MRPL Tender no.3900000038

मंगलूर रिफाइनरी एण्ड पेट्रोकेमिकल्स लिमिटेड

MANGALORE REFINERY & PETROCHEMICALS LTD.

(ऑयल एण्ड नेचुरल गैस कॉर्पोरेशन लिमिटेड की सहायक कंपनी)
(A subsidiary of Oil & Natural Gas Corpn. Ltd – ONGC)
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MRPL Tender's ITB and GCC

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SECTION – A

INSTRUCTION TO BIDDER(S) (ITB)

1.0 GENERAL:

1.1 Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of Oil and Natural Gas Corporation Limited, is operating a 15.25 MMTPA fuels refinery at Mangalore. The Refinery complex is integrated to Aromatic Complex and designed to produce 900,000 TPA of Paraxylene.

1.2 The bidder is advised to read these instructions carefully and to ensure that his response complies fully with the requirements of the tender. Failure to provide the information and documents required by this Invitation to Bid may render the Bid to be unacceptable. Tender should be submitted in the prescribed form supplied by the company only.

1.3 The bidder shall download the complete set of tender document from the owner's website as per the index of the tender, fully read, understand & compile the same as per the various instructions contained herein and in "Instructions to Bidder".

1.4 Every bidder must submit bid strictly in accordance with the conditions and specifications prescribed by MRPL. Special conditions (if any) submitted along with the tender documents by the bidder will not be applicable to this Tender, in case they are in conflict with any of our terms and conditions.

1.5 Bidders to note that Physical/ Hard Copy of the Tender Documents shall not be issued from the office of Tender Inviting Authority. Any request in this regard shall not be entertained under any circumstances.

2.0 COST OF BIDDING:

2.1 The Bidder shall bear all costs associated with the preparation and submission of its bid and MRPL will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

3.0 SITE VISIT :

3.1 Bidder is advised to visit and examine the site and its surrounding and shall familiarize himself of the existing facilities and environment and shall collect all other information which he may require for preparing and submitting the Tender and entering into the contract. Claims and objections due to ignorance of existing conditions or inadequacy of information will not be considered after submission of the Bid and during the contract period / after contract period. All costs for and associated with site visits shall be borne by the bidder.

3.2 The bidder and any of his personnel or authorised representatives will be granted permission by the OWNER to enter upon its premises and lands for the purpose of such inspection, but only upon the explicit condition that the bidder, its personnel or authorised representative shall be understood to have released and indemnified the OWNER and its personnel from and against all liability in respect thereof and will be responsible for personal injury (whether fatal or otherwise), loss of or damage to property and any other loss, damage, cost and expenses incurred as a result of such visit.

4 TENDER INSTRUCTIONS:

4.1 The Tender document comprises of following sections:-

- Notice Inviting Tender.
- Pre-Qualification Criteria/Bid Evaluation criteria.
- Instruction to Bidder.
- General conditions of Contract.
- Formats of Credentials / EMD / Security Deposit, etc.
- Integrity pact, etc.
- PQC Compliance, Deviation statement, declaration, etc
- Scope of work / Special Conditions of Contract,

- Price bid format.
- Contract Workers Safety Policy.

4.2 The Tender Documents shall always be & remain the exclusive property of the Owner without any right with the Bidder to use them for any purpose except for submitting the tender in accordance with the provisions of these instructions by the prospective Bidders and for use by the successful Bidder with reference to the work. The Owner shall have no obligation to return to the Bidder the Tender Documents submitted by the Bidder.

4.3 The Tender shall be completely filled in all respects and shall be tendered together with requisite information & annexure. The Bidder is expected to examine the Tender Documents, including all instructions, specifications and drawings in the tendering document. Failure to furnish all the information required by the tendering documents or tender incomplete in particulars or submission of tender not substantially responsive to the tendering document in every respect shall result in rejection of the Tender.

4.4 It is hereby stipulated that the Tenderers shall not affect any corrections/ alterations/ modifications in the Tender Documents and various formats contained therein. Any correction/ alteration/ modification in the Tender Documents by the Bidder shall make their tender liable for rejection.

4.5 Originals of the documents related to the tender should be produced as and when asked for verification, and failure to produce such Original document(s) at specified date, time and place would mean rejection of tender for further evaluation.

4.6 When person signing the Tender / agreement is not the sole Proprietor of the company the original Power of Attorney or a Notary certified copy thereof authorizing such person to act and sign on behalf of the company must be enclosed.

4.7 Date format should be DD/MM/YYYY (Date/Month/Year).

4.8 Bidders should get clarified all the technical doubts and other points related to the tender before submitting the priced and un-priced offer.

4.9 MRPL reserves the right to accept or reject any or all tenders and at any stage of the tender evaluation process at the company's sole discretion and without assigning any reason thereof.

4.10 Any false/fake/incorrect information submitted by the bidder/contractor while submitting the bid will be liable for rejection of bid, action like Forfeiture of EMD, Cancellation of the Order, Forfeiture of Security deposit including Banning/Holiday listing of the Bidder's Company/ Contractor in all ONGC/MRPL establishments.

4.11 Any false/fake/incorrect information surfaced out after award of job would lead to action like Forfeiture of EMD, Cancellation of the Order, Forfeiture of Security deposit including Banning/Holiday listing of the Bidder's Company/ Contractor in all ONGC /MRPL establishments.

4.12 If the successful bidder, backs out during finalization of tender/after award of order, action will be initiated by MRPL as deemed fit.

4.13 The tender terms/ conditions as per SCC (Special conditions of the contract) Supercedes all similar terms prescribed under GCC/ Other Conditions of Contract (OCC).

4.14 MRPL reserves it right to seek the Originals if needs or inspect the documents at its premises for verification and return. In case, it is found that the bidder has attempted to mislead MRPL on any counts, MRPL many proceed with any action that is deemed fit.

4.15 "The item supplied / service provided shall be Environment friendly and Energy efficient".

5 CLARIFICATION REQUESTS BY BIDDER:

5.1 Although the details presented in this Tender document consisting of Conditions of Contract, Scope of Work, Technical Specifications and Drawings have been compiled with all reasonable care, it is the Bidder's responsibility to ensure that the information provided is adequate and clearly understood.

5.2 Bidder shall examine the Tender document thoroughly in all respect and if any conflict, discrepancy, error or omission is observed, Bidder may request clarification at any time up to one week prior to

the tender closing date. Such clarification requests shall be directed as per the contact details mentioned in the NIT.

5.3 Any failure by Bidder to comply with the aforesaid requirement shall not excuse the Bidder, after subsequent award of contract, from performing the work in accordance with the agreement.

6 CORRIGENDUM/ ADDENDUM/ CLARIFICATION :

6.1 MRPL may, for any reason whether at his own initiative or in response to the clarification requested by the prospective bidder, issue amendment in the form of addendum/corrigendum/clarification during the Tender period and subsequent to receiving the Tenders. Any addendum / corrigendum / clarification thus issued shall become part of Tender document.

6.2 For addendum/corrigendum/clarification issued during the Tender period, Bidder shall consider the impact in his Tender. For addendum/corrigendum/clarification(s) issued subsequent to receiving the Tenders, Bidder shall follow the instructions issued along with addendum/corrigendum/clarification(s).

6.3 Such Addendum / Corrigendum/ Clarification(s) shall be uploaded on the MRPL website (https://mrpl.co.in) / Owner's e-tendering portal and it will not be published in news paper. Prospective bidders should visit the above MRPL website / MRPL's e-procurement site from time to time to make note of corrigendum/addendum/clarification if any. MRPL is not responsible for non receipt of any communication / information of addendum/corrigendum/clarification.

6.4 All such Addendum / Corrigendum / Clarification(s) issued shall form part of the Tender Documents.

6.5 It is incumbent on all the Bidders to view, download, understand and furnish Addendum / Corrigendum / Clarification(s) along with his/its/their tender. Any deviation/ clarification due to non-receipt of Addendum / Corrigendum / Clarification(s) at later stage should not be entertained. Any bid without copy of Addenda/ Corrigenda/ Clarification(s), if issued, as mark of its acceptance may not be accepted.

7 CONFIDENTIALITY OF BIDDING DOCUMENT:

7.1 All information disclosed to the Tenderers by way of the Tender Documents shall be considered confidential and any person/ Tenderer shall not part with possession of the Tender Documents or copy or disclose information thereof to any party, except as may be necessary for carrying out the work. It is being understood that the Tender Documents have been downloaded by the eligible Tenderer solely for the purpose of bidding. Where it is found that any Tenderer has violated and has disclosed sensitive and vital information impugning on the security of the installation/ national security, necessary action, as may be called for, may be taken against the Tenderer concerned in addition to his being liable to be black listed and/ or barred from participating in future bids.

8 LANGUAGE OF BID:

8.1 The Bid and all correspondence incidental to and concerning the Bid shall be in the English Language. For supporting documents and printed literature submitted in any other language, an equivalent English Translation shall also be submitted. Responsibility for correctness in translation shall lie with the Bidder. In case of any conflict, for the purpose of interpretation of the Bid, the English Translation shall govern.

8.2 In the event of submission of any document / certificate by the Bidder in a language other than English, the English translation of the same duly authenticated by Chamber of Commerce of Bidder's country shall be submitted by the Bidder.

9 PREPARATION AND SUBMISSION OF BIDS:

9.1 The offer must be complete in all respects, leaving no scope for ambiguity. Bidder is fully responsible for the bid submitted and no relief or consideration can be given for errors and omissions.

9.2 **Date & Time of submission:** Bid must be submitted by the due date and time mentioned in the notice Inviting Tender / Letter inviting Bid or any extension thereof as duly notified in writing on MRPL / e-tender website.

9.3 Bidder shall submit the offer in two parts:

Part I - Techno-Commercial (un-priced) bid and

Part II - Priced bid.

9.4 Price bid & technical bids if submitted together shall be summarily rejected.

9.5 **Part I** - **Techno-commercial bid (Unpriced Bid)** shall be submitted with all documents that are called for

- Proof of eligibility, if any, (documentary evidence for turnover, Work order copies & Satisfactory Completion certificate, etc). Please refer to Pre-Qualification Criteria/ Bid Evaluation Criteria as per **Section B.**
- EMD as applicable.
- Statement of Credential, Vendor details, MSME/Start-up details
- Declaration of Banning / Black listing / Holiday Listing
- Declaration regarding relation with any of the MRPL Directors.
- Integrity pact if applicable.
- Deviation statements.
- Declaration as per the format of '**Undertaking by Bidders' (attached as Appendix – XVII)** duly signed & stamped by the bidder to be submitted in Company's letter head as token of having read and understood all the tender requirements and accept all terms and conditions of the tender including all corrigendum / addendum / clarification issued, if any, in lieu of submission of full tender document with signature and Stamp on each page. However, Signed copy of Corrigendum / amendment / addendum / Clarification if any to be submitted/upload along with the Technical Bid / attachment in EPS system.
- Un-priced 'Priced bid' copy indicating quoted items,
- Any other document(s) as applicable.

Note: Bidders are required to serially number all the pages being appended by them as part of submission to the Technical bid. Such numbering shall include Covering letter, Technical specifications, Items list being offered, Drawings, Bid qualification proof, Testimonials, Certificates, Catalogues, Compliance or Deviation statements, etc as applicable to this Tender and create an Index Page with headings and corresponding page numbers. Declaration as per the format of 'Undertaking by Bidders' duly signed & stamped by the bidder in token of having read and understood all the tender requirements and accept all terms and conditions of the tender including all corrigendum / addendum / clarification issued, if any.

9.6 **Priced bid (Part II)** shall be submitted in the same format as mentioned/Included in the Tender document. Otherwise, offer will be liable for rejection.

9.7 No assumption, stipulation, deviations from terms and conditions or presumptions, etc. shall be made by the bidder while submitting the offer in the Price Part of the Tender. The liability of obtaining all necessary clarity with respect to the tender, its technical aspects and pricing shall be on the vendor. MRPL shall be under no obligation whatsoever to entertain any tender bid which is based on any assumption, stipulation, deviations from terms and conditions or presumptions, etc. and would have the option to reject such bid at their discretion.

10 TENDERS INVITED THROUGH E-PROCUREMENT SYSTEM:

10.1 For tenders invited through E-Procurement System, bids shall be submitted through **online (EPS) mode only** on the Owner's e-tendering portal for tenders invited through e-procurement mode.

10.2 Bidders to upload the Un-priced and Price part of their bids strictly in the Unpriced & Priced folders respectively at the designated place in the e-tender portal. Non Compliance to the same may lead to rejection of their offer.

10.3 **Bids submitted in any other form through Telex/ Fax/ Telegram/ E-mail/ Courier/ Registered Post/ manually shall not be accepted.**

10.4 However, documents which necessarily have to be submitted in originals like EMD and any other documents mentioned in the Tender Documents have to be submitted offline. The Owner shall not be responsible in any way for failure on the part of the Bidder to follow the instructions.

10.5 Bidders should avoid the last minute rush to the website for registration of user id and password, enabling of user id and mapping of Digital Signature, SI no, etc., since this exercise require activities from MRPL and EPS provider and needs time. In the event of failure in bidder's connectivity with MRPL/Service provider during the last few hours, bidder is likely to miss the deadline for bid submission. **Due date extension request due to above reasons may not be entertained**.

10.6 Bidders to note that the very act of using Digital Signature Certificate (DSC) for downloading the bids and uploading their offers shall be deemed to be a confirmation that they have read all pages of the bid document without any exception.

10.7 **E-Procurement System Instructions :**

10.7.1 Tender is invited on-line on the website www.tenderwizard.com/MRPL from **the firms** having Class IIB or above Digital Signature Certificate (DSC) (with Signing & Encryption Certificate) issued by any agency authorized by Controller of Certifying Authority (CCA), Govt. of India.

10.7.2 Offers received online on the e-procurement portal only will be considered for evaluation.

10.7.3 The server date and time as appearing on website www.tenderwizard.com/MRPL shall only be considered as cut-off time for receipt of tenders. Offers received by any other mode will not be considered.

10.7.4 Bidders are responsible for obtaining the digital certificates for participation / submission of bids at their cost.

10.7.5 The digital certificate shall be registered on the portal www.tenderwizard.com/MRPL and bidders shall upload the bid well in time.

10.7.6 Bidder shall download the bidding manual, system requirement and vendor registration manual and JRE setup for portal www.tenderwizard.com/MRPL to get acquainted with the procedures for submitting the online bids and load their Bids well within the time provided for bid submission to avoid last minute hassles

10.7.7 MRPL shall not be responsible for any delays occurred due to reasons whatsoever in receiving as well as on line submission of offers, including internet connectivity, document uploading/downloading issues etc.

10.7.8 Any corrigendum / amendment to the tender will be uploaded on e-Procurement site www.tenderwizard.com/MRPL and will not be published through other mode. Prospective bidders should visit the above MRPL e-Procurement site from time to time to make note of corrigendum / amendment if any.

10.7.9 In case of any queries regarding registration, bid submission procedure and system related, the bidder shall contact help desk of our e-procurement service provider M/s. ANTRES SYSTEM Ltd., contact person Mr. Dilip Ranganath, contact no. 0824-2882248.**Email;eps@mrpl.co.in.**

10.7.10 Support details as mentioned below;

Support Location	Name	Contact No.	Email ID
Mangalore	Mr.DilipRanganath Mr. Jayaprakash	0824-2882248 0824-2882298	eps@mrpl.co.in jayaprakash.k@antaressystems.com
Bangalore			
	Mr.PrabhuSwamy	080-49352000	prabhuswamy@antaressystems.com

11 TENDERS INVITED ON MANUAL MODE:

11.1 For tenders invited through Manual mode submission, Offer shall be submitted in two parts in two separate sealed covers:
Part-I Technical & Commercial (un-priced) bid and
Part –II Priced bid.

11.2 Both the sealed covers containing Part-I (Un priced Technical Bid) and Part-II (Priced Bid) shall be put in one single cover and submitted by duly super-scribing Enquiry Number & Bid Closing date to the following address, before due date and time :

Materials Department,

Mangalore Refinery and Petrochemicals Limited,

Kuthethoor, Katipalla, Mangalore 575 030.

Karnataka, India

11.3 In case offer received without super-scribing Tender Number it will be treated as unsolicited offer.

11.4 MRPL will not be responsible for any loss of postal delay.

12 PRICE / SCHEDULE OF RATES (SOR) / BILL OF QUANTITIES :

12.1 Unless otherwise agreed to in the terms of the Purchase Order, the price shall be firm and not subject to escalation for any reason whatsoever till the execution of entire Purchase order/Contract, even though it might be necessary for the Purchase order /Contract execution to take longer than the Completion period specified in the Purchase order/Contract.

12.2 The SOR shall be read in conjunction with all other sections of Tender document.

12.3 The price quoted by the Bidder shall be firm and fixed for the completion period of the tendered works, unless stated otherwise.

12.4 Rates / amount must be filled in ‘Schedule of Rates / price bid’ only. In any case, Bidder shall be presumed to have quoted against the tendered description of work and the same shall be binding on the Bidder.

12.5 Bidder shall quote for all the items of ‘Schedule of Rates / price bid’ after careful analysis of cost involved for the performance of the completed item(s) considering all parts of the Tender document. In case any activity though specifically not covered in description of item under ‘Schedule of Rates / price bid’ but is required to complete the work as per Scope of Work, Scope of Supply, Specifications, Standards, Drawings, General Conditions of Contract, Special Condition of Contract or any other part of Tender document, the item(s) quoted price will deemed to be inclusive of cost incurred for such activity.

12.6 All item(s) of work in the Bill of Quantities shall be carried out as per the specifications, and directions / instructions of the Engineer-in-charge and the rates are inclusive of labour, supervision, as well as preparatory, incidental, intermediate / auxiliary / ancillary or enabling works.

12.7 The rate shall include all expenditure incurred towards mobilisation and de-mobilisation. All prices shall be quoted in Indian Rupees unless otherwise instructed.

12.8 Bidder shall be considered only if the bidder has quoted for all the items of the ‘Schedule of Rates / price bid’ unless stated otherwise. Tenders which are received with some item(s) left blank / not quoted for all the items of the ‘Schedule of Rates / price bid’ shall be liable for rejection.

12.9 For supply items under the scope of the Contractor supply, the rates quoted by the Bidder shall be all inclusive for delivery of materials at site (F.O.R. destination basis). It shall include Basic Cost, all applicable taxes, duties & levies, inspection charge, transportation charges, transit insurance, auxiliary taxes, etc. as may be applicable. The consignee for despatch of materials shall be the Contractor. However, the Contractor/ Supplier shall be responsible for any incidental consequences arising out during the transit of materials up to destination (site).

12.10 Prices quoted by the Bidders shall be strictly in the given price bid format. Prices should not be clubbed with any of items in any way i.e. complete break up as suggested to be given after each item

for the materials and works covered under the scope of contract, otherwise the bid may be considered as non-responsive.

12.11 Unless stated otherwise in the Tender Documents, the contract shall be for the complete supplies, services and composite works as described in the relative scope of supplies, services and composite works.

12.12 All Government circulars/ guidelines applicable on tender work would be enforced from time to time and it would be binding on the part of the Bidder/Contractor to abide by the same as per stipulations.

12.13 Price Bid shall not contain any conditions whatsoever. Any condition mentioned therein, Price bid shall not be considered for evaluation.

12.14 **Any incomplete bid in any of the above requirement shall be considered as non-responsive and shall be summarily rejected without any reference whatsoever to the Bidder.**

12.15 **Rates to be quoted in Figures & words**:.

The price quoted by the Bidder shall be checked for arithmetic correction, if any, based on rate and amount filled by the Bidder in the standard SOR / Price Bid format. If some discrepancies are found between the rate / amount given in words and figures, the total amount shall be corrected as per the following procedure, which shall be binding upon the Bidder:

12.15.1 Prices shall be written both in Words and Figures. In the event of discrepancy between the price in figures and words, the amount entered in words would be taken into consideration for evaluation and finalization of the order.

12.15.2 When the rate quoted by the Bidder in figures and words tallies but the amount is incorrect, the rate quoted by the Bidder shall be taken as correct and amount reworked.

12.15.3 When there is difference between the rate in figures and words, the rate which corresponds to the amount worked out by the Bidder shall be taken as correct.

12.15.4 When it is not possible to ascertain the correct rate, in the manner prescribed above the rate as quoted in words shall be adopted and amount reworked.

12.15.5 When Bidder has quoted only in figures and the amount written against the particular item does not correspond to the rate written in figures, then the higher of the rates i.e. rate worked out by dividing the amount with quantity and quoted rate in figures shall be adopted for evaluation purposes and in the event such a Tender is determined lowest Tender, then lower of the rates mentioned shall be considered to award of the works.

12.15.6 When Bidder has quoted rates in figures and words but has not calculated the amount and the total contract price, such Tenders shall be rejected forthwith without consulting the Bidder.

12.16 Bidder shall bear, within the quoted rates, income tax liability of both corporate and Personnel as applicable in respect of their personnel and their sub contractor's personnel, arising out of this contract. Bidder shall also bear, within the quoted rates, the Corporate Tax, as applicable, on the income arising out of this contract.

12.17 The rates quoted by the bidder shall be inclusive of all duties, taxes and levies etc, Central or State or Local bodies, etc. except GST.

12.18 The rates stated in the Schedule of Rates shall not be subject to escalation on any account whatsoever.

13 BID CURRENCY:

13.1 Bidders should quote firm prices in Indian rupee only unless otherwise specified else where in this tender. Prices quoted in any other currency shall not be considered.

13.2 For Global tenders, Foreign Bidders may quote prices for materials and services to be imported into India either in Indian Rupees or in Foreign Currency. For the purpose of this clause and any other relevant provisions in these documents, Foreign Currency (FC) shall mean and be limited to US DOLLARS, GREAT BRITAIN POUND, EURO and JAPANESE YEN.

13.3 Bidders shall quote the price for materials and services to be procured from India and for expenses to be incurred in India only in Indian Rupees.

13.4 For evaluation purposes, the bid price shall be converted to Indian Rupees by converting the Foreign Currency into Indian Rupees at the RBI Exchange Rate prevailing on the day of opening of the price bid.

14 EARNEST MONEY DEPOSIT (EMD):

14.1 EMD shall be submitted by way of **Online payment through internet banking (MRPL Bank details are attached in tender appendix-III)** or Demand Draft in favour of M/s Mangalore Refinery and Petrochemicals Limited, and payable at Mangalore. Bank Guarantee in place of demand draft shall also be accepted as per format enclosed. **BG shall be valid for 180 days from the date of bid submission**. **Offer submitted without requisite / insufficient EMD will be summarily rejected without assigning any reason.**

14.2 Earnest Money Deposit (EMD) of value mentioned above should be sent in a separate cover to the following address;

Materials Department,
Mangalore Refinery & Petrochemicals Limited,
Kuthethoor P.O.,Via Katipalla,
Mangaluru- 575 030.

Super scribing tender number and bid submission date on the envelope. It should reach positively on or before the bid due date and time. Otherwise, the bid will be liable for rejection.

14.3 In case of bids invited through EPS, Bidders are also advised to scan the Draft/BG and upload in EPS along with the technical bid document.

15 PRE-BID MEETING :

15.1 Pre-bid meeting shall be held as per time & at the venue specified in the Tender Invitation. In case pre-bid meeting information is not available in the Tender Invitation & the Owner decides to have a pre-bid meeting to clarify any issues, necessary intimation with adequate notice shall be posted on e-tendering portal.

15.2 Bidders can submit their queries through the e-tendering portal/e-mail one day prior to the due date of Pre-bid meeting. The queries shall be replied during the pre-bid meeting or the Owner will respond through the e-tendering portal to any request for clarification received by the deadline for submission of queries.

15.3 Brief summary of the queries received through e-tendering portal, queries raised by the attending tenderers during pre-bid meeting and the clarifications given by the Owner respect thereof, as well as any further information which the Owner choose to furnish to the tenderers, shall be posted on e-tendering portal in the form of Minutes of the Meeting or Addendum, which shall form a part of the Tender Documents, unless otherwise specified.

15.4 The tenderer or their representatives with necessary authorisation letter can be present during the Pre bid conference, if any.

15.5 If pre-bid meeting information is not available in the e-tender notice then the same shall not be held.

16 LATE BIDS:

16.1 Any bid received by MRPL after the deadline for submission of the bids (including any extension(s) hereof) will be declared "Late" and shall be rejected.

