but the tenderer is a, say, large-scale unit);
- (iii) The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer;
- (iv) The bid departs from the essential requirements specified in the bid document (for example, the tenderer has not agreed to give the required performance security); or
- (v) Against a schedule in the list of requirements in the NIB, the tenderer has not quoted for the entire requirements specified in that schedule (for example, in a schedule, it has been stipulated that the tenderer will supply the equipment, install, and commission it and also train the purchaser's

operators for operating the equipment. The tenderer has, however, quoted only for the supply of the equipment).

Techno-commercial bids that are accepted after preliminary evaluation will be further considered for detailed evaluation.

b) Detailed evaluation

- i) The Techno-Commercial proposals must principally demonstrate the adequacy of the bidder's appreciation of the scope of work and of the project, of the methods proposed for site mobilization works and for the timely completion of the work themselves, of the arrangement of the logistic support for erection and of the Contractor's quality control, safety, and environment procedures.
- ii) The basis for the comparison of Techno-Commercial bids will be principally the information and data provided by the bidders in the technical data sheets and technical forms provided in Volume-II. and Commercial Data sheets of Volume-I, Section-VIII as detailed below and deviation of commercial terms and conditions. Deviations from or objections or reservations to critical provisions, such as those concerning performance security, warranty, force majeure, payment terms, completion time, applicable law, and taxes & duties will be deemed to be a material deviation.

DATA SHEET: 1	: Similar Experience/Work Commitments
DATA SHEET: 2	: Financial Data with Credit Facilities currently enjoyed by the bidder
DATA SHEET: 3	: Proposed Site Organization/ Other Information.
DATA SHEET: 4	: Contractors Authorised Representative (s) and Key Personnel
DATA SHEET: 4(i)	: Personnel Candidate Data
DATA SHEET: 4(ii)	: Supervisory and Supporting Staff
DATA SHEET: 4(iii)	: Labour
DATA SHEET: 5	: Contractor's Proposed Equipment
DATA SHEET: 5(i)	: OFF-SITE Workshop Equipment Capabilities
DATA SHEET: 5(ii)	: ON-SITE Equipment Capabilities
DATA SHEET: 5(iii)	: ON-SITE Equipment Mobilization/ Demobilization Schedule
DATA SHEET: 6(i)	: Plant, Machinery and Manufacturing facilities
DATA SHEET: 6(ii)	: Testing Equipment/ Testing facilities
DATA SHEET: 7	: Origin of Major items of the Plant Equipment
DATA SHEET: 8	: Source of Materials
DATA SHEET: 9	: Phase-wise Requirement of Electric Power
DATA SHEET: 10	: Proposed Sub-contractors / Vendors.
DATA SHEET: 11	: Construction methodology

DATA SHEET: 12 : Quality Assurance Plan
DATA SHEET: 13 : Health and safety & environmental
protection
DATA SHEET:14: Confirmation of the Site Visit and Project
Appreciation by the Bidder
DATA SHEET: 15: Delivery Schedule
DATA SHEET: 16: Current litigation history
DATA SHEET: 17: Additional / Supplemental information.
DATA SHEET: 18: Schedules of Deviations from Specifications

These sections of the Techno-Commercial bid shall be prepared as generally indicated below:

Data Sheet-14, shall consist of a report on the bidder's appreciation of the Project, which shall include a section on the site inspection carried out prior to bidding, and demonstrate awareness and understanding of all the principal technical and logistic aspects related to project construction, transportation of the equipment and the requirement for co-operation with the Owner and other Contractors.

Data Sheet-1, Data Sheet-3 to Data Sheet-11, Data Sheet 15(i), 15(ii), 16, 17 and 18 shall be addressed by completing or providing all information required in the respective data sheets, together with relevant descriptive and supporting material which the bidder deems necessary to clarify or support his Techno-Commercial bid. The bidder shall include in his proposal his programme for delivery of the materials and other auxiliaries under this package, construction programme etc. All such programme shall be in the form of BAR chart identifying key phases in various areas of the work like designs/drawing approval, manufacture, despatch, transportation, receipt, erection, testing, commissioning etc. The BAR chart shall conform to the schedule as stipulated elsewhere in this bid document.

Data Sheet-12 shall consist of a full description of the bidder's internal quality control procedures and confirm that those to be set up and followed on-site will be in compliance with the requirements of the respective chapters of the technical specifications.

Data Sheet-13 shall describe in full the bidder's safety rules and procedures, including staff and facilities proposed for dealing with accidents and health care and must confirm that those rules and procedures to be followed at site will be in compliance with the requirements with the respective chapter of the technical specification. **Data Sheet-13** shall give details of the bidder's proposed environmental protection plan and procedures.

Data Sheet-2 shall give details of the bidder's financial capability, substantiated by the Banker's feedback to execute the work.

The bidder shall be evaluated based on the information furnished in Data Sheets and subject to fulfilment of Qualification Requirement, other general requirements and compliance to quality and the technical specifications of the tender.

- iii) In view of the importance that bid evaluation should be completed in the shortest possible time, all bidders are expressly intimated: -
- a) To prepare their Techno-Commercial bids, in particular their schedule of detailed programme / schedule of works, in the form and order as indicated in the data sheets and as instructed above, and to ensure that all specific points on which information has to be submitted, as detailed in the tender documents, are covered in full and
 - b) To ensure that all materials submitted is not only complete in all respects but also concise, and to avoid including material of marginal relevance or importance.
- iv) As the programme for bid evaluation is short, the Purchaser cannot accept any obligation to request clarifications or supplementary information from bidders, after Techno-Commercial bids have been opened, although the Purchaser at its discretion reserves the right to do this. In consequence, any such inadequacies in data submitted in any bid may adversely affect the ranking of that bid during technical evaluation.
- v) Deviation from bid document / additional clauses
- a) All bidders are cautioned that bids containing any deviation from the basic parameters in respect of General Terms and Conditions, Technical Specification and the Bid Drawings, as contained in the bid documents, are liable for rejection.
 - b) Acceptability / non-acceptability of the deviation from the General Terms and Conditions, Technical Specifications and the Bid Drawings, as contained in the bid documents, shall be judged by the Purchaser. The deviations / additional clauses that are considered as acceptable shall be dealt as per the relevant clauses. The deviations / additional clauses which are not acceptable to the Purchaser shall automatically stand withdrawn and all relevant clauses shall prevail and no claim, whatsoever, in this respect shall be entertained. The Purchaser shall be the sole judge for assessment of acceptability / non-acceptability of deviations / additional clauses. The decision of the Purchaser in this respect shall be final and binding.
 - c) During evaluation of Bids, only minor deviations may be accepted/allowed, provided these do not constitute material deviations without financial impact and do not grant the bidder any undue advantage vis-à-vis other bidders and the Corporation. A material deviation, reservation, or omission which should not be waived are those that;
 - i) Affects, in any substantial way, the scope, quality or performance of the goods and related services specified in the contract;
 - ii) Limits, in any substantial way, inconsistent with the bid documents, Corporation's rights or the bidder's obligations under the contract; or
 - iii) If rectified, would unfairly affect the competitive position of other bidders quoting substantially responsive offers.
- The decision of the Purchaser in this respect shall be final and binding.
- vi) Even though the bidders meet the qualifying criteria as per clause no 6.0 (Section-I), they are subject to be disqualified if they have:
- a) made misleading or false representations in the forms, statements, declarations and attachments submitted in proof of the qualification requirements; and/or

- b) record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.
- c) participated in the previous bidding for the same work and had quoted abnormally high or low bid prices and could not furnish rational justification for it to the Employer.

