



# **SUBCONTRACT MANUAL**





# **Garden Reach Shipbuilders & Engineers Ltd.**

## **SUBCONTRACT MANUAL**

**SECOND EDITION MAY 2023**

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## **Garden Reach Shipbuilders & Engineers Ltd.**



### **VISION**

*To become a Navratna Company by 2030 and be globally recognized as the best Indian Shipyard*

### **MISSION**

- *To be self-reliant in design capability and deploy state-of-the-art manufacturing processes.*
- *To build Quality Warships at competitive prices, exceeding customer's expectation in terms of delivery time and product support.*
- *To achieve sustained growth through customer satisfaction, product innovation, capturing export potential, employee and other stakeholder engagement and talent development.*
- *Leverage GoI Initiatives and Technology to "Reform & Transform" in all spheres of Operations to attain "Next Level of Performance"*

**63 Golden Years of Glorious Performance as Defence PSU**



## *Foreword*

In order to enhance the capability of GRSE, subcontracting activities in non-key areas of shipbuilding and engineering domain are increasing every year. With several major shipbuilding projects under various stages of execution, subcontracting will further increase to gainfully utilize the resources created.

The subcontracting activities are presently governed by Subcontract Manual Edition October 2013 and Procurement Manual Edition-IV, 2014 (which is primarily for procurement of equipment and material). The Subcontract Manual was published in October 2013, nearly a decade ago. So, a need was felt for formulating a revised Subcontracting Manual based on feedback received in implementation of Subcontract Manual Edition -I and change in Govt. policies, internal rules & regulation, systems, procedures, standards and norms during the intervening period. Contract management is considered as the most important area of an organization. This requires a systematic approach within the purview of existing rules, norms and procedures while ensuring transparency also, to build confidence among large member of stakeholders.

I am glad to note that a self-contained Second Edition of Subcontract Manual has been prepared, and I am confident that this Second Edition of Subcontract Manual will go a long way in streamlining all activities related to subcontracting.

The experience and feedback received while implementing this manual should be suitably incorporated in next edition. My heartiest compliments to all those who contributed in compiling this Manual.

  
(P.R. Hari)  
Cmde (IN.Retd)  
Chairman & Managing Director

12 May 2023



<b><u>Table of Contents</u></b>		
<b>Chapter</b>	<b>Subject</b>	<b>Page</b>
<b>CHAPTER 1</b>	<b>OBJECTIVE, SCOPE &amp; POLICY</b>	
1.1	Objective of the Manual	12
1.2	Scope	12
1.3	Ordering Policy	13
1.4	Scope of Sub-Contracting Department	14
<b>CHAPTER 2</b>	<b>TENDERING</b>	
2.1	Expression of Interest	16
2.2	Purchase Requisition (PR)	17
2.3	Tender Forms	18
2.4	Earnest Money	20
2.5	Security Deposit	23
2.6	Pre-Qualification criteria	24
2.7	Pre-Bid Meeting	25
2.8	Issue, Receipt, Opening and Acceptance of Tender	25
2.8.1	System used for E-tendering & GeM tendering	25
2.8.2	Limited Tender	32
2.8.3	Open Tender	34
2.8.4	Single Tender	36
2.8.5	Resultant Single Vendor	38
2.8.6	Two-Bid System	38
2.8.7	Single Bid System	39
2.8.8	Receipt of Tenders	39
2.8.9	Reverse Auction	40
2.8.10	Procedure for offloading of Ship Refit & Repair jobs	43
2.9	Award of Order without calling for a tender	45
2.10	Tatkal Service /Fast Track Tendering	45
<b>CHAPTER 3</b>	<b>TENDER COMMITTEE</b>	
3.1	Introduction	46
3.2	Tender Committee – Sub-delegation of power	46
3.3	Tender Committee – Constitution	47
3.4	Explanatory Notes	47



<b>Table of Contents (Continued)</b>		
<b>Chapter</b>	<b>Subject</b>	<b>Page</b>
3.5	Empowered Ordering /Procurement Committee (EOC /EPC)	48
<b>CHAPTER 4</b>	<b>TENDER OPENING &amp; NEGOTIATION</b>	
4.1	Opening of Tenders	51
4.2	Postponement of Tender Opening	53
4.3	Events related to rejection of offers	53
4.4	Technical Negotiation & Technical Negotiation Committee	54
4.4.1	Technical Negotiation Committee (TNC)	54
4.4.2	Technical Negotiation	55
4.5	Commercial Negotiation & Commercial Negotiation Committee	57
4.5.1	Commercial Negotiation Committee (CNC)	57
4.5.2	Commercial Negotiation	57
4.6	Submission of revised price bids	59
4.7	Estimated Price	60
4.8	Opening of price bid	61
4.9	Comparative Statement of Prices	62
4.10	Price Negotiation & Price Negotiation Committee	63
4.10.1	Price Negotiation Committee (PNC)	64
4.10.2	Price Negotiation	65
4.11	Acceptance of Lowest offer	69
4.12	Absence of Bidders	69
4.13	Re-Tendering	70
<b>CHAPTER 5</b>	<b>PURCHASE PROPOSAL &amp; PLACEMENT OF ORDER</b>	
5.1	Purchase Proposal	71
5.2	Price	73
5.3	Delivery of services	74
5.4	Payment Terms	75
5.5	Guarantee/ Warranty	77
5.6	Standard Terms & Conditions of Order	78
5.7	Issue of Raw materials to be taken outside GRSE premises	78
5.8	Statutory Rules	78



<b>Table of Contents (Continued)</b>		
<b>Chapter</b>	<b>Subject</b>	<b>Page</b>
5.9	Purchase Order	79
5.10	Check points before issuance of Purchase Order	80
5.11	Repeat Order	81
5.12	Rate Contract Order	83
5.13	Trial Order on New Vendor	84
<b>CHAPTER 6</b>	<b>FOLLOW UP OF PURCHASE ORDER</b>	
6.1	Introduction	85
6.2	Project Monitoring System	85
6.3	Clearance of Bills	85
6.4	Payment through Electronic Clearance System (ECS/NEFT)	86
6.5	Damage	86
6.6	Recovery of cost of services/facilities provided to vendor	87
6.7	Recovery of Cost of consumables supplied to Vendor	87
6.8	Additional work and amendment of Purchase Order	88
6.9	Maintenance of Hindrance Register	89
6.10	Liquidated Damage	90
6.11	Risk Purchase	91
<b>CHAPTER 7</b>	<b>REGISTRATION &amp; DEVELOPMENT OF VENDORS</b>	
7.1	Introduction	93
7.2	Development of New Vendors	93
7.3	Registration of New Vendors	94
7.4	Placement of Orders on New Vendors	95
7.5	Restriction of Business to Vendors	95
7.6	Relationship with Business Partners	96
<b>CHAPTER 8</b>	<b>Micro &amp; Small Enterprises (MSEs) And Start-Ups</b>	98
<b>CHAPTER 9</b>	<b>LEGAL ASPECTS</b>	
9.1	Introduction	101
9.2	Essential conditions of a Valid Contract	101
9.3	Formation of Sub-Contract	102



<b>Table of Contents (Continued)</b>		
<b>Chapter</b>	<b>Subject</b>	<b>Page</b>
9.4	Some Salient Feature of a Contract	102
9.4.1	Foreclosure of Contracts	102
9.4.2	Termination, Cancellation, Rescission	103
9.4.3	Breach	104
9.4.4	Consequences of Breach, Termination/Recession	105
9.4.5	Bribes and Gifts	105
9.4.6	Corrupt or Fraudulent Practices	106
9.4.7	Dispute Resolution – Arbitration	106
9.4.8	Shipyard's Risks	107
9.5	Cartelization	108
9.6	Novation	109





## APPENDICES

<b>Appendix</b>	<b>Description</b>	<b>Article Ref.</b>
<b>Appendix-I</b>	Format for Purchase Requisition (PR) in SAP	2.2.1, 2.2.2, 2.2.3, 2.2.4
<b>Appendix-II</b>	Format for SOR	2.2.1, 2.2.4
<b>Appendix-IIa</b>	Format for SOR Check List	2.2.1, 2.2.4
<b>Appendix-III</b>	Standard Terms of Conditions & Special Terms of Conditions to be enclosed with NIT	2.3.1
<b>Appendix-IV</b>	Format for Integrity Pact	2.3.2
<b>Appendix-V</b>	Format for Bank Guarantee	2.4.1, 2.5.1, 2.5.2
<b>Appendix-VI</b>	Format for Non-Disclosure Agreement	STAC cl.30
<b>Appendix-VII</b>	Format for Press Tender	2.8.3.5
<b>Appendix-VIII</b>	Single Vendor Nomination Form	2.8.4.5
<b>Appendix-IX</b>	Format for TNC MoM	4.4.2.6,
<b>Appendix-X</b>	Format for Recommendation for submission of Revised Price Bid	4.3.4.2
<b>Appendix-XI</b>	Format for conduct of CNC meeting before conclusion of TNC meeting	4.4.2.2
<b>Appendix-XII</b>	Format for CNC MoM	4.5.2.7
<b>Appendix-XIIa</b>	Format for Techno-Commercial Evaluation Report	4.8.2
<b>Appendix-XIIb</b>	Format for Price Bid Opening check list	4.8.2
<b>Appendix-XIII</b>	Format for Purchase Proposal	5.1.1
<b>Appendix-XIV</b>	Format for Work Done Certificate	STAC cl.7
<b>Appendix-XV</b>	Format for Job Completion Certificate	STAC cl.5
<b>Appendix-XVI</b>	<b>GeM Process Flow</b>	2.8.1.1.3 & 2.8.1.1.4
<b>Appendix-XVII</b>	Procedure for payment through ECS along with ECS / NEFT format	6.4.1
<b>Appendix-XVIII</b>	Format for waiver of Liquidated Damage	6.10.4



**ABBREVIATIONS USED**

AGM	Additional General Manager
AM	Assistant Manager
A.O.D.	Away on Duty
A.O. L	Away on Leave
A.R.C.	Annual Rate Contract
A.S.P.	Application Service Provider
B.G.	Bank Guarantee
C & CP	Commercial & Corporate Planning
C.M.D.	Chairman & Managing Director
CGM/GM(F)	Chief General Manager/General Manager (Finance)
CGM/GM(S)(D)	Chief General Manager/General Manager (Ship)(Design)
CGM/GM (MW)	Chief General Manager / General Manager (Main Works)
CGM/GM(FOJ)	Chief General Manager / General Manager (FOJ)
CGM/GM(HR)	Chief General Manager / General Manager (Human Resource)
CGM / GM(M)	Chief General Manager / General Manager (Materials)
C&F	Cost and Freight
C.F.	Corporate Finance
C.I.F.	Cost Insurance Freight
CNC	Commercial Negotiation Committee
TC	Tender Committee
C.D. O	Central Design Office
C. R. Stores	Central Receiving Stores
CST	Central Sales Tax
D(F)	Director (Finance)
D(S)	Director (Shipbuilding)
D(P)	Director (Personnel)
D.P.E.	Department of Public Enterprises
D.E.P.	Diesel Engine Plant, Ranchi
DGS&D	Directorate General of Supplies & Disposals
DKMC	Deck Machinery
DM	Deputy Manager
DGM	Deputy General Manager
DESU	Diesel Engine Servicing Unit
D.O.	Delivery Order
D.S.C	Digital Signature Certificate
E.D.P.	Electronic Data Processing (Department)
E.O.Q.	Economic Order Quantity
E.M.D.	Earnest Money Deposit
E.R.P.	Enterprise Resource Planning
F.E.C.	Facility Establishment Committee
F.F.C	Finance & Financial Concurrence
F.O.R.	Free on Rail/Road
CGM(S)(PP&C)	General Manager (Ship)(Planning)
GM(E)	General Manager (Engineering)
GM (Engine, FIB, PS)	General Manager (DEP Ranchi, FIB, Product Support)



GM(QA)	General Manager (Quality Assurance)
GM (ERP)	General Manager (Enterprise Resource Planning)
G.R.N.	Goods Receipt Note
G.R.S.E.	Garden Reach Shipbuilders & Engineers Limited
H.O.D.	Head of the Department
H.P. Order	High Value Purchase Order
I.A. Dept.	Internal Audit Department
I.C.G.R.N.	Inspection-cum-Goods Receipt Note
I.E.& P Dept.	Industrial Engineering & Process Department
I.T.J.	Indian Trade Journal
L.C.	Letter of Credit
L.D.	Liquidated Damages
L.O.A.	Letter of Award
M	Manager
M.F.O.S.	Machinery Fitting Out Shop
M.S.E.	Micro and Small Enterprise
M.S.M.E.	Micro, Small and Medium Enterprise
N.C.M.P.D.	New Construction Machinery Procurement Department
N.E.F. T	National Electronic Fund Transfer
N.I.T.	Notice Inviting Tender
N.S.I.C.	National Small Industries Corporation
PAC	Proprietary Article Certificate
P.O.	Purchase Order
P.O.L.	Petroleum Oil & Lubricants
PEC	Price Escalation Clause
PNC	Price Negotiation Committee
P.P.& C	Production Planning & Control
P.S.U.	Public Sector Undertaking
P.B.G.	Performance Bank Guarantee
P.S.G.	Product Service Group
Q.A. Department	Quality Assurance Department
Q.A.P.	Quality Assurance Plan
R & D	Research & Development
R.I.C.	Receipt Inspection Cell
S.A.I.L.	Steel Authority of India Ltd.
SAP	Systems Applications & Products
S.I.R.	Stores Issue Requisition
S.S.I.U.	Small Scale Industrial Unit
S.M.	Senior Manager
S.O.R.	Statement of Requirement
T.C.	Test Certificate/Tender Committee
T.N.C.	Technical Negotiation Committee
VAT	Value Added Tax
V.R.C.	Vendor Registration Cell
WBST	West Bengal Sales Tax
WIP	Work-in-Progress
W.O.T. (Kol)	Warship Overseeing Team (Kolkata)



## **CHAPTER 1**

### **OBJECTIVE, SCOPE & POLICY**

#### **1.1. Objective of the Manual**

With diversion of business along with new verticals, it is becoming essential to get quipped all prevailing government rules followed by the social and legal bindings declared by the Government of India time to time. For the effective working of any organisation, it is very essential that the organisation should have an efficient procedure for handling Tenders, Contracts and allied matters in a systematic and transparent manner. Over the years, in order to augment the capability of GRSE, contracting/subcontracting of various activities for construction of ships, infrastructure & engineering activities has increased significantly. It is therefore felt necessary that a comprehensive and self-contained Sub-Contract Manual be prepared to have a uniform and systematic integrated approach for smoother and faster decision making and ensure that the decision of Administrative authorities is transparent and accountable. The objective of this Subcontract Manual is to streamline all the activities for sub-contract and /or outsourcing work with an aim to ensure maximum efficiency while maintaining desired quality, completion timelines, healthy competition and overall economy in a fair and transparent manner towards realization of project schedule.