16.2 The "Late Bid" shall be returned unopened to the bidder in due course in case of Manual Tenders.

17 MODIFICATION AND WITHDRAWAL OF BIDS(APPLICABLE FOR E-TENDERS ONLY):

17.1 The Bidder may modify or withdraw its bid after the bid's submission, provided that the modification or withdrawal is uploaded on e-tender website prior to the deadline prescribed for submission of bids.

18.0 BID OPENING:

18.1 UN-PRICED (TECHNO-COMMERCIAL) BID OPENING:

18.1.1 Techno-Commercial (Un-priced) Part (Part-I) will be opened on the scheduled date and time.

18.1.2 For E-Tenders, Bidders can also witness bid opening by logging on to the E-Tendering website through their system using their valid digital signature/certificate.

18.1.3 The bidder or their representative with necessary authorization letter can be present during the technical bid opening in case of Manual tender.

18.1.4 During the opening of Un-priced Part (Part-I), only the names of agencies who have quoted and furnished EMD shall be made public.

18.1.5 **Clarification of Bids:** MRPL, if necessary, will obtain clarifications on the bid by requesting for such information / clarifications from any or all bidders, either in writing or through personal contact. All responses shall be in writing, and no change in the price or substance of the bid shall be permitted unless specifically sought by MRPL.

18.2 PRICE BID OPENING:

18.2.1 Price part of only those bidders, whose bids are considered techno-commercially acceptable, shall be opened. Bidders selected for opening of their price bids shall be informed about the date of price bid opening.

18.2.2 The Price Bid opening shall be done of e-tender portal and Bidders can also witness bid opening by logging on to the E-Tendering website through their system using their valid digital signature/certificate.

18.2.3 In case of manual tenders, bidders may depute their authorised representative during the price bid opening with necessary authorisation letter.

18.2.4 Any unsolicited reduction in price offered by a bidder within the bid validity by way of discount or revised prices, subsequent to the bid due date, shall not be taken into account for comparison. However, such reduction in price shall be taken into account for ordering if such bidder happens to be recommended as per the originally quoted prices.

18.2.5 In the event of any unsolicited price increase sought by any bidder, subsequent to the bid due date, the bid of such a bidder shall be rejected, in case the bidder does not agree to withdraw the price increase. However, in case the unsolicited price increase is known only after price bid opening and the bidder's comparative ranking changes by withdrawal of the price increase, the Bidder shall not be allowed to withdraw the price increase and the bid shall be rejected outright. But, if such a bidder is lowest with or without the price increase, the order shall not be placed with price increase and if the bidder does not agree, the enquiry shall be refloated.

18.2.6 Wherever, decision is taken to reject a bid, EMD, if submitted, by the Bidder, shall also be forfeited and action as deemed fit.

19.0 BID EVALUATION AND AWARD CRITERIA:

19.1 The Owner reserves the right to consider/ evaluate only substantially responsive tenders. A substantially responsive tender is one, which, in the opinion of the Owner (which shall be final and binding on the Tenderer(s)), substantially conforms to all the terms, conditions, specifications and requirements of the Tender Document without material deviations or reservations in respect of any of the following:

- Scope, Quality or Performance of the work;
- The Owner's rights or the Tenderer's obligations under the contract as per the tender documentation;
- Such deviations the correction of which would affect the competitive position of other tenderers, who have submitted substantially responsive bids;

- Any tender unaccompanied by the Earnest Money in a form which is not acceptable as per the Tender Documents, or falling short of the requirement of the Tender Document, shall be liable for rejection.
- MRPL reserves the right to use in-house information for assessment of capability of bidder and their performance on jobs completed / in progress for evaluation purpose.
- Directives issued by Govt. of India from time to time shall be given due consideration during bid evaluation.

19.2 **Expressions like "can offer if required/ will be submitted later/ will be taken up during detailed engineering after order is placed/ noted etc." will be construed as "TOTAL NON-COMPLIANCE" and the Bid shall be deemed "NON-RESPONSIVE AND INCOMPLETE" and may be summarily REJECTED.**

19.3 Prior to detailed evaluation of bids, the Owner will determine whether each bid is substantially responsive to the requirement of bidding documents. If the bid is not substantially responsive to the requirements of the Tender Documents, it will be rejected by the Owner, and may not subsequently be made responsive by the Bidder having corrected or withdrawn the non-conforming deviation or reservation.

19.4 The requirements of specifications shall be approximately studied for compliance on each of the points. The Bidder may explain clearly his stand on the specifications not complied with. However bids in compliance to each point would be deemed "Responsive Bid".

19.5 Bids which do not cover the complete scope of work will be treated as incomplete and shall be rejected.

19.6 Bid stipulating completion period/delivery schedule beyond that specified may not be considered.

19.7 Substantially responsive bids shall be evaluated by the Owner to ascertain the relative position of the best evaluated bid in the interest of the Owner, for the total of the complete supplies and services covered by the Tender Documents including Technical Specifications and as set out in the Price Schedule.

19.8 The evaluation of bids shall be done on the basis of total prices quoted for the complete scope of work and Supply, Services, Composite Works and conditions elsewhere as specified in the tender.

19.9 Bids shall be evaluated on the basis of landed cost at site including site work, if any, including all duties, taxes, TPI, Transportation charges excluding cenvatable GST.

20.0 **REBATE:**

20.1 No suo-moto reduction in price(s) by bidders is permissible after opening of the bid. If any Bidder unilaterally reduces the price(s) quoted by him in his bid after opening of bids, such reduction shall not be considered for comparison of prices but shall be binding on the Bidder if he happens to be selected for award of work.

21.0 NOTIFICATION OF AWARD :

21.1 The lowest evaluated bid shall be accepted by owner for award. The Bidder, whose bid is accepted, selected for award of contract by Owner shall be issued Order/Letter/Fax of Acceptance(LOA/FOA) prior to expiry of bid validity. Bidder shall acknowledge the receipt.

21.2 MRPL shall not be obliged to furnish any information / clarification / explanation to the unsuccessful Bidders as regards non-acceptance of their bids. Except for refund of EMD to unsuccessful Bidders, MRPL shall correspond only with the successful bidder.

22.0 UNSOLICITED POST TENDER MODIFICATIONS:

22.1 Bidders are advised to quote as per terms and conditions of the Bidding Document and not to stipulate deviations/ exceptions. Once quoted, the Bidder shall not make any subsequent price changes, whether resulting or arising out of any technical/ commercial clarifications and details sought on any deviations, exceptions or stipulations mentioned in the bid unless any amendment to Bidding Document is issued by MRPL/Owner. Similarly, no revision in quoted price shall be allowed

should the deviations stipulated by him are not accepted by MRPL/OWNER and are required to be withdrawn by him in favour of stipulation of the Bidding Document. Any unsolicited proposed price change is likely to render the bid liable for rejection.

23.0 CONTACTING MRPL :

23.1 No bidder shall contact the OWNER on any matter relating to its bid from the time of bid opening till the time Contract is awarded, unless requested to do in writing. Any effort by a bidder to influence the OWNER in the Owner's decisions in respect of bid evaluation or Contract award will result in the rejection of that bidder's bid and action as deemed fit shall be initiated against the bidder.

24.0 CANVASSING :

24.1 Canvassing in connection with tenders is strictly prohibited and the Tenders submitted by the Tenderers who resort to canvassing shall be liable to rejection.

24.2 Subject to the provisions concerning clarification of Bids, no Bidder shall contact the Owner on any matter relating to its bid from the time of the bid opening up to the time that the contract is awarded.

24.3 Any effort by the Bidder or Bidder's representative however described to influence the Owner in any way concerning scrutiny, consideration, evaluation of the Bid(s) or decision concerning award of contract shall entail rejection of Bid and action against the bidder as deemed fit.

24.4 The Owner will deal with the Bidder on a principal bases, without involvement in any manner in India or abroad of any agent or consultant or associate or other person howsoever described.

25.0 COLLUSIVE BIDS:

25.1 In case it appears to the owner, after examining the tenders received, that any 2 (two) or more tenders are collusive or otherwise manipulated to the disadvantage of the owner and against the spirit of ethical competition, the owner reserves the right to summarily reject such tenders. It shall not be incumbent on the owner to prove any collusion or other malpractice in this regard.

26.0 MULTIPLE/ALTERNATIVE BID :

26.1 A bidder (i.e., the bidding entity) shall, on no account submit more than one bid either directly (as a single bidder or as a member of consortium) or indirectly (as a sub-contractor) failing which following actions shall be initiated:

26.1.1 All bids submitted by such bidder (say 'A') directly or indirectly, shall stand rejected and EMD, if any, in case of direct bid submitted by bidder "A' shall be forfeited.

26.1.2 If another bidder (say 'B') has proposed bidder 'A' as a sub-contractor then bidder 'B"s bid shall also be rejected. However, in case the bidder 'B' has also proposed an alternative sub-contractor who is other than the bidder 'A', then bidder 'B"s bid shall be evaluated with the proposed alternative sub-contractor only. Hence, every bidder shall ensure in his own interest that his proposed sub-contractor is not submitting alternative/multiple bids.

27.0 CARTEL FORMATION :

27.1 In case any Bidder is found to be involved in cartel formation, his bid will not be considered for evaluation / placement of Order. Such bidder will also be banned from bidding in future.

28.0 CORRUPT AND FRAUDULENT PRACTICES:

28.1 Bidders are required to furnish the complete and correct information/ documents required for evaluation of their bids. If the information/ documents forming basis of evaluation is found to be false/ fake/ forged, the same shall be considered adequate ground for rejection of the bids and forfeiture of earnest money deposit.

28.2 OWNER requires that the CONTRACTOR observes the highest standard of ethics during the execution of Contract. In pursuance of this policy, OWNER defines, for the purposes of this provision, the terms set forth below as follows:

a. "Corrupt Practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of public official in contract execution; and

b. "Fraudulent Practice" means a misrepresentation of facts in order to influence the execution of a Contract to the detriment of OWNER, 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 OWNER of the benefits of free and open competition.

c. "False/Fake" means to make or construct falsely. "Faked alibi" is a made, manufactured, or false alibi. Something that is not what is purports to be; counterfeit, an imposter.

d. "Forgery" means the false making or the material altering of a document with the intent to defraud. A signature of a person that is made without the person's consent and without the person otherwise authorizing it. A person is guilty of forgery if, with the purpose to defraud or injure anyone or with knowledge that he is facilitating a fraud or injury to be perpetrated by anyone, the actor;

i. alters any writing of another without his authority

ii. makes, completes, authenticates, executes, issues or transfers any writing, so that it purports to be the act of another who did not authorize that act or to have been executed at a time or place or in a numbered sequence other than was in fact the case, or to, be a copy of an original when no such original exists.

Utters any writing which he knows to be false in a manner specified in (i) & (ii) above.

28.3 OWNER may terminate the Contract if it discovers subsequently that the Contractor had engaged in Corrupt Practices or Fraudulent Practices in competing for the Contract.

28.4 In case, the information/ document furnished by the Contractor forming basis of evaluation of its Bid is found to be false / fake/ forged after the award of the Contract, OWNER shall have the right to terminate the Contract and get the remaining Works executed by a third party at the risk & Cost of the Contractor and without any prejudice to other rights available to OWNER under the Contract such as forfeiture of the Contract Performance Bank Guarantee, withholding of payment etc.

28.5 In case, this issue of submission of false/fake documents comes to the notice after execution of the Works, OWNER shall have full right to forfeit any amount due to the Contractor along with forfeiture of the Contract Performance Bank Guarantee furnished by the Contractor. Further, any Contractor which is found guilty of any Corrupt or Fraudulent Practice or submission of false/fake /forged documents, shall be put on the negative/ holiday list of OWNER debarring them from future business with OWNER.

29.0 PUBLIC UTILITY SERVICE :

29.1 The Bidder / Contractor shall take on record that MRPL has been declared as a Public Utility Service under Industrial Dispute Act 1947 and Essential Services Maintenance Act 1994 and various other provisions hereby undertake on their behalf and on behalf of the employees under their roll that they refrain from indulging in any activity(ies) which would hamper Industrial peace in MRPL and also would extend their Assistance and support to MRPL to comply with the requirements within mentioned statutory requirement / declaration.

30.0 INTEGRITY PACT: (If applicable)

Integrity Pact documents has been attached herewith. The said document shall be signed in all the pages by the signatory of the bidder, who signs the bid and returned with the techno-commercial bid. Offer of those bidders who do not attach the Integrity Pact duly signed shall be summarily rejected without any further reference to the bidder.

31.0 RAISING DISPUTES/COMPLAINTS. (Applicable for all tenders where Integrity Pact is applicable.)

31.1 MRPL has appointed independent external monitors (IEMs). Bidders may raise disputes/complaints, if any, with the nominated Independent External Monitors (IEM). **After award of work, the IEMs shall look into any issue relating to execution of contract, if specifically raised before them.** The name & emails of the present IEMs are as given below:

Sl No	IEMs	E-mail Id
1	Shri Akhil Agrawal , IRSSE(Retd.)	akhilag21@gmail.com
2	Shri. Rajiv Kumar Srivastava, IFoS(Retd.)	rksifs@gmail.com

31.2 In the event of any dispute between the management and the contractor relating to those contracts where integrity pact is applicable, in case both the parties are agreeable, they may try to settle dispute through mediation before the panel of IEMs in a time bound manner. The fees/expenses on dispute resolution shall be equally shared by both the parties.

31.3 Curriculum Vitae of Independent External Monitors (IEMs) are placed permanently on the home page of MRPL's website www.mrpl.co.in –Tenders.

Note:

"Any routine request for tender enquiry, bid extension etc. should not be generally forwarded to IEMs unless the Bidder/vender is aggrieved/unsatisfied with any action(s) of MRPL For details of Role and functions of IEM MRPL CVC website may be referred or use the link below".

https://cvc.gov.in/sites/default/files/circular%20no.06-05-21.pdf

32.0 HOLIDAY LISTING POLICY:

32.1 The Guidelines and procedures for Holiday Listing are available in MRPL website as Holiday Listing Policy and shall be applicable in the context of all tenders and consequently all Orders / Contracts / Purchase Orders. This can be accessed at URL www.mrpl.co.in refer to Tenders - Holiday Listing Policy.

32.2 Agencies participating in tenders are deemed to have read, accepted and agreed for the Holiday Listing Policy of MRPL and shall not seek any damages/compensation from MRPL on account of the Holiday Listing of business with the Agency.

32.3 **DECLARATION** : Any party or its associated company if had been in the holiday list / black-listed/ banned by MRPL or Ministry of Petroleum & Natural Gas (MoPNG) or should not have been debarred by orders issued by DoE as on date is disqualified and would not be considered.

An affidavit to this effect/ or an affidavit that the vendor is not holiday listed / black listed / banned by above mentioned Agencies is required to be produced, if called for by MRPL, in the event of award of work order.

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GENERAL CONDITIONS OF CONTRACT (GCC)
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SECTION - B

GENERAL CONDITIONS OF CONTRACT (GCC)

SECTION - I

1. DEFINITIONS :

1.0 The following expressions hereunder and elsewhere in the Contract Documents used, unless objectionable to the subject or context thereof, shall have the following meanings hereunder respectively assigned to them, namely;

1.1 The “OWNER” means Mangalore Refinery & Petrochemicals Limited a company incorporated in India having its registered office at Mangalore, Karnataka and shall include its successors and assignees

1.2 "Acceptance of Tender" shall mean the Acceptance of Tender issued by the OWNER to the CONTRACTOR, and shall include a letter, e-mail or fax of acceptance or other notification of award of work, and a detailed Letter of Acceptance.

1.3 "Approval" shall mean the written and signed approval of the OWNER or of Engineer-in-Charge or Consultant authorized in this behalf by the OWNER, and with respect to a plan or drawing shall include an approval subject to the limitation(s) specified in such approval.

1.4 "Approval " shall mean an approval to proceed with the work covered by plans or drawings subject to certain limitation(s) as specified in such approval.

1.5 The "Contract" shall mean the agreement between the parties as derived from the Contract Documents.

1.6 The "CONTRACTOR" shall mean Individual, Agency, Firm or Company (whether incorporated or not) selected by the OWNER for the performance of the Contract and shall include its legal representatives, successors and permitted assigns.

1.7 The "Contract Documents" shall means collectively the Tender Document. Designs. Drawings or Specifications, agreed variations, if any, and such other document constituting the tender and acceptance thereof.

1.8 "Completion" or "Final Completion" shall mean the successful provision of all materials and inputs and the successful completion and conclusion of all activities required in all respects to complete the contractual works in accordance with the contract, but shall not include the obligation to rectify defects during the Defect Liability Period.

1.9 "Completion Certificate" shall mean the Completion Certificate issued by the Engineer-in-Charge in accordance with the provisions hereof.

1.10 "Commissioning" of a Plant or Unit shall mean pressing into service the unit(s), equipment(s), vessels, pipeline(s), machinery and systems and sub-systems comprising the Plant, in accordance with the approved Operation Manual and as per procedures recommended by the Designer/Process Licensor or Supplier thereof, and approved by the OWNER, after successful trial runs of the Plant/Unit.

1.11 "Consultant" shall mean the Consultant appointed by the OWNER for the Project/job or the Works.

1.12 "Consumables" shall mean all items which are consumed in the execution of the Work, without

being directly incorporated in the Work, such as fuel, electricity, water, welding rods, electrodes and utilities.

1.13 "Defect Liability Period" shall mean the defect liability period as specified in the Contract.

1.14 The "Engineer-in-Charge" shall mean the Engineer or other officer of the OWNER, Consultant or other organisation for the time being nominated by the OWNER in writing to act as Engineer-in-Charge for the purpose of the Contract or any specific works.

1.15 "Final Certificate" shall mean the final certificate issued by the Engineer-in-Charge in accordance with the provisions hereof.

1.16 "General Manager" shall mean the General Manager or other Chief Executive (howsoever designated) of the Project to which the Contract relates, and if there is no such separate Chief Executive, shall mean the Executive Director (if any) or the General Manager, as the case may be, of the Refinery, Unit or Department of the OWNER to which the Project relates.

1.17 "Guarantee tests" shall mean all tests, undertaken after the Plant goes into operation and has stabilized, for ensuring that the functioning of the Plant meets all guarantees, as regards throughput, quality and magnitude/quantity of output, at the final stage as well as at the stipulated interim stages of operation/process, as well as in respect of consumption of utilities, chemicals and catalysts, etc.

1.18 "Job Site" shall mean any site at which the work is to be performed by the CONTRACTOR, and shall include a part or portion of the job site.

1.19 "Manuals" shall mean the Erection and Installation Manual of the various equipment and machinery forming part of the Work(s) or Plant(s)/Unit(s) as well as the Operation and Maintenance Manuals thereof.

1.20 "Materials" shall mean all materials, plant, machinery, instruments, components, equipments, sub-assemblies and assemblies, parts, spares and other items or things required for permanent incorporation in the works.

1.21 "Mechanical Completion", as applied to a Plant or Unit, shall mean the completion of civil works, erection, aligning and grouting of all mechanical and electrical equipment and piping, hydrostatic and other testing of all storage tanks, vessels, piping etc., all electrical and all utility connections to the equipment, mounting and fixing of all instruments, control systems and connecting them as required, testing and trial runs of all equipment on "no-load" and bringing the Plant to a state of readiness for pre-commissioning.

1.22 "Order" and "Instruction" shall respectively mean any written Order or Instruction given by the Engineer-in-Charge or Site Engineer within the scope of their respective powers in terms of the Contract.

1.23 "Plans" and "Drawings" shall mean and include all technical documentation such as maps, sketches, designs, drawings, plans, details, charts, schedules, tracings, prints, computer outputs, printouts, and manuals, relating to the work forming the subject matter of the contract, including but not limited to those forming part of the Tender Documents, Offer Documents, and working drawings and details, together with amendments/ alterations/ revisions/ modifications thereto, as may have been approved by and/or furnished by the OWNER, the Engineer-in-Charge and/or the Consultant, as well as "As-Built" drawings to be submitted by the CONTRACTOR, as required under the contract.

1.24 "Pre-commissioning" shall mean the activities to be taken up before the taking up of Start-up, Commissioning and trial runs of the Plant/Unit, and shall include, without being limited to, all operations such as checking of all systems, subsystems, piping and vessels, flushing with air, water and steam, air-blowing and steam-blowing, system pressure and leak tests, purging with inert gas as required, checking all electrical equipment for earthing/ resistances, operability tests and cold run on all operating equipment, vessels and systems individually and in combination, integration of all control systems with one another and with the main control system, and completion of all operations detailed under the head, "COMPLETION OF CONSTRUCTION".

1.25 "Progress Schedule" shall mean the Progress Schedule established by the CONTRACTOR and

approved by the Engineer-in-Charge for completion of the work(s) within the time schedule in accordance with the provisions hereof and failing such Progress Schedule, shall mean the Progress Schedule established by the Engineer-in-Charge in accordance with the provisions hereof.

1.26 "Performance Test(s)" shall mean all tests meant to ensure that the Plant(s)/Unit(s) is/are in all respects in accordance with the requirements of the Contract and that the Plant functions properly and smoothly, in all respects as per the approved design parameters, within the permissible tolerances, and satisfies all the stipulated operating parameters, and will include the Guarantee Tests.

1.27 "Project" shall mean the project embracing the work(s) forming the subject matter of the Contract.

1.28 The "Site Engineer" shall mean the Engineer(s)/Officer(s) for the time being designated by the Engineer-in-Charge as his representative(s) in writing, and authorized by him to assist him in performing his duties and functions for the purpose of the Contract.

1.29 "Plant" or "Unit" shall mean the grouping of and assembly of systems, subsystems, machinery, equipment, piping and associated facilities, designed to function as a cognizable part of the Project Facility whether alone or in conjunction with other Plants/Units and Facilities.

1.30 "Schedule of Rates" or "Price Schedule" shall mean the Schedule of Rates or Price Schedule annexed to the Acceptance of Tender, and shall also include a lump sum price.

1.31 The "Specification(s)" shall mean the various specifications as set out in the Specifications forming part of the Tender Documents and as referred to and derived from the Contract and any order(s) or instruction(s) thereunder, and in the absence of any specifications as aforesaid covering any particular work or part or portion thereof, shall mean the Specifications and Codes of the Bureau of Indian Standards and other Organizations, including but not limited to British Standards Institution, ASTM, ASME, ANSI, API, AWS, AWWA, NACE, HEI, IEC, IBR, IEEE, EIL, CPWD, etc, with such modifications as may be applicable for the particular part(s) of the Contract, as decided by the Engineer-in-Charge and as per Standard Engineering and Industry Practice and/or as directed by the Engineer-in-Charge.

1.32 "Security Deposit" shall mean the Security Deposit as specified hereof and associated clauses there under.

1.33 "Subsystems" shall mean the further breakdown of a System into its subsections and sub-components, each designed to fulfill a precisely demarcated function or role in the working of the system.

1.34 "Start-up" shall mean all activities required to be performed after pre-commissioning and prior to trial operation and shall include final pre-commissioning inspection and check out of equipment, vessels and system(s) and supporting sub-system(s), initial operation of complete equipment and systems within the Plant/Unit to obtain necessary pre-trial operation data, confirmation and correction of calibration, shutdown inspection and adjustment and other steps required to be taken prior to and enable commissioning/trial operation.

1.35 "System" shall mean the breakdown of the Plant or Unit into specific sections and components, each designed to fulfill a precisely demarcated function or role in the working of the Plant/Unit (Examples: Fresh water system, circulating water system, steam and power generation and distribution systems, fuel system, effluent system in a Power Plant.)

1.36 "Time Schedule" shall mean the Time Schedule for final completion of the Works or Mechanical Completion of the Plant(s)/Unit(s), as the case may be, incorporated in the Contract or as may be extended by the OWNER or Engineer-in-Charge pursuant to the provisions hereof and shall include interim time schedules set up for achieving interim/phase-wise/stage-wise progress/completion/ testing/ commissioning/ handing over, as may be prescribed by the OWNER/ Engineer-in-Charge, within the overall Time Schedule as originally envisaged or as extended.

1.37 The "Total Contract Value" shall, up to calculation of the entire remuneration due to the CONTRACTOR in terms of the contract on successful completion of the work, mean the Total Contract Value as specified in the Acceptance of Tender, and after calculation of the entire

remuneration due to CONTRACTOR under the contract on successful completion of the contract, shall mean the totality of such remuneration.

1.38 "Utilities" shall mean power, electricity, gas and other sources of energy, water, earth and other things whatsoever (other than materials and consumable(s)) required for or in the performance of the work(s).