23.3 Stage 2 : Evaluation and comparison of price bids (Sealed Cover)

23.3.1 After completion of the Techno-Commercial evaluation, the date and time of opening of Price Bid opening will be notified by the Purchaser. The Price Bids of those bidders, whose Techno-Commercial bids have been evaluated and considered as acceptable to the Purchaser, shall only be opened. A notice will be given to the techno-commercially qualified bidders intimating the date of opening of the Price Bids.

23.3.2 The Price Schedules shall be filled up and uploaded. The evaluation of Price Bids will be done based on the Grand Total Price as per Price Schedule-I inclusive of all taxes and duties.

The Total evaluated price shall be as under:

Total Evaluated price = Total price as per Price Schedule-I

The Bidders may note that the prices quoted for Optional spares in the price schedule will not be considered for Price Bid Evaluation.

Any suo moto discounts and rebates after the opening of bids (Techno-commercial or price) shall not be considered for the purpose of ranking the offer, but if such a firm does become L1 at its original offer, such suo moto rebates shall be incorporated in the contract.

23.3.3 Arithmetical errors will be rectified on the following basis:

- a. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and the quantity, the unit price shall prevail and the total price shall be corrected. If there is a discrepancy between numerical words and figures, the amount in words shall prevail. If the bidder does not accept the corrections as above, his bid will be rejected and the Bid Guarantee (Earnest Money) submitted with this bid will be forfeited.
- b. Bidders shall ensure that the prices furnished in various price schedules are consistent with each other. In case of any inconsistency in the prices furnished in the specified price schedules, the Purchaser shall be entitled to consider the highest price for the purpose of evaluation and the lowest of the prices in these schedules for the purpose of award of Contract.
- c. The prices of all such items against which the Bidder has not quoted rates/amount (viz., items left blank or against which ‘...’ is indicated in the Price Schedule) in the schedules shall be deemed to have been included in other items.

23.4 REVERSE AUCTION:

- a. NEEPCO reserves the right to finalize the tender through Tender Cum Auction i.e through the tender followed by reverse auction.

e-RA shall be followed after e-tender only if number of eligible bidders at price bid stage is at least 2 (two) and Following Procedure shall be followed for e-RA.

- (i) If the discovered price is up to 105% of the estimated price, no e-RA will be conducted.

- (ii) If the discovered price is above the price mentioned in (i) above, then following procedure of e-RA shall be followed:

- In case the number of eligible Bidders is 3 or less than 3, then e-RA shall be conducted among all the bidders.
- In case the number of eligible Bidders is 4, then e-RA shall be conducted among the bidders except H1.
- In case the number of eligible Bidders is more than 4, then the bidders quoting higher rates shall be eliminated as per below formula, and e-RA shall be conducted among the remaining bidders:

Numbers of eliminated bidders = $(n-3) \times 0.5$ where n = total bidders

(In case "Numbers of eliminated bidders" is a fraction, it shall be rounded off to lower whole number).

- b. The date and timing for the Reverse Auction shall be conveyed to the Techno Commercially qualified bidders. There will be no participation fees for Auction. The Instruction to Bidders for Reverse Auction is given in Section-X of the bid document.
- c. Bidders shall furnish the process compliance form (Form No. J) given Section VII of bid document along with the techno commercial bid in their letter head.
- d. It is solely at the discretion of bidder to participate in the auction. If a bidder is not interested to participate in the auction, then financial price bid submitted by bidder will normally be considered as final.
- e. Only those bidders - who have been found techno-commercially qualified as per requirements of the tender will be permitted to participate in the reverse auction. Techno-commercially qualified bidders, will receive Auction information through SMS & e-mail.
- f. The techno-commercially qualified bidders who does not participate in Reverse Auction process, their original quoted price shall be considered as final.
- g. If a bidder does not want to quote any price during Reverse Auction, their "Logged In" during Reverse Auction itself shall be considered as Participation. Their original quoted price shall be considered as final.
- h. It shall be Purchaser's discretion to use the L1 quoted value as per financial bid or any other price as the Starting Price in RA.
- i. After completion of reverse auction, the lowest bidder has to e-mail the duly signed filled in prescribed format confirming the price quoted along with price break up if any as per Price Schedules of the NIB within 24 hrs of auction without fail.
- j. The L1 bidder shall furnish the price break up after reverse auction which shall be proportionately distributed among each line item in line with the original price quoted.

- k. After completion of reverse auction, the purchaser will evaluate the L1 bid received after reverse auction along with the original price bids already opened to assess the lowest evaluated bid as per terms of the bid document.
- l. If no bid is received during reverse auction within the specified time duration of the online reverse auction, the original quoted price of the bidders shall be processed to evaluate the lowest bid

The prices quoted in the e-reverse auction shall be the total lump sum prices as per the scope of work in the tender inclusive of all taxes & duties, levies deviations etc.

24 PRICE PREFERENCE TO MICRO AND SMALL ENTERPRISES

Complying with the Public Procurement Policy for Micro and Small Enterprises (MSEs) Amendment Order, 2018, the following provisions shall prevail for award of **25 %** of the total quantity of the tender to the participating Micro and Small Enterprises subject to meeting terms and conditions stated in the bid document including but not limiting to Qualification criteria.

- (i) Where the tendered quantity can be split, MSEs quoting a price within a price band of L1 + 15 %age shall be allowed to supply up to **25 percent** of total tendered quantity at L1 price provided they accept L1 price.
- (ii) In case the tendered quantity cannot be split, MSE shall be allowed to supply total tendered quantity at L1 price provided their quoted price is within a price band of L1 + 15 %age.
- (iii) In case of more than one such MSEs are in the price band of L1 + 15%age, who are willing to execute the work at L1 price, the work may be shared proportionately.
- (iv) Out of the **25 (twenty five) percent** target for MSEs, 4(four) percent shall be earmarked for procurement from micro and small enterprises owned by Scheduled Caste & Scheduled Tribe entrepreneurs **and 3(three) percent from MSEs owned by women within the 25% target**. In the event of failure of such MSEs to participate in the tender process or meet the tender requirements and L1 price, the said 4 (four) percent **& 3 (three) percent** sub-target so earmarked shall be met from other MSEs.

I. DEFINITIONS APPLICABILITY FOR PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA), ORDER 2017:

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

The minimum local content shall be 60% as specified by the Ministry of Power, Government of India.

‘Class I Local Supplier’ means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%.

‘Class II Local Supplier’ means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% and less than 50%.

‘Non - Local Supplier’ means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than 20%.

“**Margin of Purchase Preference**” means the maximum extent to which the price quoted by a Class I Local supplier may be above the L1 for the purpose of purchase preference. The margin of purchase preference shall be 20%.

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

“**Procuring Entity**” means NEEPCO

II. The following list of goods/ services are to be supplied/ sourced as/ from Class-I Local Suppliers only:

Sl. No	List of Goods/ Services to be supplied/ sourced as/ from Class-I Local Supplier
1	Common items for Transmission, Distribution, and Generation Sector at Annexure-IA, Hydro Sector at Annexure-IB, Other Common Items at Annexure-ID & Procurement & Construction EPC & Turnkey Projects at Annexure-IE to Ministry of Power OM No. A-1/2021 FSC-Part(5) dated 16.11.2021. The Minimum Local Content (%) as mentioned under the aforementioned OM shall be complied. The contractor should comply with the requirement of Minimum Local Content for individual items as listed in Annexure-I and should purchase these items only from Class-I Local Supplier.

