



SPECIAL COMMERCIAL TERMS AND CONDITIONS (SCTAC) FOR
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1. **Determination of L-1 Bidder:**

(a) Additional Parameters for Ranking of Bids & L-1 Determination:

Ranking of bids for L-1 determination shall be done considering following parameters:

- (i) The ranking shall be made done “Cost to Company” (Landed Cost) basis.
- (ii) Delivery postponement charges 1st and 2nd year starting from original Delivery Date of Main equipment, OBS, Documentation etc. Please also refer Contractual Delivery Date (CDD) clause (no.3 of this Special Commercial Terms & Conditions).

(Note:-The placement of PO for Delivery postponement charge shall be at the discretion of GRSE and separate order shall be placed if required by GRSE.)

- (iii) Warranty extension charges for 1st and 2nd year starting from original date of expiry of Main equipment, OBS etc. (Refer Warranty clause no. 15 of this Special Commercial Terms & Conditions).

(Note:- The placement of PO for warranty extension shall be at the discretion of GRSE and separate order shall be placed if required by GRSE.)

- (iv) Re-preservation charges for 1st and 2nd year starting from expiring of initial preservation period of Main equipment etc.. Number of re-preservation per year shall be as per TSP/SOTR. Please also refer “Preservation, De-Preservation and Re-Preservation” clause (no.18 of this Special Commercial Terms & Conditions).

(Note:- The placement of PO for Re preservation shall be at the discretion of GRSE and separate order shall be placed if required by GRSE.)

- (v) Loading factors as applicable as per para (b) of this clause.
- (vi) Standard GRSE’s Marine Freight, Insurance charges, Landing charge, port handling charge, Local transportation charge etc. and /or other charges shall be loaded on the FOB /FCA/EX Works Price (as applicable) to ascertain Landed Cost at GRSE.
- (vii) Taxes and duties, if no input Tax Credit is available to GRSE, is cost for GRSE.

(b) Loading for Deviations in Tender Terms and Conditions:



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The bid is liable for rejection, if terms and conditions stipulated in NIT documents are not accepted by bidder [Refer Liability for Bid Rejection criteria {9(b)} in Instruction to Bidder]. In case the techno commercial bid is accepted by GRSE, the loading in Price Bid for deviations (taken by bidder) to tender terms shall be carried out as per following guidelines for the purpose of ranking of financial bid and L-1 determination:

- (i) Payment Terms: It is desirable that the bidder accepts the Payment terms indicated in the tender. Varied payment terms quoted by bidders as compared to the terms stated in the Tender document shall be normalized by adopting the Base Rate/MCLR declared by RBI (Median value applicable for public sector Banks) plus 2% thereon on the amount(s) at variation and/or for the period (in no. of days) at variation and LIBOR plus 2% in case of Foreign bidders. The tender closing date shall be considered for reckoning Base rate/MCLR and LIBOR rate.
- (ii) Delivery of the Goods: The Bidder is required to offer bid as per the Delivery/Price Terms of this NIT. However, for unavoidable reasons, if bids are exclusive of transport and / or insurance, the same will be loaded.
- (iii) For the additional delivery period sought by the bidder over the stipulated date of delivery as per Tender, 0.50% per completed week will be loaded to the quoted price, provided the extended delivery period is acceptable to GRSE.
- (iv) Deviations sought in respect of rate per week and / or maximum ceiling in respect of liquidated damages shall be loaded to the quoted price. For example, the maximum ceiling towards liquidated damages stipulated in the Tender is 5% and the bidder seeks to limit it to, say 3.50% then the price quoted will be loaded by 1.5%. If the rate of LD per week is 0.50% per week or part thereof as per tender and the bidder seeks it as, say, 0.40% per week or part thereof, the maximum ceiling on LD as per tender will first be equated to weeks (10 weeks in this case) and the rate proposed by the bidder i.e. 0.40% will be multiplied by the so equated maximum period (which works out to 4%) and the quoted price will be loaded accordingly by 1%. Delivery being the essence of the contract, it is desirable if the bidder(s) adhere to the stipulated clause.
- (v) Deviation in respect of the period of warranty/guarantee shall be loaded to the quoted price @warranty/guarantee extension charge quoted by bidder for 2 years from initial warranty period sought in tender documents, if bidder does not quote for warranty period extension charge then @0.25% per month for period of warranty in deviation.
- (vi) The above loading is only for bid ranking (L-1 determination).



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- (vii) Sample Landed Cost Calculation and L-1 Bidder Determination is placed at Annexure-XI
- (c) The lowest financial bid determined considering parameters mentioned at para (a) and loading factor mentioned at para (b) shall be termed as L-1 bid.
- (d) L-1 bidder shall be required to match the lowest price [excluding optional (Delivery post postponement charge, warranty extension charge, re-preservation charge) taxes & duties and loading factor] of all bids. Considering the requirements being time critical, the bidders are normally required to confirm compliance within ten calendar days failing which Buyer reserves right to declare bidder as non-responsive and proceed further with procurement.
- (e) On-line ranking visible to the bidders after opening Part-II price bid is without loading parameters. However, the L1 bidder will be evaluated offline by applying all applicable loading parameters as per tender and clarifications during techno-commercial scrutiny /CNC/TNC meeting.
- (f) Discount given, if any, by the bidders, after the last date for submission of the bids but before opening of the price bids, will not be considered for determining the ranking of bids.

However, in the event of the Bidder emerging as the lowest evaluated Bidder without considering the discount/rebate(s), then such discount/rebate(s) offered by the Bidder shall be considered for Award and the same will be conclusive and binding on the Bidder.

- (g) Price quoted for B&D shall not be considered for L-1 determination.

2. **Two Parts Bid Clause:**

- (a) Bids are required to be submitted in **TWO parts** (Techno-Commercial bid & Price bid) in **e-procurement mode** through our website (<https://eprocuregrse.co.in>) wherein tender documents (all Data Sheets, SOTR, Annexures etc. forming part of tender) are available for download. Bidders need to download tender documents from the e-portal, fill-up and upload the same, using their Digital Signature Certificate (DSC). Bidders are required to obtain individual Digital Signature Certificate (DSC) from concerned department/authorise agency of Indian Government in order to participate in the GRSE e-tender. Bidders are to submit their bids in the prescribed template in the e portal by using their DSC before due date and time. Foreign bidder is to obtain DSC from Indian Competent Authority through their Indian representative. Foreign bidder may contact Indian Embassy in their country for getting assistance to acquire DSC. All pages of the bids, supporting documents etc. are to be signed by authorized signatory in each page and company seal should be affixed on each page.



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- (b) It may also be mentioned in the context that the purchase / procurement of goods should preferably be made directly from the manufacturer. Either the Indian agent on behalf of the foreign principal or the foreign principal directly could bid /participate in a tender but not both. In case of bid submission by Indian agent on behalf of principal, original authorisation certificate is required to be submitted to GRSE within 7 days of last closing date of bid. In the absence of submission of original authorisation certificate, bid is liable for rejection. For detail please refer “AGENT OF OVERSEAS SUPPLIERS IN INDIA AND AGENCY COMMISSION” clause in Special Commercial Terms and conditions (Annexure-VI).

2.1 Part I Bid (Techno-Commercial bid):

It must contain only technical & commercial points and must not contain any price. The bidder shall ensure following are essentially included in the Part-I bid:

- (i) Authority/Power of Attorney to sign the bid as per Annexure-XXXIV. The document shall be notarized by Public Notary (authorized by Government of Exporting Country for foreign bidders). Please refer “Power of Attorney” clause of this “Instruction to Bidder” section.
- (ii) Order copies & their work completion certificates with reference to the items/services similar to the tendered requirement. The document shall be notarized by Public Notary (authorized by Government of Exporting Country for foreign bidders). For Foreign Bidders, the documents shall additionally be verified and signed by Embassy of India in Exporting Country.
- (iii) “Certificate of conformity” indicating details of company registration with GRSE/DQA (N)/ DQA (WP), Past Experience etc. For Foreign Bidders, the documents shall additionally be verified and signed by Embassy of India in Exporting Country.
- (iv) TSP / SOTR Compliance Matrix (as per Annexure-XIV) / Deviation form (i.e. Clause wise acceptance / deviations to the clauses of the TSP / SOTR) duly signed by the authorized signatory.
- (v) Weight control Data sheet if applicable.
- (vi) The Signed and Stamped Integrity Pacts (if applicable) as per Annexure-XXIII.
- (vii) Commercial Offer as per Annexure-III & IV.
- (viii) Technical offer as per Annexure- XVIII



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- (ix) Acceptance Matrix of Special Commercial Terms & Conditions (SCTC), Instruction to Bidder and Tender Notice as per Annexure- XV
- (x) Acceptance Matrix of STACS as per Annexure- XVI & XVII.
- (xi) Confirmation of having read and understood the instructions to the bidder and acceptance Matrix as per Annexure-
- (xii) On Board spares (OBS) list for each ships set in excel format (ILMS Format) for (01) one year as well as for (02) two years exploitation period as per TSP(if applicable). Refer Annexure-XXI.
- (xiii) Cost breakup of each OBS spare in percentage (% upto six decimal) of total OBS cost for (01) one year as well as for (02) two years exploitation period as per TSP(if applicable) for each shipset. **PRICE MUST NOT BE QUOTED IN THIS LIST. ONLY PERCENTAGE SHALL BE PUT IN LIST.** Refer Annexure-XXII.
[Note: In case of any doubt in understanding, Bidder must get it clarified from Tenderer]
- (xiv) Break up of prices for various components of supply/services shall be indicated in terms of percentage (% upto six decimal)) of the cost of equipment/services. **PRICE MUST NOT BE QUOTED IN THIS LIST. ONLY PERCENTAGE SHALL BE PUT IN LIST.**
[Note: In case of any doubt in understanding, Bidder must get it clarified from Tenderer]
- (xv) Undertaking for product support as per TSP.
- (xvi) If Service Component exists in an offer from a foreign vendor, then Tax Residency certificate (TRC) and PAN Card should be submitted with Part I offer. For Foreign Bidders, the documents shall additionally be verified and signed by Embassy of India in Exporting Country.
- (xvii) Bank details for payment by RTGS/NEFT in the ECS format (Annexure-XIII) enclosed.
- (xviii) Bidders / Suppliers should enclose the additional documents as applicable to this tender.
- (xix) Blank rate sheet indicating quoted/not quoted against each line item, HSN Code, tax percentage, type of GST and FE content percentage details (as per the format Annexure XXIV).



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- (xx) Bidder shall submit a declaration in their letter head that there are no adverse reports from any of their customers for these types of projects executed by them. In case any such adverse report/remarks exists, the details of the same may be furnished along with the reference Purchase Order and customer details.
- (xxi) Port of shipment(applicable for foreign bidder)
- (xxii) Bidder contact details (name of person, designation, phone number, email id, mobile number, detail address)
- (xxiii) Blank
- (xxiv) Blank
- (xxv) The bidder shall submit tentative list of Imported Items and Indigenously manufactured (in India) items along with their percentage of total basic price of materials in their Part-I bid. No price shall contain in this list.
[Note: In case of any doubt in understanding, Bidder must get it clarified from Tenderer]
- (xxvi) An undertaking in their letter head in favour of GRSE that in the event of any breach of Secrecy clause of STACs (clause no. IN 111 of Indigenous STACs or clause PE-111 of Import STACs), they would make good of any loss /cost/damage / any other claim whatsoever preferred by anybody to GRSE in this respect.
- (xxvii) Bidder must mention whether Registered Dealer, Un Registered dealer or Composition dealer [Refer Taxes & Duties(GST) clause of Special Terms and Conditions].
- (xxviii) Whenever supply of equipment, spares are made in lots/consignments, the number lots/consignments and delivery schedule are to be mentioned in Part-I bids. Refer "Billing and Despatch schedule" clause and "Contractual Delivery Date" clause of special terms and conditions.
- (xxix) Services of Engineer's cost break in percentage for each of the activity as per TSP, if any, is to be indicated in Part-I bid. Please note that prices are not to be mentioned in Part-I bid. Refer clause 7(c) [Technical Assistance/Service Engineer].
[Note: In case of any doubt in understanding, Bidder must get it clarified from Tenderer]
- (xxx) List of Shelf Life Items with their shelf life period
- (xxxi) Declaration that Bidder have complied with "Anti- profiteering clause' under GST Law. Refer clause 8(b)(iii) of Special Terms and Conditions [Taxes & Duties clause]



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- (xxxii) Bidder to indicate the De preservation and Re Preservation schedule and time gap between two consecutive preservation period in Part-I bid. Refer clause no. 17 (regarding De-Preservation and Re-Preservation) of Special Commercial Terms and Conditions (Annexure-VI) of NIT.
- (xxxiii) OEM Certificate as per Special Note of Special Commercial Terms and Conditions.
- (xxxiv) Notice period for postponement of delivery of equipment after Contractual Delivery Date. Refer clause no. 3(f) of Special Commercial Terms and Conditions (Annexure-VI) of NIT.
- (xxxv) BASE & DEPOT(B&D) spares list for each ships set in excel format (ILMS Format) for (05) five years as per TSP(if applicable). Refer Annexure-XXI.
- (xxxvi) Cost breakup of each B&D spare in percentage (% upto six decimal) of total B&D cost for (05) five years as per TSP(if applicable) for each shipset. **PRICE MUST NOT BE QUOTED IN THIS LIST. ONLY PERCENTAGE SHALL BE PUT IN LIST.** Refer Annexure-XXII.
[Note: In case of any doubt in understanding, Bidder must get it clarified from Tenderer]
- (xxxvii) Percentage of Indigenous and Import Content as per Annexure-XXXIII. This is for Indian Supplier/Bidder, who are bidding in "INR" currency. Refer clause 33(e) of Special Commercial Terms and Conditions.
- (xxxviii) **The bidder to quote extra man day rates for each ship for a period of one year.** This rate will be applicable after warranty period and should be inclusive of To & Fro travelling expenses, lodging and boarding and local conveyance. However, **extra manday rates will not be considered for ranking of bids and L-1 determination purpose.**
- (xxxix) All other Documents/information sought elsewhere in SOTR and Commercial Terms & Conditions.