1.39 "Work", "Scope of Work", "Service", and "Scope of Services" shall mean the totality of the work, services and activities to be performed or undertaken and the totality of the responsibilities to be discharged, as envisaged by expression or implication in the contract and shall include all inputs required for such performance and discharge including (but not limited to) know-how, design/engineering inputs, preparation and supply of drawings and details, project management (including pre-construction activities, tendering, procurement, inspection and expediting), construction supervision, pre-commissioning, start-up and commissioning and supply of consumables, labour, construction and other requisite machinery and equipment, utilities and inputs required for, relative or incidental to and/or in connection with the performance of the contract up to completion (including testing, commissioning, handing over, troubleshooting, rectification, maintenance and defect liabilities).

SECTION – II

2.0 LOCATION AND ACCESS OF SITE :

2.1 The work site is located within MRPL Refinery complex, Mangaluru / Refer SCC.

3.0 SCOPE OF WORK :

3.1 The scope of the work covered in this tender shall be as specified in the various Technical Specifications/SCC. It is, however, explicitly understood and confirmed by the CONTRACTOR that the scope as described in the TENDER DOCUMENT is not limiting, in so far as the responsibilities of the Contractor shall include, inter-alia, carrying out any and all works and providing any and all facilities those are required in accomplishing the task, complying fully with all requirements as are envisaged of it, complete in all respects and satisfying all performance and guarantee requirement stated or implied form the contents of the BIDDING documents. **Note: Please refer to SCC for Tech specifications/conditions/Price bid.**

4.0 CONSTRUCTION POWER & WATER (If APPLICABLE):

Please refer SCC / Scope of work

5.0 ACCOMMODATION :

5.1 MRPL shall not provide any accommodation for Contractor/ his staff /workers. Special instruction if any in this regard, please refer SCC/ Scope of work.

6.0 TRANSPORTATION :

6.1 MRPL shall not arrange any transportation (to and fro) to MRPL for Contractor/ his staff /workforce. Special instruction if any in this regard, please refer SCC/ Scope of work.

7.0 CONSTRUCTION EQUIPMENT :

7.1 The Contractor shall without prejudice to his overall responsibility to execute and complete the work as per specifications and Time Schedule, progressively deploy adequate equipments and tools and tackles and augment the same as decided by the Engineer-in-Charge depending on the exigencies of the work so as to suit the construction schedule. The tenderer shall submit a list of construction equipments he proposes to deploy for the subject work along with deployment schedule. **No construction equipment shall be supplied by the Owner Unless, otherwise specified. Tenderer to ensure deployment of suitable cranes/required equipment and take all safety precautions during execution of work**. Refer SCC for clear terms.

8.0 PUTTING UP OF BUILDINGS ON PROJECT SITE (If applicable) :

8.1 The contractor shall put up temporary structures as required by him for his office fabrication shop and stores only on the area allocated to him on the Project Site. No tea stalls/canteens should be put up or allowed to be put up by contractor in plant area without written permission of the owner.

8.2 No Person other than authorised watchman shall be allowed to stay in the plant area after completion of the days work without prior written permission of the Engineer-in-charge.

SECTION - III

9.0 GENERAL GUIDELINES (As applicable) :

9.1 Every tenderer must quote strictly in accordance with the conditions and specifications prescribed by MRPL. Special conditions (if any) submitted along with the tender documents by the bidder will not be applicable to this Tender, in case they are in conflict with any of our terms and conditions.

9.2 All entries in the tender must be written in permanent ink or typewritten without use of eraser or overwriting. Corrections if any, should be attested under the full signature of the Bidder.

9.3 All tenderers are required go through the GCC carefully and submit a declaration statement as enclosed in tender as token of having read, understood and accepted the conditions, along with information called for by MRPL.

9.4 Company will not be responsible for loss or late /non-receipt of tender documents.

9.5 MRPL reserve the right to assess bidder's capability and capacity to execute the work using in-house information and by taking into account other aspects such as concurrent commitments and past performance, etc.

9.6 Submission of authentic/genuine documents is the prime responsibility of the bidder. Wherever MRPL has concern or apprehension regarding the authenticity/genuineness of any document, MRPL reserves the right of obtaining the documents cross verified from the document issuing authority.

9.7 MRPL reserve the right to complete the evaluation based on the details furnished by the bidder in the first instance along with their bid without seeking any additional information.

9.8 Bidder should have independent ESI & PF code allotted by Employee State Insurance Corporation and Employees Provident Fund Organization. The details should be enclosed along with the technical bid. However, in the event of non-availability of PF code at the time of submitting the bid, the successful bidder shall obtain the same within 45 days from the date of commencement of the work and an undertaking to this effect shall be enclosed.

9.9 The wages paid by the contractor to their employees / workmen shall be fair and in no case be less than the wages prescribed by the appropriate Government under the Minimum Wages Act, 1948 and all provisions of Regulation of Contract Labour Act. In addition to the minimum wages prescribed by the appropriate government/authorities, the successful bidder shall pay employer contribution of PF, ESI, Leave wages, Bonus at the rate of 8.33% of minimum wages to be paid monthly, MRPL special allowance as per **clause 60.0**. All safety gadgets, Uniform shall be given to the employees by the bidder as per F&S Dept requirements.

9.10 All tenderers are required to give details in the Performa attached **(Appendix-**) and attach to Technical bid.

9.11 **DIFFERENCE IN MEANINGS/TERMS :** In case of any difference of any of the terms and conditions either in the meaning or understanding or contradictory terms or conditions at different places/portions in this document, the more stricter terms favouring MRPL will apply. The bidder shall also seek clarifications on such issues from MRPL before submission of the quotes.

9.12 All the Financial documents/ Reports/ Certificates issued/certified by Chartered Accountants (CAs) must have Unique Document Identification Number (UDIN).

10.0 CORRECTNESS OF DOCUMENT:

10.1 It shall be understood that every endeavour has been made to avoid error which can materially affect the basis of this tender and the successful tenderer shall take upon himself and provide for risk of any error which any subsequently be discovered and shall make no subsequent claim on account thereof no advantage is to be taken by the tenderer successful Or otherwise of any clerical error of mistake which may occur in the general specification, schedules, plans of tender forms supplied to the tenderer.

11.0 EARNEST MONEY DEPOSIT :

11.1 Incomplete tender/ tenders **without requisite / insufficient** EMD will be rejected. The Company reserves the right to reject a tender or all the tenders without assigning any reason whatsoever.

11.2 EMD may be paid in one of the following forms in a separate sealed cover.

i. An EMD of value mentioned in Notice Inviting Tender (NIT) shall be enclosed with the technical bid in the form of Electronic fund transfer (NEFT/ RTGS/ Any other Mode of Internet Banking Transfer) / BG / DD. In case of Electronic fund transfer, UTR / Remittance Details, EMD Amount, Transaction date etc. to be submitted as per attached format.

ii. Bank Guarantee in prescribed format (enclosed) which is enclosed, executed by scheduled Nationalised Bank and valid for a period of 180 days.

iii. Demand drafts or Pay Order drawn on Scheduled Bank in favour of MRPL, Mangalore.

iv. EMD to be sent to the concerned officer before due date/ time.

11.3 Company will not be responsible for loss or late / non receipt of EMD.

i. No interest shall be payable on Earnest Money Deposit.

ii. Late receipt of EMD will be summarily rejected.

iii. No Cheques will be accepted towards EMD.

11.4 Tender will be summarily rejected under following circumstances

i) EMD submitted in form of cheque.

ii) The name of tender mentioned in the BG is different from the tender for which bids have been invited.

iii) The firm on whose behalf the BG has been furnished is different from the bidder

iv) The EMD is not of prescribed/requisite value.

v) The validity of the BG is less than the stipulated period.

11.5 Earnest Money is liable to be forfeited if tenderer.

i) Withdraws or modifies offer in full or part during the validity period.

ii) Failure of the bidder to honor their offer.

iii) Non acceptance of Purchase / Work Order placed by MRPL.

iv) Does not Confirm of acceptance of order within the stipulated time after placement of order.

v) Inability to perform satisfactorily after receipt of order in case of successful bidder.

vi) If document(s)/certificate(s) submitted along with the bid are found false/fake, fabricated, incorrect information.

vii) The name of the tender mentioned in the BG is different from the tender for which bids have been invited.

viii) The firm on whose behalf the BG has been furnished is different from the bidder.

11.6 The following are exempted from payment of EMD.

i. The unit is registered with NSIC for the item tendered.

ii. In- line with the Government Directives, Small Scale Industrial Units registered with National Small scale Industries Corporation (NSIC) under the single point registration scheme shall be exempted from submitting EMD for items registered with NSIC and upto the monetary limit specified in the registration certificate.

iii. MSE (Micro &. Small Enterprises) registered with DIC.

iv. MSEs who are having Udyog Aadhar Memorandum.

v. PSU'S are exempted from payment of EMD.

11.7 Refund of EMD :

i. If the successful tenderer commences supplies / work and also lodges the security deposit in the manner prescribed and within the period specified, MRPL shall return to him Earnest Money Deposit, paid by him without any interest thereon.

ii. Earnest Money Deposit will be refunded to all unsuccessful tenderers after finalisation of the Tender.

12.0 BID VALIDITY / BID OPENING :

12.1 The rate quoted against this tender shall be valid for a period as mentioned in the NIT (as specified in from the date of opening of tenders and once the quotation is accepted and order placed on the successful tenderers, the rate shall be valid for the full period of the contract (INCLUDING THE EXTENDED PERIOD, IF OPTED BY MRPL).

12.2 Tenderers are requested to carefully study the entire tender document and the conditions so specified before quoting their rates, no alteration in the tender rates quoted will be allowed.

12.3 The Technical bid opening for Public Tenders will be done on the same day of Bid closure.

12.4 The price bid of the qualifying parties will be opened online as per MRPL Procedures for e-procurement tenders.

13.0 RIGHT OF OWNER TO ACCEPT OR REJECT TENDER:

13.1 The right to accept the tender will rest with the OWNER. The OWNER, however, does not bind himself to accept the lowest tender, and reserves to itself the authority to reject any or all the tenders received without assigning any reason whatsoever. At the option of the Owner, the work for which the tender had been invited, may be awarded to one Contractor or split between more than one bidders, in which case the award will be made for only that part of the work, in respect of which the bid has been accepted. The quoted rates should hold good for such eventualities. Tenders in which any of the particulars and prescribed information are missing or are incomplete in any respect and/or the prescribed conditions are not fulfilled are liable to be rejected. The Tender containing uncalled for remarks or any additional conditions are liable to be rejected. Canvassing in connection with tenders is strictly prohibited and tenders submitted by the Tenderers who resort to canvassing will be liable to rejection.

14.0 TIME SCHEDULE/MOBILISATION/COMPLETION PERIOD – Refer SCC :

14.1 The WORK shall be executed strictly as per the TIME SCHEDULE specified in TENDER/CONTRACT Document. The period of construction given in Time Schedule includes the time required for mobilisation as well as testing, rectifications if any, retesting and completion in all respects to the entire satisfaction of the ENGINEER-IN- CHARGE.

14.2 A joint programme of execution of the WORK will be prepared by the ENGINEER-IN-CHARGE and CONTRACTOR based on priority requirement of this project. This programme will take into account the time of completion mentioned in **14.1** above and the time allowed for the priority works by the ENGINEER-IN-CHARGE.

14.3 Monthly/weekly construction programmes will be drawn up by the Engineer-in-charge jointly with the Contractor based on demand/ availability of materials, work fronts etc. The Contractor shall scrupulously adhere to the targets/programmes by deploying adequate personnel, survey instruments, construction equipment, tools and tackles and also timely supply of required materials coming within his scope of supply as per contract. In all matters concerning the extent of targets set out in the monthly/weekly programe and the degree of achievements, the decision of Engineer-in-charge will be final and binding on the Contractor.

14.4 Contractor shall give every day report on deployment of category-wise labour and equipment along with the progress of work done on previous day in the proforma prescribed by the Engineer-in-Charge.

15.0 SITE ORGANISATION :

15.1 The tenderer shall submit the details of organisation proposed by him at site of work for the implementation of the works under the contract, together with bio-data of the key personnel. The contractor shall however without prejudice to his overall responsibility of execute and complete the works as per specifications and time schedule progressively deploy adequate qualified and experienced personnel together with skilled/unskilled manpower and augment the same as decided by Engineer-in- Charge depending on the exigencies of work to suit the construction schedule without any additional cost to owner.

16.0 UNDERGROUND AND OVERHEAD STRUCTURES :

16.1 The Contractor will familiarise himself with and obtain information and details from the Owner in respect of all existing structures, overhead lines, existing pipelines and utilities existing at the job site before commencing work. The Contractor shall execute the work in such a manner that the said structures, utilities, pipelines etc are not disturbed or damaged and shall indemnify and keep indemnified the Owner from and against any destruction thereof or damages thereto.

17.0 CO-ORDINATION WITH OTHER AGENCIES :

17.1 The work shall be carried out in such manner that the work of other agencies operating at the site is not hampered due to any action of the Contractor. The Contractor will be responsible for ensuring proper co-ordination with other agencies. In the event of any dispute between the Contractor and any other agency employed at the job site arising out of or related to the performance of the work, the decision of the Engineer-in-charge shall be final and binding on the Contractor.

18.0 NOTE TO SCHEDULE OF RATES:

18.1 The Schedule of Rates should be read in conjunction with all the other sections of the tender.

18.2 The tenderer shall be deemed to have studied the DRAWINGS, SPECIFICATIONS and details of work to be done within TIME SCHEDULE and to have acquainted him of the condition prevailing at site.

18.3 Rates must be filled in the Schedule of Rates of original Tender Documents. If quoted in separate typed sheets no variation in item description or specification shall be accepted. Any exceptions taken by the tenderer to the Schedule of Rates shall be brought out in the terms and conditions of the offer.

18.4 The quantities shown against the various items are only approximate. Any increase or decrease in the quantities shall not form the basis of alteration of the rates quoted and accepted.

18.5 The Owner reserves the right to interpolate the rates for such items of work falling between similar items of lower and higher magnitude.

19.0 ACCEPTANCE OF TENDER:

19.1 The Owner reserves the right to reject, accept or prefer any or all or part of the Tender or to annul the bidding process at any time prior to award of Contract, without thereby incurring any liability to the affected Bidders.

19.2 Although ordinarily the lowest responsive bid amongst the bids submitted by tenderers and considered by the Owner as qualified and competent shall be preferred, the Owner reserves the right not to accept the lowest bid if in its opinion this would not be in the interest of the work.

19.3 Tenders in which any of the particulars and prescribed information is missing or is incomplete in any respect and/or the prescribed conditions are not fulfilled shall be considered non-responsive and are liable to be rejected.

19.4 The Owner may waive any minor infirmity or non-conformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

19.5 The price bid of only those Bidders will be opened who are considered techno-commercially acceptable to the Owner. Date of opening of the price bid shall be informed to the technically qualified Bidders.

19.6 The decision of Owner for acceptance of tender shall be final.

20.0 ISSUE OF WORK ORDER/LOI :

20.1 Work order for the awarded work shall be issued after award of works, which is intimated to the successful tenderer by a Letter of Acceptance (LOA) / Letter of Intent(LOI) / Order. Until the final contract document/W.O is prepared and executed, this tender document together with annexed documents, modifications, deletion, agreed upon by the Owner and the Tenderer's acceptance thereof shall constitute a binding contract between the successful tenderer and the owner based on the terms contained in the above said documents and the finally submitted and accepted price schedule.

20.2 The Work order / Purchase order / Contract shall consist of the following:

(a) Letter of Acceptance / Letter of Intent along with its enclosures.

(b) Tender document with its enclosures.

(c) Agreement on Stamp paper, at MRPL discretion.

20.3 The statement of agreed deviation shall be prepared based on the final terms and conditions and shall be enclosed along with LOA/LOI/Order and all correspondence and minutes of meeting held between the owner and the tenderer prior to the issue of LOA/LOI/Order shall be treated as NULL AND VOID. Any deviation or stipulation made and accepted by the owner after the award of jobs shall be treated as amendments to the contract documents.

SECTION – IV

21.0 INTERPRETATION OF CONTRACT DOCUMENTS:

21.1 The several Contract documents forming the Contract are to read together as a whole and are to be taken as mutually explanatory.

21.2 Notwithstanding the sub divisions of the document into these separate sections and volumes every part of each shall be deemed to be supplementary to and complementary of every other part and shall be read with and into the contract so far as it may be practicable to do so.

21.3 In case of an irreconcilable contradiction in the commercial terms or conditions to the extent that the two provisions cannot co-exist, the following shall prevail in order of precedence.

i) Contract Agreement
ii) Detailed Letter of Acceptance/Purchase Order/Work Order/Contract
iii) Statement of Agreed Variations
iv) Special Conditions of Contract
v) Instructions to Bidders
vi) Price Schedule
vii) General Conditions of Contract
viii) GEM Terms and Conditions
ix) Any other documents forming part of the Contract.

21.4 Where any portion of the Special Conditions of Contract (SCC) is repugnant to or at variance with any provisions of the General Conditions of Contract them unless a different intention appears. the provision of the Special Conditions of Contract shall be deemed to override the provisions of the General Conditions of Contract only to the extent such repugnancies or variations in the Special Conditions of Contract as not possible of being reconciled with the provisions of General Conditions of Contract.

21.5 Wherever it is stated anywhere in this tender document that such and such a supply is to be effected or such and such a work is to be carried out, it shall be understood that the same shall be effected/carried out by the contractor at his own cost, unless a different intention is specifically and expressly stated herein or otherwise explicit from the context.

21.6 The materials, design and workmanship shall satisfy the relevant Indian Standards, the Technical Specifications contained herein and codes referred to. Where the job specifications stipulate requirements in addition to those job contained in the standard codes and specifications, these additional requirements shall also be satisfied.

21.7 In case of an irreconcilable conflict between Indian or other applicable standards. General Conditions of Contract, Special Conditions of Contact, Specifications, Drawings and/or Schedule of Rates, the following shall prevail to the extent of such irreconcilable conflict in order of precedence.

i) Formal Contract
ii) Detailed Letter of Acceptance
iii) Statement of Agreed Variations
iv) Job specifications / Scope of Work
v) Drawings
vi) Technical / Material Specifications
vii) Quality Assurance Procedures
viii) Applicable Codes & Standards
ix) Special Conditions of Contract
x) General Conditions of Contract
xi) Price Schedule
xii) Instructions to Bidders
xiii) GEM Terms and conditions.
xiv)Any Other documents forming part of contract

21.8 It will be the Contractor's responsibility to bring to the notice of Engineer-in-charge any irreconcilable conflict in the Contract documents before starting the work(s) or marking the supply / service with reference to which the conflict exists.

21.9 In the absence of any Specifications covering any material, design or work(s) the same shall be performed/supplied/executed in accordance with standard Engineering practice as per the instructions/directions of the Engineer-in-charge, which will be binding on the Contractor.

21.10 Headings and Marginal Notes: All headings and marginal notes to the clauses of these General Conditions of Contract or to the SPECIFICATIONS or to any other Tender Document are solely for the purpose of giving a concise indication and not a summary of the contents thereof, and they shall never be deemed to be part thereof or be used in the interpretation or construction thereof the CONTRACT.

21.11 Singular and Plural: In CONTRACT DOCUMENTS unless otherwise stated specifically, the singular shall include the plural and vice versa wherever the context so requires.

22.0 SECURITY DEPOSIT (applicable for order value Above Rs 10.00 Lakhs) :

22.1 The Successful tenderer will have to deposit with MRPL (within 15 days of award of work order) an amount equivalent to 10 % of order value for works contract / 5% of order value for Service Contract / 3% of Annual Contract value for Annual Rate Contract interest free security deposit towards due & satisfactory performance of contract, such SD shall be limited to annual order value in case of Annual rate contract only.

22.2 SD shall be submitted in the form of Electronic Fund Transfer (NEFT/ RTGS/ Any other Mode of Internet Banking Transfer)

OR

In the form of Bank Guarantee from Nationalised / scheduled bank acceptable to MRPL as per company standard Performa which is enclosed. The Bank Guarantee will be valid for ONE year, renewable every year, for the balance period of the contract.

OR

In the form of Pay order or Demand Draft in favour of MRPL drawn on a Nationalised / scheduled bank payable at Mangalore on which no interest will be payable.

22.3 MRPL is entitled without being bound to do so, to adjust the whole or any portion of the security deposit towards the recovery of any amount due to MRPL from the successful tenderer. The Security Deposit or such portion thereof that has not been adjusted towards recovery of amount due from the successful tenderer will be refunded within 15 days of on satisfactory completion of the contract or after the expiry of DEFECT LIABILITY PERIOD wherever applicable. No interest is payable by MRPL to the successful tenderer on the security deposit.

22.4 Security deposit shall be forfeited in case the vendor fails to execute the order.

23.0 RECOVERY OF SUMS DUE :

23.1 Whenever any claim against the CONTRACTOR for payment of a sum of money arises out of or under the contract, the Owner shall be entitled to recover such sums from any sum then due or which at any time thereafter may become due from the contractor under this or any other contract with the Owner and should this sum be not sufficient to cover the recoverable amount the Vendor shall pay to the Owner on demand the balance remaining due.

24.0 FORCE MAJEURE CLAUSE :

24.1 Circumstances leading to force majeure;

(a) act of terrorism;

(b) riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection of military or usurped power;

(c) ionising radiation or contamination, radio activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive assembly or nuclear component;

(d) epidemics, earthquakes, flood, fire, hurricanes, typhoons or other physical natural disaster, but excluding weather conditions regardless of severity; and

(e) freight embargoes, strikes at national or state-wide level or industrial disputes at a national or state-wide level in any country where Works are performed, and which affect an essential portion of the Works but excluding any industrial dispute which is specific to the performance of the Works or the Contract.

For the avoidance of doubt, inclement weather, third party breach, delay in supply of materials (other than due to a nationwide transporters' strike) or commercial hardship shall not constitute a Force Majeure event.

24.2 Notification of Force Majeure;

Contractor shall notify within [10(ten)] days of becoming aware of or the date it ought to have become aware of the occurrence of an event of Force Majeure giving full particulars of the event of Force Majeure and the reasons for the event of Force Majeure preventing the Affected Party from, or delaying the Affected Party in performing its obligations under the Contract.

24.3 Right of either party to terminate;

If an event of Force Majeure occurs and its effect continues for a period of 180 (one hundred eighty days) or more in a continuous period of 365 (three hundred sixty five) days after notice has been given under this clause, either Party may terminate the Contract by issuing a written notice of 30 (thirty) days to the other Party.

24.4 Payment in case of termination due to Force Majeure;

The Contract Price attributable to the Works performed as at the date of the commencement of the relevant event of Force Majeure.

The Contractor has no entitlement and Owner has no liability for:

a) any costs, losses, expenses, damages or the payment of any part of the Contract Price during an event of Force Majeure; and

b) any delay costs in any way incurred by the Contractor due to an event of Force Majeure.

Time extension for such cases will be worked out appropriately.

25 PRICE REDUCTION SCHEDULE (PRS) FOR DELAYS EXECUTION OF CONTRACT:

25.1 If the successful tenderer commits any default or breach of terms and conditions of the Work Order to be placed on them or fail in the due performance thereof within the time fixed by the contract (which is the essence of the contract) and do not complete the entire supplies / work on the stipulated due date, MRPL shall be entitled to recover from the successful tenderer by way of compensation or Price Reduction schedule an amount calculated at the rate ½% value of the contract price subject to a maximum of 5 % of value of the contract for every week or part thereof the delay beyond the stipulated date.

25.2 PRS will be imposed on the cost of contract price of delayed in completing the work within the scheduled time, except however, where, in the judgment of MRPL the executed partial job/work quantity does not fulfil the operating need, PRS will be imposed on full value of the Work Order.

25.3 The parties agree that this is a genuine pre-estimate of the loss/damage which will be suffered by the Owner on account of delay on the part of the Contractor and the said amount will be adjusted for the amount payable to the Contractor, without there being any proof of the actual loss or damages having been caused by such delay/breach. The Owner shall be at liberty to adjust or deduct the said amount from any amount due to the Contractor including Security Deposit.

25.4 Non Acceptance of PRS:

If the technically and commercially acceptable bidders are 3 or more, offers of other bidders, if any, who are taking deviation in commercial terms, shall be rejected though they are technically acceptable. However, if this tender result in less than 3 technically and commercially acceptable offer, then the offers of those bidders who are technically acceptable, but have taken deviation only in PRS clause, shall be considered after suitable loading for evaluation purpose as detailed below;
5% of the quoted basic price shall be added to the landed cost for evaluation purpose.