III. VERIFICATION OF LOCAL CONTENT:

- a) The Class – I Local Supplier at the time of tender, bidding or solicitation shall be required to provide self-certification as given below, that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.

We..... (Name of the Bidder) undertake that the item offered meets the minimum local content for claiming purchase preference as per the Public Procurement (Preference to Make in India) Order 2017 against the NIB No.....Dated... The details of the locations at which the value addition is made are given below:

- 1.....
2.....
3.....

(Signature of the Bidder)

In case of procurement for a value in excess of Rs. 10 Crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing

chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

- a) Self declarations/ auditor's/ accountant's certificates submitted by the manufacturer/ supplier may be verified randomly by the committee constituted as per Order No. No.11/05/2018-Coord and No.A-1/2021-FSC-Part(5) dated 28.07.2020 and 16.11.2021, of Ministry of Power, Government of India. In case of false documents/misrepresentation of the facts, requisite action against such manufacturer/ supplier will be taken based on the recommendation of the Committee.
- b) A supplier who has been debarred by any procuring entity for violation of Public Procurement (Preference to Make in India), Order 2017 shall not be eligible under Public Procurement (Preference to Make in India), Order 2017 for procurement by any procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities.
- c) Certificate for Tenders for Works involving possibility of sub-contracting shall be submitted by the bidder in the following format:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]".

Note: If such certificate given by a bidder whose bid is accepted is found to be false, this would be a ground for immediate termination and further legal action in accordance with law.

As per Office Order No.25-11/6/2018-PG dated 02/07/2020 of Ministry of Power, Government of India (Copy enclosed), the following shall be complied:

- a. All equipment, components, and parts to be imported against the package shall be tested in India to check for any kind of embedded malware/trojans/cyber threat and for adherence to Indian Standards.
- b. All such testing shall be done in certified laboratories designated by the Ministry of Power (MoP) vide Office Order No.12/34/2020-T&R dated 08.06.2021 & 24.12.2021 of Ministry of Power, Government of India, and any other orders that may be issued on the matter from time to time. Any import of Equipment/Components/Parts from "prior reference" countries as specified or by persons owned by, controlled by, or subject to the jurisdiction or the directions of these "prior reference" countries will require prior permission of the Government of India.
- d. Where the Equipment/Components/Parts are imported from "prior reference" countries,

- with special permission, the protocol for testing in certified and designated laboratories shall be approved by the Ministry of Power (MoP).
- e. The above shall apply to any item imported for end use or to be used as a component, or as a part in manufacturing, assembling of any equipment or to be used in the Package.
- f. Regarding definition of 'Prior Reference Countries' and exclusions applicable on the above, the bidders may refer Office Order No. 25-4/1/2019-PG-Part (1) dated 11/08/2020 of Ministry Of Power, Government Of India (copy enclosed)".

A. AWARD OF CONTRACT

25 AWARD CRITERIA:

The Purchaser will award the Contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the bidder is determined to be qualified to perform the Contract satisfactorily. The successful bidder will be notified of the award through a Letter of Intent (LOI) to be issued in writing by registered letter /email, that his bid has been accepted. The Letter of Intent will constitute the formation of Contract. The successful bidder shall execute Contract Agreements as per the proforma attached at Section-VII, Vol-I.

26 PURCHASER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS:

The Purchaser reserves the right to accept or reject any bid, and to annul the bidding process and reject any or all bids at any time prior to Contract award, without thereby incurring any liability to the affected bidder or bidders. The bidding process may be canceled if

- the responsive bids substantially exceed the budget;
- the Technical or Financial bases of the procurement have changed materially prior to the award, or the rates of the bid are obviously and clearly unreasonably high.
- the rates of the bid are obviously and clearly unreasonably high.

27 SIGNING OF CONTRACT / AGREEMENT:

- a. After issue of the Letter of Intent (LOI), the Detailed Order will follow on un-conditional acceptance of LOI by the bidder. After issue of Detailed Order and their un-conditional acceptance and acceptance of Contract Performance Guarantee (CPG), the Purchaser/Contractor shall prepare the Contract Agreements on Non-Judicial Stamped Paper and the successful bidder will be informed for signing of the Contract Agreements on a notified date. Signing of the Contract Agreements will be done in the office of the Executive Director, Contracts & Procurement, NEEPCO Ltd, Shillong.
- b. The Contractor shall be required to sign the Contract Agreement in 3(three) copies, along with appropriate Power of Attorney and other requisite materials. The expenses of completing and stamping the Agreement shall be paid by the Purchaser and the Contractor shall be furnished, free of charge, with an executed stamped counter part of the Agreement. After signing of the Agreement, 12 (twelve) true copies of the Contract Agreement along with the soft copy (PDF format) of the agreement shall have to be made by the Contractor and shall be submitted within 30 (thirty) days from the date of signing of the Contract Agreement to the office of the Executive Director, Contracts & Procurement, NEEPCO Ltd, Shillong-793003.

28 CORRUPT OR FRAUDULENT PRACTICES:

It is expected from the Bidders / suppliers / contractors that they will observe the highest standard of ethics and should not indulge in the following prohibited practices, either directly or indirectly, at any stage during the procurement process or during execution of resultant contracts:

- (a) Defines, for the purposes of this provision, the terms set forth below shall mean as under:
- (i) "**corrupt practice**" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution; and
 - (ii) "**fraudulent practice**" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Purchaser, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition;
 - (iii) "**Anti-competitive practice**": any collusion, bid rigging or anti-competitive arrangement, or any other practice coming under the purview of The Competition Act, 2002, between two or more bidders, with or without the knowledge of the Purchaser, that may impair the transparency, fairness and the progress of the procurement process or to establish bid prices at artificial, non-competitive levels;
 - (iv) "**Coercive practice**": harming or threatening to harm, persons or their property to influence their participation in the procurement process or affect the execution of a contract.
 - (v) "**Conflict of interest**": participation by a bidding firm or any of its affiliates that are either involved in the consultancy contract to which this procurement is linked; or if they are part of more than one bid in the procurement; or if the bidding firm or their personnel have relationships or financial or business transactions with any official of Purchaser who are directly or indirectly related to tender or execution process of contract; or improper use of information obtained by the (prospective) bidder from the Purchaser with an intent to gain unfair advantage in the procurement process or for personal gain; and
 - (vi) "**Obstructive practice**": materially impede the Purchaser's investigation into allegations of one or more of the above mentioned prohibited practices either by deliberately destroying, falsifying, altering; or by concealing of evidence material to the investigation; or by making false statements to investigators and/or by threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or by impeding the Purchaser's rights of audit or access to information;
- (b) A Bid may be rejected by the Purchaser if it is determined at any stage that the respective Bidder has engaged in corrupt or fraudulent practices in competing for the contract in question and the Bid Security/ Performance Guarantee shall be forfeited.

- (c) The Purchaser may declare a firm ineligible, either indefinitely or for a stated period of time, if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a contract.

29 TRADE RECEIVABLE DISCOUNTING SYSTEM (TReDS):

It may be noted that Government of India has implemented Trade Receivable Discounting System (TReDS) to address the challenges faced by MSMEs in delayed payments (after receipt/acceptance of material/services) from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs) leading to shortfall of working capital.