Note: Compliance to particular para/serial in the compliance shall imply compliance to all section and sub sections under that para/serial.

2.2 Part-II Bid(Price bid/Item Rate BOQ):

Price bid/Item Rate BOQ (containing only price). Price Bid/Item Rate BOQ opening shall be intimated to bidders whose techno commercial offers are accepted by GRSE .Price Bid needs to



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be filled up in the given price bid/ Item Rate BOQ format only. Refer Annexure-V (BOQ). Bidder must quote following in Part-II bid:

(i) Price against all individual line items of 'Price Bid/ Item Rate BOQ'. Refer serial no.1.01 to 1.02.of BOQ. Foreign Bidder must select the appropriate currency as per NIT from drop down list. Price quotation currency for Indian Vendor shall be **INR only**.

(ii) Delivery postponement charges for 2 years from original Contractual Delivery Date (CDD) of Main equipment, OBS for 1 Year and Documentation on per annum basis. Refer serial no. 2.01 to 2.04 of BOQ template.

(Note:-The placement of PO for Delivery postponement shall be at the discretion of GRSE and separate order shall be placed if required by GRSE. Placement of PO for Delivery Postponement is exclusively rights of Buyer, not obligation of Buyer).

(iii) Warranty extension charges for 2 years from original date of expiry of of Main equipment and OBS for 1 Year on per annum basis. Refer serial no. 3.01 to 3.04 of BOQ template.

(Note:- The placement of PO for warranty extension shall be at the discretion of GRSE and separate order shall be placed if required by GRSE. Placement of PO for Warranty Extension is exclusively rights of Buyer, not obligation of Buyer).

(iv) Re-preservation charges for 2 years from expiring of initial preservation period of main equipment on per annum basis. Number of re-preservation per year shall be as per TSP/SOTR. Refer serial no. 4.01 to 4.04 of BOQ template.

(Note:- The placement of PO for Re preservation shall be at the discretion of GRSE and separate order shall be placed if required by GRSE. Placement of PO for Re-Preservation is exclusively rights of Buyer, not obligation of Buyer).

[Note: Wherever Service Engineer charges (required for STW/HAT/SAT & commissioning), Training etc has been sought in Price Bid, appropriate value is to be indicated. Package Cost is not to be indicated.]

2.3 Revised Bid: During technical and/or commercial negotiation, in case the participating vendor indicate the need of submission of revised price bid but the same is not acceptable by the competent authority of GRSE in due course, GRSE reserves the right to consider such bid to be disqualified on the ground under intimation to the relevant vendor before price bid opening.

3. Portal and E-Tender Guidance:

(a) Registration in GRSE e-portal is mandatory to participate in all GRSE e-tenders.



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- (b) Procedure for registration to Final bid submission is available on the right corner of e-portal home page (<https://eprocurergrse.co.in>) vide link "Bidders Manual Kit". Bidder may download manual kit for detail procedure. The brief for registration in GRSE e-portal link - mentioned below,
- (i) Go to the URL / Link : <https://eprocurergrse.co.in>
 - (ii) On that page go the "online bidder enrolment" link (just below "login" bottom right side of the page).
 - (iii) Do the registration process complete, (filling the details of registration form)
 - (iv) Generate your password from Forgot or Generate password in Home page
 - (v) Signing the DSC (Digital Signature Certificate) with the login and password.

4. **EMD & Tender Fees Submission:**

(a) **Interest Free Earnest Money Deposit (EMD):** (put value of EMD) or equivalent amount in currency of bid (to be submitted) in form of crossed Demand Draft (in favour of Garden Reach Shipbuilders & Engineers Limited., Kolkata, payable at Kolkata) **or** Bank Guarantee (ENCASHABLE IN KOLKATA,INDIA) with validity for Seven months from last due date / extended due date of this tender in favour of M/s Garden Reach Shipbuilders & Engineers Limited, Kolkata is required to be submitted. EMD Bank Guarantee shall be as per GRSE format (**Refer Annexure XX**), attached herein to be issued by reputed scheduled Indian bank (other than cooperative bank). In case of bid submitted in foreign currency, Foreign Bidder may submit EMDBG from any reputed international bank. Refer 'General Rule of Bank Guarantee'.

(b) **Tender Fees:** NIL

5. **Pre-Qualification Criteria/Document for New / Unregistered (in GRSE) Vendors.**

Bidders are to positively submit the following qualification criteria/document (listed below) in Part "I" bid failing which their offer may not be considered for Tender evaluation. All documents shall be notarized by Public Notary (authorized by Government of Exporting Country for foreign bidders) with legible stamp. For Foreign Bidders, all documents shall additionally duly signed, dated & stamped by official authorized for this purpose in Embassy of India in bidder's Country. The scan copy of verified and notarized documents shall be uploaded in e portal. All original documents shall be submitted to GRSE's office in physical form (by courier or post) within 07 days of Last Date of Bid submission.

(a) Following documents are to be submitted by Bidder:



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- (i) Certificate of Incorporation, Memorandum of Associated and Article of Association in case of Limited Company OR equivalent registration document.
- (ii) Partnership Deed for Partnership firm/LLP.

(b) Registration with GOI/PWD/PSU/and reputed organization, if any, (to furnish documents).

(c) Experience of supply / manufacture of similar items during last 3 years with documentary evidence such as Purchase Order copies, performance certificate from reputed & established organizations etc.

(d) Submission of GST Registration certificate, Sales Tax clearance certificate, PAN together with copies of trade license, Xerox copies Registration of VAT/Service Tax registration etc.

(e) Original copy of Banker's solvency Certificate

(f) Copy of audited Balance Sheets and Profit & Loss account statement for last three years.

(g) Name, address, Email ID, telephone & Fax No. of the Bankers of Bidder.

(h) Contact Name, address, Email ID, telephone & Fax No. of Head of Organisation and Head of concerned Department are also to be provided.

(i) OEMs **or** their authorized distributor / dealer **or** Vendors authorized by OEM can participate in this tender. A valid authorization certificate of OEM has to be enclosed with Part "A" of offer to qualify for participation by an authorized dealer / distributor or Vendors authorized by OEM.

(j) Indigenous and Foreign bidders are required to be Digital Signature Certificate (DSC) compliant for submission of tender through E-PROCUREMENT mode. Further details in this regard are available in our website.

6. **Bid Rejection Criteria:**

(a) Categorical rejection criteria:

- (i) Bid received other than through e-portal in case of E-tender.



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- (ii)** Bidder not agreeing to accept Integrity Pact(IP) or submitting integrity pact with deviation to GRSE format, wherever Integrity Pact is to be submitted.
 - (iii)** Bidder not agreeing to provide assistance wherever required for installation, commissioning, STW, HATs, SATs of equipment supplied by them and any other assistance required till successful delivery of Ships.
 - (iv)** EMD not received for Open tender/Global tender if applicable unless specific exemption is sought for the approval of Competent Authority.
 - (v)** Tender/Contract of firm declared Bankrupt will not be considered as valid Tender/Contract
- (b) Liable for rejection criteria:**
- (i)** Failure to submit sufficient or complete details for evaluation of the bids within the given period which may range in between two to three weeks depending on the deficiencies noticed in the drawings / technical data which shall not however conflict with validity period. However, over all time allowed in respect of normal procurement shall not exceed 3 weeks.
 - (ii)** Incomplete / misleading / ambiguous bids in the considered opinion of TNC/CNC.
 - (iii)** Bidder not complying with the Pre-Qualification criteria stipulated in Tender/TSP.
 - (iv)** Bidder not agreeing to supply spares (On Board spares, B&D spares) if applicable / post sale product support / post work completion support if required.
 - (v)** Bid with technical requirements and or terms not acceptable to GRSE/Customers/External agency nominated as applicable.
 - (vi)** Unreasonably longer delivery period quoted by the bidder.
 - (vii)** Validity period indicated by bidders is shorter than that specified in the tender enquiry.
 - (viii)** Bidders not agreeing to furnish required Security Deposit till validity of contract/PO or Indemnity Bond in case of PSU or variation in quantum of Security Deposit as mentioned in the tender.
 - (ix)** Bidder not agreeing to furnish required Performance Bank Guarantee for Equipment to be supplied/Services rendered or not agreeing for retention of equivalent amount by GRSE up



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to the period till completion of contractual & Warranty obligations or variation in quantum of PBG.

- (x) Bidder not agreeing for Warranty period as specified in the tender.
- (xi) Any deviation sought, which is not accepted to GRSE.
- (xii) Bid received without 'Certificate of conformity' duly filled in & signed, if applicable.
- (xiii) If the bidder had been declared as insolvent/bankrupt/prohibited in the recent past and or is under scanner of any statutory bodies, they must confirm their present status in that respect with adequate supporting documents. Non submission of adequate document or if submitted document is not acceptable, the bidder shall be liable for rejection.
- (xiv) Quote received with Price Variation Clause.
- (xv) Bid received without pre-qualification documents where required as per the tender. Bids not meeting the pre-qualification parameters stipulated in the tender enquiry.
- (xvi) Delivery by High seas sales / Sales in transit.
- (xvii) In case bidder has uploaded scanned image of Integrity Pact (IP) but original copies of IP are not submitted to GRSE within 07 working days from tender closing date.
- (xviii) Bidder does not agree to provide warranty extension.
- (xix) Bidder does not quote for all line items where it is mandatory to quote as such.
- (xx) Bidder not complying the GRSE's indigenisation policy or Preference to Make in India policy.
- (xxi) The Bid received without scanned image of IP along with the Part-I offer. However, in case the bidder has prepared IP but could not upload in the e-portal and submits original IP within seven GRSE working days from tender closing date, then such bids shall be accepted.
- (xxii) Any deviation is sought which are not acceptable to GRSE.
- (xxiii) In case the competent authority of GRSE does not approve for acceptance of revised bid as requested by vendor in MOM of TNC/CNC due to any reason(s), the



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vendor(s) is to be intimated along with notice for price bid opening, that their request for submission of revised bid had not been accepted and their offer may be deemed as disqualified on this ground.

(xxiv) Techno commercial Bid(Part-I) containing price of any item

7. **Benefits being accorded to the Micro & Small Enterprises Vendors regarding Implementation of Policies for Micro & Small Enterprises, 2012**

(a) This policy for MSEs shall apply to all the MSEs registered with District Industries Centre or Khadi & Village Industries Commission or Khadi & Village Industries Board or Coir Board or National Small Industries Corporation or Dte. Of Handicraft & Handloom or any other bodies specified by Ministry of Micro, Small & Medium Enterprises.

(b) Document, Entrepreneurs Memorandum (EM Part-II)/NSIC Certificate/Udyog Aadhar Memorandum (UAM) for manufacture/supply of concerned equipment/item/materials, must be submitted along with the offer for such purpose to claim the benefit.

(c) Following facilities/benefits will be given to MSEs :-

(i) Issue of Tender Sets free of cost.

(ii) Exemption from payment of Earnest Money Deposit.

(d) Above benefits will also be accorded to the vendors registered with NSIC under a single point vendor registration scheme. **The vendors registered with NSIC certificate (up to specified volumes/Monetary Limit for the offered items) under single point registration for manufacture/supply of concerned equipment/item, will additionally be exempted from submitting the security deposit.**

(e) NSIC Registration certificate (up to specified volumes/Monetary Limit for the offered items) must be valid as on due date of tender opening and Technical Bid should be accompanied with a copy of valid NSIC Registration Certificate certificate (up to specified volumes/Monetary Limit for the offered items) to consider bidder for exemption of EMD.

(f) NSIC registration should be for the product /service for which the tender is floated(product group or class of product).



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(g) GRSE also reserves the right to verify and accept the offer accompanied with a copy of NSIC Certificate online checking of NSIC Single Point Registration.

(h) MSEs registered with MSME authority as above, quoting prices within 15% of lowest eligible price bid of other bidder(s) shall be eligible for purchase preference for 20% of the order quantity (subject to order quantity being adequate for this purpose) provided the MSE matches the L1 landed cost at GRSE.

To avail this purchase preference, submission of EM-II certificate is mandatory failing which the benefit will not be accorded.

(i) If it happens that two or more MSEs are within L1 + 15% range, all such MSEs will be given an opportunity to accept the L1 price and to share 20% of the order value equally.

(j) In case the MSE is owned by SC/ST owners then the enterprise will get a share of 4% of the above 20% exclusively in addition to sharing of equal portion of balance 16% with other non-SC/ST MSEs.

(k) If more than one MSE owned by SC/ST owners are there in case of a tender, such MSEs will share 16% of the total ordered value equally with other non-SC/ST owned MSEs in addition to equally sharing 4% exclusively reserved for SC/ST owned enterprises. **To qualify for entitlement as SC/ST owned MSE, the SC/ST certificate issued by the District Authority must be submitted by bidders along with the Part-1 offer.**

(l) It is to be noted by all concerned that in case the participating MSE is a partnership company having one of the partner belonging to SC/ST as above, whether benefit related to SC/ST owned MSE is to be accorded or not shall be notified subsequently pending which no related benefit will be accorded at present.

(m) The percentage of procurement of goods and services from MSEs will be at least 25% of the total annual procurement.