#### **1.2. Scope**

The Sub-Contract Manual will generally cover the following:

- 1.2.1 All sub-contracting works related to new construction shipbuilding activities (for naval & commercial ships) viz Structural fabrication & erection, Electrical, Plumbing, Engineering, Hull outfitting, Launching, Docking/Undocking, Mooring & Berthing and other ship related jobs including sourcing of manpower for Design, PMT, QC etc.
- 1.2.2 All subcontracting works related to Engineering division viz portable bridge, deck machineries, pumps etc. and Ship Repair Dept. for repairing / refit works.
- 1.2.3 All other Outsourcing activities required for smooth functioning of the plants & offices such as renovation of buildings, Infrastructural revamping, Modernisation of equipment's, all kind of maintenance jobs, certification jobs, transportation, material handling, shop cleaning, any other outsourcing job required for GRSE's overall requirement.



1.2.4 Fundamental Principles

1.2.4.1 The fundamental principles of subcontracting work are: -

- a) The services to be contracted/subcontracted should assist GRSE in meeting delivery timelines of ships / products, cost, time and quality matrix of the end user.
- b) The efforts should be made to contain the optimum costs and time schedule.
- c) The work should not be split up with the purpose of bringing it within the financial power of a lower authority. Splitting of requirement is not permissible as such activities invites the involvement of lower tender committee. Concerned indenting department needs to review this before releasing new Indent.
- d) The indented job quantum should be utilized for the specific purpose /projects for which it is indented. The unutilized quantities, whatsoever not to be used for any other purpose/ship without approval from GRSE Unit heads. Relevant reconciliation procedure should be well defined in Indent/SOTR.

1.2.4.2 Before commencing work, the following conditions must be fulfilled:

- a) Purchase Requisitions (PR) have to be raised & released along with detailed & generic technical requirements.
- b) Approval has to be obtained by the indenter from the appropriate authority, not below the rank of AGM-IC/PS/GM/CGM for offloading any work. However, if the service indent is made for a type of service for the first time (not offloaded for any ship earlier), then approval for offloading is to be obtained by the indenter from concerned Director.
- c) Purchase Order has been placed by following tendering process in a transparent procedure.

**1.3. Ordering Policy**

- 1.3.1 Services of proprietary in nature should be obtained as far as possible directly from manufacturers, accredited and authorized service providers. Exceptions may be followed when manufacturers do not provide service directly or in case of required project delivery schedule /completion period.



- 1.3.2 Rate Contracts are to be entered into with contractors wherever possible for recurrent nature of job.
- 1.3.3 Negotiate and approve such terms and conditions with the vendors so that GRSE's best interest is served and safeguarded.
- 1.3.4 Consolidate purchase requisition of similar or common jobs in order to obtain the maximum economic benefits.
- 1.3.5 Wherever unavoidable, due to project time line, quality matrix and other project specific issues, order will be placed with registered firms who are approved / qualified/ time tested and competent contractor whose reputation and financial position are sufficiently adequate for consideration as a logical source for execution of job. Ancillary / MSME Units registered with GRSE specially SC/ST and Women owned MSME firms and Strat Up Units will be especially encouraged to participate in tender.
- 1.3.6 Contracting authority shall not compromise on business ethics.
- 1.3.7 Cost, quality and time matrix of the project schedule detailed in tender to be strictly adhered.
- 1.3.8 Revision in scope of work in post ordering stage to be avoided. In case if it is unavoidable, the same needs to be taken up by concerned user department with recommendation of chairman technical committee and to be approved by the chairman tender committee, as a special case.
- 1.3.9 Concerned technical and or commercial team has authority not to consider any vendor who is blacklisted / under tender holiday in some other government concern or being bankrupted/liquidated. Relevant supporting document needs to be placed at case file for record and bid from such bidder shall be considered as rejected. There may be condition also, where based on poor past performance record of a vendor, TNC may recommend rejection of that vendor.

**1.4. Scope of Contract Cell**

- 1.4.1 The scope of Contract cell under Ship division and Engineering division shall be off loading jobs thereby inducting additional resources for augmenting and supplementing the activities for early/timely completion of the projects.
- 1.4.2 The Contract cell under Ship division shall be responsible to call for the tenders and process the same for award of purchase order related to new construction shipbuilding projects. The Contract cell under Engineering



division shall be responsible for similar work related to Engineering division.

- 1.4.3 All other outsourcing activities mentioned in Art. 1.2.3, also being executed by Contract cell. For Contract cell's activity in support of offloading procedure of ship refit & repair jobs, Art.2.8.9 to be followed.
- 1.4.4 The requisitioning Departments shall raise the Purchase Requisition in SAP and furnish the total requirement like Special Conditions, Technical Specification, Drawings, Quantities, Time schedule etc. to Contract Cell for initiating tendering activities.



**CHAPTER 2**  
**TENDERING**

**2.1. Expression of Interest (EOI)**

2.1.1 There are instances where the service to be procured is of complex nature and the procuring organization may not possess the full knowledge of either the various technical solutions available or the likely sources for such services in the market. To meet the desired objectives of a transparent procurement that ensures value for money simultaneously ensuring upgradation of technology & capacity building, it would be prudent to invite a two-stage Expression of Interest (EOI) Bids and proceed to explore the market and finalize specifications based on technical discussions /presentations with the experienced service providers in a transparent manner.

Current CVC circular on EOI to be followed where technology, source etc. are decisive criteria, Expression of Interest may be asked with due approval of concerned Director, for selection and /or short listing of the prospective vendors.

Expression of interest will be published in GRSE website /GeM /NIC portal and / or leading newspapers based on value of tender as indicated in para 2.8.3.2 asking the vendors to express their interest for the job followed by pre-bid meeting to be held with the participated vendors for short listing the prospective bidders.

Against open tender invitation, provision should be made to restrict entry of mushroom /unreliable vendors. For this purpose, provision of Bid Security Declaration/Earnest Money/Security Deposit as explained elsewhere of this manual, will be adhered to. Tenderers may be asked to submit their past performance records and qualifying requirements of the tender as well.

Short listed vendors against an invitation for Expression of Interest (EOI) for a particular item category may be utilized for processing through deemed open tender within a period of one year, unless in the meantime further market research has disclosed other source of supply. In that case, issue of tenders to these vendors shall be at par with open tender.





**2.1.2 Procurement under MoU / EOI for Indigenization.**

EOI is also to be exercised to fulfil GRSE's commitment towards GoI initiative for indigenization through concerted efforts in various spheres of shipbuilding and engineering products.

To support the manufacturing arms of GRSE (e.g. Shipbuilding, bailey Bridges, Deck Machinery & Pumps and Diesel Engines) and to make the nation's ANB Abhiyan a reality GRSE may enter into a Memorandum of Understanding with reputed and reliable firms / firms with special job skill /start-ups. Service provider firms who are nominated /qualified by GRSE's customers shall be preferred for such MoUs. All other firms are to be carefully evaluated for their performance prior entering in to MoUs.

Due market survey through 'Expression of Interest' or other mechanisms must be undertaken. MoUs shall normally not exceed a period of two years. All MoUs entered into by GRSE for procurement of 'service', shall be approved by the C&MD. All MoUs where the estimated annual procurement value is expected to exceed 30 Crores, are to be signed post approval of Board of Directors. CGM/GM of purchase point is authorized to sign MoU on behalf of GRSE.

Issue of 'NIT' for procurement under MoU shall not be mandatory and shall be governed by provisions of the MoU. Quality of the service and price reasonability are to be established.

For MoU firms tender may be issued on STE /LTE as per provisions of the MoU.

**2.2. Purchase Requisition (PR)**

2.2.1 The Purchase Requisition (PR) for the job to be subcontracted will be raised in SAP system by user department. PR is to be duly recommended by concerned General Manager of user department with justification keeping in mind the availability/utilization of existing manpower and facilities. Detailed Statement of Requirement (SOR) for the job is to be prepared [Check List of SOR will be as per Format placed at **Appendix-IIa**] and must be enclosed with PR as a mandate. In addition to SOR, drawings, if any, will also be enclosed. PR will also indicate job starting and completion time/schedule, special conditions, if any and other relevant details. PR, SOR and drawings, as applicable, must be sent in soft copy. Final release of PR to be completed as a mandate, prior sending request for tendering to the Contract Cell.



- 2.2.2 As per standard SAP procedure, PR created by user department goes to Planning department (in case of project /ship related service) for 1<sup>st</sup> release and it again goes to user department for final release. In case of non-ship service 1<sup>st</sup> & final release of PR is done by user department. Then request for tendering comes to Sub-Contract cell. The timelines between creation and final release of PR should be as minimum as possible to save valuable time. If any changes made to the BOQ post tendering, same to be reflected in the PR by indenting dept. immediately to avoid future issues.
- 2.2.3 A sample format of PR is placed at **Appendix-I** and that for SOR is placed at **Appendix-II**.
- 2.2.4 Contract cell will initiate tendering process on final release of PR along with SOR and drawings, as required. For deciding the value of EMD, approximate cost of the job will be evaluated by Contract cell based on last purchase price or man day estimate from user department or rough estimate from C&CP department/ Design cell of Engineering division.

### **2.3. Tender Forms**

- 2.3.1 The invitation to tender, instructions to tenders and the tender schedule are important document as the firm's proposal / tender offers will be based on them. Therefore, standard forms giving our standard terms and conditions should be used. Standard terms & conditions as well as special terms & conditions for sub-contracting activities are placed at **Appendix-III**. However, these conditions may require to be changed based on requirement and subject to approval by T.C Chairman.
- 2.3.2 The '**Integrity Pact**' (IP) would be signed between GRSE and the vendor for P.O. / contract exceeding Rs.2 Crores. This is a binding agreement between GRSE and the vendor for specific contracts. Under the IP, the vendor for specific services or contracts agrees with the contract executing authority to carry out the procurement of contract in a specified manner. The contracts under the purview of Integrity Pact with threshold value above Rs.2 crore shall be intimated to the Independent External Monitors (IEM) vide Circular from CVO dtd:01 Jan 2014.

The essential elements of the IP are placed at **Appendix-IV** and the same will form the part of bidding documents in relevant cases of NIT (Notice Inviting Tender). The bidders are required to draft the IP matter on Rs.100 stamp paper and have to send the original hard copy document to the tendering dept. post signing on all pages of the document. Scan copy of IP document to be submitted along with Techno-commercial offer and availability of original IP to be ensured prior to price bid opening.



The Integrity Pact is to be signed by CGM/GM/HOD of the concerned purchasing department, undertaking the subject of procurement as per CMD's Ty.Order no: 21/17 Dtd:08.06.17.

**2.3.3 Tender fee**

- (a) For open tenders, firms are to submit tender fee (non-refundable) payable by Crossed Banker's Cheque or Bank Drafts or pay order drawn in favour of "Garden Reach Shipbuilders & Engineers Ltd" or NEFT (when operationalized).
- (b) The tender fee shall be charged at uniform rate of Rs. 500.
- (c) Tender fee will not be applicable for SSI Units registered with NSIC and SMEs and Start-up vendors as per GOI circular.
- (d) Tender fees should not be waived in general, but may be waived only with the approval of TC Chairman and Director in case of TC II and above.
- (e) The tender fee is non-refundable except in exceptional cases such as cancellation of demand or tender
- (f) Tender fee is not be applicable for GeM open Tenders.

**2.3.4 For tenders through manual process:**

The tender documents will be available on the GRSE website. Manual submission of Techno-Commercial Bid & Price Bid to be done by intended vendors. Tender Fee of Rs.500 should be payable by Bank Drafts or Pay Order drawn in favour of Garden Reach Shipbuilders & Engineers Ltd. Tender Fee to be submitted along with the tender document and EMD instrument/Bid security Declaration.

**2.3.5 For tenders through GeM /E-Procurement process:**

GeM /E-Tendering is mandatory for following:

- (a) Any tender issued to PSUs for any value
- (b) Tender value of Rs.2 lakhs & above per tender for other than PSUs.