26 PENALTY CLAUSES:

26.1 Subject to non–compliance to any terms and conditions of the contract, the Engineer-in-Charge may instruct the Contractor through written communication (by way of mail/ letter or SMS) to suspend all/any ongoing activity(ies) at work site. The Contractor shall immediately stop the ongoing work till further clearance from the Engineer-in-Charge to restart the work is obtained. Time lost in the process shall be attributable to the Contractor and shall not be entertained for request for time extension.

26.2 Penalty, subject to violation of terms attributable to the Contractor, shall be levied in RA bills of the Contractor on failure to comply with terms and conditions of the contract.

27 SUB-LEASING/OPERATION OF CONTRACT:

27.1 The successful tenderer shall not be allowed to sublet or assign the benefits of the Purchase/Work order placed on them by MRPL to any other party without prior written consent of the MRPL.

28 SUSPENSION OF WORKS :

28.1 Subject to the provisions of this contract, the contractor shall, if ordered in writing by the Engineer-In-Charge, or his representative, temporarily suspend the works or any part thereof for such written order, proceed with the work therein ordered to be suspended until, he shall have received a written order to proceed therewith. The contractor shall not be entitled to claim compensation for any loss or damage sustained by him by reason of temporary suspension of the works aforesaid. An extension

of time for completion, corresponding with the delay caused by any such suspension of the works as aforesaid will be granted to the contractor should he apply for the same provided that the suspension was not consequent to any default or failure on the part of the contractor.

28.2 In case of suspensions of entire work, ordered in writing by Engineer-In-Charge, for a period of more than two months, the contractor shall have the option to terminate the contract.

29 CANCELLATION :

29.1 MRPL reserves the right to cancel the Order or any part thereof and shall be entitled to rescind the contract wholly or in a written notice to the vendor at any time if:

The successful tenderer shall commit a breach of any of the conditions stipulated contract and fail to remedy such breach within four days of the receipt of the written notice from MRPL in this regard.

Upon

i. The death or adjudication as insolvent of the successful tenderer, if he/she be an individual.

ii. The liquidation, whether voluntary or passing of the effective resolution for winding up of the successful tenderer if it be a company.

29.2 If any successful tenderer or any partner in the firm of the successful tenderer shall be convicted of any criminal offence.

29.3 If a receiver is appointed of any property or assets of the successful tenderer.

29.4 If the work/ services are no more required by MRPL.

29.5 If the license issued to the successful tenderer by the relevant authorities for modification filling and storage of bitumen supplied by MRPL is cancelled or revoked.

29.6 If the successful tender deliberately contaminates or tempers with quality or product supplied by MRPL.

29.7 MRPL will be at liberty to short close the contract work order without assigning any reason whatsoever by giving a notice of 15 days.

29.8 Specified delivery schedule/ completion period is not adhered to beyond 3 months from due date unless specifically agreed by MRPL.

29.9 Laid down specifications are not adhered to or when the performance of the contract is unsatisfactory.

29.10 Major contractual terms and conditions are violated insolvency of the supplier.

29.11 The MRPL right to cancel the contract under the terms, aforesaid shall be without prejudice to any of its other rights and remedies against the successful tenderer In the event of MRPL cancelling the contract, it shall not be liable to pay for any loss or compensation in respect of such cancellation

30 **TERMINATION** :

30.1 The OWNER shall be entitled to terminate the Contract by written notice at any time during or after the occurrence of any one or more of the following events or contingencies, namely:

i) Failure to start the work within 10 (ten) days of handing over the job site to the CONTRACTOR.

ii) Failure to provide at each job site sufficient labour, material, equipment, machinery, temporary work and/or facilities required for the proper and/or due execution of the work or any part thereof;

iii) Failure to execute the works or any of item in accordance with the Contract;

iv) Disobedience of any order or instruction of the Engineer-in-Charge and/or Site Engineer;

v) Negligence in carrying out the works or carrying out of work found to be unsatisfactory by the Engineer-in-Charge;

vi) Abandonment of the works or any part thereof;

vii) Suspension of the entire works or any part thereof, for a period of 14 (fourteen) days or more without due authority from the OWNER or Engineer-in-Charge.

viii) Commission, permission or sufferance of any other breach of any of the terms, conditions or provisions of the Contract on the part of the CONTRACTOR to be paid, performed and/or observed;

ix) Failure to deposit the Initial Security Deposit within 10 (ten) days of receipt by the CONTRACTOR of Acceptance of Tender;

x) If the CONTRACTOR is incapable of carrying out the work.

xi) If the CONTRACTOR misconducts himself in any manner.

xii) Dissolution of the CONTRACTOR (if a firm) or commencement of liquidation or winding up (whether voluntary or compulsory) of the CONTRACTOR (if a company) or appointment of a receiver or manager of any of the CONTRACTOR's assets and/or insolvency of the CONTRACTOR (if a sole proprietorship) or any Partner of the CONTRACTOR (if a firm);

xiii) Distress, execution, or other legal process being levied on or upon any of the CONTRACTOR's goods and/or assets.

xiv) Death of a CONTRACTOR (if an individual).

xv) If upon any change in the Partnership/constitution of a CONTRACTOR's organization (if a Partnership), the OWNER shall refuse to continue the contract with the re-constituted firm.

xvi) If the CONTRACTOR or any person employed by him shall make or offer for any purpose connected with the Contract any gift, gratuity, royalty, commission, gratification or other inducement (whether money or in any other form) to any employee or agent of the OWNER.

30.2 TERMINATION FOR CONVENIENCE:

Notwithstanding anything contained in the Contract, the Employer may, by 30 (Thirty) days written notice, terminate the Contract in whole or in part. In addition to the payment mentioned at clause 30.3, the Service Provider shall be compensated for de-mobilization and other costs incurred at mutually negotiated terms. In case of such termination, the obligation of the Employer to pay, shall be limited to the extent of work/job completed by the Service Provider as per provision of the Contract upto the date of termination, subject to the Service Provider complying with other terms of the Contract. Notwithstanding the termination of the Contract, the parties shall continue to be bound by the provisions of this Contract that reasonably require some action or forbearance after such termination.

30.3 AMOUNT PAYABLE IN CASE OF TERMINATION:

In all cases of termination herein set forth, the obligation of the Employer to pay, shall be limited to the extent of service rendered by Service Provider as per provision of the Contract upto the date of termination, subject to the Service Provider complying with other terms of the Contract. Notwithstanding the termination of the Contract, the parties shall continue to be bound by the provisions of this Contract that reasonably require some action or forbearance after such termination.

31 INSPECTION / OPERATION CONTRACT:

31.1 MRPL shall have free access to visit the bidder's premises/work area where the job/services are taking place and or inspect the same. The successful tenderer will be responsible for quality of all the services/job at all times under valid permits/as authorised by Engineer In-charge.

31.2 For products/services involving ATF production, MRPL, their customer, and regulatory authorities shall have the right of access to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

32 **MAKE OF EQUIPMENTS/COMPONENTS :**

32.1 Bidders shall procure and supply the items covered in their scope from the approved vendors. Wherever an item is specified or described by a particular brand name, manufacturer or vendor, the specific item mentioned shall be for establishing type, function and quality desired. Other manufacturer's products will be considered, provided sufficient information are furnished to the Employer to assess the products proposed as equivalent and acceptable. Contractor shall take prior approval from Engineer-in-Charge for procuring such items which are not covered under approved vendor list.

33 QUALITY ASSURANCE SYSTEM (As applicable) :

33.1 The Contractor shall include in his offer the Quality Assurance Programme containing the overall quality management and procedures which is required to be adhered to during the execution of contract. After the award of the contract, detailed quality assurance programme to be followed for the execution of contract under various divisions of works will be mutually discussed and agreed to.

33.2 The Contractor shall establish document and maintain an effective quality assurance system as outlined in recognised codes.

33.3 Quality Assurance System plans/procedures of the Contractor shall be furnished in the form of a QA manual. This document should cover details of the personnel responsible for the quality assurance. , plans or procedures to be followed for quality control in respect of Design, Engineering, Procurement, Supply, Installation, Testing and Commissioning. The quality assurance system should indicate organizational approach for quality control and quality assurance of the construction activities at all stages of work at site as well as at manufacturer's works and despatch of materials.

33.4 The Owner/or their representative shall reserve the right to inspect/witness review any or all stages of work at shop/site as deemed necessary for quality assurance.

33.5 The Contractor has to ensure the deployment of quality Assurance and Quality control Engineer(S) depending upon the quantum of work. This QA/QC group shall be fully responsible to carryout the work as per standards and all code requirements. In case Engineer-in-Charge feels that contractor's QA/QC Engineer(S) are incompetent or insufficient contractor has to deploy other experienced Engineer(s) as per site requirement and to the full satisfaction of Engineer-In-Charge.

33.6 In case contractor fails to follow the instructions of Engineer-in-charge with respect to above clauses, next payment due to him shall not be released unless and until he complies with the instructions to the full satisfaction of Engineer-in-charge

34 TEST AND INSPECTION OF WORKS :

34.1 The Contractor shall carry out the various tests as per direction of Engineer-in-Charge either on field or outside/laboratories concerning the execution of work and supply of the material by contractor. All the expenses shall be borne by the contractor and shall be considered as included in the rates quoted.

34.2 The inspection shall be done by the following agencies:

(a) Representative deputed by Engineer-in-charge

(b) Representative deputed by Statutory Authority

34.3 Contractor shall give prior notice sufficiently ahead of time to the Engineer-in-charge and also to the authorities to conduct inspection/to witness such test.

34.4 The work is subject to inspection at all times by the Engineer-in-Charge. The Contractor shall carry out all instructions given during inspection and shall ensure that the work is being carried out according to the technical specifications of this tender, the technical documents and the relevant codes of practice furnished to him during the performance of the work.

34.5 The Contractor shall provide for purpose of inspection access ladders, lighting equipment for testing and necessary instruments etc. at his own cost including Low Voltage Lighting equipments for tray fixing and inspection work.

34.6 Compressed air for carrying out works shall be arranged by the contractor at his own cost. Any work not conforming to the execution drawings, specifications or codes shall be rejected forthwith and the Contractor shall carryout the rectifications at his own cost.

34.7 All results of inspection and tests will be recorded in the inspection reports, proforma of which will be approved by the Engineer-in-Charge. These reports shall form part of the completion documents.

34.8 For materials supplied by Owner, contractor shall carryout the tests, if required by the Engineer-in-charge and the cost of such tests shall be reimbursed by the Owner at actuals to the Contractor or production of documentary evidence.

34.9 Inspection and acceptance of the work by the Engineer-in-charge shall not relieve the contractor from any of his responsibilities under this contract.

35 **DEFECT LIABILITY** (If Applicable) :

35.1 PBG for 10% (for works contract) /5% (for service contract) of the Contract value/Executed value for the defect liability period (Pl refer SCC) shall be submitted. This shall be after completion of the contracted work/from the date of Issue of Completion Certificate. SD shall be released after successful completion of the contract subject to submission of PBG for 10% (for works contract) /5% (for service contract) of the Contract value/Executed value for the defect liability period.

35.2 The CONTRACTOR shall guarantee the installation/WORK for a period of 12 months from the date of completion of WORK (or as specified in the SCC/Scope of work) as certified by the ENGINEER-IN-CHARGE which is indicated in the Completion Certificate. Any damage or defect that may arise or lie undiscovered at the time of issue of Completion Certificate, connected in any way with the equipment or materials supplied by him or in the workmanship, shall be rectified or replaced by the CONTRACTOR at his own expense as deemed necessary by the ENGINEER-IN-CHARGE or in default, the ENGINEER- IN-CHARGE may carry out such works by other work and deduct actual cost incurred towards labour, supervision and materials consumables or otherwise plus 100% towards overheads (of which the certificate of ENGINEER-IN-CHARGE shall be final) from any sums that may then be or at any time thereafter, become due to the CONTRACTOR or from his Contract Performance Security, or the proceeds of sale thereof or a sufficient part on thereof.

35.3 If the CONTRACTOR feels that any variation in WORK or in quality of materials or proportions would be beneficial or necessary to fulfil the guarantees called for, he shall bring this to the notice of the ENGINEER- IN-CHARGE in writing. If during the period of liability any portion of the WORK/equipment, is found defective and is rectified/ replaced, the period of liability for such equipment/ portion of WORK shall be operative from the date such rectification/ replacement are carried out and Contract Performance Guarantee shall be furnished separately for the extended period of liability for that portion of WORK/ equipment only. Notwithstanding the above provisions the supplier's, guarantees/warrantees for the replaced equipment shall also be passed on to the EMPLOYER.

36 LIMITATION OF LIABILITY :

36.1 The aggregate total liability of the Contractor to Owner under the Contract shall not exceed the total Contract Price, except that this Clause shall not limit the liability of the Contractor for following:

(a) In the event of breach of any Applicable Law;

(b) In the event of fraud, willful misconduct or illegal or unlawful acts, or gross negligence of the Contractor or any person acting on behalf of the Contractor; or

(c) In the event of acts or omissions of the Contractor which are contrary to the most elementary rules of diligence which a conscientious Contractor would have followed in similar circumstances; or

(d) In the event of any claim or loss or damage arising out of infringement of Intellectual Property; or

(e) For any damage to any third party, including death or injury of any third party caused by the Contractor or any person or firm acting on behalf of the Contractor in executing the Works.

36.2 Neither Party shall be liable to the other Party for any kind of indirect nor consequential loss or damage like, loss of use, loss of profit, loss of production or business interruption which is connected with any claim arising under the Contract.

37 RISK PURCHASE CLAUSE :

In the event of Contractor not accepting/not meeting the indent/order/contract placed by the Owner with in the stipulated time, then Owner would be free to use the services of any others and recover the difference in such services and additional expenses incurred by the Owner from the Contractor.

38 COPY RIGHT /TRADE MARK OF MRPL RELATED DISCIPLINE:

38.1 The successful tenderer shall not infringe, copy, imitate or otherwise deal with brand name, trade or merchandise marks or devices of design or copyright belonging to MRPL entitled to use or otherwise

alter, deface or interface with the same or pass of other goods or describe others goods as the same as that of MRPL or having been manufactured of MRPL of otherwise prejudice alter or affect the copyright, trade or merchandise marks or certified packing or design or colour of the company's labels or specification or the price or weight or other codification that is marked on the packing or caused to be given by MRPL, it is expressly agreed that all trade marks, design and copyright shall vest in MRPL, and nothing contained in this offer shall have the effect of creating any right, title or interest in respect of the successful tenderer.

39 ROYALTY :

39.1 All royalties etc., as may be required for any Borrow Areas including right of way et. to be arranged by Contractor shall be deemed to have been included in the quoted prices.

39.2 Contractor's quoted rate should include the royalty on different applicable items as per the prevailing State Government rtes. In case, owner is able to obtain the exemption of Royalty from the State Government, the Contractor shall pass on the same to owner for all the items involving Royalty. Any increase in prevailing rate of Royalty shall be borne by the Contractor at no extra cost to the Owner. The contractor should indicate the rate of Royalty considered in their offer.

40 BUSINESS SECRET/MARKETING DISCIPLINE :

40.1 It is hereby specifically agreed by the successful tenderer that this clause shall be deemed to be a condition going to the root of this offer, that the successful tenderer shall not at any time during the subsistence of this contract or any time after its termination, call itself or hold out itself, advertise in any manner whatsoever by publication or otherwise, by printing, in writing or by any visual representation, either in it's letter heads or news paper or magazines or leaflets, or by broadcasts over radio or by television or by any other media communication or In any manner whatsoever other than the appropriate Government Authorities to the extent necessary unless so permitted in writing by MRPL.

40.2 The successful tenderer hereby agrees and undertakes not to disclose to any party whatsoever any formulate blend order, specifications, trade secrets, marketing projection or intelligence or any other data or information and shall keep absolute secrecy in all matters pertaining to this offer, all correspondence relating thereto, all instructions given or anything having any relevance with the offer on any matter touching or arising out of this arrangement including the Books, Accounts, papers and correspondence and shall keep strictest secrecy and confidence thereto to any person whomsoever other than appropriate Government Authorities to the extent necessary, unless directed to do so by MRPL in writing.

41 **SEVERABILITY**:

Should any provision of this agreement be found to be invalid, illegal or otherwise not enforceable by any court of law, such finding shall not affect the remaining provisions hereto and they shall remain binding on the parties hereto.

SECTION - V

42 PAYMENT TERMS :

(Payment terms mentioned in the Special Conditions of Contract / Scope of Work documents supercedes the Payment term mentioned in General Conditions of Contract).

42.1 Unless otherwise specified, 100% Payment will be made for the actual work done / supply of materials/Job/services performed and bills duly certified by Engineer In-charge (subject to submission of SD, if applicable). Such payment will be made within 15 days of submission of bills.

42.2 Retention money, if specified, will be withheld before releasing all payments i.e either monthly or progressive/ stage-wise payments.

42.3 Bills can be submitted after completion of work/ once on monthly basis against progressive work completion/as per milestones specified as per Tender.

42.4 **PAYMENT MODE :**

All payments shall be through electronic mode (RTGS/NEFT). Therefore, vendors are requested to furnish the information as per attached format on issue of order to successful bidder. Any change in the particulars shall be immediately informed to MRPL.

43 ADVANCE PAYMENT/MOBILISATION ADVANCE :

43.1 MRPL do not entertain Advance payment to the successful bidder.

43.2 In case, mobilization advance is insisted by any bidder, the same shall be decided on need basis only with Interest bearing. Such Advance will be made only after submission of bank guarantee for 110 % of advance amount.

43.3 The bank guarantee shall be submitted strictly as per the BG format enclosed with this tender document. No changes in Format will be allowed.

43.4 The advance payment will be released only after receipt of confirmation of BG directly from the BG Issuing bank. Such confirmation is accepted in the form of E-Mail from Bank directly, Direct Fax message, are through mails(Register/speed post/courier etc).

43.5 Interest charges shall be payable on the advance amount paid @ SBI lending rate prevailing at the time of release of payment plus 2 %.

43.6 Interest bearing advance payment shall be released in 2 or more installments/Stages as mutually agreed, based on progress of the work/Mobilization. The next/subsequent installment of such Advance shall be released only after submission of utilization certificate for the previous Advance installment made to the party.

43.7 Part BG's based on advance installments are also allowed.

43.8 The advance payment is recoverable proportionately from the progressive bills duly certified by the Engineer in Charge. Full Advance will be recovered against payments due on Mechanical completion of the work/completion of supply as applicable. Such recovery shall be time based, but not essentially linked with progress of work.

43.9 Interest free advance payment is not allowed for any cases.

SECTION - VI

44 ARBITRATION & CONCILIATION:

Parties hereby agree as under:

If any difference or dispute (hereinafter referred as "Dispute") under the Contract arises, the party shall give a 60 days written notice ("**Dispute Notice**") to the identified officer of the other party mentioned in the Contract giving details of the Dispute. The Parties shall use all reasonable endeavours to resolve the Dispute mutually and amicably. All efforts by either party within these 60 days Dispute Notice Period shall be kept confidential by both the parties under Section 75 of the Arbitration and Conciliation Act, 1996. Parties shall not rely upon any views expressed or suggestions made by the other party, admissions made by the other party or the fact that the other party had indicated his willingness to enter into a settlement as evidence in any Forum / arbitration / court proceeding.

If Parties are unable to resolve the Dispute amicably within 60 days of receipt of the Dispute Notice, then after expiry of the 60 days' Dispute notice period, the aggrieved Party can refer the Dispute to conciliation and / or arbitration subject to terms and conditions contained herein below:

1) Parties further agree that following matters shall not be referred to Conciliation or Arbitration:

i) Any claim, difference or dispute relating to, connected with or arising out of MRPL decision to initiate any proceedings for suspension or banning, or decision to suspend or to ban business dealings with the Bidder / Contractor and/or with any other person involved or connected or dealing with bid / contract / bidder / contractor.

ii) Any claim, difference or dispute relating to, connected with or arising out of MRPL decision under the provisions of Integrity Pact executed between MRPL and the Bidder / Contractor.

2) Part-I :Conciliation(Not applicable in contracts valuing less than Rs. 10 lakhs)

3) Part-II :Arbitration (Not applicable in contracts valuing less than ` 5 lakhs) If the parties are not able to resolve the dispute through OEC or do not opt for conciliation through OEC, the party may invoke arbitration clause as provided in the contract.

PART - I : CONCILIATION :Resolution of disputes through conciliation by OEC (Not applicable in Contracts valuing less than Rs.10 lakhs):

If any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually, the same may first be referred to conciliation through Outside Expert Committee ("OEC") to be constituted by MD, MRPL as provided hereunder:

Submission of proposal for OEC

1. Conciliation through OEC will be resorted in all cases involving disputed amount upto` 250 crores only. The disputed amount will be calculated by considering the amount of claim and counter-claim of the parties.
2. Claimant shall give a 30 days notice for conciliation. In cases where the contractor is claimant then the notice shall be given to the concerned MRPL office as per the contract, clearly bringing out the points of dispute and the amount claimed with documents in support of the claim and the party concerned shall not raise any new issue thereafter.

Constitution of OEC

3. MD, MRPL will have the sole discretion to constitute OEC. OEC will be formed from the panel of experts maintained by MRPL and will normally comprise of three members, one member from each category i.e., Technical, Finance, Commercial and Legal. However, there will be a single member OEC for disputes involving a claim and counter claim (if any) upto` 1 crore.
4. MD, MRPL will have authority to reconstitute an OEC to fill any vacancy or if any OEC member is not available to attend the OEC Meetings.
5. Upon constitution of the OEC, Head-Legal will issue the appointment letters to OEC members and inform same to the parties concerned.
6. The OEC members shall give a declaration of independence and impartiality (in the format at **Annexure A1**) to both the parties before the commencement of the OEC proceedings.

Proceedings before OEC

7. The claimant shall submit its statement of claims to OEC members, and to the party(s) prescribed in the appointment letter within 30 days of the issue of the appointment letter. The claims shall be raised as per the format at **Annexure A2**.
8. The respondent shall file its reply and counter claim (if any) within 30 days of the receipt of the statement of claims. (As per aforesaid format at **Annexure A2**).
9. Parties may file their rejoinder/additional documents, if any in support of their claim/counter claim within next 15 days. No documents shall be allowed thereafter.
10. OEC will commence its meetings only after completion of the pleadings.
11. In case of 3 members OEC, 2 members will constitute a valid quorum and the meeting can take place to proceed in the matter after seeking consent from the member who is not available. If necessary video conferencing may be arranged. However, OEC Recommendations will be signed by all Members. Further, efforts must be made for unanimous recommendations.

12. The parties shall be represented by their in-house employees/executives. No party shall be allowed to bring any advocate or outside consultant/advisor/agent to contest on their behalf. Ex-officers of MRPL who have handled the dispute matter in any capacity are not allowed to attend and present the case before OEC on behalf of Contractor. However, ex-employees of parties may represent their respective organizations.
13. Solicitation or any attempt to bring influence of any kind on either OEC Members or MRPL is completely prohibited in conciliation proceedings and MRPL reserves the absolute right to close the conciliation proceedings at its sole discretion if it apprehends any kind of such attempt made by the Contractor or its representatives.
14. Parties agree to rely only upon documentary evidence in support of their claims and not to bring any oral evidence in the OEC proceedings.
15. OEC will give full opportunity of hearing to the parties before giving its recommendations.
16. OEC will conclude its proceedings in maximum 10 meetings, and give its recommendations within 90 days of its first meeting. OEC will give its recommendations to both the parties recommending possible terms of settlement MD, MRPL may extend the time/ number of meetings, in exceptional cases, if OEC requests for the same with sufficient reasons.
17. OEC members will be paid fees (plus applicable tax) and provided facilities as detailed in clause 29 below, subject to revision by MRPL from time to time and subject to Government guidelines on austerity measures, if any. All the expenditure incurred in the OEC proceedings shall be shared by the parties in equal proportion. The parties shall maintain account of expenditure and present to the other for the purpose of sharing on conclusion of the OEC proceedings.
18. Depending upon the location of the OEC members and the parties, the venue of the OEC meeting shall be either Delhi /Mangaluru / Bengaluru or any other locationwhichever is most economical from the point of view of travel and stay etc.
19. Parties shall not claim any interest on claims/counterclaims from the date of notice invoking conciliation till execution of settlement agreement, if so arrived at. In case, parties are unable to reach a settlement, no interest shall be claimed by either party for the period from the date of notice invoking conciliation till the date of OEC recommendations and 30 days thereafter in any further proceeding.
20. Legally, parties are under no obligation to refer a dispute to conciliation or continue with conciliation proceedings. Parties are free to terminate the conciliation proceedings at any stage as provided under the Arbitration and Conciliation Act, 1996 and subsequent amendments or re-enactment thereof.