(n) A minimum of 3% reservation will be provided for MSEs owned by women entrepreneurs out of the above 25% reservation.

(o) 15% ADVANCE PAYMENT TO MICRO & SMALL ENTERPRISES AND START-UPS.

(Applicable for tender value upto Rs. 10 Lakhs)

(i) Tender enquiries will stipulate the clause that "MSEs and Start-Ups will be given 15% interest-free mobilization advance against a bank guarantee from a nationalized bank".

(ii) The value of the bank guarantee will be 15% of the value of the purchase order exclusive of taxes and duties.



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- (iii) The duration of the bank guarantee will be the time period of execution of the purchase order i.e. time from date of placement of purchase order till the date of last delivery.
- (iv) This will be applicable only to manufacturers / material suppliers and not service providers.
- (v) This will be applicable initially to tender values within Rs. 10 lacs.
- (vi) As a precautionary measure, this will be applicable to tender enquiries issued to MSEs and Start-Ups for stock and non-critical ship building items.
- (vii) To preclude any price advantage to MSEs, interest part (on mobilization advance amount for entire contract execution period) shall be loaded on the quoted price of MSEs vendors, who are availing mobilization advance, for arriving L-1 price during L-1 determination. The prevailing Base rate/MCLR rate of Reserve Bank of India as on tender closing date shall be used for interest calculation.

Note:

GRSE registered vendors who are not registered under single point registration with NSIC are required to submit EMD. MSE scheme (wherever applicable against this tender) will be as per policy of MSE.

8. **Public Procurement (Preference to Make in India) Policy:**

Refer Annexure-XXVI.

9. **Integrity Pact:**

The Integrity pact essentially envisages the agreement between prospective vendors / bidders & buyers committing the person/officials of both the parties not to exercise any corrupt influence on any aspects of the contract. Only those vendors/bidders who enter into such an integrity pact with the buyer would be competent to participate in the bid. The format of integrity Pact is enclosed with tender documents. The 'Integrity pact' dully filled as per enclosed format to be submitted along with the offer. Bidders to ensure that every page of IP is ink signed with company seal/stamp. The Integrity Pact shall be in Non-Judicial Stamp Paper and notarized by Public Notary (authorized by Government of Exporting Country for foreign bidders).

10. **Payment Terms:**

6.1 Payment Terms For Foreign Vendor:



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6.1.1 For Supply of Material (including OBS and B&D Spares):

6.1.1.1 90% payment will be made at sight by irrevocable Letter of Credit (LOC), as per GRSE's format, will be established in favour of firm on receipt of their proforma invoice towards equipment, spares, documentation, etc. **8 weeks** before despatch for the respective ship set order. Any delay in receipt (by GRSE) of pro-forma invoice, Advising Bank details, BG(if applicable) and order acceptance shall result in delay in issuing Letter of Credit for which no claim of extension in delivery schedule without recourse to Liquidated Damage shall be permitted. Payment through LOC will be made against following despatch documents and submission of Performance Bank Guarantee (in GRSE format) for 10% of total order value. Supplier is required to submit PBG prior to shipment of goods. GRSE shall issue Certificate after receipt of original PBG from Supplier.

- (a) Beneficiary's signed commercial invoice in triplicate quoting import Licence reference (if any) and certifying that the goods supplied are as per purchase order of the applicant. Invoice should certify that goods are freely importable and not covered under the negative list as per foreign trade policy 2015-2020. Stated full details of the item serial no., **GRSE PO no and GRSE Material Code number**., description, quantity, price per unit and total value of material dispatch strictly as per PO this condition must be complied while negotiating documents. Purchase order wise separate invoice to be raised.
- (b) Signed package wise packing list. Triplicate. Packing list must contain **GRSE PO no and GRSE Material Code number**. Refer packign instruction clause for detail information to be incorporated in packing list.

(c) Transport document:

(i) For sea shipment:

Complete set of 3/3 original and 3 copies of nonnegotiable copies of signed, 'clean', 'on board' bill of lading to order of -----(name of applicant's banker). The transport document should

(aa) be marked 'freight to collect' ---for FOB contract

(bb) be marked 'notify'----- (name of applicant's bank) and----- (applicant name and full address).



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- (cc) bear the LC no. Date, GRSE PO no., packing list no., and evidencing shipment of goods.
- (ii) For air shipment:
- Consignee's name and address in Main Airway bill shall be Bank. The airway bill should
- (aa) be marked 'freight to collect' ---for FCA contract
- (bb) bear the date and number of this **documentary credit, flight no and date, GRSE PO No., packing list number.**
- (d) Certificate from reputed chamber of commerce showing goods to be of -----
(name of country)----- origin in triplicate.
- [For purposes of this Clause "origin" means the place where the Goods were mined, grown or produced, or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.]
- (e) Beneficiary's certificate to the effect that three additional set of nonnegotiable documents including one copy each of invoice, packing list, material test certificate/shop test certificate, certificate of origin, warranty certificate have been forwarded to the applicant to Manager (NCM-Import), GRSE Ltd., 43/46, Garden Reach Road, Kolkata - 700024, India) by courier at earliest but not more than seven working days after shipment.
- (f) Guarantee / warranty certificate in triplicate. Guarantee / warranty certificate must contain **GRSE PO no and GRSE Material Code number.**
- (g) Manufacturer's work test certificate / shop test certificate in triplicate. Certificate must contain **GRSE PO no and GRSE Material Code number.**
- (h) Post receipt / certificate (issued by supplier) evidencing timely air mailing hard copy of all required non-negotiable copies of documents to GRSE within 2 days of shipment date and forwarding scan copy of documents to email ID: saha.rajen@grse.co.in within 2 days of shipment date.



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- (i) Shipping company's or their agent's certificate in duplicate stating that the carrying vessel named in the bill of lading is a seaworthy vessel, not more than 15 years old, has been approved under institute classification clause (class maintained equivalent to LLOYDS 100 a1) and has been registered with an approved classification society (certificate to specify the name of the classification society).
- (j) GRSE's certificate as to receipt and acceptance of performance bank guarantee for 10% value of order.
- (k) GRSE's certificate as to receipt and acceptance of SDBG/CPBG for 05% value of order.
- (l) Certificate of IRS/LRS/ABS etc. (on their letter head) as applicable.
- (m) Material Safety Datasheet for Hazardous/Dangerous Cargo.
- (n) Original Marine Insurance policy (wherever Insurance is responsibility of Seller). Refer Marine Insurance clause for details about Marine Insurance policy.

NOTE:

- (aa) All the documents must clearly indicate the GRSE Purchase Order No. , GRSE Material code No., Import License No., Airway Bill / Bill of Lading No.
- (bb) All normal Bank Charges for LOC negotiation etc. in India will be borne by GRSE and Bank charges outside India is to be borne by the supplier.
- (cc) LC confirmation charge where required, will be borne by the supplier.
- (dd) Bank Charges for extension of LC required due to Supplier's fault shall be borne by the supplier.
- (ee) All Bank Charges (both Seller's Bank and Buyer's Bank) are to be borne by seller due to discrepancy of documents.
- (ff) All documents should be in ENGLISH.
- (gg) All documents should mention the LC number, date, IE Code of GRSE.
- (hh) Documents produced by reprographic process / computerized carbon copies are not acceptable unless marked original and signed.



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- (ii) The transport document must not indicate a final place of destination as being different from the port of discharge.
- (jj) All parties to this transaction are advised that the U.S and other government and / or regulatory authorized impose specific sanctions against certain countries, entities and individuals, bank may be unable to process a transaction that involves a breach of such sanctions. Presentation of documents evidencing transshipment through sanctioned countries or any of their regions will be considered as breach of such sanctions.
- (kk) Bill of lading issued by HANJIN SHIPPING COMPANY would not be acceptable.
- (ll) Short form, third party, and Lash bill of lading are not acceptable.
- (mm) Presentation period for LC negotiable documents:-
 - (i) For sea shipment: within 14 days from date of shipment or the validity of this credit, whichever expires earlier.
 - (ii) For airlifting: within 7 days from date of shipment or the validity of this credit, whichever expires earlier.
- (nn) LC is subject to UCPDC 600.
- (oo) LC is subject to uniform rules for bank to bank reimbursement under documentary credits-ICC publication no.725.
- (pp) Insurance is covered by applicant under open cover policy for EXWFOB/FCA/C&F contract.
- (qq) LC confirmation charge(if any) is to be borne by seller
- (rr) This L/C will allow payment as reduced by any deductibles and/or the amount leviable towards liquidated damages, if any on timely presentation of the documents through bank and against work completion certificate duly certified by an officer of GRSE.



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- (ss) This L/C will allow payment as reduced by any deductibles and/or the amount on account of storage and demurrage charges paid or payable by GRSE for default of Supplier/Seller like late presentation of documents, incorrect documents etc.
- (tt) Transshipment is not allowed.

6.1.1.2 Balance 10% payment will be made by TT against firm invoice supported with clean receipt inspection report to be issued by GRSE's RIC after receipt and acceptance of all material (ICGRN) and receipt of PBG. In case, Supplier does not agree to submit PBG, 10% amount shall be retained till expiry warranty period plus one month.

Special Note:

Bidder must note that payment in foreign currency shall not be made for supply of material to Purchaser **from India** (indigenous supply) and work done by service technicians of India as per Reserve Bank of India rules. For Material supply from within India and for work done by service technicians of India (belong to Indian contractor), orders shall be placed only in INR on Indian firms. Payment in foreign currency shall be made for supply of material, which are purely imported in the name of Purchaser and for work done by Service technicians. Number of Purchase orders and bidder details for placement of order shall be mentioned into the offer submitted. The same shall be finalised latest before opening of price bids. Please refer clause no. 55 of this section regarding *“Procedure for bidding by Principal Bidder/Lead Partner and Consortium Partner and placement of order”* in this regard.

6.1.2 For rendering Services.

- (aa) 100% payment will be made through Telegraphic Transfer (TT) within 30 days from date of receipt of invoice along with Work Done Certificate (WDC) duly signed by GRSE authorized representative/PL of ship along with a copy of Visa authenticating entry in India. Original Invoice for services are to be submitted (complete in all respect) to Procurement Officer for vetting and onward submission to GRSE's finance department.
- (bb) In case the Service Engineer is deputed from India through authorized firm/representatives, the order will be placed on Indian authorized firm in INR. The rate quoted in foreign currency will be negotiated and finalized during PNC with L1 vendor only.



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- (cc) Refer "Taxes and Duties" clause regarding submission of other required documents like PAN, TRC etc. for payment of service bills.

6.2 Payment Terms for Indigenous Vendor:

6.2.1 For Supply of Material (including OBS and B&D Spares)

- 6.2.1.1 **90% payment** through ECS / NEFT against receipt and acceptance of materials / items supported with following complete set of documents

(aa) Receipt Gate Stamped Challan & Original Lorry Receipt/Clear & Clean ICGRN (Inspection cum Goods Received Note) of GRSE RIC.

(bb) Submission of INK Signed Invoice and packing list with item wise breakup as per purchase order in triplicates.

(cc) Guarantee / Warrantee Certificate in triplicate.

(dd) Manufacturer's Test Certificate.

(ee) Pre dispatch Inspection Certificate, if applicable.

(ff) Inspection certificate of DQA(N), if applicable.

(gg) Class Inspection Certificate (if applicable)

Note: All documents must clearly indicate the Purchase Order no, Lorry no, Third party Inspection Certificate no. etc.

- 6.2.1.2 **Balance 10% payment** shall be released after expiry of Guarantee / Warranty period **OR** 10% balance payment may be released on submission of **PBG** for 10% value of PO **subject to clean ICGRN Report.** In case, Supplier does not agree to submit PBG, 10% amount shall be retained till expiry warranty period plus one month.

Notes:

(i)All bank Charges will be borne by supplier and payment will be made through ECS.

(ii)Consignee for B&D Spares shall be finalized during placement of order.



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6.2.2 For rendering Services.

100% payment (plus taxes) will be made through ECS within 30 days from date of receipt of invoice along with Work Done Certificate (WDC) duly signed by GRSE authorized representative/PL of ship.

6.3 Shipping Document Instruction:

Advance copies of shipping documents like Invoice, AWB/Bill of Lading, Packing List etc. must be directly sent to email ID (saha.rajesh@grse.co.in) for the purpose of:

- (a) Check against any discrepancy and feedback to Supplier for correction, if any, required.
- (b) Ground work for custom clearance formalities.

6.4 Seller shall be fully responsible for, indemnify and hold Buyer harmless from any and all payments to its vendors or subcontractors utilized in the performance of Services.

11. Security Deposit (SD)[Interest free]:

- (a) Security Deposit (interest free) for 5% of total order value (in GRSE format enclosed) is to be submitted within thirty (30) days from the date of placement of Purchase Order in the form of Crossed Demand Draft (in favour of Garden Reach Shipbuilders & Engineers Limited., Kolkata, payable at Kolkata) or Bank Guarantee in approved GRSE format. Security Deposit /SDBG will remain valid till successful execution of purchase order with a claim period of one month.
- (b) SD will be demanded from Supplier/Contractors who are given free issue material for fabrication job, as also sub- contractors who work without free issue materials.
- (c) SD will be deposited a fresh by the successful bidder as per terms & conditions mentioned in P.O. and thereafter the EMD amount/EMD BG refunded.
- (d) Failure to deposit SD amount/ submission of BG within stipulated time will invite penal interest from the date from which the amount was required to be deposited or BG to be submitted. The rate of interest would be at the rate of 2% per annum above LIBOR (London Inter Bank Offer Rate) (for foreign vendors) and base rate of SBI/MCLR declared by RBI (Median value applicable for public sector Banks) plus 2% (for Indian Vendors) or 6% whichever is higher. The date of reckoning such interest rate shall be date on which Supplier is required to submit BG as per above term 11(a). GRSE shall also have the right to recover the amount from outstanding dues to the Contractor against any other Purchase Orders placed by GRSE.