**2.3.6** Presently GeM /E-tendering is optional for value up to 2 lakhs. But efforts to be made by the departmental head of contracting point to adopt GeM/ e-tendering method as far as possible.



- 2.3.7 In case of nominated vendors who are registered with GRSE and having GeM seller ID /Digital Signature Certificate (DSC), GeM /e-tendering shall be resorted to irrespective of any values, through Limited Tender. For other services with value more than Rs. 02 lakhs (/25 lakhs for Limited Tender) up to Rs. 2 Crores per tender, web open tender shall be published for the purpose of GeM /e-procurement. For value of tender above Rs.2 crore, tender through press publication will be initiated in case of e-tendering but press publication is not mandatory for GeM tendering.
- 2.3.8 Based on case specific approval of concerned Director, non-GeM tendering can also be done.
- 2.3.9 Information to be furnished in Tender Form:
- (a) Complete Statement of Requirement (SOR)
  - (b) Unit of measurement
  - (c) Quantity required
  - (d) General Terms & Conditions of Contract
  - (e) Special Terms & Conditions of Contract, as required.
  - (f) Schedule of price/ Method of quotation
  - (g) Pre-qualification criteria
  - (h) Job completion schedule (Tenure/Phases)
  - (i) Site visit by vendors before quoting, as required.
  - (j) Location of job (Inside GRSE/ Outside GRSE)
  - (k) Payment terms
  - (l) Provision of Earnest Money/Bid security declaration /self-certification /solvency certificate and Security Deposit, where applicable
  - (m) Insurance, if required
  - (n) Mode of inspection/certification
  - (o) Mode of dispatch, as applicable
  - (q) Delivery schedule

## **2.4. Earnest Money**

- 2.4.1 Submission of any amount as EMD/ Bid Security in the form of any negotiable instrument against any tender, will depend upon prevailing Govt. guide line. If



as per prevailing Govt. guide line, EMD is applicable for a tender, then Earnest Money Deposit (interest free) as fixed amount will be asked from the Tenderers against open tender in form of crossed demand draft /bankers' cheque or in the form of Bank Guarantee in approved GRSE format issued by any scheduled commercial bank other than Co-operative bank. Since relaxation regarding submission of EMD has financial implications, the terms & conditions of tender should clearly stipulate that offers without EMD (where ever applicable) would be considered as non-responsive and rejected. Standard GRSE format for Bank Guarantee is placed at **Appendix-V**.

EMD is also applicable for GRSE registered vendors. In case of Open Tender, waiver of EMD may be taken only with approval of Functional Director with financial concurrence of HOD Finance.

Value of EMD will be as follows:

EMD amount will be 2% of Tender Value. If the amount exceeds Rs.10 Lakhs, the EMD amount will be determined / discount on EMD to be decided, based on approval of TC chairman on case to case basis.

However, NIT must mention the EMD amount in absolute figure and not expressed as a percentage.

EMD will not be demanded from registered vendor under limited tendering system but failure to participate or execute the contract will invite penal action against the Delinquent Registered Vendor.

EMD for web open tenders for value less than Rs.2.0 lakh is not essential with a view of generating more competition for having the best price.

Submission of the Earnest Money/ Bid Security may be waived with the approval of CA (as per DOP)

2.4.2 All Start Ups and SSI units registered under single point registration with NSIC will be exempted from the earnest money deposit. However, this will be as per guidelines circulated by D.P.E. from time to time. SMEs will also be exempted from the earnest money deposit which will be as per guidelines circulated by D.P.E. from time to time. However, Submission of EMD & Tender Fee instrument is MANDATORY for joint-venture or consortium of two or more firms and there shall be no exemption applicable against submission of NSIC/MSE certificates by the firms.

2.4.3 Earnest Money will be refunded to unsuccessful bidder(s) within 30 days from the date of finalization of order upon application by the bidder and instruction by the Contract cell. EMD of disqualified bidders in TNC/CNC also will be



returned within 30 days from the date of submission of original copy of money receipt along with an application by the bidder.

2.4.4 In case L1 bidder withdraws his offer before work order is placed or execution of work order takes place, Earnest Money Deposit by the bidder should be forfeited in full. Any exemption from forfeiture of EMD will be with specific approval of concerned Functional Director/ competent authorities as per Delegation of power.

2.4.5 Demand Draft / BG shall be retained by the Finance Dept. and may be returned to unsuccessful bidders on receipt of advice from the Contract cell. EMD in the form of B.G., may be released only on submission of fresh B.G. as Security Deposit within fifteen days of receipt of order. Bank Guarantee should be issued by any scheduled Bank except Co-operative Banks.

Note: GRSE is attempting to receive EMD, Tender Fee directly to GRSE's bank account. Once implemented, Hard copy of acknowledgement receipt is to be uploaded / submitted along with the Part –I Bid.

**2.4.6 SPECIAL NOTE ON EMD:**

Interest free Earnest Money Deposit (EMD) in the form of crossed demand draft, or banker's cheque (in favour of Garden Reach Shipbuilders & Engineers Limited., Kolkata, payable at Kolkata) or Bank Guarantee (as per GRSE format) issued by reputed scheduled bank (other than cooperative bank) is to be submitted against tender. In case EMD is submitted in form of Bank Guarantee, it should be valid at least for 150 days from due date / extended due date of the tender. Submission of EMD by Cheque or in any other form shall be treated as offer without EMD and shall not be acceptable. Firm/Units registered with NSIC under single point registration scheme for the offered items are exempted from submission of EMD. NSIC Registration certificate must be valid as on due date of tender opening and Technical Bid should be accompanied with a copy of valid NSIC Registration Certificate to consider bidder for exemption of EMD, NSIC registration should be for the product /service for which the tender is floated (product group or class of product).

EMD should be forwarded in separate envelope (super-scribed with tender number, and due date) and should be deposited by tender due date and time, Units registered with NSIC shall also send the hard copy of EMD exemption document (Copy of valid registration up to specified volumes/Monetary Limit for the offered items) within due date. GRSE shall not be responsible for any postal delays or non-receipt of EMD by tender



due date / time, for any reasons whatsoever. Offer received without requisite EMD as explained above may be rejected.

GRSE also reserves the right to verify and accept the offer accompanied with a copy of NSIC Certificate online checking of NSIC SPRS can also be done by logging in [www.nsic.in](http://www.nsic.in) and [www.nsicsonline.com](http://www.nsicsonline.com)

## **2.5. Security Deposit**

- 2.5.1 Security Deposit (interest free) in the form of Crossed Demand Draft or Bank Guarantee in approved GRSE format [**Appendix-V**] from scheduled Banks other than Co-operative Banks should be obtained from successful tenderers against Open/Limited tenders preferably @5% of order value or as per prevailing Govt. guide line. Submission of Security deposit instrument is mandatory for joint-venture or consortium of two or more firms and there shall be no exemption applicable against submission of NSIC/MSME certificates by the firms.

Failure to deposit SD amount will invite penal interest from the date from which the amount was required to be deposited and such penal interest would be deducted from the vendor subsequent payments for the services rendered. The rate of interest would be that as notified by the company from time to time & so mentioned in the relevant clause in the P.O.

- 2.5.2 Against orders for jobs covered by Guarantee /Warranty Clause, a Performance Bank Guarantee (PBG) in approved GRSE format [**Appendix-V**], equivalent to an amount as indicated in Purchase Order should be obtained from the vendor and the same will be retained till the expiry of the Guarantee/Warranty period. Alternatively, with the approval of T C Chairman an equivalent amount on pro-rate basis may be retained by GRSE till the expiry of Guarantee / Warrantee period. The requirement of PBG may not be pursued upon with the vendor for value of order less than Rs. 5.0 lakh based on recommendation of indenter.
- 2.5.3 For release or invocation or extension of PBG, on request from Contract cell, the User Department / Yard / Planning Dept. (not below the rank of DGM) is to give recommendation to Sub-Contract cell with justification and thereafter the Sub-Contract cell will advise Finance Department to release/renew/invoke the B.G. accordingly. In case of renewal of B.G. specific period of extension is to be indicated by the Sub-Contract cell to Finance Department.
- 2.5.4 Provision for extension of Bank Guarantee for satisfactory performance where the guarantee period may expire due to late



commissioning/installation may be considered and finalized at the time of placement of order.

- 2.5.5 All B.G.s referred above should be from any scheduled Bank as per RBI list except Co-operative Banks.
- 2.5.7 Earnest money submitted in the form of DD/Pay Order can be adjusted against security deposit to be submitted by successful tenderer.

## **2.6. Pre-Qualification criteria**

- 2.6.1 The prequalification criteria are the yardstick to ensure adequate participation in tender by competent and financially solvent firms. It is therefore, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution. At the same time, it should be ensured that pre-qualification criteria should not be too rigid so that the prospective bidders are unable to meet the same.
- 2.6.2 Pre-qualification criteria for any tender covering technical parameters should be finalized by user department.
- 2.6.3 In case a service, wherein upgradation /repairing /retrofitting of existing facility /synchronization of existing facility with new facility to be done, therein Site visit /Pre-bid Meeting to be set as mandatory prequalification criteria for participating in the tender and the same to be mentioned in the SOTR.
- 2.6.4 Average annual turnover of participating bidders during last 03 Financial years ending on 31<sup>st</sup> March of the previous Financial year should be at least 30% of the estimated cost of the tender being considered and the financial value of turnover should be indicated in NIT.
- Note:
1. This criteria is not applicable for tender value up to Rs.100 lakhs.
  2. In case the bidder is a Start Up establishment, such bidder will be allowed to participate in the tender without submission of prior experience & turnover details, even if asked for the same in the tender enquiry.
- 2.6.5 For vendors which are not registered with GRSE, financial standing as certified by Bankers, Audited Profit & Loss account and Balance sheet for last three years, Annual turnover in last 3 years etc. are required to be submitted along with the bid.





## **2.7. Pre-bid Meeting**

2.7.1 To achieve better understanding of SOTR as well as to bridge the gaps of technical appreciation in a streamlined and transparent manner avoiding delay in ordering, following action to be undertaken for complex system:

a) TNC Chairman is to decide and confirm the requirement of pre-bid conference/meeting while sending PR to Sub-Contract cell. Sub-contracting cell is to issue RFQ/Tender with this SOTR specifically stipulating Pre-bid meeting schedule and subsequent tender submission/tender opening cut-off date and time. The actual meeting dates can also be promulgated separately, if required.

b) Pre-bid conference/meeting is to be organized by the TNC Chairman

c) TNC members are to participate in Pre-bid meeting along with customer representative, as required. There will be no pre-TNC meeting (other than scheduled Pre-bid meeting) after issue of Tender.

d) Sub-Contract cell will notify Pre-bid conference to be held well before the bid submission cut-off date. In case of more than one pre-bid meeting the last Pre-bid meeting to be scheduled minimum 10 days before the tender due date.

e) Pre-bid meeting Chairman is to record summary of points of discussion of Pre-bid meeting and forward the Pre-bid MOM/ revised SOTR/ revised BOQ to Sub-Contract cell within 3 days from the date of pre-bid meeting, to enable onward forwarding / uploading of the MOM/ revised SOTR/ revised BOQ at least 7 days before the Tender due date, so that the prospective bidders can consider the same during bid submission.

## **2.8. Issue, Receipt, Opening and Acceptance of Tender**

The tendering system for procurement at GRSE will be followed to ensure an effective mode of buying. When indents, complete in all respects, are received by the Ordering Department, following tendering system will be resorted to .

### **2.8.1 SYSTEM USED FOR GEM /E-TENDERING:**

Presently GRSE undertakes Tendering through GeM portal /NIC or e-procurement portal /Manual Tendering process.



1. In case a service is available in GeM portal or in case feasibility of tendering in GeM through custom bidding, tendering to be done through GeM portal only.
2. Procurement through NIC or e-procurement portal can only be processed in following cases\_
  - a. Service is not available in GeM catalogue
  - b. Job Splitting required/ total job quantity to be distributed among multiple bidder who accepts the L1 price
  - c. service is of works contract type
3. In case of short /local tendering for a service of value less than 2 lakhs Manual Tendering process may be adopted.

**2.8.1.1 GeM-Tendering:**

**2.8.1.1.2 GeM-Registration:**

2.8.1.1.2a GRSE is registered in GeM as a buyer organization, wherein GM / CGM (Commercial) has been nominated as Primary buyer from GRSE's end. Name of Officer / Representative from various dept. of GRSE have also been registered in GeM as secondary buyer /consignee/Payment Authority based on approval of CA.

All Sellers willing to take part in GeM tender / willing to provide Goods & Services to GRSE, are required to be registered on GeM and obtain a unique Seller ID. This ID shall be incorporated in every supply order /contract/ agreement /purchase order by all central government organizations.

2.8.1.1.2b Pre-requisite for GeM-Registration are as follows\_

- a. Aadhar no. /PAN no.
- b. Mobile no. linked with Aadhar card/no.
- c. Active E-mail ID
- d. Address Details /proof
- e. CIN /PAN /DIPP /UAM /ITR
- f. Bank A/C no.



**2.8.1.1.3 GeM-Availability Report:**

Indenter /consignee will generate a GeM-Availability Report using his/ her GeM ID and using the string of subject service, which the indenter intends to offload.

In case the subject service is not available in GeM catalogue, a report of non- availability will be generated and if the service is available in GeM a report of availability will be generated.

Then the indenter will forward the GeM Report to the tendering dept. along with indent and SOTR for tender processing action at Contract Cells end (GeM Process flow shown at **Appendix- XVI**).