TReDS is an online electronic institutional mechanism/ platform for facilitating the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers. NEEPCO has registered on the following TReDS platform:

a) "Invoicemart" of 'A. TReDS Ltd.', Mumbai

MSME vendors can avail the TReDS facility, if they want to by registering on the above mentioned TReDS platform, for which MSEM vendors can contact at the following address of "Invoicemart":

Shri Mithilesh Jha, Email: mithilesh.jha@invoicemart.com, Ph: +91 9836953636

30. CHECK LIST:

- 30.1 The bidders are requested to duly fill in the check list enclosed in Section VI, Vol-I. This check list gives only certain important items to facilitate the bidder to make sure that the necessary data / information is provided by him in his proposal. This, however, does not relieve the bidder of his responsibility to make sure that his proposal is otherwise complete in all respects.
- 30.2 Technical / commercial deviations, if any, for each specification Volume / Section of the bid documents should be given in the enclosed respective schedules and except for the deviations given therein it shall be construed that bidders shall comply completely with all the other requirements of the specification.
- 30.3 All costs and expenses incidental to preparation of the proposals, discussions and conferences, if any, including the pre-award discussions with the successful bidder, technical and other presentation including any demonstrations, etc. shall be to the account of the bidder and the Purchaser shall bear no responsibility whatsoever on such costs and expenses.

ANNEXURE-I

Instructions for Online Bid Submission

The bidders are required to submit soft copies of their bids electronically on the CPP Portal, using valid Digital Signature Certificates. The instructions given below are meant to assist the bidders in registering on the CPP Portal, prepare their bids in accordance with the requirements and submitting their bids online on the CPP Portal.

More information useful for submitting online bids on the CPP Portal may be obtained at: <https://etenders.gov.in/eprocure/app>.

REGISTRATION

- 1) Bidders are required to enroll on the e-Procurement module of the Central Public Procurement Portal (URL: <https://etenders.gov.in/eprocure/app>) by clicking on the link “**Online bidder Enrollment**” on the CPP Portal which is free of charge.
- 2) As part of the enrolment process, the bidders will be required to choose a unique username and assign a password for their accounts.
- 3) Bidders are advised to register their valid email address and mobile numbers as part of the registration process. These would be used for any communication from the CPP Portal.
- 4) Upon enrolment, the bidders will be required to register their valid Digital Signature Certificate (Class III Certificates with signing key usage) issued by any Certifying Authority recognized by CCA India (e.g. Sify / nCode / eMudhra etc.), with their profile.
- 5) Only one valid DSC should be registered by a bidder. Please note that the bidders are responsible to ensure that they do not lend their DSC’s to others which may lead to misuse.
- 6) Bidder then logs in to the site through the secured log-in by entering their user ID / password and the password of the DSC / e-Token.

SEARCHING FOR TENDER DOCUMENTS

- 1) There are various search options built in the CPP Portal, to facilitate bidders to search active tenders by several parameters. These parameters could include Tender ID, Organization Name, Location, Date, Value, etc. There is also an option of advanced search for tenders, wherein the bidders may combine a number of search parameters such as Organization Name, Form of Contract, Location, Date, Other keywords etc. to search for a tender published on the CPP Portal.
- 2) Once the bidders have selected the tenders they are interested in, they may download the required documents / tender schedules. These tenders can be moved to the respective ‘My Tenders’ folder. This would enable the CPP Portal to intimate the bidders through SMS / e-mail in case there is any corrigendum issued to the tender document.
- 3) The bidder should make a note of the unique Tender ID assigned to each tender, in case they want to obtain any clarification / help from the Helpdesk.

PREPARATION OF BIDS

- 1) Bidder should take into account any corrigendum published on the tender document before submitting their bids.
- 2) Please go through the tender advertisement and the tender document carefully to understand the documents required to be submitted as part of the bid. Please note the number of covers in which the bid documents have to be submitted, the number of documents - including the names and content of each of the document that need to be submitted. Any deviations from these may lead to rejection of the bid.
- 3) Bidder, in advance, should get ready the bid documents to be submitted as indicated in the tender document / schedule and generally, they can be in PDF / XLS / RAR / DWF/JPG formats. Bid documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document.
- 4) To avoid the time and effort required in uploading the same set of standard documents which are required to be submitted as a part of every bid, a provision of uploading such standard documents (e.g. PAN card copy, annual reports, auditor certificates etc.) has been provided to the bidders. Bidders can use “My Space” or “Other Important Documents” area available to them to upload such documents. These documents may be directly submitted from the “My Space” area while submitting a bid, and need not be uploaded again and again. This will lead to a reduction in the time required for bid submission process.

Note: My Documents space is only a repository given to the Bidders to ease the uploading process. If Bidder has uploaded his Documents in My Documents space, this does not automatically ensure these Documents being part of Technical Bid.

SUBMISSION OF BIDS

- 1) Bidder should log into the site well in advance for bid submission so that they can upload the bid in time i.e. on or before the bid submission time. Bidder will be responsible for any delay due to other issues.
- 2) The bidder has to digitally sign and upload the required bid documents one by one as indicated in the tender document.
- 3) Bidder has to select the payment option as “offline” to pay the tender fee/EMD as applicable and enter details of the instrument.
- 4) Bidder should prepare the EMD as per the instructions specified in the tender document. The original should be posted/couriered/given in person to the concerned official, latest by the last date of bid submission or as specified in the tender documents. The details of the DD/any other accepted instrument, physically sent, should tally with the details available in the scanned copy and the data entered during bid submission time. Otherwise the uploaded bid will be rejected.
- 5) Bidders are requested to note that they should necessarily submit their financial bids in the format provided and no other format is acceptable. If the price bid has been given as a standard BoQ format with the tender document, then the same is to be downloaded and to be filled by all the bidders. Bidders are required to download the BoQ file, open it and complete the white coloured (unprotected) cells with their respective financial quotes and

other details (such as name of the bidder). No other cells should be changed. Once the details have been completed, the bidder should save it and submit it online, without changing the filename. If the BoQ file is found to be modified by the bidder, the bid will be rejected.

- 6) The server time (which is displayed on the bidders' dashboard) will be considered as the standard time for referencing the deadlines for submission of the bids by the bidders, opening of bids etc. The bidders should follow this time during bid submission.
- 7) All the documents being submitted by the bidders would be encrypted using PKI encryption techniques to ensure the secrecy of the data. The data entered cannot be viewed by unauthorized persons until the time of bid opening. The confidentiality of the bids is maintained using the secured Socket Layer 128 bit encryption technology. Data storage encryption of sensitive fields is done. Any bid document that is uploaded to the server is subjected to symmetric encryption using a system generated symmetric key. Further this key is subjected to asymmetric encryption using buyers/bid opener's public keys. Overall, the uploaded tender documents become readable only after the tender opening by the authorized bid openers.
- 8) The uploaded tender documents become readable only after the tender opening by the authorized bid openers.
- 9) Upon the successful and timely submission of bids (i.e. after Clicking "Freeze Bid Submission" in the portal), the portal will give a successful bid submission message & a bid summary will be displayed with the bid no. and the date & time of submission of the bid with all other relevant details.
- 10) The bid summary has to be printed and kept as an acknowledgement of the submission of the bid. This acknowledgement may be used as an entry pass for any bid opening meetings.

ASSISTANCE TO BIDDERS

- 1) Any queries relating to the tender document and the terms and conditions contained therein should be addressed to the Tender Inviting Authority for a tender or the relevant contact person indicated in the tender.
 - 2) Any queries relating to the process of online bid submission or queries relating to CPP Portal in general may be directed to the 24x7 CPP Portal Helpdesk.
-

ANNEXURE-II

Formulae for Adjustment for Changes in Cost of Electromechanical Equipment

(Supply and E&C)

(A) For Supply of all Electromechanical Equipment

i) Price Variation shall be applicable on 90% (Ninety percent) of the Ex-works price of all equipment/items, in Indian Rupees.