<u>Actions after OEC Recommendations</u>

21. The recommendations of OEC are non-binding and the parties may decide to accept or not to accept the same. Parties are at liberty to accept the OEC recommendation with any modification they may deem fit.
22. The contractor shall give its response to MRPL within 7 days of receiving OEC Recommendation.
23. If the recommendations are acceptable to the contractor partly or fully, MRPL will consider and take a decision on OEC recommendations. MRPL shall communicate its decision to the contractor. If decision of MRPL is acceptable to the contractor, a settlement agreement under Section 73 of the Arbitration and Conciliation Act, 1996 will be signed within 15 days of contractor's acceptance and same shall be authenticated by all the OEC Members.
24. The timelines mentioned in the above guidelines are with an objective to achieve expeditious conclusion of OEC proceedings. However, it does not mean that any action beyond the timelines will be invalid. However, the party concerned will make all efforts to complete the actions within the stipulated time.
25. Parties shall keep confidential matters relating to the conciliation proceedings including minutes of OEC meeting and Recommendations of OEC. Parties shall not rely upon them as evidence in any Forum/arbitration/court proceeding, whether or not such proceedings relate to the dispute that is the subject of the conciliation proceedings,

a. Views expressed or suggestions made by the other party in respect of a possible settlement of the dispute.

b. Admissions made by the other party in the course of the OEC proceedings;

c. Proposals made by the OEC;

d. The fact that the other party had indicated his willingness to accept a proposal for settlement made by the OEC.

26. Confidentiality extends also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement. This stipulation will not apply to disclosure made by MRPL to Govt. of India, if required.

27. Subject to terms and conditions contained in the above paras, the provisions of the Part III of Arbitration and Conciliation Act, 1996 shall be acceptable to the conciliation proceedings and the parties and the OEC members shall be bound by the same.

28. If the parties are not able to resolve the dispute through OEC or do not opt for conciliation through OEC, the party may invoke arbitration clause as provided in the contract.

29. ***Fees and Facility to the OEC Members :***

OEC members shall be entitled for the following fees plus applicable taxes per member and facilities :

Sl. No	**Fees/Facility**	**Entitlement**	**To be paid by**
1.	Fees	Rs 20,000/- per meeting subject to maximum of Rs. 2,00,000/-***** for the whole case. In addition, one OEC member chosen by OEC shall be paid an additional amount of Rs 10,000/- towards secretarial expenses in writing minutes/ OEC Recommendations.	Contractor
2.	Fee for attending meeting/s to authenticate the settlement agreement.	Rs 10,000/-	Contractor
3.	Transportation in the city of meeting	Car as per entitlement or Rs 2,000/- per day	Contractor
4.	Venue of the meeting	MRPL conference rooms/Hotels	MRPL
Facilities to be provided to the out-stationed member			
5.	Travel from the city of residence to the city of meeting	Business class air tickets/first class train tickets/ car/ reimbursement of actual fare. However, entitlement of air travel by Business class shall be subject to austerity measures, if any, ordered by Govt. of India.	Contractor
6.	Transport to and fro airport / railway station in the city of residence	Car as per entitlement or Rs3,000/-	Contractor
7.	Stay for out stationed members	5 Star Hotel	MRPL
8.	Transport in the city of meeting	Car as per entitlement or Rs 2,000/- per day	Contractor

*** except in exceptional cases, where the no. of meetings may extend beyond 10.**

PART – II :ARBITRATION (Applicable in case of supply orders/Contracts with firms, other than Public Sector Enterprises) (Not applicable in contracts valuing less than ` 5 lakhs)

Except as otherwise provided elsewhere in the contract, if any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually or through conciliation, the same shall be referred to Arbitration as provided hereunder:

1. There shall be no arbitration for disputes involving claims upto` 25 lakhs and more than ` 100 crores. The disputed amount will be calculated by considering the amount of claim and counter-claim of the parties. Unresolved disputes involving claims above ` 100 crores shall be adjudicated under the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015.
2. A party wishing to commence arbitration proceeding shall invoke Arbitration Clause by giving 60 days' notice to the other party. The notice invoking arbitration shall specify all the points of disputes with details of the amount claimed to be referred to arbitration at the time of invocation of arbitration and not thereafter. If the claim is in foreign currency, the claimant shall indicate its value in Indian Rupee for the purpose of constitution of the arbitral tribunal.
3. Arbitration can be invoked by giving Invocation Notice only after expiry of the 60 days' period as per Dispute Notice.
4. For a dispute involving claims above ` 25 lacs and upto` 5 crores, in case other party is Claimant, MRPL will forward a list containing names of five jurists to the other party for selecting one from the list who will be appointed as sole arbitrator by MRPL. In case MRPL itself is the Claimant, it shall appoint the Sole Arbitrator by invoking the Arbitration clause and inform the Contractor. Such dispute shall be resolved on fast track procedure specified in Section 29B of the Arbitration and Conciliation Act, 1996.
5. For a dispute involving claims above ` 5 crores and upto` 100 crore, the claimant shall appoint an Arbitrator and communicate the same to the other Party in the Invocation Notice itself along with the copy of disclosure made by nominated Arbitrator in the form specified in Sixth Schedule of the Arbitration & Conciliation Act, 1996. For the purpose of Section 21, the Arbitration Proceeding shall commence only upon date of receipt of Invocation Notice complete in all respects mentioned above. The other Party shall then appoint the second Arbitrator within 15 days from the date of receipt of written notice. The two Arbitrators appointed by the Parties shall appoint the third Arbitrator, within 30 days, who shall be the Presiding Arbitrator. The parties agree that they shall appoint only those persons as arbitrators who accept the conditions of this arbitration clause. No person shall be appointed as arbitrator or presiding arbitrator who does not accept the conditions of this arbitration clause.
6. For the purpose of appointment of Arbitrator(s), claims amount shall be computed excluding claim for interest, if any.
7. The parties agree that they shall appoint only those persons as arbitrators who accept the conditions of this arbitration clause. No person shall be appointed as arbitrator or presiding arbitrator who does not accept the conditions of this arbitration clause.
8. Parties agree that there will be no objection if the Arbitrator appointed holds equity shares of MRPL and/or is a retired officer of MRPL / any PSU. However, neither party shall appoint its serving employee as arbitrator and shall have been retired before 3 years on the date of commencement of the Arbitration.
9. If any of the Arbitrators so appointed dies, resigns, becomes incapacitated or withdraws for any reason from the proceedings, it shall be lawful for the concerned party/arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both parties consent for the same; otherwise, he shall proceed de novo.
10. Parties agree that neither party shall be entitled for any pre-reference or pendente-lite interest on its claims, i.e. date of cause of action till date of Award by Arbitral Tribunal. Parties agree that claim for

any such interest shall not be considered and shall be void. The Arbitrator / Tribunal shall have no right to award pre-reference or pendente-lite interest in the matter.

11. The arbitral tribunal shall make and publish the award within time stipulated as under:

Amount of Claims and Counter Claims (excluding interest)	Period for making and publishing of the award (counted from the date of first meeting of the arbitrators):
Upto Rs. 5 Crore	Within 8 months
Above Rs. 5 Crore	Within 12 months

The above time limit can be extended by the arbitrator, for reasons to be recorded in writing, with the consent of the parties.

12. The fees payable to each Arbitrator shall be as per rules framed by the High Court in whose territorial jurisdiction as per contract and seat of arbitration is situated. In case no rules have been framed, the fees prescribed may be as per Fourth Schedule of the Arbitration and Conciliation Act, 1996. However, Arbitrator may fix their fees keeping the aforesaid schedule as guiding factor.
13. The parties may, after invocation of dispute, agree for sharing the cost of Arbitration equally on 50:50 basis.
14. If after commencement of the Arbitration proceedings, the parties agree to settle the dispute mutually or refer the dispute to conciliation, the arbitrators shall put the proceedings in abeyance until such period as requested by the parties. Where the proceedings are put in abeyance or terminated on account of mutual settlement of dispute by the parties, the fees payable to the arbitrators shall be determined as under:

    (i) 20 % of the fees if the claimant has not submitted statement of claim.

    (ii) 40 % of the fees if the pleadings are complete.

    (iii) 60% of the fees if the hearing has commenced.

    (iv)80% of the fees if the hearing is concluded but the award is yet to be passed
15. Each party shall pay its share of arbitrator's fees in stages as under:

    (i) 20% of the fees on filing of reply to the statement of claims.

    (ii) 40% of the fees on completion of pleadings.

    (iii) 20% of the fees on conclusion of the final hearing.

    (iv)20% at the time when award is given to the parties.
16. Each party shall be responsible to make arrangements for the travel and stay etc of the arbitrator appointed by it. Claimant shall also be responsible for making arrangements for travel / stay arrangements for the Presiding Arbitrator and the expenses incurred shall be shared equally by the parties. In case of sole arbitrator, MRPL shall make all necessary arrangements for his travel stay and the expenses incurred shall be shared equally by the parties.
17. The Arbitration shall be held at the place from where the contract has been awarded. However, parties to the contract can agree for a different place for the convenience of all concerned.
18. The Arbitrator(s) shall give reasoned and speaking award and it shall be final and binding on the parties.
19. Subject to aforesaid, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof shall apply to the arbitration proceedings under this clause.
20. Insofar as practicable, the Parties shall continue to implement the terms of the Contract notwithstanding the initiation of Arbitration proceedings.

Arbitration Clause applicable in case of Purchase Orders/ Contracts on Public Sector Enterprises

Ref: No.4 (1) /2011-DPE (PMA)-GL, Government of India, Department of Public Enterprises. Dated 12th June 2013

In the event of any dispute or difference relating to, arising from or connected with the CONTRACT, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises, to be nominated by the Secretary to the Government of India, In charge of the Bureau of Public Enterprises.

The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration under this clause.

The award of the Arbitrator shall be binding upon the parties to the dispute, provided however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Deptt. of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary / Additional Secretary, whose decision shall bind the parties finally and conclusively.

The parties in the dispute will share equally the cost of the arbitration as intimated by the Arbitrator.

Arbitrations with respect to Contracts between CPSEs & Government Departments/Organizations:

In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between CPSEs / Port Trusts inter se and also between CPSEs and Government Departments / Organizations (excluding disputes concerning Railways, Income Tax, Customs and Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No 4(1)/2013-DPE (GM) fts-1835 DATED 22-05-2018.

Any amendment(s) made to the above shall be applicable as per Govt policies/guidelines issued from time to time.

Annexure A1

Declaration of independence and impartiality by OEC Member

To,

1. **MRPL ……**

2. **Contractor…….**

Subject: Declaration of independence and impartiality by OEC Member in the dispute between MRPL ……..And…….under Contract No……..

I, the undersigned, hereby accept to act as Member of the Expert Committee and conciliate in the disputes under reference between the parties above named.

I confirm that I am aware of the requirements of law particularly of the Arbitration and Conciliation Act, 1996, to act as a conciliator. I am able to act as conciliator and I am available to act as Member of the Expert Committee.

I hereby declare that I am independent of each of the parties and have no ownership interest in any part of the contract under reference or any financial interest in the said contract. I have no interest in the outcome of the dispute or its settlement.

I hereby affirm that I shall act with honesty, integrity, diligence, and will remain independent and impartial while discharging my duties as conciliator/OEC Member. I will disclose any interest or relationship with the parties or the subject matter which might compromise in any manner my ability or capacity to remain impartial and independent in the matter.

The fees and other facilities offered to me and the terms and conditions contained in the appoint letter and guidelines issued by MRPL are acceptable to me. I will not demand for enhancement of the same.

(Signature)

Name:

Address:

Phone:

Email:

Date:

Annexure - A2

STATEMENT OF CLAIM(S)/COUNTERCLAIM(S)

1. Chronology of the dispute

2. Brief of the contract

3. Brief history of the dispute:

4. Issues:

5. Details of claim(s)/Counter Claim(s):

Sl. No.	**Description of claim(s)/Counter Claim**	**Amount (in INR/USD)**	**Relevant contract Clause**

6. Basis/Ground of claim(s)/counter claim(s) (along with relevant clause of contract)

Statement of claims may kindly be restricted to maximum limit of 20 pages. Relevant documents may be compiled and submitted along with the statement of claims. The statement of claims is to be submitted to all OEC members, to other party and to the office of Head Legal Services-MRPL, by post as well as mail.

Authorized Signatory of the Claimant `

Place : **Contact No. :**

Date : **Email :**

45 JURISDICTION:

45.1 Contract / Purchase Order, including all matters connected with this Contract / Purchase Order shall be governed by the Indian law both substantive and procedural, for the time being in force and shall be subject to the exclusive jurisdiction of Indian Courts at Mangalore.

45.2 Foreign companies, operating in India or entering into Joint ventures in India, shall have to obey the law of the land and there shall be no compromise or excuse for the ignorance of the Indian legal system in any way.

SECTION - VII

46 TAXES and DUTIES:

46.1 INDIAN TAXES / DUTIES

46.1.1 Goods and Services Tax (GST)

46.1.2 The quoted price shall be inclusive of all taxes / duties / cess / levies / fees / charges etc. except "Goods and Services Tax" (hereinafter called GST, i.e. IGST or CGST and SGST/UTGST) as levied with respect to vendor/supplier/contractors' scope of work / scope of supply, till the completion of the work / supply and shall be borne and paid by the Vendor/Supplier/Contractor.

46.1.3 The quoted price shall be deemed to be inclusive of all taxes / duties / cess / levies / fees / charges etc. including GST as applicable and bidder shall only within their quoted price be liable to pay and bear any and all duties, taxes, levies, fees, cesses, charges etc. payable or liable to be payable on any goods, equipment, materials or services imported into India or procured within any local limits for incorporation in the work(s).

46.1.4 Applicable GST as quoted shall not be considered for evaluation to the extent of input Tax credit (as applicable) %, as MRPL will claim Input credit on the same. Balance (as applicable) % of GST shall be considered for evaluation.

46.1.5 Vendor/Supplier/Contractor shall issue tax invoice in accordance with GST laws so that input credit of GST paid can be availed by MRPL. All essential documents such as credit / debit notes for any reason, if any, shall be issued to MRPL as per GST laws. In case Vendor/Supplier/Contractor fails to provide the invoice / other documents in the form and manner prescribed under the GST Act read with GST Rules thereunder, MRPL shall not be liable to make payment of GST against such invoice/documents.

46.1.6 Vendor/Supplier/Contractor shall forthwith upload the appropriate documents / details at GST common portal complying with all GST regulations including but not limited to payment of GST by Vendor/Supplier/Contractor and submit proof of payment of GST. In case of non-receipt of tax invoice or non-payment of GST by the Vendor/Supplier/Contractor, MRPL shall withhold the payment.

46.1.7 GST payable under reverse charge, if any, shall not be paid to the Vendor/Supplier/Contractor if the same has already been reimbursed / paid to the Vendor/Supplier/Contractor for any reason whatsoever, the said amount shall be deducted / recovered / adjusted from payment or any due of the Vendor/Supplier/Contractor.

46.1.8 Notwithstanding anything contained anywhere in the Purchase Order/Work Order, in the event that the input tax credit of the GST charged by the Vendor/Supplier/Contractor is denied by the tax authorities to MRPL, due to reasons attributable to Vendor/Supplier/Contractor, MRPL shall be entitled to recover such amount from the Vendor/Supplier/Contractor by way of adjustment from the next invoice or from Bank Guarantee or any manner possible. In addition to the amount of GST, MRPL shall also be entitled to recover interest and/or penalty, as the case may be, imposed by the tax authorities on MRPL.

46.1.9 TDS under GST, if applicable, shall be deducted from Vendor/Supplier/Contractors' bill/Tax Invoice/Debit Note at applicable rate in force under GST law and a certificate as per prescribed

Rules under GST laws for tax the deducted shall be provided to the Vendor/Supplier/Contractor.

46.1.10 All the returns and details required to be filed under GST laws & rules shall be timely filed by the bidder with requisite details. The Bidder shall be liable for and shall pay any and all fees, cesses, taxes, duties, charges, levies etc. assessable against the bidder.

46.1.11 In addition, the Bidder shall be liable for payment of all duties, levies, taxes, cesses, charges, fees etc. assessable against the bidder or bidder's employees or their Sub Vendor/Supplier/Contractor whether corporate or personal or in respect of property.

46.1.12 MRPL reserves the right to suspend / cancel / terminate the contract in the event of frequent / multiple / repeated defaults by the Vendor/Supplier/Contractor in complying with the above requirements as per GST.

46.1.13 Payment to Vendor/Supplier/Contractor shall be net of tax deduction / tax collection at source, if any, applicable as per laws / rules from time to time.

46.1.14 Any errors of interpretation of applicability of all taxes / duties / cess / levies / fees / charges etc. by the Bidder shall be to Bidder's account and shall be deemed to have been included in the quoted price.

46.2 <u>STATUTORY VARIATIONS OF TAXES/DUTIES:</u>

46.2.1 No variation on account of taxes / duties / cess / levies / fees / charges etc., statutory or otherwise, shall be payable by MRPL to Bidder except for GST. However, any statutory variation for GST shall be payable up to date of completion or approved extended date against documentary evidence.

46.2.2 Any increase in the rates of GST beyond the CDD [contractual delivery date or approved extended date] will be borne by MRPL to the extent of Input Tax Credit available to MRPL and MRPL is in a position to get/avail the Input Tax Credit from the GST authorities.

46.2.3 Any reduction in Taxes / duties / cess / levies / fees / charges etc. shall be passed on to MRPL.

46.2.4 Any variation in GST at the time of supplies for any reasons, other than statutory, including variations due to turnover, shall be borne by bidder and shall be deemed to have been included in the quoted price.

46.3 NEW TAXES AND DUTIES:

46.3.1 All new taxes / duties / cess / levies / fees / charges notified after the date of unpriced bid opening / submission of any subsequent price implication / revised prices, but within delivery or completion period / extended delivery or completion period, shall be to MRPL's account. These shall be reimbursed against documentary evidence. However, in case of delay attributable to Vendor/Supplier/Contractor, any new taxes / duties / cess / levies / fees / charges imposed after contractual time of delivery / completion, shall be to Vendor/Supplier/Contractor account.

46.4 IMPORTS AND CUSTOMS DUTIES:

46.4.1 **Import** Duties, i.e., Basic Customs Duty, GST &Edu. Cess on imported materials

46.4.2 MRPL shall import all Goods considering Merit rate of custom duty.

46.4.3 Direct imported supplies by Foreign suppliers

46.4.4 For imported materials sold & supplied directly by foreign suppliers to MRPL and consigned to MRPL, Import Duties, i.e., Basic Customs Duty, Custom Cess, GST, applicable in India shall be directly paid by MRPL to tax authority.

46.4.5 The vendor must ascertain and confirm along with supporting documents in the bid, if any Customs Duty exemption / waiver is applicable to the products being supplied by him under any multi-lateral / bi-lateral trade agreement between India and bidder's country.

46.4.6 The bidder shall be liable to provide all documentation to ensure availment of the exemption / waiver. In case the bidder defaults on this due to any reason, whatsoever, he shall be liable to bear the incremental Customs Duty applicable, if any.

46.4.7 Any Customs Duty applicability on account of any change in the bi-lateral / multi-lateral agreement shall be to bidder's account.

46.4.8 Documentation to be furnished for availing the exemption / waiver of customs duty shall be specifically listed in the Letter of Credit also as the pre-requisite for release of payment against shipping documents and this documentation shall necessarily form part of shipping documents.

46.4.9 Any additional levies/duties on Imports (viz. Anti-Dumping Duty, Safeguard Duty, etc.) as notified by Govt of India from time to time shall also be considered for evaluation.

46.5 **GENERAL:**

46.5.1 In case GST is quoted as not applicable on freight charges, and if they are applicable at the time of delivery due to any reasons other than statutory, the same will be borne by the Vendor/Supplier/Contractor.

46.5.2 The benefit of any Tax exemption, concessions, rebate or any other incentives available when the Vendor/Supplier/Contractor or its Sub Vendor/Supplier/Contractor are performing their obligations under the Purchase Order / Work order, shall be passed on to MRPL.

46.5.3 Recoveries, if any, by MRPL shall be with applicable GST thereon as per GST laws.

46.5.4 Any error of interpretation of applicability of taxes / duties / cess / levies / fees / charges etc. by the Vendor/Supplier/Contractor shall be to Vendor/Supplier/Contractor's account.

46.5.5 The classification of goods as per GST laws should be correctly done by the Vendor/Supplier/Contractor to ensure that Input Tax Credit benefit is not lost to MRPL on account of any error/omission on the part of the Vendor/Supplier/Contractor.

46.5.6 Bidder to ensure that the benefit of a reduction in the tax rate or the input tax credit availed by any registered taxable person has resulted in commensurate reduction in the price of goods/services supplied by such person. Vendor/Supplier/Contractor agrees unconditionally that any benefit arising

either directly or indirectly out of implementation of GST is mandatorily passed on to MRPL. Failure on the part of bidder to ensure the same shall attract the provision of Anti Profiteering as notified by the Govt of India.

46.5.7 Wherever GST is indicated / mentioned in the contract/tender/RFQ, it will include GST Compensation cess levied under The Goods and Services Tax (Compensation to States) Act, 2017.

46.6 LOADING OF TAXES/DUTIES:

46.6.1 Taxes and duties will be loaded as quoted by the bidder. However, if a BIDDER states that taxes/duties are not applicable at present and will be charged as applicable at the time of delivery then his bid shall be loaded by the maximum rate of taxes/duties applicable at the time of evaluation of Bids.

47 **CHANGE IN LAW** :

47.1 In the event of introduction of any new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or State Government(s) or Public Body which becomes effective after the date of submission of Price Bid or revised price bid, if any, for this CONTRACT and which results in increased cost of the works under the CONTRACT through increased liability of taxes, (other than personnel and Corporate taxes), duties, the CONTRACTOR shall be indemnified for any such increased cost by the MRPL subject to the production of documentary proof to the satisfaction of the MRPL to the extent which directly is attributable to such introduction of new legislation or change or amendment as mentioned above and adjudication by the competent authority & the courts wherever levy of such taxes / duties are disputed by MRPL.

47.2 Similarly, in the event of introduction of new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or State Government(s) or Public Body which becomes effective after the date of submission of Price Bid or revised price bid, if any, for this CONTRACT and which results in any decrease in the cost of the works through reduced liability of taxes, (other than personnel and Corporate taxes) duties, the CONTRACTOR shall pass on the benefits of such reduced cost, taxes or duties to the MRPL, to the extent which is directly attributable to such introduction of new legislation or change or amendment as mentioned above.

47.3 All duties, taxes (except where otherwise expressly provided in the Contract) as may be levied / imposed in consequences of execution of the Works/Services or in relation thereto or in connection therewith as per the Acts, Laws, Rules, Regulations in force on the date of submission of Price Bid or revised price bid, if any, for the this CONTRACT shall be to CONTRACTOR's account. Any increase / decrease in the net amount of such duties, taxes (i.e. the amount of taxes/duties payable minus eligible credit of taxes / duties paid on input services / input) after the date of submission of price bid or revised price bid, if any, but within the contractual completion / mobilization date as stipulated in the CONTRACT will be to the account of MRPL.

47.4 Any increase in net amount of the duties and taxes (i.e. the amount of taxes/duties payable minus eligible credit of taxes / duties paid on input services / inputs) after the contractual completion / mobilization date during the extended period will be to the contractor's account, where delay in completion /mobilization period is attributable to the CONTRACTOR. However, any decrease in net amount of the duties and taxes (i.e. the amount of taxes/duties payable minus eligible credit of taxes / duties paid on input services / inputs) after the contractual completion / mobilization date will be to MRPL's account.

47.5 The Contract Price and other prices given in the Schedule of Prices are based on the applicable tariff as indicated by the CONTRACTOR in the Schedule of Prices. In case this information subsequently proves to be wrong, incorrect or misleading, MRPL will have no liability to reimburse/pay to the CONTRACTOR the excess duties, taxes, fees, if any finally levied / imposed by the concerned authorities. However, in such an event, MRPL will have the right to recover the difference in case the rate of duty/tax finally assessed is on the lower side.