**2.8.1.1.4 GeM-Tendering Type:**

2.8.1.1.4a In case, a service is available in **GeM catalogue**, the buyer can procure the same directly from the L1 seller after comparing all available sellers on the platform that meet the requisite quality, specification and delivery period as specified by the buyer.

2.8.1.1.4b In case the subject service is not available in GeM catalogue and the service is non-splitable in nature (means total job quantity to be offloaded to L1 only), then tendering to be done in GeM through **Custom bidding**. Reverse Auction option is also available with GeM custom bidding (GeM Process flow of custom bidding shown at **Appendix- XVI**).

2.8.1.1.4c In case the subject service is not available in GeM catalogue and the service is splitable in nature (means total job quantity to be distributed among multiple bidders who accept the L1 price) then tendering to be done using NIC or e-procurement portal.

**2.8.1.1.5 GeM- Procurement Guidelines:**

Procurement on GeM for all buying entities are subject to the GeM guidelines, terms and conditions published by GeM on the GeM website. However, the tenderer will prepare NIT document /SLA for custom bidding following prevailing procurement guide line /policy of GRSE and upload the same in GeM along with SOTR, STAC, ATC and other required Annexures.

Some of the indicative directives /processes that currently exist and also aligned with GeM are as follows\_

- i. Direct on-line purchases on GeM up to Rs. 25,000/- to be done from any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.



- ii. The tools for e-bid or RA of GeM can be used by the Buyer if decided by the competent authority for purchases above Rs.25,000/- and up to Rs.5,00,000/-
- iii. For purchases above Rs.5,00,000/- e-bid or RA tools of GeM to be used mandatorily for obtaining bids and there after awarding of contract.
- iv. In case, buyer is willing to buy any specific OEM's product then he has to go for Proprietary Article Certificate (PAC) buying after obtaining necessary approvals of competent authorities.
- v. Splitting of demands by creating multiple Bids / RAs of same goods / services or making repeated procurements of same Goods / Services through L-1 buying are strictly prohibited on GeM.
- vi. In situations where there is only one offer available in a product/ service category and/or there is offer from only one Seller after filter based search, the buyer should not select such offer for buying. Efforts should be made by Buyer to get their past suppliers and prospective Sellers on-boarded on GeM so as to ensure availability of sufficient Sellers on GeM.
- vii. Default Bid Life Cycle in GeM is 90 days from the date of Bid publication but it can be configured to 120 / 150 or 180 days by the buyer.
- viii. Evaluation of technical bids to be conducted by Competent Authority or Technical Committee as per standard practice of GRSE.
- ix. In case of Service bids, if multiple L-1 bidders have quoted the lowest price for that service, Buyer can place the contract based on any criteria as deemed fit by the Buyer with appropriate internal approvals.
- x. The Buyer reserves the right to accept/reject any bid including the lowest bid received through e-bid and/or annul the e- bidding process.
- xi. Against any bidding or RA conducted on GeM, if a bidder quotes Nil Charges/consideration, the bid shall be treated as non-responsive and will not be considered.
- xii. Bid Security (EMD) should range between 1% to 5% of the estimated value of goods /services. EMD not applicable for Bids /RA having estimated value less than Rs.05 lakhs (this is as per GeM GTC-4.0 & may vary subject to revision in GTC). EMD submission timeline &



format/exemption/return/forfeiting will be as per Govt. guide line.

- xiii. Offer Prices on GeM shall be firm and fixed at any point of time and shall be indicated in INR on all-inclusive basis i.e. including all taxes, duties, local levies / transportation / loading-unloading charges etc. In the case of Bid / RA, complete break-up of the quoted price in the required price bid format shall be furnished by the Bidder, before award of contract.
- xiv. All the Buyers & Sellers in GeM are to adhere with the Integrity Pact guidelines provided on GeM Portal
- xv. The Goods/Services supplied under the Contract(s) shall have standard Guarantee/Warranty (where ever applicable) of one-year period from the date of final acceptance by the consignee unless otherwise specified in category specifications, specific Bid/RA
- xvi. 100% payments shall be made to the Seller for services, on the basis of monthly (unless otherwise specified) bills and will be paid within ten (10) days of issue of consignee receipt- cum-acceptance certificate (CRAC) and on-line submission of bills unless otherwise specified in STC / ATC.
- xvii. All the Goods or Services in the GeM shall be offered on Free Delivery at Site basis including loading/unloading.
- xviii. The original Delivery Period may be re-fixed by the Buyer without any Liquidated damages subject to Force Majeure conditions and also on the ground/reasons of delay attributable to the Buyer/Consignee
- xix. The contract generated through GeM shall be construed of following documents\_
  - a. Scope of supply including price as enumerated in the Contract Document.
  - b. General Terms and Conditions (GTC).
  - c. Product /Service specific Special Terms and Conditions (STC).
  - d. Product / Track / Domain Specific STC of Particular Service including its SLA (Service Level Agreement)
  - e. Bid / RA specific Additional Terms and Conditions (ATC).
- xxvi. The Terms and Conditions stipulated in STC & SLA will supersede those in GTC and Terms and Conditions stipulated in ATC will



supersede those in GTC and STC in case of any conflicting provisions

2.8.1.1.6 **GeM Order:**

Post receipt of approval on purchase proposal, GeM contract (showing final L1 offer price including GST) to be awarded to the L1 bidder in parallel to SAP order.

2.8.1.2 **Tendering through NIC /E-procurement Portal**

E-procurement is done through Application Service Provider (ASP) who is maintaining its own portal for uploading e-tender and the same is also linked to GRSE website ([www.grse.nic.in](http://www.grse.nic.in)). The functioning of the e-procurement cell is to be supervised by a nodal officer and in the purview of the NCM Dept.

2.8.1.2a Recommendation /request for LT should come from user end and with name of minimum 05 nos. vendor. In case of special circumstances of the purchase /contract, with valid and recorded reasons, the open tender procedure may be waived with limited tender having prior approval of CMD (if estimated value of contract is greater than Rs: 5 Crore) or with prior approval of concerned Director (if value is less than Rs.5 Crore).

2.8.1.3 ASP representative assigned to the e-procurement cell floats e-tender on the ASP's portal. 2-tier security is ensured by using of Digital Signature Certificate (DSC) and user ID & password issued by GRSE while uploading the e-tender.

2.8.1.4 In case of foreign participation through Limited Tenders, foreign vendor is to obtain DSC from Indian Certifying Authority through their Indian representative. In case any foreign vendor(s) is unable to obtain DSC from Indian CA in a particular tender and if at least three DSC compliant vendors are available, then such non-compliant vendor(s) will not be considered for e-tendering. However, in case tender participation by foreign vendors with DSC, from Indian CA, falls below three vendors, such tender will be issued manually instead of e-tender including such non-compliant vendors as well, after obtaining approval from concerned Director.

2.8.1.5 All such e-tender details are also displayed at GRSE website ([www.grse.nic.in](http://www.grse.nic.in)) in e-Tender link. Automatic mail is to be generated/transmitted to all registered vendors of GRSE encouraging their participation.



- 2.8.1.6 Vendors are required to obtain individual Digital Signature Certificate (DSC) in order to participate in the GRSE e-tender. In case DSC is not available to an approved/ nominated vendor, they can apply for the same, whereby GRSE through the ASP facilitate allotment of vendors' DSC. The vendors are also required to obtain user I.D. and password from GRSE through the ASP in order to participate in GRSE e-tender.
- 2.8.1.7 Vendors are to submit their bids in the prescribed template in the ASP's portal by using their DSC before due date and time. Bid submission using DSC with PKI encryption technology ensures security and protection over the entire data transfer protocol. After successful submission of bids vendors will receive one acknowledgement report. Also, a dedicated DSC has been provided to In-charge Sub-Contract cell for working in e-procurement mode.
- 2.8.1.8 After expiry of tender submission due date & time, system report is to be generated from the ASP portal by using DSC of Sub-Contract cell to view the participation details where only the total number of bid submission without specific mention of participating vendors' names is indicated. Bids are opened by authorized GRSE officers based on the participation data sheet.
- 2.8.1.9 In case after viewing participation details, it is observed that participation is not adequate, approval from TC chairman may be obtained for extension of due date and thereafter corrigendum indicating revised due date and time is submitted to ASP's portal. Automatic mail is also sent to all vendors intimating revised due date and time. These changes are also automatically recorded in a system log file.
- 2.8.1.10 Techno commercial bids are opened by authorized GRSE Officers using DSC of Sub-Contract cell and soft version downloaded in presence of representative from internal audit department. Technical bids are forwarded to the indenting department for technical scrutiny and TNC records are kept in the file. Similarly, commercial negotiation is carried out and CNC records are also maintained by Sub-Contract cell. Notifications for conduct of TNC & CNC meeting are sent offline by Sub-Contract cell.
- 2.8.1.11 On completion of techno-commercial evaluation, notice for price bid opening is given through auto-mail and the price bid is opened for the techno-commercial qualified bidders. If required, based on the approval of TC chairman, price bid opening date and time may be changed and intimated to all techno-commercial qualified bidders by auto generated mail.



- 2.8.1.12 Price bids are opened by authorized GRSE officers using DSC of Finance - Financial Concurrence Cell. Statements of quoted rates by qualified bidders are generated automatically through ASP's cost evaluation programme. Participating vendors are able to view price bid details by using their own DSC and user ID/password after price bid opening date and time, at their own location.
- 2.8.1.13 For Press Open Tenders, Tender documents stipulating conditions like EMD, tender fee details etc. are hosted in ASP's portal and the same are also displayed at [www.grse.nic.in](http://www.grse.nic.in) and in central public procurement portal as well as published through press advertisement for invitation of vendors to participate in the tender. Those vendors having DSC and user ID & password from GRSE can directly log in and able to download & submit the tender into the GRSE ASP's portal but those vendors who are not having user ID & password for participation in GRSE e-tender, can register themselves through ASP's online vendor registration procedure along with their own DSC to obtain user ID and password. In case a vendor is not having a DSC, arrangement for the same needs to be made by them to obtain DSC.
- 2.8.1.14 Vendors are required to submit Tender fees, EMD in hard document to GRSE before tender submission due date. Scanned copy of submission document for EMD & Tender fees need to be attached in the prescribed format along with techno commercial bid.
- 2.8.1.15 Any foreign vendors desirous of participating in Global Tender/ Web Open Tender have to obtain DSC issued by Indian CA otherwise they cannot participate in the open e-tender.

## **2.8.2 Limited Tender**

- 2.8.2.1 Limited Tendering process may be adopted for tenders of value up to Rs.25 lakh. In this case tenders are to be issued to all vendors registered with GRSE for relevant Product Service Group (PSG). To bring in adequate competition, it is necessary that at least five sources are addressed except in case of nominated Vendors by Customers, for example DGQA approved Vendors. Where the number of available sources of supply is less than five, the number of suppliers to be addressed may be reduced at the discretion of the Chairman & Managing Director. Wherever available, evaluated and approved vendor /contractors list maintained by the Company will be used and in other cases, the suppliers/contractor to be addressed will be approved by the Chairman & Managing Director based on past experience and current market intelligence. The selection of suppliers /contractors should be carefully made based on the vendor rating or past experience. The selection of





suppliers /contractors to be addressed if not included in the approved suppliers list should have the prior approval of the Chairman & Managing Director in each case. Tender submission duration is to be 7-10 days if tender is issued through GeM /e-procurement process and 21 days in case of manual tender.

- 2.8.2.1.1 However, due to special circumstances of the purchase/contract, for valid reasons to be recorded, the open tender procedure may be waived and limited tender issued with prior approval of CMD, in case the estimated value of contract is more than Rs: 5 Crore OR with prior approval of concerned Director for the value up to Rs.5 Crore.
- 2.8.2.2 In case the number of registered vendors is less than three for a particular PSG, vendors with provisional code for a similar service category who have participated in earlier tender may also be considered for issuing tenders, to improve competition. All such vendors considered for tender are to be advised to approach VR cell for getting registered at the earliest with GRSE for future tenders.
- 2.8.2.3 In case no registered vendors are available for particular service group, vendors based on past experience and current market intelligence will be used. The selection of vendors should be carefully made based on the vendor rating as available and past experience. The vendors who are not registered with GRSE but considered for giving tenders should have prior approval of tender committee duly approved at least by one director in each case.
- 2.8.2.4 In case the vendor is nominated by customer or indenter /user Dept. for a particular work/service, only nominated vendors are to be issued with tender.
- 2.8.2.5 Generally, the offer for services having technical implications and high value should be taken in two-part bid system i.e. Techno-commercial and Price bid.
- 2.8.2.6 It is desirable to get at least 70% response either as sealed offer or regret letter. In case the same is not obtained despite extension of one due date or in case of urgency, the tender may be opened after recording the responses received, urgency etc.
- 2.8.2.7 Against limited tender, if only one offer is received, then fresh enquiry shall be made for wider participation, if time permits. If time does not permit, the case should be considered /treated as 'Single Tender' for determination of financial powers /TC level along with following:



- i. In cases of such RSVS, the indenter to be informed and requested to revisit the SOTR /Technical specification. Confirmation from indenter regarding any change of specification /SOTR to be obtained.
  - ii. Price reasonability is to be established.
  - iii. Approval shall be accorded from Functional Director for waiver of Re-tender and proceed for procurement [Ref: GFR 2017 Rule 173 (xxi)]
- 2.8.2.8 If multiple segments of works are tendered in one tender and different vendor's quote lowest rates for different segment of works, orders should be placed on different vendors for the segment of works for which they have quoted lowest prices, if the segment of works are separable and can be ordered on different vendors. However, this is not valid in case of turnkey job.
- 2.8.2.9 If the segments of works in a tender are inter-related requiring matching alignment, compatibility etc. as indicated by indenter, negotiations will be held with the overall lowest tenderer to see if the contractor is prepared to match the lower bid of the other tenderers for another segment of works for which they quoted lower price.
- 2.8.2.10 If GRSE registered vendors do not respond to limited tenders, the same should be intimated to VR cell in each case for taking necessary action as per GRSE vendor policy.
- 2.8.2.11 For limited tenders, other than nominated cases, the tenders having estimated values beyond Rs.5 lakhs are also to be hoisted in GRSE website. Publishing in website is for the sake of transparency and not for participation by vendors other than those selected for limited tender enquiry.
- 2.8.3 **Open Tender**
- 2.8.3.1 Purpose of open tender is to get wider participation from market. Open Tendering is a system whereby even non – registered Vendors / Contractors are free to participate and allowed to quote against the tender.
- Bid submission time in general for open tender through GeM / E-Procurement will be 21 days. Through manual mode it will be 30 days (minimum).