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- (e) In the event of failure to execute the order satisfactorily or default by the Sub-contractor / Supplier / Vendor, the Security Deposit will be forfeited.

Note: Refer “General Rule of all Bank Guarantee” clause

12. Performance Bank Guarantee (PBG):

- (a) Performance Bank Guarantee (in GRSE format enclosed) for 10% of total value of order is to be submitted 30 days before dispatch of materials and the same shall remain valid till expiry of Guarantee Period with a claim period of One Month.
- (b) GRSE reserves right to encash PBG in case Purchase order (PO) for Warranty extension or Re Preservation (as per provision of Tender/PO) is not accepted by supplier.
- (c) In case GRSE desire to place PO for Warranty extension (as per provision of Tender), PBG is required to be extended by supplier till the extended warranty period plus one month claim period. In case PBG extension is not possible, fresh PBG (having same value as for original PBG) with validity period till extended warranty period plus one month claim period is required to be submitted by supplier.
- (d) No interest shall be paid by Purchaser for PBG or Performance Security.

Note: Refer “General Rule of All Bank Guarantee” clause

13. Liquidated Damages:

- (a) In the event of delay in supply beyond the contractual delivery period, Liquidated Damages will be imposed @ ½% per week or part thereof on the undelivered material/goods, subject to a maximum of 5% of supply of Material order value of the delayed part. Delivery Date will be considered as per date of Bill of Lading/AWB/Date of receipt of Cargo by GRSE Freight Forwarder in case of Incoterms FOB/FCA/CFR.
- (b) LD for Late submission of Binding Drawing and QAP: Liquidated Damages @ ½% of Material value for per week or part thereof delay in submission of Binding Drawing, Data and QAP beyond schedule date of submission mentioned in SOTR, maximum 5% of the material value shall be imposed.
- (c) LD on submission of B&D in ILMS Format: Liquidated Damages @ ½% of Material value for per week or part thereof delay in submission of Binding Drawing, Data and QAP beyond schedule date of submission mentioned in SOTR, maximum 2% of the material value shall be imposed.



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- (d) The cumulative LD shall not exceed 5% of Total order value.
- (e) The LD would be deducted from the invoice of Supplier/Seller at the time of release of the payment. GRSE also reserves right to recover LD by invoking/encashing any Security/BG or by adjusting or set-off against any sum payable to the Contractor/Seller under this or any other Contract with the Company.
- (f) In the case of a consortium, the LD would be deducted from the invoice of lead partner/consortium partner at the time of release of the payment.
- (g) Supplier/Seller agrees with the Buyer, that the above Liquidated Damages represents a genuine pre estimate of the damages which the Buyer will suffer on account of delay in the performance of the Contract by Seller and the said amount will be payable by Seller on demand without there being any proof of the actual loss/or damage caused by such breach/delay. The Seller further agrees that Buyer's right to impose LD on account of delay in the performance of the Contract by Seller is without prejudice to any other rights (like Risk Purchase etc.) of Buyer under this Contract.

14. General Rule of All Bank Guarantee:

- (a) If Bidder/Contractor is foreign firm, the BG is required to be advised through Indian Bank (to be informed prior to placement of order) in SWIFT form to GRSE to dispense with additional step of verification of authenticity of signatories. In case of BG transmitted through SWIFT, it shall be the responsibility of the bidder that he directs the receiving banker to forward the message duly authenticated to the concerned Commercial/Finance executive.
- (b) Bank guarantee from foreign bank shall be from bank of international repute.
- (c) Foreign bidder shall submit BG through Foreign Bank by SWIFT mode to GRSE Bank.
- (d) BG is to be submitted in currency of order.
- (e) In the event of postponement of completion period or extension of guarantee desired & sought by GRSE, the Bank guarantee has to be extended till the extended period desired by GRSE.
- (f) The charges for extension of BG shall be payable by the Principal Contractor/Contractor/Seller in case delay in completion of supply/service/works/project is not attributable to GRSE.



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- (g) BG for Indian Supplier/Contractor shall be from scheduled Banks (promulgated by RBI) other than Co-operative Banks in approved GRSE format.
- (h) All Bank Guarantee shall be en-cashable in Kolkata.
- (i) For Indian Bidder/Supplier: Bank Guarantee should be executed on the non-judicial stamp paper of Rs.50/- which should be obtained in the name of the executing Banker. In case a single stamp paper of Rs.50/- is not available, stamp paper of multiple denomination is acceptable provided serial no. of such stamp paper are consecutive and are purchased on the same date. Any alteration in the writing is required to be authenticated by the signatory executing the Bank Guarantee under official seal. B.G. must be submitted in banker's sealed envelope directly to our Finance Dept.
- (j) Bank Guarantee should be executed strictly as per GRSE's Format.
- (f) For Indian Bidder/supplier, All Bank Guarantee is to be sent directly by your Banker in a sealed envelope to the following address.

“Manager (NCM-IMP)

**NCM-Import department, Material Division
New Building Complex, 1st Floor, Main Works
Garden Reach Shipbuilders & Engineers Ltd,
43/46 Garden Reach Road, Kolkata -700024.”**

15. **Terms of Price/Delivery Terms:**

- a) Quoted Price shall be firm and fixed till full execution of order.
- b) Price quoted should be inclusive of all charges for proper packing, forwarding and preservation.
- c) Terms of Price/Delivery Terms sought by GRSE:
- (i) For Foreign Bidders:
- aa. The Terms of Quoted price (Delivery terms) shall be “F.O.B major International Gateway Seaport of exit stowed, costs and risks in connection with loading on the seller” / “F.C.A. major International Gateway Airport of exit”. Price quoted should also be inclusive of all charges for proper packing, forwarding and preservation. However Materials are to be despatched (for Main Carriage) through GRSE Nominated Freight forwarder only. All



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charges applicable till on board Carrier / Flight shall be borne by the firm in case of FCA, (Airport of loading) despatch. Name of seaport/airport must be mentioned by the vendor. The terms such as 'any USA seaport' or "any European sea port" shall not be quoted.

bb. Foreign Bidder must quote freight and / or Insurance charges in percentage of Basic FOB price in Part-I Bid. Refer Annexure-IV of the tender. In case of necessity, GRSE reserves right to place order on CFR, Kolkata (Liner out) or CIF Kolkata (Liner Out) basis. Bidder has to accept order on CFR, Kolkata (Liner out) or CIF Kolkata (Liner Out) basis as per requirement of GRSE.

cc. the freight and / or Insurance charges quoted by the tenderers for working out CFR Kolkata (Liner out) price or CIF Kolkata (Liner Out) price and accordingly GRSE may place order on CFR Kolkata (Liner out) price or CIF Kolkata (Liner Out) basis. This is sole discretionary authority of GRSE, not obligation .

(ii) For Indigenous Bidders:

(aa) FOR GRSE Kolkata (43/46, Garden Reach Road, Kolkata-700024, India) [Door Delivery to GRSE Store at Kolkata. Consignee address may change at the time of delivery. No price escalation and delivery extension is allowed on account of change of Consignee. Bidder is requested to refer the Consignee clause of this "Special Commercial Terms and Conditions".

(bb) FOR is India specific trading/delivery term. The risk of loss or damage shall be transferred from seller to buyer at GRSE Kolkata. FOR price includes Cost of manufacturing, Inspection Charge, Packing & Forwarding charge, Loading Charge, Transportation, Insurance charge up to GRSE Kolkata and unloading charges at GRSE's premise but not limited to these. Seller is responsible till delivery at GRSE, Kolkata in regard to supply of material.

(cc) Indian Bidder must quote freight and / or Insurance charges in percentage of FOR Price in Part-I Bid. Refer Annexure-III of the tender. In case of necessity, GRSE reserves right to place order on Ex-works basis. Bidder has to accept order on Ex-works basis, if GRSE desires to place order on Ex-works basis. GRSE will consider the freight and Insurance charges quoted by the tenderers for working out Ex-works price and accordingly GRSE may place order on Ex-Works basis. This is sole discretionary authority of GRSE, not obligation.



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- d) In case of short supply, all materials are required to be despatched as per GRSE door delivery basis (DDP /FOR GRSE Kolkata Door Delivery basis).
- e) **No price escalation is allowed** at any stage. Quoted price must be inclusive of all charges like 'incidental charge'.
- f) Port of Discharge: Kolkata (applicable for foreign bidder). However Port of Discharge may change at the time of delivery. It is the obligation of seller to obtain confirmation from GRSE in regard to Port of Discharge prior to shipment of goods. No price escalation shall be entertained to Supplier in case Port of Discharge is changed from Kolkata to other Indian Port.
- g) The Incoterms® 2010 rules is applicable for this tender.
- h) The whole cost of complying with all provisions of this tender shall be included in the item provided in the priced "Price Bid or Item Rate BOQ". All cost required for completing the scope of work as per NIT shall be deemed to be distributed reasonably amongst the rate and price entered for related items in the price bid.
- i) Shipping documents such as bill of lading, packing list and others for returnable items shall be separately prepared and submitted to enable return after the completion.
- j) **For Foreign Vendor:** Wherever Design, Engineering, Drawing and Documents are separate deliverable (as goods) as per Tender/Purchase Order, the Seller must physically dispatch the drawing/ documents (CD form and hard copy) after final approval (by Competent Authority) through Indian Custom authorized Courier or through buyer's appointed freight forwarder. **The mode of transport must be air.** The Seller is required to make shipment of approved drawing/document prior to claiming payment for Design and Engineering. The Seller must get the custom invoice and packing list verified by GRSE prior to shipment of hardcopy (& CD form) of drawing/documents from Seller's country. The Seller also must note that advance intimation about shipment is to be made to GRSE prior arrival of hard copy of drawing/documents at Kolkata airport.

16. **Guarantee / Warrantee:**

(select small ships or large ships)

- (a) The supplied materials are to be guaranteed / warranted for satisfactory performance for the period of **12 months** from the date of commissioning of the respective ship **48 months** from the actual date of final dispatch of equipment / items/materials whichever is earlier. During guarantee / warranty period if any item/ materials thereof supplied by the contractor, suffers due to defective material and or due to improper design and or due to defective drawing or



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due to faulty workmanship the vendor will assume full responsibility of rectification of such defective equipment or component thereof including direct expenses related to removal and re-positioning of the replacement/repaired equipment or component thereof and subsequent test & trial, incurred thereon without any financial implication to GRSE within 07 days (For Indigenous vendors), 21 days (for Foreign vendors) of notice of such defect. If any items are required to be removed from GRSE for defect repair, then supplier shall remove the same after submission of Bank Guarantee amounting equivalent to value of material to be removed and having validity of BG till the time of return of repaired/fresh material to GRSE and re-shipment to original equipment to GRSE. In case, materials are delivered in multiple consignments/lots, last date (actual) of delivery of consignment shall be reckoned for calculation of warranty date.

(b) **For shelf life items, the bidder is to mandatorily indicate the shelf life of each item to ascertain the Maximum possible warranty period.**

(c) **Removal of Defective Material (under Warranty).** In case defective material is required to be removed from GRSE's premise for repair/rectification/replacement to be carried out at Principal Contractor/Contractor/Supplier's Premise/Works. Following procedures are to be followed by Principal Contractor/Contractor.

(i) The Principal Contractor/Contractor shall collect the same from the Purchaser's Stores immediately from the date of intimation to the Principal Contractor/Contractor of such rejection. All incidental charges are to be borne by Principal Contractor/Contractor (inclusive of Customs Duty, if payable),

(ii) The Principal Contractor/Contractor is required to submit Bank Guarantee equivalent to value of defective material prior to removal of defective material from premise of GRSE.

(iii) The Supplier is required to submit details as per GRSE's Export Queries form and other relevant documents in supplier's letterhead within 05 days from date of intimation of defect to Supplier. Export Queries form and other documents required for exporting the defective goods shall be forwarded during intimation of defect to Supplier.

(iv) The Supplier is required to adhere all rules and regulations under Indian Law like Custom Law, GST Law etc. and prepare documentation for Re-Importation (from supplier's country to India after repair/replacement) as per Indian Law.

(d) The vendor/sub-contractor may, with the consent of Purchaser and after submission of Bank Guarantee for the equivalent cost of equipment or part of equipment, remove from Purchaser's premise/Ship any equipment or part of equipment that are defective if the nature of the defect, and/or any damage to the Ship caused by the defect, is such that repairs



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cannot be expeditiously carried out at the Purchaser's premise/Ship but become essential in the mean time for construction of Ship/use in Ship, the vendor/sub-contractor shall replace at site free of cost to the Purchaser, the defective parts, before the defective parts are removed from Purchaser's premise/Ship.