47.6 Notwithstanding the provision contained in clause 46.1 to 46.5 above, the MRPL shall not bear any liability in respect of :

(i) Personal taxes on the personnel deployed by CONTRACTOR, his sub-contractor / sub-sub contractors and Agents etc.

(ii) Corporate taxes and Fringe benefit tax in respect of contractor and all of their sub-contractors, agents etc.

(iii) Other taxes & duties including Customs Duty, Excise Duty and GST in addition to new taxes etc. in respect of sub-contractors, vendors, agents etc. of the CONTRACTOR.

47.7 In order to ascertain the net impact of the revisions / enactment of various provisions of taxes / duties, the CONTRACTOR is liable to provide following disclosure to MRPL

(i) Details of each of the input services used in relation to providing service to MRPL including estimated monthly value of input service and GST amount.

(ii) Details of Inputs (material/consumable) used/required for providing service to MRPL including estimated monthly value of input and excise duty/CVD paid/payable on purchase of inputs.

SECTION - VIII

48 MANPOWER EMPLOYED BY TENDERER :

48.1 The successful tenderer shall deploy adequate staff of the requisite competence that may be required for meeting the scope of services/work called for. It is hereby specifically agreed that the responsibility for the employment of staff and their salary, wages remuneration, etc, shall be the sole responsibility of the successful tenderer and that MRPL shall not be responsible in any manner directly or indirectly for such employment or expenses so incurred by successful tenderer thereof. Successful tenderer shall give a declaration to this effect. The Contractor has to comply with all Labour related laws/rules in force w.r.t Minimum wages Act, Factories Act, Labour ACT and all other such regulations/amendments made from time to time and in force and maintain all documents as required by Law enforcing Authorities and produce the same as and when called for.

48.2 It is understood and agreed that there is no Employer- Employee relationship between MRPL and the Contractor AND /or Contractor's employees in any way whatsoever and the contractor shall be the 'Employer' within the meaning of different Labour legislations in respect of workmen employed by the Contractor. The Contractor has to carry on their business or occupation as Independent Contractors and this point shall be made clear in writing to all persons engaged by the Contractor before engagement of the person(s). The Contractor shall issue an Employment card in Form XIV as per Contract Labour Regulation and Abolition Act 1970 OR Photo Identity card to each Worker.

48.3 The successful tenderer shall ensure that persons are aware of their contribution to product/service conformity, their contribution to product safety and the importance of ethical behavior .

48.4 **Sexual Harassment:** The work place falls in the purview of the Sexual Harassment of women at workplace (prevention, Prohibition and Redressal) act 2013, The Repealing and Amending Act 2016.

49 MEDICAL:

49.1 In case of Annual Contracts exceeding more than one year, the Contractor should get medical examination of the contract workers done every year either in MRPL Hospital or in ESI Hospital and produce the medical certificate in the prescribed format (Form No.16).

50 LABOUR LAWS :

50.1 The Contractor shall obtain necessary licence from the Licensing Authority under the Contract Labour (Regulation & Abolition) Act, 1970 and the Central Rules framed there under and produce the same to the Engineer-in-charge before start of work.

50.2 The Contractor shall not undertake or execute or permit any other agency or sub-contractor to undertake or execute any work on the contractor's behalf through contract labour except under and in accordance with the licence issued in that behalf by the Licensing Officer or other authority

prescribed under the Factories Act or the Contract labour (Regulation & Abolition) Act- 1970 or their applicable law rule or regulation if applicable.

50.3 The provision of EPF & MP Act. 1952 and the Rules/Scheme thereunder shall be applicable to the Contractor and the employees engaged by him for the work. The Contractor shall furnish the code number allotted by the RPFC Authority, to the Engineer-in-Charge before commencing the work.

50.4 The Contractor shall be exclusively responsible for any delay in commencing the work on account of delay in obtaining a license under clause above or in obtaining the code number under Clause above and the same shall not constitute a ground for extension of time for any purpose.

50.5 The Contractor shall enforce the provisions of ESI Act and Scheme framed thereunder with regard to all his employees involved in the performance of the Contract and shall deduct employee's contribution from the wages of each of the employees and shall deposit the same together with employer's contribution of such total wages payable to the employees in the appropriate account.

51 LABOUR RELATIONS :

51.1 In case of labour unrest/labour dispute arising out of non-implementation of any law, the responsibility shall solely lie with the contractor and he shall remove/resolve the same satisfactorily at his cost and risk.

51.2 The Contractor shall deploy only duly qualified and competent personnel for carrying out the various jobs as assigned by the Engineer-in-Charge from time to time. The workmen deployment by the contractor should also possess the necessary licence etc., if required under any law, rules and regulations.

51.3 The Contractor shall ensure that local labour, skilled and/or unskilled, to the extent available shall be employed in this work. Special preference shall be given to persons and/or dependents of persons whose land has been acquired for the project work. In case of non-availability of suitable labour in any category out of the above persons, labour from outside may employed.

51.4 The Contractor shall not recruit personnel of any category from among those who are already employed by the other agencies working at site but shall make maximum use of local labour available.

51.5 **Payment to contract workmen:** In case of manpower based Contracts, Contractor shall be responsible to make payment to his workers/ employees in respect of their salaries/ wages through bank cheques/ crediting to bank A/c; the consent of the labour should be obtained before crediting wages to the bank account, the contractor shall pay wages to all his employees on or before 7th of the following month under the supervision of authorised MRPL personnel and a copy of proof of payments to be submitted to MRPL; MRPL may demand such payment of wages under supervision of MRPL, if found necessary. The rates of wages shall be in conformity to the minimum wages act.

52 CONTRACTOR'S LABOURERS TO LEAVE SITE ON COMPLETION OF THE WORK :

52.1 The Contractor's labourers must leave the location of the project site/township after the work is tapered/ completed to avoid creation of a Slum in the areas adjoining the project/township.

53 TEMPORARY WORKS :

53.1 All Temporary and ancillary works including enabling works connected with the work shall be responsibility of the Contractor and the price quoted by them for erection shall be deemed to have included the cost of such works, which shall be removed by the Contractor at his cost, immediately after completion of his work.

54 PROVIDENT FUND :

54.1 The Contractor should strictly comply with the provision of the Employees Provident Fund Act.

a) Obtained licence under Contract Labour (Abolition and Regulation)Act 1970

b) P.F. Registration Number allotted to them by RPFC.

c) The agencies should promptly deposit P.F. deduction of the eligible contract employees plus the employers contribution to the RPF. For this purpose agency must submit a certificate in their Bill that PF amount has been deducted from the eligible employees and along with the employers contribution has been deposited with RPFC. In support of this the agency must furnish the challan / receipt for the payment made to RPFC for the earlier months

54.2 If the certificate and the challan / receipt are not furnished, the Finance & Accounts Dept. of Owner reserve the right to deduct 16% of the Running Account bill amount in case of Man power based contract and 5% of the Running Account bill amount in case of Composite / LSTK Orders. Deducted amount will be refunded to the contractor only on submission of Challan / receipt.

55 OBSERVATION OF FORMALITIES RELATING TO PF, ESI, REGISTRATIONS :

55.1 It should be confirmed by the successful tenderer that his/their organisation is already registered with the Provident Fund Commissioner and the details may please he furnished to us for MRPL'S records and the reference. MRPL will reserve its right to inspect the records pertaining to Provident Fund rules (Annexure V).

55.2 **PF / ESI Code:** The Tenderer shall indicate his / their PF Code / ESI Number in their tender.

55.3 **Income Tax:** The Tenderer shall in all cases indicate his income tax Permanent Account Number.(PAN). Income Tax Permanent Account Number will be required as precondition of release of payment.

Note: The bidder will have to bear all Income Tax Liabilities both corporate & personal tax. Income Tax along with surcharge of Income Tax as applicable at the prevailing rate on the gross amount billed shall be deducted from the Contractor's bill as per applicable laws.

56 INSURANCE :

56.1 Owner shall at its own cost and expense take out from a suitable insurance company and maintain the following insurances, which shall be

Erection All risks Insurance (EAR) or Contractor's All Risks Insurance (CAR)

The OWNER at his own cost has taken an “all risk” type insurance policy. These policies apply only to insurance risks at site and to no other location. The CONTRACTOR shall be solely liable in the event of his and/or SUBCONTRACTOR’s having caused any loss or damage of any nature arising out of or in connection with the execution of the WORK not covered under those policies and shall indemnify the OWNER and /or his representative in respect of any claim in respect of any such loss or damage. The CONTRACTOR shall make himself fully familiar with the terms of the said policies and take such additional insurance as he may deem necessary at his own cost.

57 CONTRACTOR FURNISHED INSURANCE: As applicable to the Service

57.1 Insurance Cover for Workmen:

The contractor shall obtain adequate Insurance Policy in respect of his workmen to be engaged for the work compulsorily towards compensations as admissible under the Workmen’s Compensation Act 1923, and Rules framed there under upon death/disablement of a worker and the same has to be produced to the concerned in charge of Administration Section before start of the work.

All workers whose salary is more than **Rs 21,000**/- per month (Prevailing rate as per the act) need not to be covered by ESI. However, contractor to take insurance policy to cover the risk towards temporary disablement and permanent disablement for the workmen.

57.2 CONTRACTOR shall at his cost and expense take out from a suitable insurance company acceptable to owner and maintain for the entire period until ACCEPTANCE OF WORKS or until such time thereafter as the CONTRACTOR may consider appropriate the following insurances.

(1) Workmen's Compensation Insurance (WCI)

This insurance shall confirm to and satisfy all the requirements of the applicable laws and regulations of the country, state territory or province having jurisdiction over the CONTRACTOR 's employees engaged in the WORKS.

(2) Employer's Liability Insurance (ELI)

The insurance shall cover the liability of the CONTRACTOR as employer, for compensation beyond the coverage of the Workmen's Compensation Insurance for bodily injury to or loss of life the CONTRACTOR's employees while engaged in the WORKS.

(3) Third Party Liability Insurance (TPL)

This insurance shall cover legal liability for bodily injury to loss of life of and/or damage to and loss of properties of the third person party arising out of the performance by the CONTRACTOR of the works.

(4) Automobile Liability Insurance (ALI)

This insurance shall cover all the CONTRACTOR's liabilities in connection with use by the CONTRACTOR for the WORKS of any mobile equipment and automobile and when used which are owned, non-owned hired and otherwise placed under the CONTRACTOR's administration and control, for bodily injury to loss of life of and/or property damage of any person or party.

(5) Movable All Risks Insurance (MRI)

This insurance shall cover the damage to and/or loss of the CONSTRUCTION EQUIPMENT including watercraft and aircraft and further including the CONTRACTOR's TEMPORARY WORKS, owned, non-owned, hired or otherwise placed under the CONTRACTOR's administration and control with the full replacement value coverage for each and every occurrence.

(6) Other Insurance

Other insurance which shall be necessary or which the CONTRACTOR deems necessary for proper performance of the WORKS e.g.

- Overseas (and/or Domestic) Travellers' accident Insurance.
- Burglary Insurance
- All Risks marine cargo Insurance for the CONTRACTOR's CONSTRUCTION EQUIPMENT, tools and machinery, and for equipment and materials that the CONTRACTOR's TEMPORARY WORKS and that the CONTRACTOR under the CONTRACT may supply for the WORKS and/or the PERMANENT WORK and
- Fidelity Guarantee Insurance

The CONTRACTOR agree that the provisions of this Clause shall to the extent as appropriate, be apply all the contracts that may for the WORKS be entered into by and between the CONTRACTOR and the respective SUBCONTRACTORs and unless the CONTRACTOR furnished insurance called for by the CONTRACT are good also for the SUBCONTRACTORs their properties and/or their liabilities in connection with the WORKS the CONTRACTOR shall include in such contracts as aforementioned the requirements for insurance conforming to this clause.

Inclusion of such insurance requirements in such contracts as aforementioned however, shall not release the CONTRACTOR from any of his responsibilities and liabilities under the CONTRACT.

58 VERIFICATION OF CHARACTER AND ANTECEDENTS OF CONTRACTUAL MANPOWER:

In all contracts involving deployment of contractor's manpower within MRPL premises like Plants and Offices etc. the contractor shall submit the following documents to MRPL prior to start of work:

58.1 Undertaking from the contractor that they have scrutinised the previous work history of the person(s) proposed to be deployed by them and character and antecedents of person(s) proposed to be deployed by them is / are impeccable.

58.2 Along with the above mentioned undertakings, the contractor will provide certified photocopies of police verification certificate for inspection by the authorised representatives of MRPL. The contractor has to obtain Police Verification Report from the area where the person(s) to be deployed has / have been residing since the last five years. In case the person concerned has not resided at a place for five years at a stretch, Police verification reports should be obtained from that area where the person(s) has / have stayed earlier.

58.3 The contractor shall ensure at the time of submitting their final bills to the EIC, that it is accompanied by a NOC from Security Dept., MRPL, for having surrendered all Photo passes and Bio-Metric cards issued by MRPL. If any Pass and Bio-Metric Cards are not surrendered even after the completion of job / contract, the contractors are liable to pay a fine of Rs.200/- for every un-surrendered pass and Rs. 100/- for every Bio-Metric card (These fine amounts are subject to revision by Security Dept., MRPL, from time to time.

59 **BROAD GUIDELINES FOR EFFECTIVE IMPLEMENTION OF CONTRACT MANAGEMENT SYSTEM AND MEETING OF STATUTORY REQUIREMENTS IN ENGAGEMENT OF SECONDARY WORK FORCE:**

A. Whenever a work order is issued following documents are required to be submitted to HR Department by Contractor duly signed by Engineer In Charge:

I) Where Labour engaged by the Contractors is less than 19:

1. Copy of the Valid Work Order / LOA Copy.
2. Work Commencement letter by the Contractor in Form 6A / Notice of Commencement
3. Register of Workmen in Form No. XIII
4. Copy of the PF code allotted by the Competent Authority.
5. Copy of the ESI code allotted by the Competent Authority.
6. Workmen's compensation policy.
7. Age proof, Aadhar card number and Bank Account details of the worker.

II) Where Labour engaged by the Contractors is more than 19:

1. Copy of the Valid Work Order / LOA Copy.
2. Work Commencement letter by the Contractor in Form 6A / Notice of Commencement
3. Register of Workmen in Form No. XIII
4. Copy of the PF code allotted by the Competent Authority.
5. Copy of the ESI code allotted by the Competent Authority.
6. Request letter from the contractor for issuance of Form No.V for apply labour license through EIC.
7. Submission of Form No. IV for proof of applying labour license attested by the ALC.
8. **Interstate migrant license** copy if labour engaged more than five from other states.
9. Workmen's compensation policy.
10. Age proof, Aadhar card number and Bank Account details of the worker.

III) Documents required on monthly basis duly certified by Engineer In charge:

1. Wage register duly certified by the Engineer Incharge
2. Attendance Register duly certified by the Engineer Incharge
3. Payment of wages should be disbursed within 7 days from the close of wages period.
4. ESI / PF Challans receipt along with PF-ECR Copy & Monthly contribution details for payment to Statutory Authorities in respect of the wages paid for the previous month with covering letter.
5. Bank statement for wages paid
6. Insurance copy for those who are not covered under ESI Act.
7. Form No. 5 & 10 and Male and Female data for each month.

B. Documents required on annual basis for release of bank Guarantee / security deposit duly certified by the Engineer Incharge.

1. Work Completion letter by the Contractor in Form 6A/ Notice of completion.
2. Annual medical check-up data.
3. Payment of bonus at the rate of 8.33% of minimum wages to be paid monthly.

4. Payment of leave with wages @ 1 days for the every 20 days worked by workers.
5. Payment of gratuity if applicable (on completion of 5 years of continuous service).
6. NOC from Security Dept. On Surrendering of punch card and entry pass issued by MRPL.
7. Register of over time. Form no. XXIII.
8. Wage slip in form no. XIX.
9. Register of damages or loss form no XX.
10. Register of fine. Form no. XXI.
11. Register of advance. Form no. XXII
12. Employment card XIV.
13. Indemnity bond.
14. Half yearly / Yearly labour return in form XXIV(sec rule 82(1) to the licensing officer under contract labour returns.
15. Half yearly return in form 5A (regulation 26) on ESI contribution.

C. PROCEDURE ADOPTED BY HR IN DEALING WITH CONTRACTORS

- Contractor shall submit the documents as specified above with a cover note signed through EIC to HR department.
- On submission of compliance report / recommendations from EIC, HR will give clearance to Finance for release of payment.
- Any deviation from the above procedure and non-production of required documents will result in delay in issuance of gate pass and payment of monthly bill, final bill and release of retention money / Security Deposit / Bank Guarantee, etc.
- Contractor should also give an indemnity bond to MRPL absolving MRPL of all statutory, Non-statutory clearance by their employees, sub-contractors and supplies.

60.0 DETAILS OF MINIMUM PAYMENT TO WORKFORCE EMPLOYED BY CONTRACTOR

The contractor shall pay Minimum as per the following table to the workforce deployed by him under various categories (Unskilled / Semiskilled / Skilled / Highly Skilled) as applicable;

Sl no	***Description***	**Payment basis**			
1	Basic Wages per day	As per Minimum wages act issued from time to time by ALC			
2	PF/Admin charges	13 % of Basic Wages & MRPL Special Allowance			
3	ESI	3.25 % of Basic Wages, MRPL Special Allowance & Shift allowance (if applicable).			
4	Leave Wages	5 % of Basic Wages (As per ALC)			
5	Bonus	At the rate of 8.33 % of minimum wages to be paid monthly or Rs 7000 /- per annum whichever is higher.			
6	Holiday wages	10 days per year			
7	MRPL Special Allowance per day	Unskilled(in Rs)	Semi Skilled (in Rs)	Skilled (in Rs)	Highly skilled (in Rs)
		34	50	70	90

Note: Please refer details of the Minimum wages as mentioned in the SCC/Scope of Work (as applicable).

The following to be complied:

a. Shift allowance (if applicable) – Shift allowance @ Rs 25 /- per shift to be provided to Secondary work force coming in rotational shift (i.e., morning, evening and night shifts) working in plant area.
b. Annual Medical Check-up for Workforce to be complied by the contractor.
c. PF/ESI remittance to be ensured on MRPL Special Allowance.
d. Rates of MRPL special allowance shall be Rs 34, Rs 50, Rs 70 & Rs 90 for Unskilled, Semi-Skilled, Skilled & Highly Skilled Category respectively.
e. Gratuity to be paid as per the statutory norms based on the government directives.
f. Number of closed Holidays shall be 10 days per year.

g. Extended working hours shall be compensated suitably as per statutory provisions.
h. Group term life Insurance cover to be taken having a risk coverage 24 X 7 death coverage(Natural /Accidental death) with a sum assured of Rs.10,00,000/-(Rs.Ten lacs only).
i. Statutory provisions if in contradiction will prevail over any Special conditions of the Contract.
j. Transportation facility in respect of Secondary Workforce for internal transport from entry gate to place of work; existing circular vehicles to be utilised.
k. For ensuring compliance to the above, suitable number of welfare officers to be placed by contractors with respect to all statutory provisions.
l. Uniform/ Boiler suit-2 sets per year, Helmet, Shoes, Raincoat to be provided to the workforce and proof to be submitted.
m. If any women contractual staff is not covered under ESIC (Gross Monthly Salary is above Rs. 21000/-) then she should be covered under Maternity Benefit Act, 1961. As per the maternity benefit Act, 1961 under section 3 sub section (n), “wages” means all remuneration paid or payable in cash to a woman, if the terms of the contract of employment, express or implied, Accordingly, women who is on Maternity leave should get Basic + MSA and PF for 6 months.

SECTION - IX

61 STATUTORY REQUIREMENTS/ SAFETY RELATED ASPECTS :

(Please refer Safety Policy).

a) This shall be read in conjunction with the MRPL General Conditions of Contract, Special Safety Precautions to be taken by the Contractors working in Operating Refinery, Specification of Work, Drawing or any other document forming part of this contract wherever the context so requires.

b) Contractor shall be responsible for the safety and health of all his employees.

c) All Liabilities under IE rules 1956/labour laws, insurance on account of this contract for personnel/labour shall be done by the contractor. Engineer In-charge in co-ordination with P&A dept will be ensuring that all these statutory requirements pertaining to labour and safety is complied by the Contractor during the execution of the said contract. Workmen employed by the contractor are required to comply with/maintain the following under contract labour (regulation and abolition) act and also make it available for the inspection by GM (P &A).

- Workmen register
- Attendance register
- Wage register (payment to be made strictly as per minimum wages act)
- Work commencement certificate from labour commissioner and labour license if required
- Insurance cover towards temporary disablement and permanent disablement for the workmen
- PF Contribution -As per PF act the contractor has to obtain separate code for the PF of their employee from the PF commissioner/MRPL. Details of payment of PF for the wages disbursed by the contractor to the workmen shall be submitted to GM (P & A) periodically.

d) The contractor should give an Undertaking that he has gone through all terms and conditions of MRPL General Conditions of Contract and all terms and conditions are agreeable to them.

e) Contractor shall ensure strictly all Safety Precautions to be taken in an Operating Refinery. Special safety precautions to be taken by the contractors working in operating refinery is to be taken from Engineer In-charge.

f) Contractor shall ensure that all workmen entering refinery premises are provided with valid photo gate passes and to be produced on demand by each workman.

g) The Contractor shall submit the Bio-data of all the employees including the Supervisor to the Engineer-in-charge before taking up the job. Only those employees whose Bio-data are approved shall be allowed to work inside the Refinery Complex. The personnel engaged by the Contractor shall maintain good conduct and discipline commensurate with Industrial standard. If in the opinion of the Engineer-in-charge any of the personnel have not maintained good conduct and discipline, the Contractor shall remove such personnel immediately from MRPL premises and provide alternate personnel.

h) The Contractor shall make his own transport arrangements/stay and food for their personnel during normal duties as well as extended duties and no company transport shall be provided to the Contractor.

i) The Contractor shall make himself fully conversant with the locations and the type of job to be carried out.

j) House keeping of the workplace shall be done strictly by the Contractor on daily basis or as required by the Engineer-in-charge. Contractor to collect all debris/ scrap and dump at designated Scrap Yard within the Refinery.

k) The Contractor shall prepare plan for executions of jobs and get the same approved by the Engineer-in-charge. The Contractor shall submit progress report at specified intervals and shall be responsible to ensure the specified progress.

l) The Contractor shall ensure that day's work planned by MRPL Engineer-in-charge is completed on the same day. In case of backlog, the Contractor to increase the manpower or equipment resources to ensure timely completion of the job.

m) The Contractor shall ensure good workman-ship in all the jobs carried out. Any defects found in the completed jobs shall be rectified by the Contractor free of charge to the satisfaction of the Engineer-in-charge.

n) If at any stage of the work, the progress of the Job is found unsatisfactory, MRPL reserves the right to carry out the remaining portion of the Job by hiring the services of the other agencies and charge the cost of such services to Contractor's account. In case of any disputes MRPL's decision will be final & binding.

o) The work to be carried out in a manner so as not to cause damage to the surroundings. Damage if caused during carrying out the Job has to be made good by the Contractor at no extra cost to MRPL.

p) No Extra Bill or Claim for extra work or supply of material will be entertained unless undertaking of such extra work/supply of material has been authorised by MRPL in writing.

q) MRPL reserves the right to terminate the Contract without assigning any reason at any time during the validity of the Contract period.

r) Bills shall be submitted to Accounts Dept. on any working day duly certified by the Engineer-in-charge after completion of work.

s) MRPL reserves the right to award the job in full or in any combination of the items as felt convenient.

SECTION - X

62. GENERAL GUIDELINES TO SUPPLIERS (AS APPLICABLE) FOR ENVIRONMENT AND ENERGY COMPATIBILITY

MRPL is an organization which is certified to ISO 14001 Environment Management System and ISO 50001 Energy Management System and looks forward to its service providers to help them maintain the system that is designed for this purpose.