Price adjustment formula for supply of electro-mechanical equipment:

The quoted price of supply of Electro-Mechanical Equipment shall be subject to adjustment as per Price Variation (PV) Formulae given below, with the base date of all indices as on the date 28 (twenty eight) days prior to the latest date for submission of bids. Date of adjustment shall be 1(One) month prior to the date of dispatch:

i) For supply of Electrical Equipments

$$P1 = Po \times [0.15 + \{0.35 \times (S1/So) + 0.15 \times (C1/Co)\} + 0.35(L1/L0)] - Po$$

ii) For supply of Mechanical Equipments:

$$P1 = Po \times [0.15 + \{0.50 \times (S1/So)\} + 0.35(L1/L0)] - Po$$

Wherein,

P1 = Adjustment amount payable to the Contractor

Po = 90% (Ninety percent) of quoted price.

S0, S1 = Wholesale Price Index(WPI) of 'Basic Metal' as on the date 28 (twenty eight) days prior to the latest date for submission of bids and on the date of adjustment

C0, C1 = Wholesale Price Index(WPI) of 'Copper shapes - bars/rods/plates/strip' as on the date 28 (twenty eight) days prior to the latest date for submission of bids and on the date of adjustment

L0, L1 = All India Average Consumer Price Index number for Industrial Workers, as published by the Labour Bureau, Ministry of Labour, Govt. of India (Base: 2016=100) as on the date 28 (twenty eight) days prior to the latest date for submission of bids and on the date of adjustment

Monthly Wholesale Index published by Office of the Economic Advisor, Ministry of Commerce and Industry, Govt. of India shall be applicable for Q0, Q1 and R0, R1.

NOTE: In case the Government of India stops publishing any of the Price indices at any time during the course of execution of the contract and announces a new series with a linking factor for conversion of

index of new series to the old series, regulation of price variation will be done using the indices of new series along with linking factor, as published by the relevant Authority, from the date, the indices of old series become unavailable.

The price variation calculation will be done using the indices of old series, till the date the indices of the old series are available.

In case the Government of India stops publishing any of the Price indices at any time during the course of execution of the contract and announces a new series without a linking factor for conversion of index of new series to the old series or allows use of any method for linking the two series (Old and New), regulation of price variation will be done using the indices of new series along with linking factor to be derived using arithmetic conversion method based on monthly indices of the last 36 months of the old series and the same period for new series:

Linking Factor for a commodity = (Arithmetic mean of the monthly indices of the old series of the concerned commodity for the last 36 months of the old series)/ (Arithmetic mean of the monthly indices of the new series of the same commodity for the same period i.e. the last 36 months of the old series)

The price variation calculation shall be done using the indices of new series along with this linking factor, in the Price Variation Formula from the date, the old series is discontinued.

(B) For Erection and Commissioning Services

Price adjustment formula for Loading and unloading at site, handling and transportation within site, Storage and Preservation at site and erection, testing and commissioning:

The quoted price for Loading and unloading at site, handling and transportation within site, Storage and Preservation at site and Erection, Testing and Commissioning Works shall be subject to adjustment as per the Price Variation (PV) Formula given below, with the base date for all indices as on 28 (Twenty-Eight) days prior to the date of opening of Techno-Commercial Bid. Price variation shall be applicable on 90% of the quoted price.

$$P1 = Po \times [0.20 + 0.60 \times (L1/L0) + 0.15(F1/F0) + 0.05(M1/M0)] - Po$$

Wherein,

P1 = Adjustment amount payable to the Contractor

Po = 90% (Ninety percent) of quoted price.

L0 = All India Average Consumer Price Index for Industrial Workers, as published in the Indian Labour Journal of "Labour Bureau", Ministry of Labour, Government of India, as on 28(Twenty Eight) days prior to the date of opening of Techno-Commercial Bids

L1 = All India Average Consumer Price Index for Industrial Workers, as published in the Indian Labour Journal of "Labour Bureau", Ministry of Labour, Government of India, as on the date of execution of services.

F0 = Actual all inclusive price of diesel at the nearest depot of Indian Oil Corporation as on 28(Twenty Eight) days prior to the date of opening of Techno-Commercial Bids.

F1 = Actual all inclusive price of diesel at the nearest depot of Indian Oil Corporation as on the date of execution of services.



- M0 = Wholesale Price Index (WPI) for “Non Metallic Mineral Product” as on 28(Twenty Eight) days prior to the date of opening of techno-commercial bids, as published in the monthly bulletin “Wholesale Price Indices” issued by the Office of Economic Adviser, Ministry of Commerce and Industry, New Delhi
- M1 = Wholesale Price Index (WPI) for “Non Metallic Mineral Product” as on the date of execution of services, as published in the monthly bulletin “Wholesale Price Indices” issued by the Office of Economic Adviser, Ministry of Commerce and Industry, New Delhi



Annexure-III

No.11/05/2018-Coord.

Government of India

Ministry of Power

ORDER

Shram Shakti Bhawan, New Delhi

Dated the 28th July, 2020

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

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

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

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

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

i. For the purpose of this order, the definitions of various terms used in the order, and provisions relating to (i) Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement, (ii) purchase preference, (iii) exemption to small purchases, and (iv) margin of purchase preference, shall be the same as in DPIIT order dated 04.06.2020, referred to above and extracts of the same given at Appendix.

ii. In procurement of all goods and services or works in respect of which there is sufficient local capacity and local competition as in Annexure-I, only "Class-I local supplier", shall be eligible to bid irrespective of purchase value.

iii. In procurement of all goods, services or works not covered by sub-para 3(ii) above, and with estimated value of purchases less than Rs.200 Crore, in accordance with Rule 161(iv) of

GFR, 2017, Global Tender Enquiry (GTE) shall not be issued except with the approval of the competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier' shall be eligible to bid in procurement undertaken by procuring entities, except when Global Tender Enquiry has been issued. In Global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

iv. For the purpose of this order, 'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works', Engineering, Procurement and Construction (EPC) contracts and service contracts including System Integrator (SI) contracts. This order shall be applicable to Tariff Based Competitive Bidding (TBCB) projects also.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sd/-
(R.K. Das)

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

To:

1. All Ministries/ Departments of Government of India (As per list)
2. Secretary (Coordination), Cabinet Secretariat
3. PS to PM, Prime Minister's Office
4. Vice Chairman, NITI Aayog
5. Chief Secretaries of all States/UTs
6. Director General, Comptroller and Auditor General of India



7. Secretary, DPIIT, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
8. Joint Secretary, DPIIT, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
9. Chairperson, CEA
10. CMDs of CPSEs/ Chairmen of DVC & BBMB/ MD of EESL
11. All JSs/ EA, MoP

Appendix

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

1. Definitions:

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

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

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

'Non-Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order.

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

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

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

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

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

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

3. Purchase Preference

- (a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.
- (b) In the procurements of goods or works, which are covered by para 2(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:
 - i. Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract for full quantity will be awarded to L 1.
 - ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted

price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L 1 price, In case such lowest eligible Class-I local supplier' fails to match the L 1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L 1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L 1 bidder.

(c) In the procurements of goods or works, which are covered by para 2(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L 1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L 1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class- I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly, In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L 1 bidder.