2.8.3.2 There are three types of open tender i.e. GeM Tender, Web open tender and Press open tender. For tenders of value upto 25 lakhs open tendering may be opted but not mandatory. For tenders of value above Rs.25 lakhs open tenders will be hoisted in GeM portal / central public procurement portal. Priority to be given for tendering through GeM portal as far as possible. Tendering through CPP Portal can be resorted with prior approval of TC Chairman with suitable reason for the same. In such cases open tenders will be hoisted in GRSE website (www.grse.nic.in) as well as central public procurement portal.

For non-GeM tenders of value more than Rs.5.0 crore, Press publication of the tender notice to be resorted in addition to posting it in the GRSE and central public procurement portal. The press tender will be advertised in at least three leading newspapers / Indian Trade Journal (wherever applicable). Press open tender to be advertised in West Bengal based /Nationwide leading news papers depending on Tender value/requirement/Nature of job. In addition, all the known and possible sources for particular service/job including registered / approved vendors are to be made aware of the tender. All open tenders will be processed through GeM/e-tender mode only and in case of any deviation written approval from concerned Director is to be taken after recording justifying reasons. However, press publication is not applicable for GeM Tender.

2.8.3.3 This system will not be mandatory in the following cases:

- (a) Owners' nominated jobs/ developmental jobs
- (b) Specific source which has been standardized in GRSE or approved by the concerned Director.
- (c) Jobs for which confidentiality of drawings required.
- (d) License agreement / Long term contracts / MoU in force.
- (e) Job which are carried out as per drawings & specifications, specific to GRSE scope of work.
- (f) Job which are required to be awarded on Urgent basis.

2.8.3.4 For all other tenders whose estimated value is above Rs.25 lakh, open tender method as indicated above should be adopted. However, due to special circumstances of the job/service, for valid reasons to be recorded in writing, the open tender procedure may be waived and limited tender may be issued with prior approval of CMD/Authority as Delegated by him.

2.8.3.5 The Public Relation (PR) department will have standard rates and norms for publication of press tenders in newspaper and will arrange publication of press tenders on advice from Sub-Contract cell not below the rank of DGM (Sr. Manager in case DGM is not available). Proposal for out of



term/urgent publication of press tender will be approved by concerned Director. All Press Tenders will be published in GRSE as well as central public procurement portal. The request for publishing the tender in website will be forwarded to Public Information Officer, C&CP dept. along with soft copy of the document including Notice Inviting Tender. A standard format for Press publication is placed at **Appendix-VII**.

2.8.3.6 Vendors, short listed (technically and commercially cleared) against an open tender for a particular job, may be utilized for similar job through limited tender within a period of one year from date of order, will be deemed as open tender unless in the meantime further market research has disclosed other source. In that case issue of tenders to these vendors shall be at par with open tender.

2.8.3.7 Where adequate vendor base (at least 03 vendors) is not available or no suitable offer has been received against limited tender, open tendering may be adopted even if value is below Rs. 25 lakhs.

2.8.3.8 Against open tender invitation, provision should be made to restrict entry of mushroom/unreliable vendors. For this purpose, provision of Earned Money Deposit (EMD)/ Security Deposit (SD) as explained in another chapter of this manual, will be adhered to. Also, Pre-qualification criteria as detailed in Art 2.5 will be included in NIT.

#### 2.8.4 **Single Tender**

2.8.4.1 The award of contract on single tender basis shall be broadly governed by prevailing circular of Government of India, Central Vigilance Commission and followed by GRSE's office order.

2.8.4.2 Single Tender procedure is normally discouraged. However, in exceptional cases, single tender procedure may be adopted as follows:

a) There is an urgent need for the services and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by indenting department nor the result of dilatory conduct on its part.

b) Owing to a natural calamity, there is an urgent need for the services, making it impractical to use other methods of procurement because of the time involved in using those methods.

c) Owing to criticality / reliability of end products use.

2.8.4.3 Single tender shall generally be issued to a registered vendor/contractor or specialist agency based on recommendation of customer/ indenter



- 2.8.4.4 In case of single offer, otherwise technically qualified, the price has to be verified with reference to previous one if available or estimated price. In all such cases, negotiation with vendor towards reduction in price may be resorted to wherever so justified.
- 2.8.4.5 In case of Single tender, Single Vendor Nomination Form, placed at **Appendix-VIII**, duly approved by competent authority, is to be submitted by indenting department.
- 2.8.4.5.1 Bid submission time in general for Single tender through GeM / E-Procurement will be 2-7 days. Through manual mode it will be 10 days (minimum).
- 2.8.4.5.2 Award of Work (by user Dept.)**
- a) Award of Work through quotations up to Rs. 5 Lakhs in each case may be adopted for procurement of readily available goods/ Services that are not specially produced to the particular specifications and for which there is an established market.
  - b) Award of work through quotations shall be resorted only in emergent cases /to meet emergency requirement and suitable reasons to be recorded.
  - c) Quotations must be in a sealed envelope/ designated mail marked to a designated officer, to be approved by concerned HOD.
  - d) Price reasonability to be established by the concerned HOD for such procurement
  - e) No Capital item procurement/ordering to be done through this route.
  - f) Procurement entity shall not divide its procurement into separate contracts to bring the amount less than the amount set forth for such purpose.
- 2.8.4.6 All emergency services not exceeding value of Rs.50,000 (Rupees Fifty Thousand) may be dealt directly by the indenter/user. Emergency services, needed for launching /trial /delivery of ships /major equipment /export over not exceeding value of Rs.50,000 (Rupees Fifty Thousand) per requisition, may be organized without following detail procedures as urgency supersedes formality. Detail reports of such procurement of services under emergent condition has however to be submitted to the respective Tender



committee. Where current rate is available, telephonic confirmation about validity, discount and delivery may be resorted to avoid tendering delay.

2.8.4.7 It would be economical to procure low value services (less than Rs.2 lakhs each) directly by the indenter/user by obtaining quotation by fax, e-mail or in person etc. and closing the tender within 2-3 days.

### **2.8.5 Resultant Single Vendor**

2.8.5.1 There are cases where only a single offer is cleared after TNC & CNC meeting or a single valid offer is received against limited tender enquiry / open tender enquiry. This is known as Resultant Single Vendor situation indicating lack of competition. These cases should be considered /treated as 'Single Tender' for determination of financial powers /TC level. In cases of such RSVS, following are also relevant \_

- i. The indenter to be informed and requested to revisit the SOTR /Technical specification. Confirmation from indenter regarding any change of specification /SOTR to be obtained.
- ii. Price reasonability is to be established.
- iii. Approval shall be accorded from Functional Director for waiver of Re-tender and proceed for procurement [Ref: GFR 2017 Rule 173 (xxi)]
- iv. However, there should be sufficient proof of mailing / reaching enquiries to all the eligible bidders.

### **2.8.6 Two - Bid – System**

2.8.6.1 The bids will be obtained in two part as referred to herein below:  
(a) Part-I: The Techno-commercial bid shall contain technical parameters and commercial Term and conditions, without any mention of price. In case of any deviation, the bid will be rejected and this must be clearly highlighted in NIT.  
(b) Part-II: The Price bid shall contain only the prices as per the format provided in the tender. If any commercial terms are indicated in Price bid, the same will not be considered.

2.8.6.2 The procedure for submitting tenders for two bid system must be clearly spelt out in NIT in unambiguous terms.

2.8.6.3 When two-bid system will be followed, negotiations on technical parameters and commercial terms and conditions will be held only with those parties who furnish their bids, complete in all respects, within the specified/stipulated time. The Technical/Commercial Negotiation



Committee will examine the technical offers and commercial terms and conditions to decide whether the offers are acceptable on technical/commercial grounds. In case of variation, the aspect will be discussed threadbare and the scope of supply after being equalized will be informed to the bidders. The bids which are unacceptable or unaccepted on technical grounds shall be rejected with reasons, duly recorded in writing. The price bids of the rejected vendors/bidders shall not be opened and intimation of rejection of bids will be conveyed to the bidder. For manual tender, unopened price bid is to be returned to the bidder. Price Bid will be opened only of Technically and Commercially qualified bidders.

### **2.8.7 Single Bid System**

2.8.7.1 Where technical and commercial terms and conditions are known to bidders and there is no scope of any deviation, single bid system with submission of only Price bid will be resorted to.

2.8.7.2 In case of Expression of Interest, single bid system with submission of only technical bid will be resorted to.

### **2.8.8 Receipt of Tenders**

2.8.8.1 For Limited Tender (Manual) a securely locked tender box will be kept in a prominent place in the concerned tender issuing department to enable the tenderers to drop their sealed tenders in the same. Tenders received by post up to the prescribed date and time of submission of tender shall be dropped inside the tender box when received by the tender issuing Department. Tenders will be opened only on the specified date and time.

2.8.8.2 For all E-tenders (Limited, GeM & Open) offer to be submitted through GeM Portal / e-tender portal using GeM seller ID / DSC, user ID & password within the stipulated time of due date. The portal will be blocked after stipulated time of each tender. Tenders will be opened as per the specified date and time.

2.8.8.3 The tender received beyond due date and time of submission or extended due date and time of submission will not be considered. However, for Single Tender late Tenders will be accepted and may be opened by the contract point.

2.8.8.4 In case of exceptional situation of critical requirements, Fax / E-mail quotations received from authorized sources may be taken into consideration provided they are complete in all respects i.e. price, necessary specifications, delivery, and other essential particulars asked for, received on or before the date of opening of tender and kept in safe



custody of the concerned Departmental Head. Confirmation copy of such quotations by post is to be submitted by vendors.

- 2.8.8.5 In case of Two Bid system of Tender, combined offers if received will be rejected except for Single Tender situation.

**2.8.9. Reverse Auction**

'Reverse Auction' (RA) is a tool for improving price competitiveness and it is available both in e-procurement and GeM procurement platform. This specialized auction method allows an organization to procure services /goods from the selected sources by triggering decreasing incremental bidding as an online-competition amongst the participating bidder.

If RA mode of procurement to be used then the same to be stipulated in NIT. In case RA is stipulated in an NIT, it is also to be stated there that the bidders will be responsible for their own infrastructure readiness during auction. GRSE shall not be responsible in any way for malfunctioning of their system or failure of power supply or any other interruptions or for any consequential damages due to malfunctioning of the system during auction. It shall also be mentioned that bids made during auctioning are binding on them and excuses will not be accepted at all.

2.8.9.1 Benefits of Reverse Auction:-

- (a) Reduced Acquisition Price
- (b) Reduced process Time
- (c) Fast Decision Making

2.8.9.2 Rules & steps to be followed for conducting RA includes the following:-

- (i) The Reverse Auction to be conducted post approval of TC Chairman based on the suitability of the service for conducting RA
- (ii) Reverse auction to be conducted only with the techno-commercially cleared firms.
- (iii) The schedule of Reverse Auction event, the procedure to be followed for RA, Date and time of commencement of auction, opening price of GRSE and the decrement value to be intimated to the qualified bidders clearly well in advance of the RA event.
- (iv) Start Bid price to be fixed by GRSE based on GRSE Estimate for the service /last procurement price/ available procurement reference price duly approved by TC chairman.
- (v) Price Estimate (in sealed envelope) if available, will be opened by F-FC cell 2-3 days prior to RA activity for deciding the start bid price.





- (vi) Tender Committee shall decide the decremental value.
- (vii) Start Time and duration of the Reverse Auction is to be approved by TC Chairman and the same to be intimated to all participants.
- (viii) Duration of the 'Reverse Auction' shall normally be 60 minutes with auto extension feature of the portal (If a bidder places a bid in the last 5 minutes of closing of the RA and if that bid gets accepted, then the auction's duration shall get extended automatically for another 5 minutes). Any change in duration shall be approved by TC Chairman.
- (ix) Bidders have to quote or bid less than the start bid price mentioned in RA procedure with respect to decremented value Within the stipulated duration.
- (x) It is essential that the identity of the bidders participating in the auction shall not be known to each other. For this purpose, only the following minimum information shall appear in the bidding screen:
  - Bid Placed by the individual bidder shall be seen by the individual bidder only.
  - Lowest Bid Value prevailing at any time of auction.
  - Own Rank of the individual bidder.
  - Bid Decrement Value.
- (xi) Participating bidders can submit decremented price from last quote / start bid price within the duration of the Reverse Auction.
- (xii) Bids once made by the bidder shall not be cancelled.
- (xiii) Post selection of successful bidder through RA, log details to be preserved by the buyer as record.
- (xiv) Within 24 hours of completion of the RA, the successful bidder has to submit their final prices in a hard copy document, duly signed and stamped, as a proof of acceptance without any new condition other than those already agreed to before start of auction.
- (xv) After conclusion of Reverse Auction, in case the successful bidder refuses to honour his bid, the bidder shall forfeit Security Deposit or EMD as applicable. The bidder may also be barred from participation in future GRSE tenders.
- (xvi) If no bid is received in the auction system within the specified time and duration, then GRSE at its discretion, may decide to revise the auction's start bid price and re-conduct the RA or scrap the RA and proceed with the conventional mode of opening the Price bids or call the L-1 bidder for price negotiation as per rule.