- (e) If the repair, replacement or making good is of such a character that it may affect the efficiency of the Main equipment/Ship, the Purchaser may give to the vendor/sub-contractor a notice requiring that test of defective of Main equipment shall be made by the vendor/sub-contractor immediately upon completion of such remedial work, whereupon the vendor/sub-contractor shall carry out such test.
- (f) If the vendor/sub-contractor fails to commence the work necessary to remedy defect or any damage to the Main equipment/Ship caused by such defect within a reasonable time which shall in no event be considered to be less than fifteen(15) days, the Purchaser may, following notice to the vendor/sub-contractor, proceed to do such work, and the reasonable cost incurred by the Purchaser in connection therewith shall be paid to the Purchaser by the vendor/sub-contractor or may be deducted by the Purchaser from any money due to the vendor/sub-contractor or claimed under the Performance Bank Guarantee.
- (g) If the Main Equipment or any part thereof cannot be used by reason of such defect and/or making good of such defect, the Guarantee / Warranty period of the Main equipment or such part, as the case may be, shall be extended without any additional financial burden on Buyer by a period equal to the period during which the Main Equipment or such part cannot be used by the Purchaser because of any of the aforesaid reasons.
- (h) **Warranty / Guarantee extension**: Bidder to quote warranty / guarantee extension charges of Main equipment & OBS -1 yr for a period of 02 years. If GRSE desires to extend the warranty / guarantee period after placement of order, the charges for warrantee / guarantee period extension quoted by the bidder shall be considered on pro-rata basis for the actual extension period. Irrespective of acceptance of the GRSE's warranty / guarantee clause by the bidders, the quoted warranty / guarantee extension charges applicable for a period of two years will be loaded for deciding the lowest bidder. In case a bidder does not quote warranty/guarantee extension charges in their Part-II Price Bid, the said charges will be considered as 0% (Nil) while ranking of the bid. In such case bidder has to extend warranty / guarantee if required at no extra cost up to 2 years beyond contractual agreed period. **The placement of PO for warranty extension shall be at the discretion of GRSE (not obligation) and separate order shall be placed if required by GRSE.**
- (i) Supplier shall warrant that they will make available the blue prints of the drawings of the spares if and when required in connection with the main equipment.



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- (j) Buyer reserves the right to claim all consequential loss/damage sustained by Buyer because of Supplier's failure to rectify defective equipment or component thereof including direct and to re-position the replaced/repared equipment or component thereof and to subsequent test & trial etc, within the timeframe stipulated under above para (a) of this clause.
- (k) Warranty For B&D Spares: Warranty shall be as per SOTR/TSP. The Warranty for the spares supplied shall be limited to back to back basis and the Warranty obligations flow down to the Indian Navy. This means that if ship is delivered to IN by shipyards and at that time the B&D spares warranty exists, then the balance warranty period of the spares shall be extended to IN.
- (l) GRSE reserves right to reduce initial warranty period of equipment [stipulated at para (a) above] at any time after award of contract. In that case, equipment price shall be reduced proportionately at same rate in which warranty extension charge is quoted by Bidder [refer para (h) above]. Accordingly excess amount paid on account of equipment price shall be recovered from Bidder.

17. **Taxes & Duties:**

(a) For Foreign Vendor:

- (i) All taxes, duties, levies etc. as applicable outside India will be borne by firm / vendor.
- (ii) All taxes, duties, levies etc. applicable in India will be borne by GRSE. However, **withholding tax (applicable as per Indian Income Tax law) for provision of Technical Services (like Technical assistance, training, license fees etc.) by Foreign supplier shall be deducted from Service bill and payment shall be made after deducting the withholding tax amount.** The withholding tax amount so deducted shall be deposited by GRSE to Indian Income Tax Authority. Bidder must include this withholding tax in their Price Bid.
- (iii) The bidder is required to submit HSN code in their Part-I bid.
- (iv) For clearance of any payment related to the Technical services **(like Technical assistance, training, license fees etc)** rendered by the Foreign Supplier, the foreign supplier must submit Permanent Account Number (PAN) of Foreign Supplier under Indian Income Tax Law, Tax Residency Certificate of Foreign Supplier in their country, and/or following documents :-
- (aa) Name, E-mail ID, Contact Number of Firm.
- (bb) Address in the country or specified territory outside India of which the deductee is a resident.



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- (cc) A certificate of his being resident in any country or specified territory outside India from the Government of that Country or specified territory if the law of that country or specified territory provides for issuance of such certificates.
- (dd) Tax identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country of that country or the specified territory of which he claims to be a resident.
- (v) The Foreign bidder (seller) shall bear and pay Import Duty [Basic custom duty (BCD), IGST, Safeguard duty, additional Custom duty, NCDD, Cess etc.] applicable at Indian Port for replacement against short supply, damaged, defective items of imported equipment. If such duty is paid by GRSE, same shall be recovered by adjusting any payment due to seller.
- (vi) Custom Duty on the value of Container (excluding content of Container) shall not be paid by Purchaser. The shipper/shipping line is required to file required bond in Indian custom department.

(b) For Indigenous Vendors:

(aa) Goods and Service Tax(GST):

- (i) GST on Finished Product/Services/Works as per GST Laws shall be payable extra as quoted and agreed.
- (ii) In case of purchases of goods/ services from unregistered dealers under GST Laws, GST will be paid by GRSE under reverse charge mechanism. The amount of GST to be paid by GRSE shall be deducted from vendor's bill.
- (iii) Benefits from reduction in rate of tax / ITC is required to be passed on to consumer. Where "applicable GST" has been quoted as extra, Goods and service provides (except un-registered dealers under GST Law) have to submit declaration that they have complied with "Anti- profiteering clause' under GST Law. Such declaration be given in technical bid. The calculation of the benefit in the reduction of price should be provided by the vendor.
- (iv) If the vendor is registered under GST, vendor shall mention the HSN code for goods & / or services in their tax invoice, etc. These codes must be in accordance with GST Laws and responsibility of specifying correct HSN codes for goods and / or services is that of the vendor, GRSE shall not be responsible for any error in HSN code for goods and / or services specified by supplier/ contractor. Supplier / Contractor shall pay penalty and /



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or interest imposed on GRSE or any loss due to delay in availing ITC by GRSE or any loss of ITC to GRSE due to errors by vendors at any stage. GRSE reserves right to recover any such interest, penalty or loss from any amount due to Supplier / Contractor or otherwise.

- (v) If the vendor is registered under GST, the GST registration number (15 digit GSTIN) issued by GOI shall be mandatorily provided by the vendor. Vendor having multiple business verticals within state / at multiple states with separate GST registration numbers shall forward GSTIN of only that vertical which is involved in supply of goods and / or services. Vendor shall mention the same while invoicing and avoid any data entry error on GST portal.
- (vi) If the vendor is registered under GST, vendor shall ensure timely submission of invoice as per the provisions / requirement / timeline promulgated by GOI in relation to GST Law with all required supporting documents to enable GRSE to avail input tax credit promptly. The vendor's invoice inter alia should contain GSTIN of vendor, GSTIN of GRSE, GST tax rate separately, HSN code wise goods or services, place of supply, signature of vendor etc. Original invoice needs to be submitted to Bill Receipt Centre at GRSE and a copy of the invoice should be given to the goods receiving section (GRSE).
- (vii) If the vendor is registered under GST, vendor shall file all applicable returns under GST Laws in the stipulated time & any losses of tax credit to GRSE arising due to delay in filing will be recovered from their invoice wherever GRSE is eligible to avail tax credit. Any default towards payment of tax and / or uploading of monthly returns by supplier / contractor, GRSE retains right to withhold payments towards tax portion until the same is corrected and complied by the supplier / contractor with the requirement of GST along with satisfactory evidence.
- (viii) The rate sheet enclosed with the tender will indicate the rates to be entered under each head wherever applicable. Bidders must clearly mention the applicable Taxes & Duties.
- (ix) The Supplier/Seller must submit original tax invoice or debit note to GRSE(buyer) prior to the expiry of one year from the date of issue of tax invoice relating to such supply in order to avail Input Tax Credit by GRSE(Section 18(2) of CGST Act). Notwithstanding, the Supplier/Seller must submit original tax invoice or debit note for supply of goods or services or both, before the filing of the Return under Sec 39 of CGST Act for the month of September following the financial year to which such invoice/ debit note pertains. - Section 16(4) of CGST Act. In case of default by supplier, GRSE reserves the right not to reimburse GST amount of Invoice to supplier.



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- (x) Break up of GST shall be indicated by the Seller while raising invoice / bill. While submitting the bill / invoice Seller shall undertake that the Goods and Services Tax (GST) charged on invoice/bill is not more than what is payable under the provision on the relevant Act or the Rules made there under and that the Goods on which GST are charged have not been exempted under the GST Act or the Rules made there under and the charges on account of GST on these goods are correct under the provision of that Act or the rules made there under.
- (xi) TDS @2 % or as applicable shall be deducted on the payment made or credited to the supplier where the total value of supply (supply of Goods or services) under a contract exceed Rs.2,50,000/- excluding GST. However no deduction shall be made if the location of the supplier and the place of supply is in a state or Union Territory, which is different from the state, or as the case may be Union Territory of the registration of recipient.

(bb) Basic Custom Duty Reimbursement to Indian Supplier having import content:

- (i) The Indian bidder/supplier shall declare import content (along with list of imported materials) involved in manufacturing of equipment for which tender floated.
- (ii) The BCD and Cess as applicable on Import content will be reimbursed to the Indian bidders by GRSE against documentary proof of payment (submissions of original receipts) and submission of other documents as detailed below.
- (iii) Indian Bidder/supplier shall pass on the benefit to GRSE on account of BCD (including cess) to be reimbursed by GRSE to Indian suppliers on submission of documents stipulated in guidelines. Therefore, Indian Bidder/supplier shall not consider this BCD (including cess) in their quoted price of equipment, for which reimbursement to be made by GRSE based on submission of stipulated documents by Indian suppliers
- (iv) Indian Supplier will forward to BUYER, separate lists of items required to be imported by themselves and their sub-supplier giving the respective drawing references three months prior to actual import for scrutiny by Directorate of NSM to BUYER.
- (v) The following procedure will be adopted for reimbursement of BCD on imported input materials:
- AA. Reimbursement of BCD on input material will ordinarily be done at actuals at the time of release of payment after inspection and dispatch and along with payment of other Taxes and Duties based on the following principles:
- a. BCD shall be a reimbursable expense, to be done at actuals against proof of valid documents.



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- b. Reimbursement of BCD shall be in Indian Rupees only, irrespective of the currency in which the contract has been denominated.
- c. BCD will not be reimbursed if it has become payable in extended delivery periods where such extension is on account of delays attributable to the vendor.
- d. BCD will not form part of initial advance or be paid in advance of actual incurrence of the expense.
- e. Claims for reimbursement of BCD shall be accompanied with the following documents:
 1. A statement duly signed by the vendor and his statutory auditor showing the components and amounts under various elements of Customs Duty, the admissibility and amount of CENVAT Credit applicable and how the benefit is being passed to the Purchaser. All benefits must be passed on at the stage of or prior to claiming the reimbursement.
 2. The vendor shall, along with the invoice submit an undertaking specifying that all CENVAT Credit admissible has been passed on to the Purchaser. If at a later stage the Purchaser discovers that full amount of CENVAT Credit has not been passed on to Purchaser or false and misleading statement has been issued, the Purchaser shall recover the same with interest as applicable, from the instant contract or any other payment due to the vendor. The purchaser also deserves the right to initiate other actions as per extant procedure and rules in vogue.
 3. Copy of the Import Purchase Order
 4. Copy of the Import Invoice
 5. Certification by Supplier that items being imported are for fitment on warships.
 6. Air Way Bill / Bill of Lading marked as Freight Paid
 7. Insurance Policy/Insurance Document.
 8. Evidence/Receipt towards payment of above taxes / duties

(cc) Bidders are instructed to quote taxes and duties separately. Wherever all-inclusive prices are quoted by the bidder(s) without bifurcation of tax elements, no escalation can be considered in respect of any variations in statutory levies arising subsequently because of the absence of the required base figures in the purchase order / contract.

(dd) Following information are must in Tax Invoice –



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- (i) GSTIN of Vendor
- (ii) GSTIN of GRSE
- (iii) HSN/SAC of material
- (iv) Rate and Value of CGST/SGST/IGST as may be applicable.
- (v) Type of Vendor – Registered/Unregistered/Composite

(c) Variation of Taxes and Duties:

The taxes and duties shall be paid/reimbursed by GRSE at actual against documentary evidence if delivery of supply are made within contractual completion period. For any increase in Taxes and Duties due to imposition of new taxes and duties or change of rate of existing taxes and duties or abrogation of existing taxes and duties by Government of India after contractual completion period, increase amount of taxes and duties shall not be paid/reimbursed by GRSE if reason for delay are not attributable to GRSE. However if there is decrease in taxes and duties due to decrease of rate of existing taxes and duties or abrogation of existing taxes and duties after contractual completion period, taxes and duties shall be paid at actual against documentary evidence. The base rate for the purpose of ascertaining statutory variation in taxes and duties shall be tender closing date.

18. Arbitration:

- (a) If at any time, before during or after the contract period, any unsettled claim, question, dispute or difference arises between the parties, upon or in relation to or in connection with or in any way touching or concerning this order, the same shall be referred to the Chairman & Managing Director(“ CMD” in short) of Garden Reach Shipbuilders & Engineers Limited (“GRSE Ltd” in short) for appointment of a sole arbitrator for adjudication of the said disputes or differences, in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- (b) The CMD, GRSE Ltd. shall appoint a person, whom he thinks fit and competent, for adjudication of the disputes or differences, as the Sole Arbitrator.
- (c) Such arbitration shall, in all respects, be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and the rules framed there under or any statutory modification or re-enactment thereof for the time being in force.
- (d) The Award of the Sole Arbitrator shall be final, conclusive and binding upon the parties.
- (e) In the event of the death or resignation for any reason whatsoever of the said Sole Arbitrator, appointed by the said CMD of GRSE Ltd. , the CMD of GRSE Ltd., on an application from either of the parties in this behalf, shall appoint in place of the outgoing Arbitrator, another person whom he thinks fit and competent to adjudicate the said disputes and differences in accordance with law.