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

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

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



No. A-1/2021-FSC-Part(5)

Government of India

Ministry of Power

Shram Shakti Bhawan, New Delhi

Dated: 16th November, 2021

ORDER

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

Reference: Department for Promotion of Industry and Internal Trade (DPIIT) Notification No. P-45021/2/2017-PP (BE-II) dated 16.09.2020.

The Government of India, Department for Promotion of Industry and Internal Trade (DPIIT) issued Public Procurement (Preference to Make in India), Order 2017, for encouraging 'Make in India' and promoting manufacturing and production of goods and services in India with a view to enhancing income and employment. Subsequently, DPIIT vide order No. P-45021/2/2017-PP (BE-II) dated 4th June, 2020 and further vide order dated 16th September, 2020 have issued the revised Public Procurement (Preference to Make in India) Order 2017.

2. In light of the Public Procurement (Preference to Make in India) Order 2017, this Ministry had notified purchase preference (linked with local content) for Hydro and Transmission sectors vide Order No. 11/05/2018-Coord dated 20.12.2018, for Thermal sector vide Order dated 28.12.2018 and for Distribution sector vide Order dated 17.03.2020. Further, a combined order dated 04.04.2020 was also issued in supersession of all previous orders to indicate equipment/material/components for which there was sufficient local capacity and competition and also to indicate conditions for including suitably in the tenders to be issued by the procurers. In furtherance of Para 19 of the DPIIT Notification No. P-45021/2/2017-PP(BE-II) dated 04.06.2020, Ministry of Power (MoP) issued a revised comprehensive Order dated 28.07.2020 (Annexure-I amended by order dated 17.09.2020).

3. DPIIT Notification No. P-45021/2/2017-PP(BE-II) dated 16.09.2020 has further revised its order dated 04.06.2020. Therefore, in supersession of all the aforementioned orders including order No.10/1/2019-St.Th. (Part-II) dated 20.03.2020 issued by this Ministry, the following has been decided:

- i. For the purpose of this order, the definitions of various terms used in the order, and provisions relating to (i) Eligibility of 'Class-I local supplier'/'Class-II local supplier'/'Non-local suppliers' for different types of procurement, (ii) purchase preference (iii) exemption to small purchases and (iv) margin of purchase preference shall be the same as in DPIIT order dated 16.09.2020, referred to above and extracts of the same is given at **Appendix**.
- ii. In procurement of all goods and services or works in respect of which there is sufficient local capacity and local competition as in **Annexure-I**, only "Class-I local supplier" shall be eligible to bid irrespective of purchase value. "Class-I local supplier" is a supplier or service provider whose goods, services or works offered for procurement meets the Minimum Local Content (MLC) as prescribed in Annexure-I of this order. "Class-II local supplier" means a



supplier, as defined by DPIIT in its Order No. P-45021/2/2017-PP (BE-II) dated 16-09-2020.

- iii. In the procurement of all goods and services or works other than those listed in Annexure-I, only "Class-I local supplier" and "Class-II local supplier" as defined in the order of this Ministry herewith shall be eligible to bid in procurement undertaken by procuring entities, except when Global Tender Enquiry has been issued. In Global tender enquiries, "Non-local suppliers" shall also be eligible to bid along with "Class-I local suppliers" and "Class-II local suppliers". In procurement of all goods, services or works not covered by sub-para 3(ii) above, and with estimated value of purchases less than Rs. 200 crores, in accordance with Rule 161(iv) of GFR, 2017, Global Tender Enquiry(GTE) shall not be issued except with the approval of the competent authority as designated by Department of Expenditure.
- iv. For the purpose of this order, 'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works', Engineering, Procurement and Construction (EPC) contracts and service contracts including System Integrator (SI) contracts.
4. The list of items, in respect of which, local capacity with sufficient competition exists as per **Annexure-I**, will be reviewed at regular intervals with a view to increase number of items in this list and also to increase the MLC for each item, wherever it is less than 100%.
5. Purchase preference shall be given to local suppliers in accordance with **para 3A** of DPIIT Order dated 16.09.2020, and extracts of the same are given at **Appendix**.
6. Further, it has been decided to constitute a committee for independent verification of self-declarations and auditor's / accountant's certificates on random basis and in the case of complaints. The composition of the committee is given below:

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

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

Chairperson, CEA	Chairperson
Member (Hydro), CEA	Member



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

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

9. All other conditions, not stipulated in this order, shall be as laid down in the DPIIT's order No. P-45021/2/2017-PP (BE-II) dated 16.09.2020.

10. This order shall be applicable in respect of the procurement made by all attached or subordinate offices or autonomous bodies under the Government of India including Government Companies as defined in the Companies Act, and /or the States and Local Bodies making procurement under all Central Schemes/ Central Sector Schemes where the Scheme is fully or partially funded by the Government of India. The aforesaid orders shall also be applicable in respect of projects wherein funding of goods, services or works is by Power Finance Corporation (PFC) /Rural Electrification Corporation (REC) and any Financial Institution in which Government of India/ State Government share exists. This order shall be applicable to Tariff Based Competitive Bidding (TBCB) projects also. Procuring entities as defined in the DPIIT's Order dated 16.09.2020 are advised to revise their tender documents to fully comply with the said DPIIT's Order and the subsequent Orders that would be issued in this regard by DPIIT/ this Ministry from time to time.

11. All tenders for procurement by Central Government Agencies or the States and Local Bodies, as the case may be, have to be certified for compliance of the Public Procurement (Preference to Make in India) 'PPP-MII' Order by the concerned procurement officer of the Government Organization before uploading the same on the portal.

12. Exemption from meeting the stipulated local content is allowed as per clause 13 and 13A of PPP-MII Order dated 16.09.2020, if the manufacturer declares that the item is manufactured in India under a License from a foreign Manufacturer who holds Intellectual Property Rights (IPRs) and there is Transfer of Technology (ToT) with phasing to increase Minimum Local Content. For such items, if any CPSE under the administration of Ministry of Power requests exemption for any item, it shall be considered by Ministry of Power, on case to case basis.

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

14. The procurers may specify the higher values of MLC than those specified in this Order in respect of goods, services or works covered in their tenders and award the weightage to the product of higher MLC for which they have to specify the criteria beforehand in their tender. The values given in Annexure-I are the minimum prescribed values for becoming a class-I local supplier for the products indicated therein.



15. This issues with the approval of Hon'ble Minister for Power and New & Renewable Energy.

(S. Majumdar)

Under Secretary to the Government of India
Tele No. 011- 23356938

To:

1. Secretary to Government of India (All Ministries/ Departments of Government of India) (As per list)
2. Secretary (Coordination), Cabinet Secretariat
3. CEO, NITI Aayog
4. Chief Secretaries of all States/ UTs
5. Comptroller and Auditor General of India
6. Secretary, DPIIT, Chairman of Standing Committee for implementation of Public Procurement Order, 2017
7. Director General, Bureau of Indian Standards (BIS)
8. Joint Secretary, DPIIT, Member-Convener of Standing Committee for implementation of Public Procurement Order, 2017
9. Chairperson, CEA
10. CMDs of CPSEs, CMD NLC, Chairman of DVC/ BBMB/ EESL, DGs of BEE/ CPRI/ NPTI
11. All Additional Secretaries/ JSs/ EA/ CE, Ministry of Power

Copy to:

Director (Technical), NIC with a request to publish the Order on the website of Ministry of Power



APPENDIX

Extracts of important provisions contained in DPIIT Order No. P-45021/2/2017-PP (BE-II) dated 16-09-2020

1. **Definitions** (*Para 2 of DPIIT order*):

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

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

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

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

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

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

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

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

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

2. **Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement** (*Para 3 of DPIIT order*)

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

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by 3(a) above, and with estimated value of purchases less than Rs 200 crores, in accordance with Rule 161(iv) of GFR, 2017 Global tender enquiry shall not



be issued except with the approval of competent authority as designated by Department of Expenditure.