All suppliers are to ensure compliance to the following while they are providing Materials to MRPL or providing services within the premises of MRPL .

a) Ensure that the products supplied are Eco friendly (easily disposable as bio-degradable waste and the end of life or with a buy back condition), when not covered by PO specification.

b) Products supplied should be non-polluting when in operation/service.

c) Items supplied are to be energy efficient i.e. "Star rated".

d) Ensure that the packing and Packaging material used are disposal as bio-degradable waste or with buy back condition.

e) Material Safety Data Sheets contain environment /energy related data /information on energy efficiency usage, storage, spillage and easy disposal.

f) Specify action to be taken for spillages, if any to prevent contamination of air, land and water.

g) Ensure that there is no threat to environment during transportation to and returns from MRPL, during delivery / while supplying materials.

h) Material supplied should not lead to damage or harm to vegetation and greenery while usage and disposal.

i) Supplier shall comply with all applicable regulations regarding the supplied Goods including all materials used and shall provide all information necessary by such regulation and/or requested by MRPL

j) Supplier shall be responsible, where physically possible, to take the Goods back for the purpose of recycling them within the scope of the statutory requirements or to dispose them in an environmentally-friendly manner.
k) Suppliers are to take action and comply with requirements when failures are intimated by MRPL and repeated failures /failure to act may lead to termination of contracts.
l) Ensure that the noise and pollution levels of vehicles and equipment when used to deliver goods are as per regulatory norms and are subject to verification.

63. GENERAL GUIDELINES TO SERVICE PROVIDERS (AS APPLICABLE) FOR ENVIRONMENT AND ENERGY COMPATIBILITY

MRPL is an organization which is certified to ISO 14001 Environment Management System and ISO 50001 Energy Management System and looks forward to its service providers to help them maintain the system that is designed for this purpose.
All service providers are to ensure compliance to the following while they are providing Materials to MRPL or providing services within the premises of MRPL.

a) Ensure that the products used while providing service are Eco friendly (easily disposable as bio-degradable waste and the end of life or with a buy back condition), when not covered by PO specification
b) Activities of the service provider should be non-polluting either by design or through control.
c) Equipment's brought for providing service are energy efficient i.e. star rated
d) Ensure that the packing and Packaging material brought are disposal as bio-degradable waste or with buy back condition.
e) Material Safety Data Sheets are available for material brought for providing service and contain environment /energy related data / information on energy efficiency usage, storage, spillage and easy disposal.
f) Follow action specified by MRPL to be taken for spillages, if any to prevent contamination of air, land and water.
g) Ensure that there are no threats to environment during transportation of material to and returns from MRPL to be used for providing service to MRPL.
h) Material brought for usage and disposed at MRPL, should not lead to damage or harm to vegetation and greenery.
i) Supplier shall comply with all applicable regulations regarding the materials used and shall provide all information necessary by such regulation and/or requested by MRPL
j) Supplier shall be responsible, where physically possible; to take the Goods back for the purpose of recycling them within the scope of the statutory requirements or to dispose them in an environmentally-friendly manner, when covered by contract.
k) Suppliers are to take action and comply with requirements when failures are intimated by MRPL and repeated failures /failure to act may lead to termination of contracts.
l) Ensure that the noise and pollution levels of vehicles and equipment used for providing service within MRPL are as per regulatory norms and are subject to verification
m) Segregate waste generated when providing service as per the scope of work as per MRPL norms i.e. Metal, Bio-degradable, Non-biodegradable, Solid waste and Hazardous waste,.
n) Dispose waste generated as per MRPL norms in the appropriate waste bins provided.
o) Prevent / minimize /control /contain pollution by control on emission of gases, spillages when providing service as per the scope of work
p) Supplier shall be responsible, where physically possible, to take its Goods back for the purpose of recycling them within the scope of the statutory duties or to dispose of them in an environmentally-friendly manner.
q) Follow safety precautions as per MRPL norms, when providing service as per the scope of work.
r) Prevent wastage, excessive consumption and misuse of Electricity, steam and water.

SECTION – XI (MSEs & STARTUP COMPANIES)

64.0 CONDITIONS FOR MICRO AND SMALL ENTERPRISES (MSEs)

1. As per Public Procurement policy (PPP) for Micro & Small Enterprises (MSEs) Order, 2012 issued vide Gazette Notification dated 23.03.2012 by Ministry of Micro, Small and Medium Enterprises of Govt. of India, MSEs must be registered with any of the following in order to avail the benefits / preference available vide Public Procurement Policy MSEs Order, 2012.

a) District Industries Centers (DIC)
b) Khadi and Village Industries Commission (KVIC)
c) Khadi and Village Industries Board
d) Coir Board
e) National Small Industries Corporation (NSIC)
f) Directorate of Handicraft and Handloom
g) Any other body specified by Ministry of MSME (MoMSME)
h) Udyog Aadhaar Acknowledgment / Udyog Aadhaar Memorandum issued by MoMSME.
i) Udyam Registration Portal

MSEs participating in the tenders must submit valid & authorized copy of certificate of registration with any one of the above agencies. In case of bidders submitting DIC registration certificate, he shall attach original notarized copy of the DIC certificate.

2. The MSEs registered with above mentioned agencies /bodies are exempted from payment of Earnest Money Deposit (EMD).

3. The definition for Micro & Small Enterprise shall be as per the guidelines issued by Ministry of MSME vide Gazette notification no. 1702(E) dated 01.06.2020 and 2119(E) dated 26.06.2020 which came into effect from 01.07.2020.

4. To be classified as Micro or Small Enterprises as per new definition, The companies need to register themselves on "Udyam Registration Portal" on or after 01.07.2020. This provision is for new establishments as well as for existing MSE companies registered with NSIC, UAM etc.

5. The existing MSE companies registered prior to 30.06.2020 shall continue to be valid only for a period up to 31.12.2021.

6. Bidder shall be Manufacturer for supply items
As per the MoMSME, the benefits of the PP Policy extended only to manufacturers registered under this and are not applicable to traders/ dealers/resellers/ distributors/authorized agents etc. Accordingly, the eligible MSE bidders shall be registered for the item tendered.
Bidder shall submit proof that he is a manufacturer of the item for which he is quoting and he shall highlight the details of his manufacturing status in the MSE certificate against the item he is proposing to bid in the tender. However, in cases where installation / commissioning and related activities along with Purchase of item(s)is/are involved and the bidder has relevant MSE certification, then he shall be eligible for claiming benefits of the PP Policy.

7. The registration certificate issued must be valid as on Bid closing date of the tender. Bidder shall ensure validity of registration certificate in case bid closing date is extended.

8. The MSEs who have applied for registration or renewal of registration with any of the above agencies/bodies, but have not obtained the valid certificate as on close date of the tender, are not eligible to avail benefits under PP Policy. Where validity of such certificates such as NSIC certificate has lapsed, it shall be the responsibility of the bidder to seek renewal from the concerned Govt agency before such expiry. Documentary evidence seeking extension before the lapse of validity of such certificate and an authorization letter from the Govt. agency having received application for renewal shall be submitted before the bid closing date.

9. MRPL being a critical refinery installation, vital to public safety and maintaining essential supplies to the society and other customers including Govt agencies, reserves right to grant relaxation in tender

conditions under the Public Procurement Policy on procurement of goods and services from Micro and Small Enterprises (MSEs) order 2012/other Government guidelines as applicable from time to time.

10. Purchase Preference:

a) Items which are reserved for exclusive purchase from Micro and Small Enterprises shall be procured from Micro and Small Enterprises as per Public Procurement Policy.

b) Subject to meeting terms and conditions stated in the tender document, **twenty five** percent of the total quantity of the tender is earmarked for MSEs registered with above mentioned agencies/bodies for the tendered item/services.

c) In case MSE bidder is L1 entire value of the tender is to be ordered on the L1 MSE bidder.

d) In tender, participating Micro and Small Enterprises quoting price within price band of L1 + 15% shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise and such Micro and Small Enterprise shall be allowed to supply **upto 25 percent** of the total tendered value (where the tender quantity can be split).

e) In case of more than one such MSEs are in the price band of L1 + 15% and matches the L1 price, the supply may be shared proportionately if the job can be split.

f) In case the tendered quantity cannot be split, MSE shall be allowed to supply total tendered quantity provided their quoted price is within a price band of L1 + 15 percent and they match the L1 price.

g) If the quantity cannot be split and there are more than one eligible MSE bidders (price band within L1+15%) then the opportunity to match the L1 rate of the tender shall be given first to MSE (who have quoted lowest rate among the MSEs within the price band of L1+15%) and the total quantity shall be awarded to him after matching the L1 price of the tender.

h) If the MSE who have quoted lowest rate among the MSEs in the price band of L1 + 15% do not agree to match the rate of L1 of the tender, then the next ranked MSE bidder who has quoted within the price band of L1 + 15% in order shall be given chance to match the rate of L1 for award of the quantity/order.

i) For more clarity in this regard, following table is furnished;

Type of Tender	Price quoted by MSE	Finalization of tender
Can be Split	L1	Full order on MSE
Can be Split	Not L1 but within L1+15%	**25%** order on MSE subject to matching L1 price
Cannot be Split	L1	Full Order on MSE
Cannot be Split	Not L1 but within L1+15%	Full Order on MSE subject to matching L1 price

j) In case where tender quantity can be split and MSE vendor is already getting order for more than 25% of the tendered quantity/ value, no additional purchase preference is required to be given in the tender.

k) In case MSE vendor is getting order less than 25% of the tendered quantity / value, purchase preference to this and other MSE vendors (together) shall be given only up to the differential quantity to make total as 25% to MSE vendor.

l) The purchase preference to MSE is not applicable for works contracts where supply of goods not produced by MSEs is also involved.

11. The above mentioned procurement from micro and small enterprises includes procurement from micro and small enterprises owned by Scheduled Caste & Scheduled Tribe entrepreneurs and owned by Women Entrepreneurs. In the event of failure of such MSEs to participate in the tender process or meet the tender requirements and L1 price sub-target so earmarked shall be met from other MSEs.

12. To qualify for entitlement as SC/ST owned MSE, the SC/ST certificate issued by District Authority in addition to certificate of registration with any one of the agencies mentioned in paragraph (I) above. Alternatively, the bidder shall be responsible to furnish necessary documentary evidence for enabling MRPL to ascertain that the MSE is owned by SC/ST entrepreneurs. MSE owned by SC/ST is defined as:

a) In case of proprietary MSE, proprietor(s) shall be SC/ST
b) In case of partnership MSE, The SC/ST partners shall be holding at least 51% shares in the enterprise.
c) In case of Private Limited Companies, at least 51% share shall be held by SC/ST promoters.

13. The MSEs owned by Women shall mean:-

a) In case of proprietary MSE, proprietor(s) shall be Women.
b) In case of partnership MSE, The Women partners shall be holding at least 51% shares in the enterprise.
c) In case of Private Limited Companies, at least 51% share shall be held by Women promoters.

14. If the bidder does not provide appropriate document or any evidence to substantiate the above, then it will be presumed that he does not qualify for any preference admissible under the Public Procurement Policy, 2012.

15. **TReDS:** TReDS is an electronic institutional mechanism for facilitating the financing of trade receivables of MSMEs through multiple financiers. MRPL is already registered on the following TReDS platform:

a) M/s Receivable Exchange of India (RXIL), Mumbai,
b) M/s Mynd Solutions Private Limited (Mynd), New Delhi
c) M/s A TREDS (Invoicemart), Mumbai

MSE vendors are required to register on the TReDS platform. The MSME vendors can avail the TReDS facility, if they want to.

65.0 CONDITIONS FOR START-UP COMPANIES

1. Subject to meeting of Quality and Technical specifications, MRPL may consider allowing the participation of all “Start-up’’ companies (and not limited to manufacturing sector), who are capable of executing the order as per technical specifications/ perform the job as per scope of work specified in the tender and subject to meeting extant & relevant guidelines of Government of India. This should be confirmed and substantiated in the technical bid. The startup bidder shall be required to submit an undertaking along with the bid stating that they will comply with all quality requirement and technical specifications of the tender during execution.

2. To establish the quality and technical specification of the tendered items Technical Capability, following criteria to be ensured as applicable;

a) The bidder who intends to participate as “Start-up” company should enclose the `Certificate of Recognition issued by Department of Industrial Policy and Promotion(DIPP), Ministry of Commerce & Industry, Govt. of India during submission of Technical bid.
b) Nature of Business mentioned in application made to get Start-up accreditation. Nature of Business should be related to tender item.
c) A detailed Business Plan covering complete implementation of work with following points needs to be submitted as applicable;

- Methodology to execute tendered work
- Resource allocation & planning
- CV/Qualification of Key executives
- Working Capital & Finance Management
- Safety, Security & statutory aspect
- Any other important points which would be helpful to prove quality & technical capability.

d) Certificate of Incorporation.
e) Audited Balance sheet (P&L statement) of all the financial year since incorporation.

f) The Start-up companies, recognized by DIPP are exempted from payment of EMDs

g) Prequalification Criteria with respect to Prior Turnover and Prior Experience may be relaxed for Start-ups as per the GOI guidelines.

h) However, there may be circumstances like procurement of items/services related to public safety, health, critical security operations and equipment, etc wherein MRPL reserves the right to not consider relaxation of Prior Turnover and Prior Experience for Start-up Companies as per GOI guidelines.

i) Start-up Companies who are also registered as MSEs and wish to avail the benefits as applicable to MSE, shall submit relevant documents covered under Conditions for Micro and Small Enterprises elsewhere in this tender.

j) Based upon above documents / details, if MRPL is not convinced on meeting quality and technical capability of the bidder on the tendered items is able to execute the subject tender, the bid may be rejected without any further notice / communication to the bidder.

Bid Evaluation in case of tie:

- In case of tie at the lowest bid (L1) position between two or more startup/non-startup bidders, the order will be placed on the bidder who has higher/highest turnover in last audited financial year.
- In case there is tie at the lowest bid (L1) position between only startup bidders and none of them has past turnover, the order will be placed on the startup who is registered earlier with Department of Industrial Promotion and Policy.

66.0 POLICY TO PROVIDE PURCHASE PREFERENCE (LINKED WITH LOCAL CONTENT) (PP-LC)

MAKE IN INDIA) (PP-LC MII) PLEASE REFER REVISED PP-LC ORDER BY MOPNG ATTACHED WITH TENDER DOCUMENTS AS ANNEXURE-1.

MOP&NG has notified the purchase preference(linked with local content)-PP-LC for the Procurement of goods and services under Oil & Gas Projects in India. Under this Policy, the bidders are allowed to avail the purchase preference linked with attaining the stipulated Local content.

MRPL reserves the right to allow Manufacturers or Suppliers or Service providers, purchase preference as admissible under the prevailing policy, subject to their complying with the requirements/conditions defined herewith and submitting documents required to support the same. In order to avail the Purchase preference under this policy, bidder shall achieve minimum Local Content (LC) for enquiries floated year-wise (Date of Notice inviting tender) as per table given below.

Table of Local Content-Enclosure-1

Notes

1. Above policy is not applicable for Domestically Manufactured Electronic Products (DMEP) and MSME as there being specific policies for products/services
2. The prescribed local content in above table shall be applicable on the date of Notice Inviting Tender.

A) Margin of Purchase Preference

The manufacturers/service providers having the capability of meeting/ exceeding the local content targets given above shall be eligible for 10% purchase preference under the policy. i.e where the quoted price of eligible LC manufacturers/LC service providers is within 10% of the lowest price, purchase preference may be granted at the lowest valid price bid.

B) <u>Procedure for availing benefits under Purchase Preference (Make in India Policy)</u>

The option in case of MSE bidders qualifying under both Policies, namely, Purchase Preference under the Public Procurement Policy – 2012 (PPP-2012) for MSE bidders and Purchase Preference Linked with Local Content (PP-LC 2017) shall be exercised as under:

i. The MSE bidder can avail only one out of the two applicable purchase preference policies, i.e., PP-LC 2017 for PPP-2012 and therefore, bidder will be required to furnish the option under which he desires to avail purchase preference. This option must be declared within the offer and in case bidder fails to do so although he is eligible for both the Policies, MRPL shall evaluate his offer considering PPP- 2012 as the default chosen option.
ii. In case a MSE bidder opts for preference under PPP-2012, he shall not be eligible to claim benefit under PP-LC 2017 (irrespective of the fact whether he furnishes the details of LC in his offer and this LC meets the stipulated LC criteria).
iii. In case a MSE bidder opts for purchase preference based on PP-LC 2017, he shall not be entitled to claim benefit of purchase preference benefit as applicable for MSE bidders under PPP-2012. However the exemptions from furnishing Bid security (EMD) shall continue to be available to such a bidder.
iv. In view of the above
   a) The bidder's quoted prices against various items of enquiry shall remain valid even in case of splitting of quantities of the items, except in case of items where the quantity cannot be split since these are to be awarded in a Lot or as a package or Group.
   b) While evaluating the bids, for price matching opportunities and distribution of quantities among bidders, the order of precedence shall be as under:
      - MSE bidder (PPP-2012)
      - PP-LC complied bidder (PP-LC)

In case the bidder has not declared his status as to whether he is an MSE Bidder or PP-LC Bidder during bid submission, then he will be considered as non PP-LC compliant bidder and evaluated accordingly. No further correspondence will be made in this regard.

Examples of Purchase Preference:

Non divisible item

L1 bidder is non MSE, non PP-LC bidder
L2 bidder is PP-LC (**within 10%)**
L3 bidder is MSE bidder (**within 15%)**
MSE bidder shall be given preference to match the L1 price. If L3 bidder matches the L1 price, Order shall be placed on him, otherwise, option for matching the L1 price shall be given to L2 bidder (PP-LC).

Divisible item

L1 bidder is non MSE, non PL-LC bidder
L2 bidder is PP-LC (within 10%)
L3 bidder is MSE bidder (within 15%)
MSE bidder shall be given preference to match the L1 price. If bidder matches the L1 price, order shall be placed on him for the quantity specified in the bidding document. For the balance quantity (i.e. 50% of tendered quantity/value) option for matching the L1 price shall be given to L2 bidder (PP-LC). Balance quantity shall be awarded to natural lowest bidder.

For further clarification, in case an item has quantity 4 nos. then 1 no. can be given to MSE bidder, 2 to PP-LC bidder and left out 01 no. to natural L1 bidder.

Note:
The above two examples are not applicable to the Works Contracts since the Purchase Preference under PPP-2012 is not applicable to works contracts.

- In case lowest bidder is a MSE bidder, the entire work shall be awarded to him without resorting to purchase preference to bidders complying with Local Content.
- In case lowest bidder is a PP-LC bidder, purchase preference shall be resorted to MSE bidder as per provisions specified in the enquiry document w.r.t. PPP-2012 only.

The PP-LC Policy shall be implemented in the following manner

Quantum of purchase preference for bidders qualifying under local content (for LC Bidder) meeting minimum local content, subject to accepting L1 Price and tender applicability criteria, referred to as eligible LC bidder as explained under previous sections are stated below.

A. For goods
   1) If L-1 is LC bidder, entire quantity will be awarded to such LC bidder
   2) If L-1 is non-LC bidder,
      a) 50% of the quantity will be awarded to LC bidder and rest to non-LC bidder
      b) If quantity cannot be split in the ratio of 50:50, the next higher quantity greater than 50% that is practically splittable shall be awarded to LC bidder and rest to non-LC bidder
      c) If quantity is indivisible, 100% shall be awarded to LC bidder
      d) If there are more than one LC bidders, 50% quantity shall be awarded to lowest LC bidder and rest to non LC bidder
B. For Services/ EPC contracts.
   Normally the service / EPC contract are not splittable and therefore the eligible LC bidder shall be awarded 100% of the contract. However, in cases where the contract are splittable the LC bidder shall be awarded contract as explained under section A.2) above as in procurement of goods.

C) CERTIFICATION OF LOCAL CONTENT

Manufacturers of goods and/or providers of service, seeking Purchase preference under the policy, shall be obliged to certify the LC of goods, service or EPC contracts as under:

At bidding stage:

The bidder shall provide the percentage local content in the bid (Unpriced Bid)

The bidder must have LC in excess of the requirement specified in table given in Enclosure-1

- The bidder shall submit an undertaking from the authorized signatory of the bidder having **the power of attorney** along with the bid stating the bidder meets the mandatory minimum local content requirement, which shall become part of the contract.
- In cases of procurement for an estimated value in excess of Rs 10 Crores, the undertaking submitted by the bidder shall be supported by a certificate from the **statutory auditor or cost auditor** of the company (in case of companies) or from a **practicing cost accountant or practicing chartered accountant** (in respect of other than companies) **giving the percentage of local content**.
- However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of LC is also acceptable. In case office or subsidiary in India does not exist or Indian office/subsidiary is no required to appoint statutory auditor or cost auditor, certificate from practicing cost accountant or practicing chartered accountant giving the percentage of LC is also acceptable.

After awarding of Contract/Purchase Order

The LC Certificate as per Table attached as per relevant Enclosures (II,III & IV) shall be submitted along with each Invoice as per following criteria

a) **Where the total quoted value is less than INR 5 Crore:**
In the case of procurement of goods and or services with the value less than Rs Five Crores, the local content shall be calculated (self-assessment) by the supplier of goods and/or the provider of services and certified by the Director/ Authorised representative of the company

b) **Where the total quoted value is INR 5 Crore or above** -The verification of the procurement of goods, services or EPC contracts with the value Rupees Five Crore and above shall be carried out as follows
   i. The Proprietor and an independent Chartered Accountant, not being an employee of the firm, in case of a proprietorship firm.
   ii. Any one of the partners and an independent Chartered Accountant, not being an employee of the firm, in case of a partnership firm.
   iii. Statutory auditors in case of a company. However, where statutory auditors are not mandatory as per laws of the country where bidder is registered, an independent charted accountant, not being an Employee of the bidder's organization.

However, procuring company shall also have the authority to audit as well as witness production processes to certify the achievement of the requisite local content and/or to obtain the complete back up calculation before award of work failing which the bid shall be rejected and appropriate action may be initiated against the bidder.

D) CALCULATION AND DETERMINATION OF LOCAL CONTENT
Bidder claiming Local Content have to calculate the LC and indicate the same in the Unpriced Bid and substantiate the calculation while submitting each invoice

1. LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being non verifiable, the value of LC of the said component shall be treated as nil.
2. Format for calculation of LC is enclosed as
   a) Enclosures ll, for procurements of
      a) Supply of goods
      i) Supply of goods along with installation and commissioning
      ii) Supply of goods along with installation , commissioning & AMC
   b) Enclosure III for calculation of LC for Services
   c) Enclosure IV for calculation of LC for EPC
3. Determination of Local Content
   a) For Goods/installation & commissioning/AMC as evaluated under Enclosure II
      i. LC of goods shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product. The whole cost of product shall be constituted of the cost spent for the production of goods, covering: direct component (material) cost; direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods.
      ii. The criteria for determination of local content cost shall be as following
         - In the case of direct component (material) based on country of Origin
         - In the case of manpower, based on INR component
         - In the case of working equipment/facility, based on the country of Origin
      iii. The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each goods with the acquisition price of each goods to the acquisition price of the combination of goods
   b) For services as evaluated under Enclosure III
      I) LC of service shall be calculated on the basis of the ratio of service cost of domestic component in service to the total cost of service

II) The total cost of service shall be constituted of the cost spent for rendering of service covering
- Cost of component (material) which is used
- Manpower and consultant cost, cost of working equipment/facility and
- General service cost excluding profit, company overhead cost , taxes and duties

III) The criteria for determination of cost of local content in the service shall be as follows
- In the case of material being used to help the provision of service, based on country of origin
- In the case of manpower and consultant based on INR component of the services contract
- In the case of working equipment/facility, based on the country of Origin and
- In the case of general service cost, based on the criteria mentioned under 3.b)III above
- Indian flag vessels in operation as on date

c) LC of EPC contracts given under Enclosure IV

I) LC of EPC contracts shall be ratio of the whole cost of domestic components in the combination of goods and services to the whole combined cost of goods and services

II) The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site.LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services

III) The spent cost as mentioned above(3.c.II) shall include production cost in the calculation of LC of goods as mentioned in 3.a.I and service cost in the calculation of LC of services as mentioned in clause 3.b.II

d) Determination of LC of the working equipment/facility shall be based on the following provision. Working equipment produced in the country is valued as 100% local content and working equipment produced abroad is valued as Nil Local Content (0%)

e) As regards cases where currency quoted by the bidder is other than INR, exchange rate prevailing on the date of Tender (NIT) shall be considered for the calculation of LC

The onus of submission of appropriately certified documents lies with the bidder and purchaser shall not have any liability to verify the contents & will not be responsible for same.
However, in case the procuring company has any reason to doubt the authenticity of the Local Content, it reserves the right to obtain the complete back up calculations before award of work failing which the bid shall be rejected.