(xvii) Following are the list of services for Reverse auction:

- Ship Cleaning
- Shop Cleaning
- Chipping & Grinding
- Pressure Testing
- Fairing of steel & Al str
- Blasting & Priming Raw steel
- Plate Cutting & beveling
- Block Fabrication
- House Keeping

**Note:** The above list is to be reviewed by Contract Cell annually

### **2.8.9.3 Reverse Auction (RA) in GeM**

For using Reverse Auction (RA) provision in GeM bidding, the Buyer has to select the Bid to RA option while creating bid on GeM. If this option is selected by the Buyer at the time of bid creation, Sellers would be required to submit their Technical and Commercial bids before bid closure. After completion of technical evaluation by the Buyer, Reverse Auction would be conducted as per following Bid to RA qualification rule selected by the buyer\_

- A.** 50% elimination rule
- B.** H-1 elimination rule

#### **A. 50% elimination rule:**

Reverse Auction would be conducted amongst first 50% of the technically qualified bidders arranged in the order of prices from lowest to highest.

Number of sellers eligible for participating in RA would be rounded off to next higher integer value if number of technically qualified bidders is odd (e.g. if 7 bids are technically qualified, then RA will be conducted amongst L-1 to L-4). In case number of technically qualified bidders are 2 or 3, RA will be between all without any elimination.

Further, if bid(s) of any seller(s) eligible for MSE preference is / are coming within price band of 15% of Non MSE L-1 then such shall also be allowed to participate in the RA process.

#### **B. H-1 elimination rule:**

Reverse Auction would be conducted amongst all the technically qualified bidders except the H1 bidder (Highest quoting bidder). However, H-1 will be allowed to participate in RA in following cases:

- (a) If number of technically qualified bidders are only 2 or 3.



- (b) If L-1 is non-MSE and H-1 is eligible MSE and H-1 price is coming within price band of 15% of Non-MSE L-1.

### **2.8.10 Procedure for offloading of ship refit & repair jobs**

2.8.10.1 Unlike shipbuilding, since refits have a much smaller duration and the time is a critical factor while undertaking repairs on the various equipment. Therefore, offloading of services (including spares) for refit activities is to be planned and processed in a timely manner so that there is no delay in refit schedule.

2.8.10.2 Following procedure is to be followed while offloading refit related jobs:-

- (a) Turnkey offloading of part of refit package: In addition to the major work packages which are to be undertaken by the equipment OEMs, every refit involves large number of defect list serials and activities which are required to be undertaken by Shipyard either through in-house resources or offloading. In order to efficiently execute a refit package, Shipyard can offload such non-OEM work package on a turnkey basis to competent vendors. Open tendering is the preferred method of offloading in these type of cases as per general procedure. However, GRSE also has established MoUs with competent vendors whose capacity and capability to assist the Shipyard in undertaking refits has already been assessed. The list of such shortlisted vendors may be expanded by including Addl. firms based on EOI <sup>1</sup> These vendors are required to submit quotes for addressing the non-OEM portion of the Defect List which would form the basis for the Shipyard to prepare estimates during bidding for contracts. Since these estimates form the basis for a major portion of the Defect List which is required to be costed by the Shipyard, in case Shipyard wins a Refit Contract on the basis of an estimate prepared by a vendor with a MOU with GRSE, the Shipyard would in turn place the Purchase Order for the non-OEM scope of work on the same vendor, post PNC, if considered necessary. Such single vendor cases are to be recommended by SR Department and approval taken on file from Competent Authority. In the absence of full specifications at the time of initially tendering the work to vendor, following procedure may be adopted in case of growth of work/ additional work: -



- (i) Whenever rate is available for growth of work in the finalized contract, the requisite quantity can be enhanced with the existing contract price.
  - (ii) Whenever rate is not available for additional scope, quote may be obtained from the engaged contractors and same may be compared with the internal estimate/ market price. If required PNC may be done to establish price reasonability.
- (b) Offloading jobs directly to OEM authorized vendor: For major equipment it is prudent to offload the jobs directly to OEM authorized vendor. Same may be resorted to by SR. In such cases quotation can be obtained from the OEM/ vendor through fastest means (E-mail or fax). If considered necessary, negotiations can be conducted with OEM/ vendor with regard to prices either over Video Conferencing or telephone or through E-mail/ Fax. Thereafter SR Department shall prepare purchase proposal attaching all communications with OEM. After vetting the proposal by Finance rep, the purchase proposal is to be approved i.a.w. Sub Contract Manual. In cases where GRSE itself has the expertise for doing the work and has the resources available for deployment on SR activity, the same to be explored first.
- (c) Offloading jobs to Local Vendors: Some part of the refit package can be addressed by offloading to Local Vendors who have undertaken similar jobs during ship construction/ have been doing work for repair activities. Since contract cell is regularly finalizing RC for such items with pool of vendors, the same RC by identified vendor among the pool may be used to the extent possible. In case substantial increase in quantity, PNC may be done to avail quantity discount. Whenever RC is not available, SR Department shall float manual Tender Enquiry (TE) to at least three competent local vendors. Vendors will submit their sealed quotes to SR Department within stipulated time. Authorized officers of SR Department will open the tenders and prepare a comparative statement of tenders (CST). All vendors participating in the TE will have the option to be present during tender opening. The CST is to be signed by the concerned officer of SR Department. Price negotiations will thereafter be held with the L1 firm, if the L1 is higher than estimate or otherwise considered necessary. Purchase proposal is to be prepared attaching all communications with L1 firm. After vetting the proposal by Finance rep, the purchase proposal will be approved in accordance with Sub Contract Manual.

**EOI 1** - This will be in line with Govt of India General Instructions on Procurement and Project Management dt 29 Oct 21



**2.9. Award of Order without calling for a tender**

2.9.1 To meet extreme urgency related to Services for execution of Project /Trials /Safety & Fire /Natural calamity /Force Majeure etc. Contract may be awarded without calling for Tenders. The justification for award of contract to be recorded and approval for award of contract to be taken from CA as per prevailing DOP.

Price reasonability is also to be established in line with cognizance of emergency /urgent nature.

**2.10. Tatkal Service /Fast Track Tendering**

In case there are exigency / special circumstances of the purchase /contract, justified with valid and recorded reasons, tender submission time can be curtailed from normal 21 days (for open tender) /10 days (for limited tender) to a short duration of 3 to 7 days with the approval of Competent Authority as shown in table below\_

Mode of Tendering	Nature of Procurement	Tender value (in Lakhs)		
		50	25	10
Open	Non-Capital	50	25	10
	Capital	25	10	5
Limited	Non-Capital	25	10	5
	Capital	25	10	5
Approving Authority		CMD	D(S)	CGM/GM/ I/C AGM

The tender is to be kept open for submission till the prescribed date and time.

EMD will not be applicable for this Tatkal Service /Fast Track Tendering.

AIP along with Indent, SOTR to be forwarded to tendering Dept. for this Fast Track Tendering.

This Fast Track Tendering process should not be exercised for procuring material /Service of regular & recurrent nature.



**CHAPTER 3**  
**TENDER COMMITTEE**

**3.1 Introduction**

3.1.1 The Tender Committee (TC) plays a vital role in procurement decision through group decision making process. Tender Committees are intended to function efficiently by virtue of taking into consideration distinct viewpoints of the representing members in evaluating buying alternatives. Tender Committees provide leadership in navigating through conflicting objectives of various departments. As a team, T.C.s are to achieve unity of purpose. T.C.s also serves the vital purpose of ensuring transparency in decision making.

3.1.2 T.C. is composed of members from Sub-contract Cell and Finance Department and Directors concerned as relevant. Six levels of Tender Committees, I to VI as detailed in Articles 3.2 and 3.3 are authorized to participate in procurement decisions for various ranges of value of tender.

3.1.3 Proposal for consideration by a T.C. will be circulated among its members to facilitate the members of T.C. to get adequate time to scrutinize the details before final approval. T.C. will finalize and approve the tendering process and the proposal in the best interest of the company.

**3.2 Tender Committee– Sub-Delegation of Power**

3.2.1 Formation of six levels of Tender Committee (I to VI) will be as per prevailing DOP (Delegation of Power). As per DOP dtd.31.03.2021, the same is as follows:

*Rs. in lakh*

Mode of Tendering	Nature of procurement	Tender Committee (Value in ₹ lakhs)					
		I Beyond TC-II & upto	II Beyond TC-III & upto	III Beyond TC-IV & upto	IV Beyond TC-V & upto	V Beyond TC-VI & upto	VI Upto
Open Tender	Non-capital	3000	2000	700	500	200	100
	Capital	500	300	100	50	25	5
Limited Tender	Non-capital	3000	1000	500	300	100	50
	Capital	500	300	100	50	25	5
Single Tender	Non-capital	3000	1000	500	200	50	20
	Capital	500	100	30	20	Nil	Nil
Administered Price i.e. Steel Price, Oil Price P.O. & P.O. on the basis of price of other PSU's P.O.4 Govt. Controlled DGS&D rate	Power Delegated to CGM /GM (Commercial) irrespective of value		3000	1000	500	300	100
Composition of Tender Committee		TC-I	TC-II	TC-III	TC-IV	TC-V	TC-VI

**Special Notes on Tender Committee:**

3.2.2 Proposal above Rs.3000 Lakhs will be approved by Procurement Sub Committee of the Board and Proposal above Rs.10000 Lakhs will be approved by the Board of Directors.  
Any proposal of Capital expenditure exceeding Rs.500 Lakhs will be approved by the Procurement Sub Committee of Board, if proposal value is within approved budget.

**3.2.2.1 Composition of PSC**

PSC shall consists of following members:-

- Chairman & Managing Director - Chairman
- Independent Director - Member
- Director (Finance) - Member
- Director (Shipbuilding) - Member
- Company Secretary - Secretary to the Committee

3.2.2 Financial authority for any subcontracting of job including price negotiation, up to Rs. 100 Lakhs, will be with unit level finance.

**3.3. Tender Committee - Constitution:**

The Tender Committee will be constituted as follows:

Basis	I	II	III	IV	V	VI
Chairman of Tender Committee	CMD	Director	CGM / GM of Unit / Head of the Unit	AGM of purchase point	DGM of Purchase Point	SM / Mgr of Purchase point
Financial authority	D(F)	GM(F)/ AGM (F-FC)	DGM(F-FC)/ SM (F-FC)	M (F-FC)	M(F-FC)/ DM(F-FC)	DM(F-FC) AM(F-FC)
Other Members	D(P) or D(S)	CGM/GM /AGM / DGM of Purchase point /Head of the Unit	AGM/DGM of Purchase point / Head of Unit Purchase point	DGM/ SM of Purchase point /Head of Unit Purchase point	SM/ Mgr of Purchase point	AM / DM of Purchase point

(Purchase point – It implies the Tendering / Ordering Dept.)

**3.4. Explanatory Notes**

3.4.1 For placing order on the vendor other than lowest, reasons are to be recorded in writing in terms of norms set out in the constituted tender committee.



### **3.5 Empowered Ordering Committee (EOC)/ Empowered Procurement Committee (EPC)**

An Empowered Ordering Committee (EOC) may be constituted for project to cater emergency requirement of offloading a service, in cases where normal lead time of existent ordering process will affect the construction timelines of the Yard.

However, the normal course of procurement of service by Contract Cell based on indents raised by Production /PP&C is to continue hitherto.

The EOC/EPC so formed, will function under administrative control of Project Superintendent. EOC/EPC is empowered to ordering in a single order value not more than Rs. 5.0 Lakhs

#### **3.5.1 Constitution of the Empowered Ordering Committee will be as follows:-**

- i. Head of the Committee (Chairman) - Project Superintendent
- ii. Member - Project leader
- iii. Member - Contracts - Officer to be nominated by CGM PP&C
- iv. Member - Finance - Officer to be nominated by GM Finance
- v. Ex-Officer Member Secretary - Officer to be nominated by PS

#### **3.5.2 Guide lines/procedures to be followed by EOC, is as follows:-**

- a. EOC is empowered to place individual order of value, as mentioned in Ty. Order issued by D(S) for EOC of a particular ship /a series of ships.
- b. The EOC will have the delegated authority to sanction, approve and order in any or all of the activities, directly or indirectly related to timely completion of construction and trials of ships.
- c. All cases needed to be handled by the Empowered Ordering Committee, are to be proposed by production/ Planning Executives and put up for approval of PS. During the approval stage the proposing officer is to bring out the following.
  - i. Emergent reason for proposing action by EOC
  - ii. Confirmation that tendering action on the same service has not already been initiated by Contract Cell or included by CDO etc.
  - iii. In case, a proposal is raised notwithstanding sl.ii above, then reasons for doing so are to be brought out and intimation of curtailment of quality or deletion of the tender is to be indicated and copy of intimation for deletion to Contract Cell is to be enclosed.
  - iv. SOTR with quantum to be made /arranged by proposer /applicable department.