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

3. Purchase Preference (Para 3A of DPIIT order)

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

(b) In the procurements of goods or works, which are covered by para 3(b) of DPIIT Order No. P-45021/2/2017-PP(BE-II) dated 16-09-2021 and which are divisible in nature, the "Class-I local supplier" shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

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

(c) In the procurements of goods or works, which are covered by para 3(b) of DPIIT Order No. P-45021/2/2017-PP(BE-II) dated 16-09-2021 and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

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

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



4. Applicability in tenders where contract is to be awarded to multiple bidders (Para 3B of DPIIT order)-

In tenders where contract is to be awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

a) In case there is sufficient local capacity and competition for the items to be procured, as notified by the Nodal Ministry, only 'Class-I local supplier' shall be eligible to bid. As such, the multiple supplier who would be awarded the contract, should be all and only 'Class-I local suppliers'.

b) In other cases, 'Class-II local suppliers' and 'Non-Local suppliers' may also participate in the bidding process along with 'Class-I local supplier' as per provisions of this order.

c) If 'Class-I local supplier' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class-I local supplier' do not qualify for award of the contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class-I local supplier' over 'Class-II local supplier'/'Non-local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class-I local suppliers' taken in totality or considered for award of contract for at least 50% of the tendered quantity.

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

e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulate in sub-para above.

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

6. Minimum Local Content (Para 5 in DPIIT order): The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the local content requirement is minimum 20%. Nodal Ministry/Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/'Class-II local supplier'. For the item for which Nodal Ministry/Department has not prescribed higher minimum local content notification under the order, it shall be 50% and 20% for 'Class-I local supplier'/'Class-II local supplier' respectively.



7. Vide DPIIT OM No. P-45021/102/2019-BE-IIPart(1) (E-50310) dated 4.03.2021 services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. shall not be considered as local value addition. Bidders offering imported products will fall under the category of Non- local suppliers. They can't claim themselves as Class-I local suppliers/Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.

8. **Margin of Purchase Preference (Para 6 of DPIIT order):** The margin of purchase preference shall be 20%.

9. **Specifications in Tenders and other procurement solicitations (Para 10 of DPIIT order):**

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

d. Reciprocity Clause:

- i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc. it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.
 - ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all the items related to that nodal Ministry/Department, except for the list of items published by the Ministry/Department permitting their participation.
 - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchase on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/Department.
 - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
 - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certification/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local



suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/ or for any other reason, the same shall be done only after written approval of Secretary of Department concerned or any other authority having been designated such power by the Secretary of the Department concerned.

- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of PSEs/PSUs, for the next 5 years on their respective website."



Annexure-I

Sl. No.	Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition	Class-I Local Supplier (Minimum Local Content (%))
(A) Common items for Transmission, Distribution and Generation Sector		
1	Power Transformers (up to 765 kV, including Generator transformers)	60
2	Instrument Transformer (up to 765 kV)	60
3	Transformer Oil Dry Out System (TODOS)	60
4	Reactors up to 765 kV	60
5	Oil Impregnated Bushing (up to 400 kV)	60
6	Resin Insulated Paper (RIP) bushings (up to 145 kV)	50
7	Circuit Breakers (up to 765 kV AC - Alternating Current)	60
8	Disconnectors/Isolators (up to 765 kV AC)	60
9	Wave trap (up to 765 kV AC)	60
10	Oil Filled Distribution Transformers up to & Including 33 kV [Cold Rolled Grain Oriented (CRGO)/Amorphous, Aluminium/Copper wound]	60
11	Dry Type Distribution Transformer upto and including 33 kV (CRGO/Amorphous, Aluminium/Copper wound)	60
12	Conventional Conductor	60
13	Accessories for Conventional conductors	60
14	High Temperature/High Temperature Low Sag (HTLS) conductors (such as Composite core, GAP, ACSS, INVAR, AL59) and Accessories	60
15	Optical ground wire (OPGW) – all designs	60
16	Fiber Optic Terminal Equipment (FOTE) for OPGW	50
17	OPGW related Hardware and Accessories	60
18	Remote Terminal Unit (RTU)	50
19	Power Cables and accessories up to 33 kV	60
20	Control cables including accessories	60
21	XLPE Cables up to 220 kV	60
22	Substation Structures	60
23	Transmission Line Towers	60
24	Porcelain (Disc/Long Rod) Insulators	60
25	Bus Post Insulators (Porcelain)	60
26	Porcelain Disc Insulators with Room Temperature Vulcanisation (RTV) coating	50
27	Porcelain Longrod Insulators with Room Temperature Vulcanisation (RTV) coating	50
28	Hardware Fittings for Porcelain Insulators	60
29	Composite/Polymeric Long Rod Insulators	60
30	Hardware Fittings for Polymer Insulators	60
31	Bird Flight Diverter (BFD)	60
32	Power Line Carrier Communication (PLCC) System (up to 800 kV)	60
33	Gas Insulated Switchgear (up to 400 kV AC)	60
34	Gas Insulated Switchgear (above 400 kV AC)	50
35	Surge/Lightning Arrester (up to 765 kV AC)	60
36	Power Capacitors	60
37	Packaged Sub-station (6.6 kV to 33 kV)	60
38	Ring Main Unit (RMU) (up to 33 kV)	60
39	Medium Voltage (MV) GIS Panels (up to 33 kV)	60
40	Automation and Control System/Supervisory Control and data Acquisition (SCADA) System in Power System	50
41	Control and Relay Panel (including Digital/Numerical Relays)	50
42	Electrical Motors 0.37 kW to 1 MW	60
43	Energy Meters excluding smart meters	50
44	Control & power cables and Accessories (up to 1.1 kV)	60
45	Diesel Generating (DG) set	60



Sl. No.	Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition	Class-I Local Supplier (Minimum Local Content (%))
46	DC system (DC Battery & Battery Charger)	60
47	AC & DC Distribution Board	60
48	Indoor Air Insulated Switchgear (AIS) upto 33 kV	60
49	Poles (PCC, PSCC, Rolled Steel Joist, Rail Pole, Spun, Steel Tubular)	60
50	Material for Grounding/earthing system	60
51	Illumination system	60
52	Overhead Fault Sensing Indicator (FSI)	50
53	Power Quality Meters	50
54	Auxiliary Relays	50
55	Load Break Switch	50
(B) Hydro Sector		
56	Hydro Turbine & Associated equipment	
	a) Francis Turbine	60
	b) Kaplan Turbine	60
	c) Pelton Turbine	50
57	Main Inlet Valve & Associated Equipment	60
58	Penstock Protection Valve and Associated Equipment	60
59	Governing system & Accessories	60
60	Generator for Hydro Project & Associated Equipment	60
61	Static Excitation System	60
62	Workshop Equipment	60
63	Cooling Water System	60
64	Compressed Air System	60
65	Drainage/Dewatering System	60
66	Fire Protection System	60
67	Heating, Ventilation & Air Conditioning System (HVAC)	60
68	Oil Handling System	60
69	Mechanical Balance of Plant (BOP) Items	60
(C) Thermal Sector		
Boiler Auxiliaries		
70	Air Pre-Heater	60
71	Steam Coil Air Pre Heater (SCAPH)	60
72	Steam soot blowers [wall blowers & Long Retractable Soot Blower (LRSB)]	60
73	Auxiliary Steam Pressure Reducing & Desuperheating (PRDS)	60
74	Fuel oil system	60
75	Seal air Fan	60
76	Ducts and dampers	60
77	Duct expansion joints	60
78	Blowdown tanks	60
79	Coal burners and oil burners	60
80	Coal mills	60
81	Gear Box of Coal Mill	50
82	Coal feeders	60
83	Primary Air Fans	60
84	Forced Draft Fans	60
85	Induced Draft Fans	60
86	Forced Draft (FD)/Induced Draft (ID)/ Primary Air (PA) Fan Servo Motor Assembly	50
87	Tubes (Carbon Steel)	50
88	Steam pipes (Carbon Steel)	50
89	Steam drum	50
90	Separator	50
91	Selective Catalytic Reduction (SCR)	50