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- (f) Also in the event an Arbitration award is set aside by a competent court on an application from either party and unless otherwise ordered by the said court, the CMD of GRSE Ltd., on an application from either party, shall appoint a person whom he thinks fit and competent to adjudicate the disputes and differences in accordance with law.
- (g) The cost of the arbitration, fees of the arbitrator, remuneration of the stenographer and clerk, stamp paper etc. as shall be decided by the Sole Arbitrator, shall be shared equally by the parties. The venue of arbitration shall be at Kolkata and unless otherwise decided by the parties or by the Sole Arbitrator himself the venue shall be the premises of Garden Reach Shipbuilders & Engineers Ltd. located at 43/46, Garden Reach Road, Kolkata 700 024.
- (h) The language of the proceeding shall be in English.

19. **Governing Jurisdiction and Compliance with Laws:**

- (a) All contracts shall be deemed to have been wholly made in Kolkata and all claims there under are payable in Kolkata City and it is the distinct condition of the order that no suit or action for the purpose of enforcing any claim in respect of the order shall be instituted in any Court other than that situated in Kolkata City, West Bengal State, India and the parties agree to exclusively submit to such jurisdiction.
- (b) This Agreement in all respects shall be governed by and construed in accordance with the Indian Laws.

20. **Risk Purchase/ Cancellation of Order:**

- (a) Buyer (GRSE) may, in his absolute discretion, terminate the Contract in part or as a whole after giving him a notice minimum 15 days notice in writing, due to occurrence of any of the following reasons and decision of the buyer in this respect shall be final and conclusive:
- (i) Buyer has abandoned the Contract.
- (ii) In the opinion of the Buyer (GRSE), either the progress of Work/Supply is not satisfactory or the Work/Supply is not likely to be completed within the agreed period on account of Seller's lapses.
- (iii) The Seller has failed to commence the Work/Supply or has without any lawful excuse under these conditions, has kept the work suspended for at least 15 days despite receiving the Buyer's (GRSE's) or his Representative's written notice to proceed with the work/Supply.



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- (iv) The Seller has failed to remove materials from Site or to dismantle or demolish or replace equipment/material for 15 days after receiving from GRSE's the written notice stating that the said material or work where condemned and rejected by him under this conditions.
- (v) The Seller is not executing the work/supply in accordance with the terms and conditions of Contract or is persistently or flagrantly neglecting to carry out his obligations under the Contract.
- (vi) Any bribe, commission, gift or advantage is given, promised or offered by or on behalf of the Seller to any officer, servant or representative of GRSE or to any person on his or their behalf in relation to the execution of the Contract.
- (vii) The Seller is adjudged insolvent or enters in to composition with his creditors or being a company goes in to liquidation either compulsorily or voluntarily.
- (viii) The Buyer has noticed that the Seller has utilised the services of any person, party, firm or institution engaged as Agent, in getting this contract wherein any payment is made or penalty is levied, directly or indirectly, on success or failure of the award of contract including any such payment made or penalty levied to his Agents already intimated to Buyer.
- (ix) Based on the decision of Arbitration Tribunal.
- (b) Upon receipt of the letter of termination of Contract, which may be issued by the Buyer, the Seller shall hand over all the Buyer's tools, plant and raw materials issued to him at the place to be ascertained from the Buyer, within 7 days of receipt of such letter.
- (c) In all such cases of Termination of Contract, the Buyer shall have the Power to complete the work/Supply through any other agency or departmentally at the Seller's complete risk and expense and the Seller shall be debited any sum or sums that may be expended in completing the work/Supply beyond the amount that would have been due to the Seller, had he duly completed the whole of the work/Supply in accordance with the Contract.
- (d) Upon termination of Contract, the Seller shall be entitled to receive payment of only 90% of the value of work actually done or materials actually supplied by him and subject to recoveries as per Contract, provided the work done and materials conform to specifications at the time of taking over by the Owner.—. The payment for work shall be based on measurements of actual work done/material supplied and priced at approved Contract rates or other rates, as decided by the Buyer.—. The payment for materials supplied shall be at the rates as decided by the Buyer, which shall in no case be more than market rates prevailing at the time of taking over/Termination of Contract by the Buyer.—.



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(e) The Buyer shall have the power to retain all amounts due to the Seller until the work/Supply is completed by other agency and the Seller's liabilities to the Buyer are known in all respect.

21. **Force Majeure Clause:**

Standard Force Majeure Clause as per format approved by the Ministry of Law and STACS will be applicable. The failure of the sub-contractors of the suppliers shall not be accepted as a Force Majeure Condition. Vendor is to submit relevant proof / document well in time to buyer to inform F.M. condition. Power failure will not be treated as a force majeure condition.

22. **Technical assistance/Service Engineer:**

- (a) Technical assistance is to be provided as per the scope mentioned in TSP/SOTR.
- (b) **Price for Services of Engineers (dedicated independent team for each ship) to be quoted on Lump sum basis (including TDS/Withholding Tax as per Indian Income Tax Law) in template of "Item Rate BOQ" or Part-II bid. Please also refer Taxes & Duties clause of Special Commercial Terms and Conditions of this NIT. The quoted price should be inclusive of To & Fro travelling expenses, lodging and boarding, local conveyance, food & incidentals, communication system, medical, insurance, personal Indian Income tax, all incidental charges etc. for each activity as per TSP.**
- (c) Services of Engineer's cost break in percentage for each of the activity as per TSP, if any, is to be indicated in Part-I bid. Please note that prices are not to be mentioned in Part-I bid.
- (d) Please note that it is the sole responsibility of the vendor to complete the trials till SATs & Habitability trials including Final Machinery Trials (FMT) within quoted prices of services of Engineers. The quoted price shall be firm and fixed till completion of all activity as per SOTR. No extra cost (like manday rate/Sortie rate) shall be provided to supplier/OEM.
- (e) Service Engineers are required to be deputed (at GRSE, Kolkata or any other place in India, where ship shall be built/commissioned. Place of deputation shall be confirmed by GRSE during notice of deputation) for attending on board activity against GRSE's call (normally one week notice for foreign bidder, 2-3 days notice for Indian bidder). In case of emergency, bidder may also require to depute their rep at shorter notice. Timely availability of Service Engineers shall be ensured.
- (f) Bio-data of the Foreign Engineers/Experts shall be furnished by the Supplier/Seller to the Purchaser for approval sufficiently in advance before their deputation. The Supplier/Seller



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shall obtain at its own cost, necessary work permits, passports, visas, police permits and expenses for custom duty related to personal and other effects of Experts/Personnel who are non-residents of India, employed or engaged by him for work.

- (g) In the event, Expert is not found of required skill/expertise, then Purchaser will have right to send the Expert back at the cost of the Supplier/Seller.
- (h) In the event of any of Seller's or OEM's employees suffers loss, injury and damage, in any manner whatsoever, during the course of execution of the work, at Purchaser's Yard or On board ship, the loss and damage incurred on account of thereof, shall be borne by the Seller in conformity with the laws in force.
- (i) Supplier/OEM shall forward details checklist/prerequisites separately for each activity like Installation, STW, HAT, FMT, SAT etc. within one month of delivery of equipment to enable GRSE to keep the system ready for that activity.
- (j) Timely availability of Service Engineers shall be ensured by Supplier/OEM.
- (k) No Extra Mandays charge shall be paid till Sea Acceptance Trial (SAT).

23. **Exchange Rate Variation (ERV) Clause:**

BLANK

24. **Inspection, Tests and Certification:**

- (a) Inspection for Indigenous Items. (put appropriate clause of SOTR)
- (b) Inspection for Imported Items. (put appropriate clause of SOTR)
- (c) Joint Receipt Inspection(JRI) in INDIA at Buyer's Premise:
 - (i) Preliminary inspection at SELLER's works by INSPECTOR shall not prejudice PURCHASER's claim for rejection of the EQUIPMENT on final inspection at PURCHASER's premise or claims under warranty provisions.
 - (ii) Joint Receipt Inspection (JRI) will be carried out at Buyer's premise by Buyer's representative, Buyer's Customer's representative (if applicable) and Supplier's representatives (reps). The Supplier is required to depute their reps at GRSE within 07 days from date of intimation by email for JRI. If supplier is not able to depute reps within 07 days, GRSE will carry out receipt inspection in absence of reps of OEM. The JRI



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shall be forwarded to Seller within 30 days of date of JRI. Any discrepancies / shortfall found during receipt inspection are to be made good by supplier immediately free of cost. In case equipment manufacturer/ vendor's representatives desire to attend JRI, the bio data of the equipment manufacturer/ vendor's representative will be communicated fifteen (15) days prior to the dispatch of goods to the shipyard for obtaining the necessary security clearance.

- (d) Manufacturer's Test Certificates, Supplier's Guarantee Certificates, Class inspection certificate like LRS, ABS etc. (if applicable) are to be **provided along with delivery of material**, failing which items are liable to be rejected.
- (e) A set of the above certificates are also be forwarded by email (saha.rajn@grse.co.in) and courier to the ordering authority **separately** for record within 02 days of shipment.
- (f) MATERIAL SAFETY DATASHEET (APPLICABLE FOR DANGEROUS CARGO)
- (g) **Third Party Inspection or Class Inspection:** All costs related to inspections and re-inspections shall be borne by the Seller. In case of inspection by GRSE and / or GRSE's customer, the cost of to & fro passage and Boarding & Lodging shall be borne by the Purchaser / Customer, unless otherwise specifically agreed. In case of foreign vendors, the cost of third party inspection, where called for, shall be deemed to be included in the quoted price. Seller shall be responsible to provide assistance such as labour, materials, electricity, fuels, stores, apparatus, instruments at his cost, as may be required and as may be reasonably demanded to carry out such tests effectively.
- (h) Pre Dispatch Inspection/Factory Inspection & Test(FAT): The SELLER must intimate **date of Factory Inspection & Test at Seller's premise at least 10 weeks in advance** to enable BUYER's QA personnel and Buyer's Customer's (IN) to be available for inspection.
- (i) For Imported Equipment. After the expiry of the life of goods and support equipment, but not before 25 years from the effective date of the Contract (29Apr2019) i.e. Apr2044, the BUYER shall have the right at his discretion to dispose of such goods/equipment/spares without reference to the supplier/SELLER except in cases where end-users certificates have been given by the Government/Buyer/Buyer's Customer.

25. **Manufacturer's Recommended List of On Board Spares (MRLOBS).**

The SELLER is required to provide Manufacturer's Recommended List of On Board Spares (MRL-OBS) and the list will be finalized at TNC held with the OEMs attended by BUYER's rep and OWNER's rep. The SELLER will provide Sufficient Manufacturer's Recommended List of On Board Spares (MRL-OBS) for all equipment. The SELLER is required to provide sufficient OBS



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for equipment in conformity to the requirement of spares, tools and jigs stipulated in the exploitation/ maintenance document of respective equipment/ system. The MRL-OBS has to be recommended based on the likely consumption rate of the spares and on the exploitation pattern of the Equipment. SELLER quoting lesser MRL-OBS in terms of range and depth will have to make good deficiency at their cost without any financial responsibility or liability to the BUYER within 60 days of intimation by the BUYER to render equipment operational. BUYER mutually with SELLER would also have the option to amend the MRL-OBS proposed by the SELLER during the Technical Negotiation of individual equipment to ensure its sufficiency, based on its past experience of exploitation of same/similar equipment. Where feasible, the SELLER would either 'Buy Back' the spares rendered surplus or exchange them on cost to cost basis with the spares as required by the BUYER. The said spares would be purchased/replaced by the SELLER, based on the prices negotiated in the CONTRACT. To this purpose, the SELLER is required to provide Manufacturer's Recommended List of On board Spares (MRL-OBS) in format provided at **Annexure-XXII**. The SELLER shall satisfy himself of the suitability and sufficiency of the MRL-OBS. The SELLER shall establish the range and depth of spares required to support the ship level repair and maintenance for the prescribed period. The SELLER shall also be fully liable in respect of the quality and quantity of the recommended spares and must supply any shortfall of spares without any financial responsibility or liability to the BUYER.

26. **Base & Depot (B&D) Spares**

(Should be provided as stipulated in SOTR/TSP)

- (a) B&D spares for 5 years exploitation period are to be supplied as per SOTR/TSP.
- (b) Bidder's recommended B&D spares list for 8 ships along with Comprehensive Part list (CPL)/Part Identification List (PIL) shall be uploaded in Part-I bid.
- (c) These lists should be in excel format with itemized cost breakup in percentage (% upto six decimal) of the total quoted price of B&D per set as per Annexure-XXXII. It is mandatory for bidder to quote for B&D spares in Price Bid(Part-II). **Please note that the B&D spare prices are not to be indicated in part –I bid.**
- (d) The consignee for the B&D spares along with delivery schedule is Material Organisation (MB), Material Organisation (Karwar), Material Organisation (Kochi) and Material Organisation (V) which are the designated Base Ports for the ASW SWCs as decided by the BUYER's CUSTOMER. Relative distribution of the ordered B&D Spares among the above Base Ports will be indicated by the BUYER's CUSTOMER at the Ranging & Scaling (R&S) stage. Delivery of all B&D Spares is to be completed by SELLER prior delivery of the last VESSEL by the BUYER to its CUSTOMER.