- v. Indent for the service raised by Production /PP&C /CDO
  - vi. Estimation by Professional Officer /Budgetary Quote /LPP based Estimate as far as possible.
  - vii. Splitting of a job into multiple orders to meet the requirement of a high value job /job having value beyond the threshold value of EOC should not be allowed.
- d. Approval is to be accorded from C&MD regarding total budgetary limit for the EOC.
- e. As E-procurement is required for tenders above Rs.5 lakhs, so, in case the EOC is powered for procurement upto Rs.5 Lakhs, then EOC will undertake procurement mainly through Manual Limited Tenders and will procure through E-Tender only if the same is required.
- f. The vendor list for LTE to authorized by PL or Head of EOC.
- g. As the cases being put up to the EOC are for priority / emergency cases requiring short notice tender for duration of 7 days. Notice inviting tender may be forwarded through e mail /fax to the registered e mail id /fax number of the vendors. There should not be any extension of time for submission of offer by the vendors (except abnormal circumstances to be recorded in writing & approved by EOC Chairman) and the tender will be finalized with appropriate justification of price.
- h. The receipt of tenders will be as per process for Manual tenders indicated in para 2.3.4 of this sub Contract Manual.
- i. The tenders will be displayed in Notice board outside Yard office or PMT office.
- j. In cases where it is felt that the service to be procured does not have a vendor base with proper credentials, the same may be done through open E-tender /GeM tender.
- k. Orders placed by this Committee on registered vendors will be exempt from EMD.
- l. The procurement against Single Vendor Nomination will continue to be as per norms of Sub contracting Manual.
- m. Considering "Time being of the essence" the tender, opening will be done as per the date promulgated and by at least 02 of the 04 members of the Tender Committee of which one should be from Finance / Contract. In the event of members not available, PS may ask IA officer to open the tender.



- n. For Manual Limited Tenders with value exceeding Rs. 5 lakhs, IA representative will be required to open the offers submitted in manual mode.
- o. The tender will be opened in presence of firms' reps. and opened price bids will be countersigned by Fin. Member, E/o secy. EOC & other member. Ideally Comparative Statement of Tenders is to be prepared forthwith and signed by all members. The Committee has to complete the other formalities within 02 working days from the date of price bid opening and the PO to be issued within 05 working days.
- p. Comprehensive MIS in an Excel sheet on all procurements initiated & made by the EOC are to be put up on monthly basis to D (S), D (F) & GM(F). The said procurement of service (subcontract) would be subject at Audit examination on bimonthly basis for which the MIS is also to be forwarded to AGM (IA). The following to be indicated in the MIS sheet:-
- i. NIT Ref. & date with description of work.
  - ii. Name of bidders & price submission
  - iii. Initiator's name/ dept.(Berth, PP&C, PMT etc.)
  - iv. Whether standalone procurement or included in another contract but taken out for EOC procurement.
  - v. Estimated Value of job & estimator's name/ dept.
  - vi. EDC of job planned
  - vii. Purchase Order ref. & date, vendor's name
  - viii. Job completion date (actual)
- q. The MIS in Excel form is to be kept undated and refreshed on monthly basis, in project EOC folder created in "P" Drive and read only access given to concerned officials & Int. Audit.
- r. MIS could be designed ship-wise and major activity-wise along with a summarized cumulative position.
- s. EOC is empowered to take decision at their level, which shall be recorded at the formal weekly meeting and will be subjected to scrutiny to ensure propriety in each case.



## CHAPTER 4

### TENDER OPENING & NEGOTIATION

#### 4.1 Opening of Tenders

- 4.1.1 All Tenders will be opened in presence of bidders (for manual tenders only) on the specified date at the specified time and at the notified place by a tender opening committee comprising of the concerned officer of Sub-Contract cell in presence of representative from Finance / Internal Audit at appropriate level.
- 4.1.2 In case of manual tenders, if it is decided to extend the date of submission/opening of tenders, it should be intimated to all the intending tenderers and those who have purchased the tender forms, before the submission date. And all manual Tenders will be opened in presence of bidders on the specified date at the specified time and at the notified place by a tender opening committee comprising of the concerned officer of the procurement Department in presence of representative from Finance / Internal Audit at appropriate level. In case of a manual tender if it is decided to extend the date of submission /opening of tenders, it should be intimated to all the intending tenderers and those who have purchased the tender forms preferably before the submission date. However, any subsequent changes promulgated in this respect, will be applicable.
- 4.1.3 The time and date of opening of tenders should be same as the deadline of tenders and the same shall be stipulated in NIT.
- 4.1.4 For GeM /e-tenders, the bidders can see the extended due date /results of tender opening from their own office / places and using their GeM ID /DSC, user ID and password. For open GeM /e-tenders refer Art 2.8.1.
- 4.1.5 For manual tenders, after opening of bids, every bid document will be signed by all the officers of the opening committee giving serial no. and date. Also initial of tenderers present is to be taken on price bid. Details of attendance of the tenderers are to be kept on record. After opening the names of the tenderers as well as their rates shall be read aloud. If there is any over writing / erasing / correction in the tender rate, the same will be circled and written in words and signed by members of opening committee to avoid any ambiguity or further alteration in future. In case there is any discrepancy in rate indicated by figures and in words, the rate indicated in words will be considered and the same should be indicated in NIT.
- 4.1.6 In case of two bid system, only techno-commercial bids are opened first. In such cases, the tender opening committee should sign on the sealed



envelope of price bid and obtain initials of trade representative, if present. Thereafter these should be kept in safe custody for opening successfully till the bids precedents are frozen.

- 4.1.7 The opening of tender is to be intimated to the bidders and requesting the presence of the bidder's representative should be scrupulously followed. The acceptability of the firm / bidder through prequalification criteria should be finalized either before or during technical negotiation. The firm whose bids are evaluated and are not found to have met with the pre-qualification criteria should be intimated about unacceptability of their offer along with the return of the unopened price bid.
- 4.1.8 All Bid opening document for manual tenders must remain in safe custody of dealing officer of Sub-contract cell till placement of purchase order.
- 4.1.9 No document presented by the bidder / firm after the closing date and time of the bid will be entertained by the Tender Committee unless it is of a purely technical nature which has no bearing financially on the bid and which does not seek major changes in technical specifications given in the bid document.
- 4.1.10 If a bidder / firm offers a rebate unilaterally after the closing date and time of the bid, it will not be considered for evaluating purposes by the tender committee, but if that bidder / firm emerges as the lowest evaluated bidder, the rebate offered will be considered for arriving at purchase order value.

Only technical bids and commercial bids shall be opened with the help of Internal Audit by the Tender Opening Committee. The price bids of only those bidders whose bids are technically and commercially accepted/acceptable are to be opened. The criteria for bid evaluation shall always remain finalized prior to opening of price bids.

- 4.1.11 TNC will examine all technical credentials, technical suitability of the bidders and the scope of supply as per tendered technical specification and SOTR. For details refer Article 4.4.
- 4.1.12 Commercial Negotiation Committee (CNC) shall negotiate the commercial terms and conditions with the technically qualified firms for acceptance of tendered terms to the most. The commercial terms shall be brought on common platform if the vendor quoted differently. Financial Eligibility criteria will be evaluated by FFC rep on request of commercial dept as per NIT stipulation.



## **4.2 Postponement of Tender Opening**

- 4.2.1 In case of Manual tender, whenever extension of tender opening is given due to any reason (like changes in scope of work or changes in specification etc) the intimation regarding extension is sent only to such bidders / tenderers who had purchased tender documents originally even if the extension is regarding opening of first bid like pre – qualification, in case of single bid system and techno – commercial bid in two bid system.
- 4.2.2 In case of Manual tender, it is mandatory that any change in the tender terms and conditions, specification and tender opening date and time etc shall be notified to all the bidders sufficiently in advance of the revised tender opening date. Tender sale date should also be extended suitably so as to increase competition.
- 4.2.3 In case of press tenders such notification should be published as corrigendum in GRSE and central public procurement portal and intimation to be given to those firms who had viewed the tender document through e-procurement portal. NIT published in press media should contain a note stating that for future corrigendum GRSE website /central public procurement portal should be referred.
- 4.2.4 In case of tender through GeM portal /e-procurement system corrigendum for extension of tender is submitted to GeM portal /ASP's portal. Automatic mail is sent to all vendors intimating the extension of bid due date. These changes with respect to due date change are automatically recorded in system log file.
- 4.2.5 Any postponement/change of tender opening date shall be approved by T.C. chairman citing reasons for such change.
- 4.2.6 If the tender opening date is postponed, the bidders who have already submitted their bid have the option to retain the same bid or submit fresh bid, in case of manual tender.

## **4.3. Events related to rejection of offer**

The offer submitted by the vendors will be considered as rejected for the following reasons:

- a. Bidder's failure to furnish sufficient or complete details for evaluation of the bids within the given period which may range in between two to seven days depending on the deficiencies noticed in the drawings / technical data which shall not however conflict with validity period. Time limit for



furnishing details by the bidder to be defined in NIT on case to case basis for all type of tenders (manual / NIC) as exercised in GeM tendering.

b. Incomplete / misleading / ambiguous bid in the considered opinion of the Technical Negotiation Committee (TNC) of GRSE.

c. Bid with technical requirements and/or terms not acceptable to GRSE / Customers / External agency nominated, as applicable.

d. Bid received without qualification documents, where required as per the tender.

e. Bid not meeting the pre-qualification parameters /criteria stipulated in the Tender Enquiry.

f. Bid with validity expiry date shorter than that specified in the Tender Enquiry.

g. Non-Submission of Bid Security Declaration Form along with the bid.

h. Bidders have indicated / attached / shown any price anywhere else other than as per provision in GeM /e-portal [Art.21 (d)] /Manual tender, then offer will be treated as cancelled.

i. Bidders who have not agreed for the fixed price till the validity of the tender or have quoted the variable price.

j. Bidder not agreeing for furnishing of the required Security Deposit (SD).

k. Bidders not submitting Original Bid Security Declaration within 7 GRSE working days from the tender closing date.

l. Bidder has a record of consistent poor performance in terms of quality / safety /Labour payment /Manpower deployment /meeting project schedule etc.

j. Participation by a Bidder in more than one Bid against a tender, will result in disqualification of all bids in which the parties are involved.

#### **4.4. Technical Negotiation & Technical Negotiation Committee (TNC)**

##### **4.4.1 Technical Negotiation Committee (TNC)**

4.4.1.1 TNC will comprise of member from Indenting department, Design office, QA department and owners' representative (as per requirement of ship's contract document). TNC will be empowered to co-opt any other member as required for the job.



4.4.1.2 Based on the approximate cost of the service, Chairman of TNC will be decided as follows:

<b>Chairman (Indenting dept)</b>	<b>Approx. tender value (Other than Capital item)</b>	<b>Approx. tender value (For Capital item)</b>
CGM/GM	Above Rs.25 Crores	Above Rs. 5 Crore
AGM	Above Rs.10 Crores and up to Rs.25 Crores	From Rs. 2 Cr. to Rs.5 Cr
DGM	Above Rs. 2 Crore and upto Rs.10 Crore	Up to Rs. 2 Crore
SM / Manager	Above Rs.25 lakhs and upto Rs. 2 Crore	-
Dy. Manager	Upto Rs. 25 lakhs	-

4.4.1.3 IHQ/ Owner's representative is required to be present in the TNC, wherever required as per ship's contract document, and TNC must ensure obtaining signature of IHQ/ Owner's representative on TNC MOM in such cases. Consent of IHQ/ Owner's representative may also be taken via email /Fax.

4.4.1.4 The power of Technical Authority should not be sub-delegated under normal circumstances. However, if the situation so demands due to exigency, the sub-delegation may be allowed subject to approval of GM (Indenting dept.) for AGM/below level and concerned Director for GM (Indenting dept.)

4.4.1.5 Minutes of meeting of TNC will be signed by all members of TNC with name, designation & date and in case the technical evaluation is done through correspondence, the Technical Authority will sign the recommendation on technical acceptance of the bid(s).

#### **4.4.2 Technical Negotiation**

4.4.2.1 TNC will be the sole authority to decide acceptance or rejection of any offer on technical ground. On conclusion of Technical evaluation, the Indenting Department shall forward their recommendation on technical clearance of the offers evaluated through MOM of TNC and/ or through correspondence. TNC shall bring out clearly the names of the firms whose offers are technically qualified. In case any vendor desire to submit revised price bid the same should be dealt as stated in Art. 4.6.2.