E) <u>Failure of bidder in complying with the local content post award:</u>

In case a bidder, who has specified in his bid that the bid meets the minimum Local Content specified in the enquiry document fails to achieve the same the following actions shall be taken by the procuring company:

a. Pre-determined penalty @ 10% of total contract value.
b. Banning business with the supplier/contractor for a period of one year

To ensure the recovery of above pre-determined penalty, payment against dispatch/shipping document shall be modified to the extent that the 10% payment out of this milestone payment shall be released after completion of this milestone as well as submission of certification towards achievement of Local Content, as per provision of enquiry document. Alternatively, this payment can be released against submission of additional bank guarantee valid till completion schedule plus 3 months or as required by purchasing company.

Enclosure-II

CALCULATION OF LOCAL CONTENT – GOODS

Name of Manufacturer	**Calculation by manufacturer Cost per one unit of product**			
Cost component	**Cost (Domestic component) a**	**Cost (Imported component) b**	**Cost Total Rs/US$ C=a+b**	**% Domestic component d=a/c**
I. Direct material cost II. Direct labour Cost III. Factory overhead IV. Total production cost				

Note:

$$\% \text{ LC Goods} = \frac{\text{Total cost (IV.c)} - \text{Total imported component cost (IV.b)}}{\text{Total Cost (IV.c)}} \times 100$$

$$\% \text{ LC Goods} = \frac{\text{Total domestic component cost (IV.a)}}{\text{Total Cost (IV.c)}} \times 100$$

Enclosure-III

CALCULATION OF LOCAL CONTENT – SERVICE

NAME OF SUPPLIER OF GOODS/PROVIDER OF SERVICE							
			Cost Summary				
			Domestic	Imported Rs/US$	Total	LC	
						%	Rs/US$
			b	c	d	e=b/d	f=d x e
A	Cost component I. Material used cost II. Personnel & Consultant cost III. Other services cost IV. Total cost (I to IV)	Rs US$ Rs US$ Rs US$ Rs US$					
B	Taxes and Duties	Rs US$					
C	Total quoted price	Rs US$					

Note:

% LC Service = $\frac{\text{Total cost (A. IV. d)} - \text{Total imported component cost (A. IV. c)}}{\text{Total Cost (A. IV. d)}}$ X 100

% LC Service = $\frac{\text{Total domestic component cost (A. IV. b)}}{\text{Total Cost (A. IV. d)}}$ X 100

Enclosure-IV

CALCULATION OF LOCAL CONTENT –EPC (GOODS AND SERVICE)

A.	**COST COMPONENT (Rs/US$)**		**Cost Summary**			
		Domestic	**Imported Rs/US$**	**Total**	**LC**	
					%	**Rs/US$**
		b	**c**	**d**	**e=b/d**	**f=d x e**
I	GOODS					
1.	Material used cost					
2.	Equipment cost					
3.	**Sub Total I**					
II	SERVICES					
1.	Personnel & Consultant Cost					
2.	Equipment & WorkFacility Cost					
3.	Construction/Fabrication Cost					
4.	Other Services Cost etc					
5.	**Sub Total II**					
III.	**TOTAL COST GOODS + SERVICES**					
B.	Non Cost Component					
C.	TOTAL QUOTED PRICE					

Note:
% LC Combination =

$$\frac{\{\text{Total domestic component cost of goods (AI3b) + Total domestic component cost of service (AII5b)}\}}{\text{Total Cost (AIIId)}} \times 100$$

Domestically Manufactured Electronic Items (DMEP)

Ministry of Electronics and IT (MeITy) has specified the preference to local content in Domestically Manufactured Electronics Items as follows:

Electronic Items	**Local Content**	**Purchase Preference**
1. Desktop computers	45%	50%
2. Laptop personal computers	40%	50%

3. Tablet personal computers	45%	50%
4. Dot-matrix printers	55%	50%
5. Smart cards-contact type	65%	50%
6. Smart cards-contactless type	70%	50%
7. LED products	65%	50%
8. Biometric Access control/authentication	45%	50%
9. Biometric fingerprint sensors	45%	50%
10. Biometric Iris Sensors	45%	50%
11. Servers	40%	50%

Certification of Local Content For electronics goods

It is mandatory for the bidder should submit a certificate duly certified by a practicing cost accountant/chartered account, in line with the said along with prescribed Form (enclosed) in the technical bid, mentioning the location(s) at which local value addition is made. In case of companies, the certification shall be from the statutory auditor or cost auditor for the company. In case the procurement value is <Rs 10Crores self-certification is acceptable.

The bidder claiming benefits of Purchase Preference on the above shall provide at least 2 sets of data each under the following heads.

1. Domestic Bill of Materials

a) Sum of the costs of all the inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/setoff can be taken) and which have not been imported directly or through a domestic trader or a intermediary

b) Ex-factory price of product minus profit after tax minus sum of imported bill of material used (directly or indireclty) as inputs in producing the product (including duties and taxes levied on procurement of inputs except those for which credit/setoff can be taken) minus warranty costs

c) Market price minus post production freight, insurance and other handling cost minus profit after tax minus warranty cost minus sum of imported bill of material used as inputs in producing the product(including duties and taxes levied on procurement of inputs except those for which credit/setoff can be taken) minus sales and marketing expenses

2. Total Bill of Materials

a) Sum of the costs of all the inputs which go into the product (including duties and taxes levied on procurement of inputs except those for which credit/setoff can be taken)

b) Ex-factory price of product minus profit after tax, minus warranty costs

c) Market price minus post production freight, insurance and other handling cost minus profit after tax minus warranty cost minus sales and marketing expenses.

The percentage domestic value addition shall be calculated as per the following formula,
% Domestic Value addition = Domestic Bill of Material/Total Bill of Material

Public procurement (Preference to Make in India)-order 2017-Notfication on Cellular Mobile Phones.
In furtherance of above order, MeITy has added cellular Mobile Phones vide notification no 33(5)/2017-IPHW dated 1/08/2018 and can be downloaded from http://dipp.nic.in/sites/default/files/Meity_dated_01082018.pdf

Public Procurement (Preference to Make in India) Order 2018 for Cyber Security Products
MeITy has issued notification viz File No 1 (10)/2017-CLSES dated 2/7/2018 to give purchase preference to domestically manufactured /produced Cyber Security Products as per the above Order.

The definition of cyber security product, local supplier of domestically manufactured Cyber Security Products, exclusions, Verifications etc are available under http://meity.gov.in/cyber-security
The local supplier at the time of bidding shall provide self-certification that the item offered meets the definition of local supplier of domestically manufactured/ produced Cyber Security Products.
Certification authority for estimated values beyond Rs 10 Crores shall be statutory auditor or cost auditor of the company (in case of companies).
In case of false declarations, provisions under clause-24-Instructions to Bidders of Section-1 of Tender Document will apply. Complaints received against claims of a bidder regarding supply of domestically manufactured Cyber Security Product shall be referred to STQC under MeITy.

For certification of local content in electronic goods shall be as per the circular F.No.33(1)/2017-IPHW issued by Government of India Ministry of Electronics and Information Technology dated 14th September 2017, which may be downloaded from http://meity.gov.in/esdm/ppo under "notification for electronics products under public procurement order 2017"

Purchase Preference in case where Negotiation is also required:
In case purchase preference is applicable, but negotiation is to be conducted with L1 bidder, negotiation shall be carried out MSE and/or LC-complied bidder shall be offered to match the negotiated prices (even if, post negotiation, they are higher by more than 10% as compared to L1 bidder provided they were within 10% of L1 bidder as per original quoted prices) and left out quantity, if any, as per provisions of enquiry document shall be awarded to that bidder.

Note:
Relevant policy guidelines issued including modifications made from time by the concerned Ministry in respect to Purchase Preference to Make in India, shall be applicable.

67.0 TERMS AND CONDITIONS FOR BIDDERS FROM A COUNTRY SHARING LAND BORDERS WITH INDIA.

This is in line with Office Memorandum(OM) no. 6/18/2019-PPD dtd. 23rd July 2020 inserting Rule 144 (xi) in GFRs (General Finance Rules) 2017 issued by "Department of Expenditure, Public Procurement Division, Ministry of Finance".

Bidders should ensure compliance to the following clauses of the OM no. 6/18/2019-PPD dated 23rd July 2020:

I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.

II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.

III. Bidder from a country which shares a land border with India" for the purpose of this Order means: -

a. An entity incorporated, established or registered in such a country; or

b. A subsidiary of an entity incorporated, established or registered in such a country; or

c. An entity substantially controlled through entities incorporated, established or registered in such a country; or

d. An entity whose beneficial owner is situated in such a country; or

e. An Indian (or other) agent of such an entity; or

f. A natural person who is a citizen of such a country; or

g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

IV. The beneficial owner for the purpose of (iii) above will be as under:

1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation—

a. Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent. Of shares or capital or profits of the company;

b. Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;

3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;

4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;

5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.

VI. [For Works contracts, including Turnkey contracts] The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

Following relevant Certificate(s), as applicable, to be submitted by the bidder along with the bid :

Certificate for Tenders (where Sub-contracting is not involved):

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered, for submitting their bid for the Tender no……..….of your Organisation."

[Where applicable, evidence of valid registration by the Competent Authority shall be attached]

Certificate for Tenders for Works involving possibility of sub-contracting:

"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, for submitting their bid for the Tender no……..….of your Organisation."

[Where applicable, evidence of valid registration by the Competent Authority shall be attached]

Certificate for GeM:

"I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that this vendor/ bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this vendor/ bidder fulfills all requirements in this regard and is eligible to be considered for procurement on GeM, for submitting their bid for the Tender no……..….of your Organisation."
[Where applicable, evidence of valid registration by the Competent Authority shall be attached]

68.0 Planning and Designing in purview of Vulnerability Atlas of India.

This is in line with Office Memorandum (DO) no. 1-21/2021-PP dtd. 29th April 2021 inserting clause of Vulnerability Atlas of India issued by National disaster Management authority, "Ministry of Home Affairs".

Bidders should ensure compliance to the following clauses of the DO no. 1-21/2021-PP dated 29th April 2021:

Vulnerability Atlas of India (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

Annexure-1 (Revised PP-LC Order by MoPNG)

Subject: Policy to provide Purchase preference (linked with local content) (PP – LC) in all Public Sector Undertakings under Ministry of Petroleum and Natural Gas- Amended

1 Preamble

1.1 In tune with Make in India (MII) campaign in oil and gas sector, the Government has decided to incentivise the growth in local content in goods and services while implementing oil and gas projects in India, and

1.2 Whereas the Public procurement policy rests upon the core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective, and

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

1.4 Whereas incentivising enhanced local content in the procurement of goods and/or services in oil and gas business activities would lead to increased local industry content;

1.5 Therefore, the Ministry of Petroleum and Natural Gas (MoPNG) has decided to stipulate the following policy for providing Purchase Preference to the manufacturers/ service providers having the capability of meeting/ exceeding the local content targets in oil and gas business activities;

1.6 This policy considers the Local Content (LC) as the added value brought to India through the activities of the oil and gas industry. This may be measured (by project, affiliate, and/or country aggregate) and undertaken through Workforce development and investments in supplier development through developing and procuring supplies and services locally.

2 Definitions

2.1 **Oil and Gas Business Activity** shall comprise of Upstream, Midstream and Downstream business activities.

2.2 **Domestic products** shall be goods and/or service (including design and engineering), produced by companies, investing and producing in India.

2.3 **Local Content** hereinafter abbreviated to LC 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.

2.4 **Domestic Manufacturer** shall be business entity or individual having business activity established under Indian law and producing products domestically.

2.5 **Supplier** of goods and/or provider of service shall be a business entity having capability of providing goods and/or service in accordance with the business line and qualification thereof and classified as under:

'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 this Policy.

'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 Policy.

'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 Policy.

2.6 **Steering Committee** means the committee to be constituted by MoPNG to provide effective guidance and to oversee the implementation of the Policy on a regular and continuing basis.

2.7 **Verification** shall be an activity to verify the accomplishment of LC by domestic manufacturers and/or suppliers of goods and/or providers of service with the data obtained or collected from respective business activities.

2.8 **Purchase preference**: Where the quoted price is within the margin of purchase preference of the lowest price, other things being equal, purchase preference may be granted to the bidder concerned, at the lowest valid price bid.

2.9 **Local Content (LC)** in Goods shall be the use of raw materials, design and engineering towards manufacturing, fabrication and finishing of work carried out within the country.

2.10 **Local Content (LC)** in Services shall be the use of services up to the final delivery by utilizing manpower (including specialist), working appliance (including software) and supporting facilities carried out within in the country.

2.11 **Local Content (LC)** in EPC contracts shall be the use of materials, design and engineering comprising of manufacturing, fabrication, assembly and finishing as well as the use of services by utilizing manpower (including specialist), working appliance (including software) and supporting facility up to the final delivery, carried out within the country.

2.12 **Factory overhead cost** shall be indirect costs of manpower, machine/working appliance/facility and the whole other fabrication costs needed to produce a unit of product with the cost not chargeable directly to specified product.

2.13 **Company overhead cost** shall be costs related to the marketing, administration and general affairs cost of the company.

2.14 **Indian Company** means a company formed and registered under the Companies Act, 2013.

2.15 **Foreign company** means any company or body corporate incorporated outside India which— (a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and (b) conducts any business activity in India in any other manner.

3. Scope

3.1 The regulation shall be intended to:

3.1.1 Support and boost the growth of domestic manufacturing sector so as to be able to support oil and natural gas business activities and contribute added value to economy, absorb manpower as well as have national, regional and international competitiveness;

3.1.2 Support and boost the growth of innovation/technology of domestic manufacturing sector.

3.2 This policy shall apply to all the Public Sector Undertakings and their wholly owned subsidiaries under the Ministry of Petroleum and Natural Gas; Joint Ventures that have 51% or more equity by one or more Public Sector Undertakings under the Ministry of Petroleum and Natural Gas; attached and subordinate offices of MoPNG.

3.3 This policy shall not include goods/ services falling under Micro Small and Medium Enterprises (MSME) or Domestically Manufactured Electronic Products (DMEP), as those products/ services are already covered under specific policy. However, an option would be given in the tender for the bidder to declare preference for seeking benefit under PP-LC/MSME or DMEP.

3.4 The policy is not applicable for HP-HT operations for the time being. The Charter Hiring of offshore vessels shall continue to be governed by DG, Shipping Guidelines. Indian Flag Vessels shall be considered as having 100% LC.

3.5 The prescribed local content in the Policy shall be applicable on the date of Notice inviting Tender.

4. Procurement

4.1 The procuring companies shall follow their own procurement procedures. Aggregation of annual requirements and such other procurement practices, which facilitate the implementation of this policy, may be adopted by procuring companies.

4.2 In respect of Global Tender Enquiry (GTE) the guidelines as issued by Government of India from time to time shall be applicable on the procuring entities.

4.3 **Margin of Purchase preference:** The margin of purchase preference shall be 20%.

4.4 (a) In respect of all goods, services or works in respect of which the Nodal Ministry/ Department under DPIIT's Public Procurement (Preference to Make in India) Order, 2017 has communicated that there is sufficient local capacity and local competition, only Class-I local supplier shall be eligible to bid irrespective of purchase value.

4.4 (b) For all other local tenders, Class-I local supplier and Class-II local supplier shall be eligible to bid irrespective of purchase value, but preference to be given as per PP-LC to the Class-I local supplier.

4.4 (c) 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.

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

4.5 In National Competitive Bid procurements of all items not covered by para **4.4** (a) and where the estimated value to be procured i.e. total value of enquiry/ tender, is less than Rs. 1 Crore shall be exempt from this Policy. In case of International Competitive Bids, the policy shall be applicable irrespective of the tender estimate. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Policy.

4.6 The producers of goods and/or providers of services shall be obliged to fulfil the requirements of quality and delivery time in accordance with the provisions of the respective contracts of goods and services.

4.7 If the Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/or other items relating to the Ministry.

4.8 For the purpose of para 4.7 above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or (ii) a majority of its shareholding or effective control of the entity is exercised from that country, or (iii) more that 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meets any of these tests with respect to India.

5. Purchase Preference- Linked with Local Content (LC)

5.1 In procurement of all items not covered by para 4.4 (a), the following provisions may be considered for LC linked Purchase Preference:

5.1.1 The manufacturers/ service providers having the capability of meeting/ exceeding the local content targets shall be eligible for purchase preference under the policy, i.e. LC manufacturers/ LC service providers respectively as described below.

5.1.2 Wherever the goods/ services are procured under this policy, eligible (techno-commercially qualified) Class I Local supplier may be granted a purchase preference where the quoted price is within the margin of purchase preference of the lowest price, other things being equal, purchase preference may be granted to the eligible (techno-commercially qualified) Class I Local supplier concerned, at the lowest valid price bid.

5.1.3 **Goods:** The tender for procuring goods would specify that the contract for 50% of the procured quantity would be awarded to the lowest techno-commercially qualified Class I Local supplier, subject to matching with L1, if such bidders are available. The remaining will be awarded to L1.

5.1.3.1 However, if L1 bidder happens to be a Class I Local supplier, the entire procurement value shall be awarded to such bidder;

5.1.3.2 If in the opinion of the procuring company, the tenders (procured quantity) cannot be divided in the prescribed ratio of 50:50, then they shall have the right to award contract to the eligible Class I Local supplier for quantity not less than 50%, as may be divisible.

5.1.3.3 In continuation to 5.1.3.2 above, if the tendered item is non divisible, (to be included in the tender document by procuring company) the contract can be awarded to the eligible Class I Local supplier for the entire quantity.

5.1.4 **Services/ EPC Contracts:** The tender for oil and gas services/ EPC contracts shall not normally be split. For such procurement the tender would specify that the entire contract would be awarded to the lowest techno-commercially qualified Class I Local supplier, subject to matching with L1, if such bidders are available. However, tender for certain oil & gas services can normally be split, in such cases, splitting shall be allowed and specified in tender document. Such services shall follow the procedure outlined for goods as described in para 5.1.3. The procuring company should clearly specify in the tender document whether the tender shall be split or not.

5.1.5 For para 5.1.3 and 5.1.4 above, only those LC manufacturers/ service providers whose bids are within the margin of purchase preference would be allowed an opportunity to match L1 bid.

5.1.6 The tender conditions would ensure that local content in oil & gas products is encouraged. However, the procuring company may incorporate such stipulations as may be considered necessary to satisfy themselves of the production capability and product quality of the manufacturer.

5.1.7 The procedure for award under the policy is at **Enclosure-I**.

6. Determination of LC

6.1 LC of goods

6.1.1 LC of goods shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product.

6.1.2 The criteria for determination of the local content cost in the goods shall be as follows:

a) in the case of direct component (material), based on country of origin;
b) in the case of manpower, based on INR component.

6.1.3 The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each of the goods with the acquisition price of each goods to the acquisition price of the combination of goods.

6.2 LC of service

6.2.1 LC of Service shall be calculated on the basis of the ratio of service cost of domestic component in service to the total cost of service.

6.2.2 The total cost of service shall be constituted of the cost spent for rendering of service, covering:

a) cost of component (material) which is used;
b) manpower and consultant cost; cost of working equipment/ facility; and
c) general service cost.

6.2.3 The criteria for determination of cost of local content in the service shall be as follows:

a) in the case of material being used to help the provision of service, based on country of origin;
b) in the case of manpower and consultant based on INR component of the services contract;
c) in the case of working equipment/facility, based on country of origin; and
d) in the case of general service cost, based on the criteria as mentioned in clauses a, b, and c above.
e) Indian flag vessels in operation as on date.

6.3 LC of the EPC Contracts:

6.3.1 LC of EPC contracts shall be the ratio of the whole cost of domestic components in the combination of goods and services to the whole combined cost of goods and services.

6.3.2 The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site. LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services.

6.3.3 The spent cost as mentioned in paragraph 6.3.2 shall include production cost in the calculation of LC of goods as mentioned in clause 6.1.1 and service cost in the calculation of LC of services as mentioned in clause 6.2.2.

6.4 Calculation of LC and Reporting

LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being not verifiable, the value of LC of the said component shall be treated as nil.

7 <u>Certification and Verification</u>

7.1 Class I/Class II Local suppliers are eligible to bid only if they meet the local content norms, therefore whether or not they want to avail PP-LC benefit, it will still be mandatory for them to give adequate documentation as follows to establish their status as class-I or class-II local supplier:

7.1.2 At bidding stage:

a) Price Break-up:
- The bidder shall provide the percentage of local content in the bid.

b)

- The bidder shall submit an undertaking from the authorised signatory of bidder having the power of Attorney alongwith the bid stating the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.

- In cases of procurement for a value in excess of Rs 10 crores, the undertaking submitted by the bidder shall be supported by a certificate from the statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practising chartered accountant (in respect of other than companies) giving the percentage of local content.

- However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of local content is also acceptable. In case office or subsidiary in India does not exist or Indian office/ subsidiary is not required to appoint statutory auditor or cost auditor, certificate from practising cost accountant or practising chartered accountant giving the percentage of local content is also acceptable.

7.1.3 <u>After Contract Award:</u>

- The bidder shall submit an undertaking from the authorised signatory of bidder having the power of Attorney alongwith the bid stating the bidder meets the mandatory minimum LC requirement and such undertaking shall become a part of the contract.

- In cases of procurement for a value in excess of Rs 10 crores, the undertaking submitted by the bidder shall be supported by a certificate from the statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practising chartered accountant (in respect of other than companies) giving the percentage of local content.

- However, in case of foreign bidder, certificate from the statutory auditor or cost auditor of their own office or subsidiary in India giving the percentage of local content is also acceptable. In case office or subsidiary in India does not exist or Indian office/ subsidiary is not required to appoint statutory auditor or cost auditor, certificate from practising cost accountant or practising chartered accountant giving the percentage of local content is also acceptable.

7.2 Each supplier shall provide the necessary local-content documentation to the statutory auditor, which shall review and determine that local content requirements have been met, and issue a local content certificate to that effect on behalf of procuring company, stating the percentage of local content in the good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.

7.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with each invoice while maintaining the overall % of local content for the total work/purchase of the pro-rata local content requirement. In case, it is not satisfied cumulatively in the invoices raised up to that stage, the supplier shall indicate how the local content requirement would be met in the subsequent stages.

7.4 As regards cases where currency quoted by the bidder is other than Indian Rupee, exchange rate prevailing on the date of notice inviting tender (NIT) shall be considered for the calculation of Local Content.

7.5 The Procuring Company shall also have the authority to audit as well as witness production processes to certify the achievement of the requisite local content.

8 Governance and Supervision

8.1 A Steering Committee will be constituted by MoPNG to provide effective guidance and to oversee the effective implementation of the Policy including review and amendments required therein. The Steering Committee may consider representations on target Local Content in goods, services and EPC and modify the policy accordingly.

8.2 The Steering Committee shall annually conduct a review of the policy implementation which shall specifically cover the issue of whether there has been adequate competition, and whether the policy has resulted in any reduction in competition/ exclusion of non-local bidders or any cost increase to the purchasing PSU, particularly in respect of services & works contracts.

9 Sanctions

9.1 The Procuring companies shall impose sanction on manufacturers/ service providers not fulfilling LC of goods/ services in accordance with the value mentioned in certificate of LC.

9.2 The sanctions may be in the form of written warning, financial penalty and blacklisting.

9.3 In the event that a manufacturer or supplier of goods and/or provider of services does not fulfil his obligation after the expiration of the period specified in such warning, the procuring company can initiate action for blacklisting such manufacturer/supplier/service provider.

9.4 A manufacturer and/or supplier of goods and/or provider of services who has been awarded the contract after availing Purchase Preference is found to have violated the LC provision, in the execution of the procurement contract of goods and/or services shall be subject to financial penalty specified in clause 9.4.1.

9.4.1 The financial penalty shall be over and above the PBG value prescribed in the contract and shall not be more than an amount equal to 10% of the Contract Price.

10. **Clarification on Goods/ Services**: Any issue regarding the coverage of a particular good/ service under the proposed policy would be referred to the Steering Committee for clarification.

11. **Powers to grant exemption and to reduce minimum local content:** Wherever proper justification exists, Ministry of Petroleum and Natural Gas may by written order, for reasons to be recorded in writing,

a) Reduce the minimum local content below the prescribed level; or
b) Reduce the margin of purchase preference below 20%; or
c) Exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

12. **Time Period:** The Policy shall be applicable for 5 years. Except for 2017-18, the Policy shall not be continued unless, the Steering Committee by September 30th of each year, concludes a review as per para 8.2 of the Policy and recommends continuation of the Purchase Preference.

Enclosure-I

PROCEDURE FOR AWARD OF CONTRACTS

Procedure for award of contracts under this policy shall be as follows:

1.1. In procurement of all items 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, 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.

1.2. In the procurement of all items 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 L1.

ii. 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.

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 L1 bidder.