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- (e) Beyond the delivery dates of B&D spares indicated in tender, bidders shall quote escalation rate on per annum basis for 05 years in percentage of B&D spares basic price (Excluding taxes and duties). However, for first six months no escalation charges shall be applicable. The pro-rata rate will be considered for actual period of postponement. **However this escalation rate is not part of L-1 determination.** The Bidder must note that postponement of delivery date is exclusively rights of Buyer, it is not obligation of Buyer.
- (f) The list of B&D spares shall be in ILMS format (INCAT databank compatible format) as per Annexure-XXI. Please note that prices are not to be mentioned in Part-I bid.
- (g) After ranging & scaling by Navy, order for finalized/approved B&D spares would be placed separately by BUYER on behalf of Indian Navy. Shipyards reserve the right to advance or postpone the delivery of B&D spares by 6 months. The advancement or postponement of the B&D spares delivery by 6 months shall be at no extra cost. The same shall be discussed in the price negotiation meeting prior to placement of order for B&D spares.
- (h) The Buyer reserves the right to advance or postpone the delivery of B&D spares by 6 months. The advancement or postponement of the B&D spares delivery by 6 months shall be at no extra cost. The same shall be discussed in the price negotiation meeting prior to placement of order for B&D spares.
- (i) The Buyer reserves the right to postpone the delivery of B&D spares over and above the delivery date mentioned in the tender. The same will be discussed prior to placement of order for B&D spares. However, no charges will be applicable for first six months for delivery advancement or postponement of B&D spares.

27. **Option Clause/Repeat Order:**

- (a) The Buyer reserves the right to place order for additional quantity upto 100% of originally contracted quantity of any line item (including spares/tools etc) within original period of contract (to successful bidder/bidders) at same rates and terms of contract subject to :
- (i) There being no downward trend in price (consent of supplier is not necessary) or if there is a downward trend, the supplier agreeing to reduce the price for the enhanced quantity duly matching with the fall in prices.
- (b) The Option clause can be exercised (if necessary more than once) provided the cumulative of the Option clause quantities exercised does not exceed the option clause quantity provided in the contract.

28. **Foreclosure:**



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If at any time after acceptance of the order and during execution of Contract, GRSE may decide to abandon/reduce the scope of the supply for any reason whatsoever and hence not require the whole or part of the supply to be carried out, GRSE shall give notice in writing to that effect to the **Supplier** and the **Supplier** shall act accordingly in the matter. The Supplier/contractor shall have no claim to any payment of compensation or otherwise whatsoever, on account of any profit or advantage which he might have derived from the execution of the supply in full, but which he did not derive in consequence of the foreclosure of the whole or part of the Contract/Order. The **Supplier** shall be paid at contract rates full amount for supply executed till the date of issue of foreclosure notice.

Provided always that against any payments due to the contractor on this account or otherwise, GRSE shall be entitled to recover or be credited with any outstanding material due from the Supplier for advance paid in respect of any materials and any other sums which at the date of termination were recoverable by GRSE from the contractor under the terms of the contract.

29. **Bank Charges:**

(a) **For Foreign Vendor:**

- (i) All normal Bank Charges in India will be borne by GRSE and Bank charges outside India will be borne by the supplier.
- (ii) LC confirmation charge where required, will be borne by the supplier.
- (iii) Bank Charges for extension of LC required due to Supplier's fault shall be borne by the supplier.
- (iv) All Bank Charges (both Seller's Bank and Buyer's Bank) are to be borne by seller due to discrepancy of documents.

(b) **For Indigenous Vendors:** All applicable Bank Charges shall be borne by vendor.

30. **Packing Instructions:**

- (a) The materials are to be properly packed to protect against damage in the conditions of land, sea and air transportation, transshipment, storage and weather hazards during transportation, ingress of water & dust, pilferages during transits and to store for a period indicated in SOTR & TSP. All packing/cases should be properly identified and tagged as per SOTR Clause.



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- (b) In case of despatch through SEA /AIR, standard Seaworthy / Airworthy Packing (without any additional cost to GRSE) is to be done as applicable.
- (c) The Bidder must mention/confirm following in Part-I (Techno commercial) bid.
- (i) The type of Cargo whether LCL/FCL/Break Bulk Cargo/Dangerous Cargo/ODC etc.
 - (ii) The type of container (Standard 20 ft/Standard 40 ft/Open top/Flat Rack/..etc).
 - (iii) Whether container is Shipper Owned Container (SOC) or Shipping Line's Container.
 - (iv) For shipment through sea, Bidder must mention along with Part-1 bid whether weight of any single package is more than 30 MT(Single Package having weight of more than 30 MT is considered as Critical ODC for Sea freight).
 - (v) Approx., weight and dimension, quantity of box etc.
 - (vi) Approx. distance from Vendor's works to Port of Loading.
- (d) In case of Shipper Owned Container (SOC), SOC word is required to be indicated in Bill of Lading.
- (e) Wherever Marine Freight is responsibility of Seller, **Seller must provide container with minimum 30 days' detention free period from the date of delivery at Port of Discharge / Place of Delivery.**
- (f) The Bidder must provide required documents like Material Safety Datasheet (MSDS) etc. for Dangerous Cargo prior to delivery.
- (g) The materials must be adequately packed in all respects for normal transport by Sea/Postal/Air dispatch to India, suitably protected against the effects of a tropical salt laden, atmosphere, in the event of delay at Indian Port, before clearing.
- (h) Each class of material, and particularly electrical equipment should be packed separately and gross weight of individual cases kept under 4480 lbs. Where possible. If more than one case is included in shipment, cases should be numbered 01 and up & the corresponding number should be shown on the packing list, listing contents therein. Gross weight must be shown on each package to avoid penalty by the local customs. All materials should be properly protected against ocean shipment particularly the possibility of rusting, corrosion or breakage.



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- (i) Every case / package must contain a packing note indicating particulars of the contents.
- (j) All timber used in the packing of the materials is to be free from bark, insects and fungi.
- (k) Gross and Nett weight/packing dimension/No of packages mentioned in the Air Way Bill should be strictly in conformity with those stated either of packing List and Invoice.
- (l) Packing list should be drawn up for individual packages clearly mentioning dimension of each package, gross as well as net weight.
- (m) Description of items mentioned in packing list should be in conformity with invoice and our purchase order. GRSE material code corresponding to the Supplier's Material code should be mentioned in packing list.
- (n) Gross weight/Net weight, dimension marked on the packing should be strictly in conformity with the packing list.
- (o) GRSE Material code, PO Item No., PO description must be mentioned in packing list, Material Test certificate and invoice.
- (p) Detailed packing list in waterproof envelope shall be inserted in the package together with equipment/material. One copy of the detailed packing list shall be fastened outside the package in waterproof envelope and covered by metal cover.
- (q) The container or Packing Box shall also contain copy of following documents in waterproof envelope together with equipment/material.
 - (i) copy of Material Test Certificate
 - (ii) Copy of warranty certificate
 - (iii) copy of invoice
 - (iv) Copy of Third Party Inspection certificate
- (r) Wood packaging material is required to be treated and marked as per International Standard for Phytosanitary Measure (ISPM) No.15 or supplier is required to dispatch material accompanied by a **Phytosanitary certificate** with the treatment endorsed.
- (s) Labeling/Shipping Marks :



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- (i) The Equipment Manufacturer shall mark each package with indelible paint in English language as follows:-

EXPORT

Contract No.

Consignee: GRSE LTD, KOLKATA

Port/Airport of destination: KOLKATA

SELLER -----

Package No. a/b -----

Gross/net weight: kg -----

Overall dimensions/volume: cm/cu m -----The

Equipment Manufacturer marking,

Where: a- Serial No. of package;

b- total number of packages in this consignment.

- (ii) Note: **For Imported Material:**

AA. Letters, figures, marks etc., used for marking shall be stencil printed. Handwriting should be avoided as far as possible. Size of letters shall be optimum for each package dimension.

BB. In case of bundles or other packages wherever marking can not be tenciled the same shall be embossed on metal or similar tag and wired securely at minimum two convenient points and both ends shall be suitably protected/covered. In case of loose pipes sticker of above markings should be pasted on inner wall corner of each pipe on both sides.

- (iii) Additional marking such as 'HANDLE WITH CARE', 'THIS SIDE UP', 'FRAGILE' or any other additional indications for protection and safe handling shall be added depending on the type of material. If necessary, each package shall be marked with warning inscriptions:<Top>, "Do not turn over", category of cargo etc.

- (iv) Specific marking with paint for 'SLINGING and 'CENTRE OF GRAVITY' should be provided for all heavy lifts weighing 5 Tons and above.

- (v) In case of bundles/bags or other packages, wherever marking cannot be stenciled, the same shall be embossed on metal or similar tag and wired securely at two convenient points.

- (t) All Returnable items are to be dispatched separately to enable smooth return after completion of project.



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- (u) Items shipped in bundles must be securely tied with steel wire or strapping. Steel reinforcing rods, bars, pipes, structural materials, etc. shall be bundled in uniform lengths and the weight shall be within the breaking strength of the securing wire or strapping.
- (v) All delicate surfaces on equipment/materials should be carefully protected and painted with protective paint/compound and wrapped to prevent rusting and damage.
- (w) All mechanical and electrical equipment and other heavy articles shall be securely fastened to the case bottom.
 - (i) Attachments and spare parts of equipment and all small pieces shall be packed separately in wooden cases with adequate protection inside the case and wherever possible should be sent along with main equipment. Each item shall be suitably tagged with identification of main equipment, item denomination and reference number of respective assembly drawing. Each item of steel structure and equipment shall be identified with two erection markings with minimum lettering height of 15 mm. Such marking will be followed by connection numbers in indelible ink/paint. A copy of the packing list shall accompany the material in each package.
 - (ii) All protrusions shall be suitably protected by providing a cover comprising of tightly bolted wooden discs on the flanges.
 - (iii) Wherever required, equipment/materials/instruments shall be enveloped in polyethylene bags containing silica gel or similar dehydrating compound.
 - (iv) Pipes with threaded or flanged ends shall be protected with suitable caps/covers before packing.
 - (v) The Seller shall be held liable for all damages or breakages to the goods due to the defective or insufficient packing as well as for corrosion due to insufficient protection.
 - (vi) Packaged equipment or material showing damage, defects or shortages resulting from improper packaging material or packing procedures or having concealed damage or shortage, at the time of unpacking shall be to the seller's account.
- (x) The packing of the equipment and spares/goods shall conform to the requirements of specifications and standards in force in the territory of the Equipment Manufacturer country.



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- (y) Each spare, SMT, STE and accessory shall be packed in separate cartons. A label in English shall be pasted on the carton indicating the under mentioned details of the item contained in the carton. A tag in English with said information shall also be attached to six samples of the item. If quantity contracted is less than six then tag shall be affixed to complete quantity contracted of the item. The cartons shall then be packed in packing cases as required.
- (i) Part Number:
 - (ii) Nomenclature:
 - (iii) Contract annex number:
 - (iv) Annex serial number:
 - (v) Quantity contracted:
- (z) One copy of the packing list in English shall be inserted in each cargo package, and the full set of the packing lists shall be placed in Case No.1 painted in a yellow colour.
- (aa) All OBS are to be packed in PIP packing and to be supplied in separate box. The word "OBS" shall be embossed on top of Box. The identification and part number of each OBS are to be tagged as explained above.
- (bb) Supplier's rep is required to be deputed during receipt inspection of loose items, accessories & spares for easy identification & detection of shortfall. Please refer Inspection clause for detail.

31. **Preservation, De-Preservation and Re-Preservation :**

- (a) Bidder must quote Price of Equipment taking into account initial preservation of Equipment by OEM for a period (effective from date of delivery) mentioned in SOTR. If no Preservation period is mentioned in SOTR, initial preservation of Equipment shall be 24 months from actual date of delivery.
- (b) All activities undertaken on machinery/systems based on manufacturer's recommendation up to time of delivery is to be recorded and thereafter recording to be handed over to Buyer prior to delivery of Equipment.
- (c) A suitable "Preservation Record Book" is to be supplied by the Seller to enable recording of all preservation activities. Book must also highlight the preservation activity already undertaken and are to be taken over a period of 48 months from date of supply.
- (d) **De-Preservation and Re-Preservation:** Bidder shall quote De Preservation and Re-preservation charges for 2 years from expiring of initial preservation period of main equipment. Number of re-preservation per year shall be as per TSP/SOTR. Manufacturer is also required



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to recommend the Re-Preservation schedule and same shall be indicated in Part-I Bid. If GRSE desires De Preservation and Re-preservation of Equipment after expiry of Initial Preservation, the charges for De Preservation and Re-preservation mutually agreed between buyer and seller shall be considered on pro-rata basis for De Preservation and Re-preservation. **The placement of PO for De-Preservation & Re preservation shall be at the discretion of GRSE (not obligation) and separate order shall be placed if required by GRSE.** In case a bidder does not quote De Preservation and Re-preservation charges in their Part-II Price Bid, the said charges will be considered as Nil/zero (0%) while ranking of the bid. In such case bidder has to undertake De Preservation and Re-preservation if required at no extra cost for 2 years from expiring of initial preservation period of main equipment

32. Date of Exchange Rate for conversion of Foreign bids to Indian Rupees for the purpose of comparison of various bids:

“All foreign bids will be brought to a common denomination in Indian Rupees by adopting exchange rate available in RBI website on the tender closing date for the purpose of comparison of various bids. If the date of closing the tender happens to be holiday or non-transaction day, the exchange rate on the immediate previous working day will be adopted”

33. License, Permits & Certificates:

(b) The Contractor, if required for execution of Contract, shall obtain and maintain the necessary Export Licence from the competent authorities and shall pay at his cost any fee connected therewith. Failure to obtain and maintain Export Licences shall not be considered as Force Majeure. The bidders shall take in to account the period required for obtaining such license while indicating delivery / completion periods for the items /equipment and delays in supplies for non-availability of such licenses are to be accounted for by the bidders.

(c) In case, the Contractor fails to obtain or maintain the licenses, or if the licenses are withdrawn, he shall restore them within two months from date of such cancellation/withdrawal, failing which the Buyer shall have the right to cancel the Contract and the Contractor shall forthwith return to the Buyer all the amounts paid by the Buyer to the Contractor.