Sl. No.	Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition	Class-I Local Supplier (Minimum Local Content (%))
	Electro-Static Precipitators (ESPs)	
92	Casing	60
93	Electrodes	60
94	Rapping System	60
95	Hopper Heaters	60
96	Transformer Rectifiers	60
97	Insulators	60
	Turbine & Auxiliaries	
98	Turbine (High Pressure/Intermediate Pressure/Low Pressure)	50
99	Condensate Extraction Pumps	60
100	Condenser On line Tube Cleaning System (COLTC)	60
101	Debris filters	60
102	Deaerator	60
103	Drain Cooler and Flash Tank	60
104	ECW Pump	50
105	Plate Heat Exchanger	50
106	Self- cleaning filters	50
107	Condensate Polishing Units (CPUs)	60
108	Chemical Dosing System	60
109	Oil Filter	60
110	Gland Steam Condenser	60
111	Oil Purifying Centrifuge	50
112	Water Cooled Condenser	50
113	Boiler Feed Pumps (BFPs)	50
	Generator and Auxilleries	
114	Generator (including Seal Oil System, Hydrogen Cooling System, Stator water cooling system)	60
	Electrical Works	
115	Control and metering equipment	60
	Control & Instrumentation System (C&I System)	
116	Thermocouples	50
117	Measuring instruments [Resistance Temperature Detectors (RTDs)], Local gauges	50
118	Actuators (Pneumatic and conventional electric)	50
119	Interplant Communication/ Public Address (PA) system except IP based	50
	Coal Handling Plant	
120	Conveyors	60
121	Wagon Tippler	60
122	Side Arm Charger	60
123	Paddle feeder	60
124	Crushers & Screens	60
125	Dust suppression (dry fog & plain water) system	60
126	Air Compressors	50
127	Magnetic separators & metal detectors	60
128	Coal Sampling System	60
129	Stacker cum reclaimer	60
130	Belt weighing & monitoring system.	60
131	Wheel & axle assembly (without bearings) for Bottom Opening Bottom Release (BOBR) Wagons	60
	Ash Handling System	
132	Clinker grinder	60
133	Water jet ejectors	60
134	Scraper chain conveyor	60
135	Dry fly ash vacuum extraction system	60
136	Pressure pneumatic conveying system	60



Sl. No.	Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition	Class-I Local Supplier (Minimum Local Content (%))
137	Ash water & ash slurry pumps	60
138	Compressors, air dryers & air receivers	50
139	Ash water recovery system	60
	Raw Water Intake & Supply System	
140	Travelling water screens	60
141	Raw water supply pumps	60
142	Valves, RE joints etc.	60
	Water Treatment System and Effluent Treatment System	
143	Clarification plant	60
144	Filtration plant	60
145	Ultra filtration plant	50
146	Reverse Osmosis (RO) plant and its membrane	55
147	De-Mineralised water plant (DM Plant)	60
148	Chlorination plant	60
149	Chemical dosing system	60
150	Effluent Treatment Plant	60
	Circulating Water (CW) & Auxiliary Circulating Water (ACW) System	
151	CW & ACW Pumps	60
152	Butter Fly (BF) valves, Non-return Valves (NRVs) etc.	60
153	Rubber Expansion (RE) joints	60
154	Air release valves	60
	Cooling Towers (NDCT/ IDCT)-Natural-Draft and Induced Draft Cooling Tower	
155	Water Distribution System	60
156	Spray nozzles	60
157	Packing	60
158	Drift eliminators	60
159	Cooling Tower (CT) Fans (for Induced Draft Cooling Towers IDCT)	60
160	Gear boxes, shafts & motors (for IDCT)	60
	Air Conditioning & Ventilation System	
161	Split & window air conditioners	60
162	Chilling/ condensing unit [upto 500 ton of refrigeration(TR)]	55
163	Air Handling Unit (AHU) and Fresh air unit	60
164	Cooling Towers	60
165	Air Washing Units (AWUs), axial fans, roof extractors	60
166	Ducts, louvers & dampers	60
	Flue Gas Desulphurization (FGD)	
167	Spray Nozzles,	50
168	Spray header	50
169	Oxidation Blowers	50
170	Limestone wet Ball Mill	50
171	Slurry Handling Pumps for FGD system	50
172	Booster Fans for FGD system	50
173	Carbon Steel Ducts and Dampers for FGD	60
174	Storage Tanks and Silos	60
175	Process Water Pump for FGD system	50
	(D) Other Common Items	
	Fire protection and detection system	
176	Motor driven fire water pumps	60
177	Diesel engine driven fire water pumps	60
178	Hydrant system for the power plant.	60
179	High velocity water spray system	60
180	Medium velocity water spray system	60
181	Foam protection system	60
182	Inert gas flooding system	60



Sl. No.	Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition	Class-I Local Supplier (Minimum Local Content (%))
183	Fire tenders	60
184	Portable fire-extinguishers	60
185	Cranes, EOT cranes, gantry crane & chain pulley blocks etc.	60
186	Elevator	60

(E) Minimum Local Content percentages in Engineering, Procurement & Construction (EPC) / Turnkey project

In case the contract is awarded through the EPC route, the contractor should comply with the requirement of MLC for individual items as listed in Annexure-I and should purchase these items only from Class-I Local supplier. In addition, MLC for complete EPC project may also be prescribed as below:

	(1) Package Based Works	Minimum Local Content (%)
1	Boiler	60
2	TG System (Water Cooled Condenser)	60
3	Ash Handling Plant	60
4	Coal Handling Plant	60
5	Electro-static Precipitator (ESP)	60
6	Circulating Water (CW) System	60
7	Cooling Tower	60
8	Water Treatment System	60
9	Air Conditioning System (below 500TR)	60
10	Flue Gas Desulphurisation (FGD) System	60
11	Station Control & Instrumentation (C&I)	50
12	Hydro Power Projects (Electro-Mechanical Works)	60
	Gas based generation	
	Overall Gas Turbine Package (on finished Product basis)	
13	< 44 MW	60
14	44 –145 MW	50
	Overall Combined Cycle Gas Turbine (CCGT) Package (on finished Product basis)	
15	< 44 MW	60
16	44 – 145 MW	60
17	> 150 MW	60
	(2) Project as a whole	
1	Works and service contracts in Power Sector	60
2	Transmission Line with Conventional conductors (ACSR, AAAC, AL-59 etc.)	60
3	Transmission Line with High temperature Low Sag (HTLS) conductors	60
4	HVAC Substation Air Insulated (AIS)	60
5	HVAC Substation Gas Insulated (GIS)	60
6	HVDC Substation	60
7	Distribution Sector	60