(d) The ‘End User’ certificate if required by the supplier for obtaining the license is to be forwarded by Purchase. The seller must submit draft “End User Certificate” (EUC) in their template duly filled up all information within **02 weeks of award of contract**. Buyer need **02 month time** from date of receipt of draft copy for EUC from seller for issuing signed copy of EUC. Delay in submission of draft copy of EUC(duly filled up with all requisite information) shall be in the account of seller. No delivery date extension shall be entertained in case of



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delay in submission of draft copy of EUC(duly filled up with all requisite information) by Seller.

- (e) SELLER shall procure, at his expense, all necessary permits, certificates and licenses required by virtue of all applicable laws, regulations, ordinances and other rules in effect at the place where any of the work is to be performed, and SELLER further agrees to hold PURCHASER and/or CONSULTANT harmless from liability or penalty which might be imposed by reason of any asserted or established violation of such laws, regulations, ordinances or other rules.

34. Order of Precedence:

In the event of any ambiguity or conflict between Terms & Conditions stipulated in Special Commercial Terms and Conditions (SCTACs) and Terms & Conditions stipulated in Standard Terms and Conditions (STACs), Terms & Conditions stipulated in SCTACs shall prevail and supersede the terms & conditions of STACs. However, bidders are to highlight the same in TNC/CNC and the same are to be recorded in relevant Minutes of Meeting (MoM).

35. Rules for Labour, Fire Safety etc.:

[Applicable for contract Labour works a GRSE's premise for the execution of contract or turnkey project]

In the event Contractor/Seller requires engagement of any workforce at Purchaser's premise, then it shall be sole and exclusive responsibility of Contractor or Seller to comply following provisions of the law in force in India.

- (a) Contractor shall understand and comply the Indian Acts/ Rules scrupulously and GRSE hereby firmly and solemnly informs and declare that any non-compliance or issue comes in this connection or as a dispute on these Acts / Rules is fully under the risk and cost of Contractor during the entire period of this project either at Contractor's works or at GRSE site or during transportation and GRSE is no way responsible or at risk.
- (b) GSRE shall not be liable under the workmen's compensation Act of 1923; in case any employee or workmen receives injury while actually serving his employer in connection with the latter's work inside the compound of GRSE Ltd.
- (c) All existing applicable Laws such as ESI, PF, SERVICE, CONTRACT LABOUR, CHILD LABOUR etc. as applicable, shall be binding for the contract.
- (d) The Firm engaged in work are required to have registration under the Service Tax.



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- (e) Declaration form regarding Licence /PF/ESI (as per Annexure-XXVII) is to be filled up and submitted by the bidder along with the techno-commercial bid.
- (f) Bidder/Contractor shall comply Special Conditions of Contract relating to Labour Laws (as per Annexure-XXVIII) ‘
- (g) Bidder/Contractor shall comply Contractor’s Responsibility (as per Annexure-XXIX)
- (h) Bidder/Contractor shall comply General Requirement (as per Annexure-XXX) ‘
- (i) Bidder/Contractor shall comply Fire & Safety Precautions (as per Annexure-XXXI)

36. **Marine and Inland Transit Insurance:**

- (a) **Wherever Marine Insurance is responsibility of Seller**, the Seller shall buy Marine Cargo Insurance policy as per following:
 - (i) The ultimate beneficiary of Insurance policy shall be Garden Reach Shipbuilders and Engineers Ltd.,43/46, Garden Reach Road, Kolkata-700024,India and Seller.
 - (ii) Insurance Policy is to be taken for minimum 110% of **(C.I.F value of goods plus Custom Duty and IGST applicable in India)**. The rate of Custom duty and GST percentage shall be informed prior to placement of order.
 - (iii) Insurance Policy shall have coverage following clauses.
 - (aa) Institute Cargo Clause-A (2009)
 - (bb) Institute War Clause (Cargo) (Latest version)
 - (cc) Institute Strike Clause (Cargo) (Latest version)
 - (dd) Institute War Clause (Air Cargo) (Latest version)
 - (ee) Institute Cargo Clause (Air) (Latest version)
 - (ff) Institute Strike Clause (Air Cargo) (Latest version)
 - (gg) SRCC clause
 - (hh) Institute Replacement Clause.



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- (iv) The Policy shall be taken out for insurance coverage from warehouse of supplier at supplier's country to warehouse of GRSE at Kolkata (on warehouse to warehouse basis) including customary transshipment, coverage for loading & unloading and also concealed damages.
- (v) The policy shall cover the imported goods on replacement basis i.e. inclusive of escalation, if any, payable to the foreign suppliers of the Seller and /or exchange rate fluctuations and /or fluctuations of Ocean Freight, Clearing & Forwarding charges, inland freight etc.
- (vi) Copy of the Insurance policy shall be made available to the Buyer (GRSE) for verification and adequacy of cover before start of shipment. Final copy of policy shall be submitted prior to start of delivery.
- (vii) The Seller have to produce to Buyer policy of insurance and receipt for payment of the current premium prior to start of shipment of goods.
- (viii) The Buyer (GRSE) reserves the right to take out whatever policy that is deemed necessary by him if the Seller/Seller fails to buy Policy prior to shipment of goods; or fails to produce the copy of policy prior to start of shipment of goods; or fails to keep the said policy alive and valid at all times during transit of goods; and/or causes lapses in payment of premium thereby jeopardizing the said policy. The cost of such policy shall be recovered/deducted from the amount payable to Seller.
- (ix) Assignability

Except as otherwise provided in this Agreement, the Seller shall not assign its rights, title or interest in this Agreement in favour of any Persons whatsoever without prior written consent of the GRSE.

Provided further that nothing contained in this Article shall absolve the seller from its responsibilities to perform/discharge any of its obligations in accordance with the provisions of this Agreement.



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- (x) Claim Lodgment: In all cases the seller shall lodge the claims with the underwriters and also settle the claims. However, the seller shall proceed with the repairs and/or replacement of the damaged equipment/ facilities without waiting for the settlement of the claims. In case seizure of materials by concerned authorities, the seller shall arrange prompt release against bond, securities or Cash as may be required.

The seller shall submit to the GRSE:

- (aa) Evidence that the insurances described above have been effected and
- (bb) Copies of policies for the insurances described in the clauses have been submitted.
- (cc) When each premium is paid, the Seller shall submit evidence of payment to the Employer.
- (xi) The seller shall indemnify and hold harmless the buyer (GRSE), its officers, members, consultants, agents and employees and others from all claims for bodily injury and property damage other than other property insured. The seller shall indemnify the loss including reasonable legal fees, costs and expenses that may arise by the negligent acts and/or act of omissions/commissions of the seller, Sub-Sellers or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable.
- (xii) Notwithstanding anything contained above, the Insurance Policy shall cover following:
- (aa) Policy excess not exceeding 0.10% of consignment value subject to maximum of USD 500 or equivalent per claim.
- (bb) Action taken by the Port Authorities in sending imported consignment to Container Freight Station (CFS) is covered as "incidental transit" under W/W cover.
- (cc) The Duration Clause for all imported equipment/consignments under Marine Transit policy to be extended up to 90 days.
- (dd) Claim Detection period extends up to 40 days from the date of arrival of Consignments at GRSE/designated site.
- (ee) Claim should be payable in India.



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(b) **Wherever Marine Insurance is not responsibility of Seller**, Seller/Supplier shall forward scan copy of Bill of Lading, Invoice and Packing List to email ID: saha.rajen@grse.co.in within 01 day of date of shipment (Bill of Lading Date). These documents are required by buyer for buying/arranging Marine Insurance policy from Insurance Company. The seller shall be liable for any loss/damage caused to buyer because of seller's failure in forwarding the document through email within 01 day from date of shipment, thus buyer's failure in buying/arranging Marine Insurance of equipment shipped by seller.

37. **Franking Clause:**

The following Franking clause will form part of contract placed on successful Bidder/Bidders-

(a) Franking clause in case of Acceptance of Goods "The fact that the goods have been inspected after delivery period and passed by the Inspecting Officer will not have effect of keeping the contract alive. The goods are being passed without prejudice to the rights of the Buyer under the terms and conditions of the contract."

(b) Franking clause in case of Rejection of Goods "The fact that the goods have been inspected after delivery period and rejected by the Inspecting Officer will not bind the Buyer in any manner. The goods are being rejected without prejudice to the rights of the Buyer under the terms and conditions of the contract."

38. **Product Support.**

Supplier of Equipment shall provide total product support to the Buyer and Buyer's Customer(Indian Navy) in the form of repair maintenance and spare parts for operation at stipulated reliability standards for a period of at least 25 years from the effective date of the contract (excluding electronic equipment for which the period would be 10 years). The SELLER shall provide a notice of 02 years to the BUYER in case the equipment/system/spares supplied by them is unlikely to be manufactured or supported by them so as to enable a Life Time Buy of all spares before closure of the said production line.

39. **Indigenisation.**

OEM/Suppliers while participating in bid shall clearly indicate the Indigenous Content (IC) in percentage (%) terms. Bidders shall provide details on list of items being imported, proposed indigenisation content, model and plan towards indigenisation in their techno commercial bid. The proposed indigenisation plan shall be formulated in such a manner that there is a progressive increase towards indigenisation as well as items from first ship set to last ship set. Following are applicable.



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(a) _BLANK

(b) **Definition of IC:** “Indigenous Content”(IC) for an equipment or an item shall be arrived at by excluding from the total cost of that equipment/item the following elements at all stages (tiers) of manufacturing/production/assembly:

(i) Direct costs (including freight/transportation and insurance) of all materials, components, sub-assemblies, assemblies and products imported into India.

(ii) Direct and Indirect costs of all services obtained from non-Indian entities/citizens.

(iii) All license fees, royalties, technical fees and other fees/payments of this nature paid out of India, by whatever term/phrase referred to in contracts/agreements made by vendors/sub-vendors.

(iv) Taxes, duties, cesses, octroi and any other statutory levies in India of this nature.

(c) Certification and Payments:

The payments shall be released only after the submission of a certificate of IC furnished by the Chief Financial Officer (CFO) of the prime (main) contractor.

40. Agent of Overseas Suppliers in India and Agency Commission

(a) Overseas suppliers are to be the original manufacturers of the Store and shall not engage any individual on firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommend to the Govt. of India or any of its functionaries, whether officially or unofficially, to the award of the contract to the Seller nor has any amount been paid, promised or intended to be intercession, facilitation or recommendation. The Seller agrees that if it is established at any time to the satisfaction of the buyers that the present declaration is in any way incorrect or if at a latter stage it is discovered by the Buyer that the Seller has engage any such individual / firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the Seller will be liable to refund that the amount to Buyer. The Seller will also be debarred from entering into any supply contract with the Govt. of India for a minimum period of five years. The Buyer will also have a right to consider cancellation of the contract either wholly or in part without any entitlement or compensation to the Seller who shall in such event be liable to refund all payments made by the Buyer in terms of the contract along with the interest at the rate of 2% per annum above, the LIBOR rate, the buyer will also have the right to receive any such amount from any contracts concluded earlier with the Govt. of India.

(b) Where regional offices of foreign firms have been authorized and set up within the country, they will not be treated as agents of the foreign firms and the financial dealings with such regional offices will be restricted to the norms stipulated by the RBI for each specific case. Such regional offices form integral part of the foreign vendors and their functions are totally



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controlled by their corporate office abroad and are hence not entitled to any agency commission.

- (c) Where Indian / regional offices of foreign firms are to provide post sale services, such as installation, setting to work, execution of warranty operations and post-warranty maintenance etc., such stipulation will explicitly be made in the terms and conditions of the supply order / contract. **Payment on this account will be made in the Indian rupees, except for the cost of spares / services required from abroad for post-warranty maintenance.**
- (d) It may also be mentioned in the context that the purchase / procurement of goods should preferably be made directly from the manufacturer. Either the Indian agent in terms of para (b), (c) on behalf of the foreign principal or the foreign principal directly could bid / participate in a tender but not both.
- (e) Again, in case, where an agent in terms of para (b) above participate in a tender on behalf of the foreign manufacturer, they should not be allowed to quote on behalf of another manufacturer along with the first manufacturer in a subsequent / parallel tender for the same item.
- (f) Notwithstanding the above conditions, the terms of engagement of Agents and payment of Agency commission shall be governed by Ministry of Defence / Govt. of India guidelines / rules issued from time to time.
- (g) Authorized representative of the foreign firm in India with prior intimation and letter of authorized from the foreign OEM or their principal shall be eligible to participate in TNC, CNC and PNC meeting.

41. **Other Terms and Conditions:**

All other Terms and Conditions not stipulated here shall be as per Standard Terms and Conditions (STAC) of GRSE. Refer Annexure-VII , i.e. Standard Terms and Conditions (STAC) of GRSE for procurement from Indian entity and Annexure-VIII , i.e. Standard Terms and Conditions (STAC) of GRSE for procurement from Foreign entity. These Annexures are uploaded along with this documents.

42. **Order of Precedence:**

In the event of any ambiguity or conflict between Terms & Conditions stipulated in Special Commercial Terms and Conditions (SCTACs) and Terms & Conditions stipulated in Standard Terms and Conditions (STACs), Terms & Conditions stipulated in SCTACs shall prevail and supersede the terms & conditions of STACs. However, bidders are to highlight the same in TNC/CNC and the same are to be recorded in relevant Minutes of Meeting (MoM).

NOTE: All Annexures mentioned here above, are uploaded along with this document.



SPECIAL COMMERCIAL TERMS AND CONDITIONS (SCTAC) FOR
PROCUREMENT OF GOODS/SERVICE/WORKS BY GRSE THROUGH
COMPETITIVE TENDERING

*****END*****