- 4.4.2.2 If Technical negotiation is done through correspondence, concerned TNC Chairman is to ensure business confidentiality of respective vendor. The summary recommendation of Technical Negotiation will be signed by all constituent members and supported by relevant written communication from the vendors.
- 4.4.2.3 TNC meeting may be held with all vendors together or with individual vendor as decided by Chairman of TNC.
- 4.4.2.4 Letter/e-mails to vendors requesting to attend TNC meeting at a particular date and time will be sent by Sub-Contract cell in consultation with TNC chairman.
- 4.4.2.5 Assessment of the vendors in terms of capacity for undertaking the tendered work within the time schedule will be made by TNC and such assessment is to be duly recorded in TNC MOM for further action. Wherever it is indicated in NIT that the job will be distributed to more than one vendor, the assessment of all bidders is to be made in TNC meeting covering the technical parameters, capacity, capability, infrastructural facility, completion period, volume of work, yield rate of work etc. The assessed capacity of the vendors should be clearly recorded in MOM of TNC so that the same is transparent to the vendors also.
- 4.4.2.6 In case of tenders having pre-qualification criteria for the vendors, TNC shall check the technical parameters included in pre-qualification criteria and recommend only eligible vendors for further consideration. Vendor not meeting technical pre-qualification criteria should be rejected and the same should be recorded in MoM of TNC [TNC MoM will be as per format placed at **Appendix – IX**].
- 4.4.2.7 MoM of TNC will be signed by all vendors who participated in the meeting including those who are technically dis-qualified to maintain transparency. In this regard e-mail intimation to be given to the disqualified vendors stating the reason for disqualification of their bid.  
In case, if any vendor is absent physically during the TNC meeting then the decision of committee to be communicated to the vendor through e-mail by TNC Chairman / nominated member.
- 4.4.2.8 TNC Chairman should recommend technical clearance of the vendors without any pre-condition.
- 4.4.2.9 To develop new vendors, TNC may recommend technical suitability of new vendor(s) to undertake trial order as per Article 5.13.



**4.5. Commercial Negotiation & Commercial Negotiation Committee (CNC)**

**4.5.1. Commercial Negotiation Committee (CNC)**

4.5.1.1 CNC will comprise of members only from purchase point. CNC will be empowered to co-opt any other member as required for the purpose.

4.5.1.2 **Based on the approximate cost of the tender CNC will be formed and member will be empowered.**

<b>Sub-Contracting Point Members</b>	<b>Approx. tender value (Other than Capital item)</b>	<b>Approx. tender value (For Capital item)</b>
CGM/GM/AGM I/C	Above Rs.15 Crores	Above Rs. 5 Crore
AGM	Above Rs. 8 Crore and up to Rs. 15 Crores	Above Rs. 2 Crore and up to Rs. 5 Crore
DGM	Above Rs. 5 Crore and up to Rs. 8 Crores	Above Rs.1 Crore and up to Rs.2 Crore
SM	Above Rs. 1 Crore and up to Rs. 5 Crores	Above Rs.50 Lakhs and up to Rs.1 Crore
MGR	Above Rs.60 lakhs and up to Rs.100 Lakhs	Up to Rs.50 Lakhs
DM/AM	Up to Rs.60 Lakhs	-

4.5.1.3 The power of the members of the CNC should not be sub-delegated under normal circumstances. However, if the situation so demands due to exigency, then sub-delegation may be allowed, subject to approval of GM for AGM/below level and concerned Director for GM level.

**4.5.2. Commercial Negotiation**

4.5.2.1 Purchase point shall carryout commercial negotiation with only the firms technically cleared by TNC as well as financially cleared by GRSE finance team. Commercial Negotiation can be initiated as required particularly in critical time bound cases when technical negotiation is in final stage. However, Commercial Negotiation will be concluded only after TNC minutes are agreed and signed by TNC.

4.5.2.2 In case of submission of revised bid(s) is sought by vendor(s) during technical negotiation and approval on acceptance of request of vendor(s) is pending with the approving authority, the initiation of commercial negotiation before conclusion of technical negotiation by TNC will be without prejudice to the outcome of TNC and acceptance of revised price



bid(s). The same is to be communicated to the vendors as per format placed at **Appendix-XI**.

- 4.5.2.3 Sub-Contract cell will prepare a comparative commercial statement of all bidders showing the details of commercial terms & conditions viz. Standard negotiable instruments, Payment term, LD, Delivery schedule, Taxes & Duties etc.
- 4.5.2.4 Commercial Negotiation Committee (CNC) shall negotiate the commercial terms and conditions with the technically qualified firms for acceptance of tendered terms to the most. The commercial terms shall be brought on common platform if the vendor quoted differently. Loading factors for deviation, if indicated any in NIT/RFQ, should be brought to the notice of the vendors in writing in the record of discussions. In case of major commercial deviation, the same is to be specifically mentioned for accepting revised price bid as exception.
- 4.5.2.5 Negotiation for commercial terms and conditions may not be necessary in cases of regular vendors having standard terms and conditions with GRSE or have made MOU with GRSE.
- 4.5.2.6 In case revision of price bid is desired by the vendors during correspondence on commercial terms & conditions and or during CNC meeting, the same is to be duly recorded in MOM of CNC or in correspondence, as applicable. The Sub-Contract cell processing commercial negotiation is to make the recommendation (in a separate file) and obtain approval from TC chairman. For procedure refer Art 4.6.
- 4.5.2.7 The CNC on completion of commercial negotiation meeting shall prepare the MOM duly signed by its constituent members with name, designation & date and indicating the name of firms who have been commercially cleared without any pre-condition [CNC MoM will be as per format placed at **Appendix – XII**].
- 4.5.2.8 In commercial negotiation, deviation from STAC needs to be discouraged. Any deviation from STAC and their financial implication are to be specifically highlighted and duly approved by Competent Authority in line with prevailing DOP.
- 4.5.2.9 For the process of bid evaluation, loading criteria with respect to payment terms, delivery period, PBG, liquidated damages and risk purchases will have significant importance and financial implication thereof and therefore should be unambiguously indicated in the bid document so that the evaluation of bids after tendering is made in a transparent manner without any subjectivity.



#### **4.6. Submission of Revised Price Bid**

- 4.6.1 Change in SOTR by amending specification(s) during TNC is to be avoided if it calls for submission of revised price bid. Minor inescapable specification changes, if any is to be approved by TNC Chairman. Marginal changes in scope of work may be accepted based on clarity in TNC.
- 4.6.2 Technical Negotiation Committee/Commercial Negotiation Committee is not to decide whether price revision (to the submitted quote) is required. Only the request of vendor(s) (as desired by them) can be recorded in the MOM. TNC/CNC Chairman is to recommend for acceptance of vendor(s) request for submission of revised bid to TC Chairman with justification of such requirement. [Format of recommendation for submission of Revised Price Bid is placed at **Appendix-X**]. The concept of supplementary bid is to be done away with and only revised bids are to be resorted to.
- 4.6.3 In case the competent authority does not approve for acceptance of revised bid as requested by vendor in MOM of TNC/CNC due to any reason(s), the 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. Provision in this regard is to be included in RFQ suitably. All action in this case is to be taken by Purchase Point.
- 4.6.4 If submission of revised bid is required, the same is to be communicated to the vendors unambiguously after the approval of TC Chairman. In all such cases, cut-off date & time for submission of revised price- bid is to be clearly indicated in the communication. Bids will be opened in presence of vendors present and signature of the bidders' present and owners' representative if applicable, shall be taken on the price sheets, in case of manual tender. In case of e-procurement procedure the vendors will be intimated through ASP's portal to submit revised bid indicating cut-off date and time. In case revised price bid is allowed by TC Chairman, all the vendors should be allowed to submit revised price bid.  
Price bid opening /PNC date & time is to be after the bid submission time in all cases and the bids are to be received/opened accordingly during specified date and time. Any notice relating to extension of bid submission time or price bid opening should be issued before expiry of relevant time and date.



**4.7. Estimated Price**

4.7.1 As the estimated price is a vital element in establishing the reasonableness of quoted prices, it is essential that the same is worked out in a realistic and objective manner on the basis of prevailing market rates, last purchase prices, economic indices for the raw materials / labour, other input costs, wherever applicable & other factors as considered necessary and assessment is made on intrinsic value. This estimate will also make justification for conducting negotiation or acceptance of price without negotiation.

4.7.2 In general price estimate for ship project will be prepared by CE&C department. Non-project estimates to be provided by indenting /user department.

When estimate is prepared based on BQ then estimate to be supported by price breakup where LPP is not available.

Price estimate to be forwarded to sub-contracting department in sealed envelope prior to schedule time and date of opening of price bid(s). Relevant data /information as sought by CE&C in this regard is to be provided by the concerned department.

However, where CE&C department is unable to provide estimate for any specific job, the reason(s) to be clearly stated by them. In such cases Indenter /IE&P/ Production /User Dept. /expert from other concerned dept. will provide technical support by means of providing inputs regarding resource / effort for preparation of estimate by CE&C. CE&C shall provide the final estimate in sealed envelope to the sub-contract cell.

The estimate prepared should be kept confidential so that this will be consulted by the accredited person or committee for necessary decision. In case of wide variations, if any between the estimated cost and obtained price, analysis of job value will be made by sub-contracting department in consultation with Finance & Financial Concurrence.

4.7.3 Request for forwarding estimated price will be forwarded by Sub-Contract cell to CE & C /User department, sufficiently well in advance giving full details of NIT including SOR and method of quotation.

4.7.4 Estimated price is to be opened in presence of reps of F-FC cell of Finance department.



**4.8. Opening of price bid**

- 4.8.1 Opening of Price Bid will follow after conclusion of Technical and Commercial Negotiations. In all cases where revision of price bid was desired by the bidder(s), approval of TC Chairman is to be obtained for accepting the revised bid and all the vendor(s) are to be informed for submission of revised bid with cut-off date & time of submission. The Department concerned will seek approval of Tender Committee Chairman for acceptance of revised price bid. For details in case of revision of Price Bids refer to Article 4.6.4.
- 4.8.2 Techno-Commercial evaluation Report and Price Bid Opening check list as per **Appendix - Xlla** and **Appendix – Xllb** are to be complied with by sub-contract cell and to the same to be duly signed by any TC member before opening of the price bid.
- 4.8.3 Opening of price bid, in case of manual tender, in presence of the bidder's representative should be scrupulously followed.
- 4.8.4 For the price bid opening, Financial Concurrence (F-FC) representative must be present in all cases. For TC-II and above event notice is to be sent to CVO in advance.
- 4.8.5 After opening of price bid, the tender opening Officer / Committee will read out particulars of bids like prices, taxes, duty, EMD etc. to the vendors present during opening of price bid in case of manual tenders. Also refer Art. 4.1. in this respect.
- 4.8.6 In the case of single nominated vendors/resultant single vendors, where submission of revised price bid is approved the previous bids are not to be returned till completion of PNC. The same may be used with the approval of TC Chairman for negotiation if the PNC feels that the single nominated vendor is making use of monopoly situation. In such cases, the vendor is to be cautioned before opening the original bids and recorded accordingly in PNC minutes. The unopened bids are to be returned to the vendor by hand after PNC and necessary certificate/receipt is to be obtained. This is applicable only for manual tender
- 4.8.7 After opening the Price Bids, the Subcontract cell shall prepare comparative statement and will get verified and endorsed by F-FC for determination of L1 offer
- 4.8.8 In case of tender being opened through e-procurement system, on completion of techno-commercial evaluation, notice for price bid opening is



given through auto-mail to all qualified bidders and the price bid is opened for the techno-commercial qualified bidders using DSC of F-FC cell. The qualified bidders can see the result of price bid opening sitting at their workplaces using their DSC and user I.D. and password.

In case a vendor is considered for trial order, price bid of that particular vendor will not be opened.

#### **4.9. Comparative Statement of Prices**

4.9.1 Incomplete tenders will not be considered. The details for such shortcomings will be noted in the comparative statement.

4.9.2 After opening the price bids, comparative price statement of offers will be prepared with utmost care by the dealing officer. It will be checked and signed by another officer of the initiating department, authenticated and signed by an officer of F-FC with name and designation of the officer.

4.9.3 Wherever exemption and or concessions towards taxes and duties (Excise, Octroi, Customs) are available by law/notification, the same shall not be reckoned for evaluation of bids and deciding L1 status. Evaluation of price bids will be based on cost to the Company basis.

4.9.4 All errors and subsequent alterations must be scored off neatly. Corrections made must be attested by the dealing officer of the department from where the enquiry was made. The alteration made should be supported by documents or to be justified by dealing officer. No correction of figure is to be done with correcting fluid or by overwriting.

4.9.5 Following information are available in the system generated comparative statement:

- i) Tender No. & Date.
- ii) Item description with specifications
- iii) Quantity indented
- iv) Tenderers' names, price with unit rates and total cost
- v) Total quoted price with & without GST

4.9.6 GST is payable as per applicable rates and on the services according to the Govt. rules/regulations promulgated from time to time.

4.9.7 Freight charges, discounts etc. should be properly considered so that the net price payable is noted.



- 4.9.8 In case of tendering through E-PROCUREMENT procedure, Price bids are opened and price statement is generated automatically through ASP's cost evaluation program. However, separate price comparative statement is to be prepared considering all commercial aspects to establish L1 bidder.
- 4.9.9 If a bidder offers a rebate unilaterally after closing date and time the same is to be considered as detailed in Art. 4.1.10.
- 4.9.10 In case the price of L-1 Bidder is found to quote unreasonably low and/or express desires to withdraw from the tender then such bid will be cancelled and EMD will be forfeited and punitive action will be taken in line with the provision as per GRSE Vendor Policy.

However, in case the L1 Bidder agrees to take-up the job with such unreasonable low quote, lower by 30% or more than estimate and also if the difference in price between L1 & L2 is 30% or more, then the quoted price to be analysed w.r.t tender requirement and if the L1 bidder fails to justify their quoted rate, the obtained L1 quote will be rejected and punitive action will be taken in line with the provision as per GRSE Vendor Policy.

If the justification is acceptable to GRSE, then the bidder has to submit Bank Guarantee of 10% of the total Contract value (inclusive of GST) in addition to the Security Deposit (SD) and Performance Bank Guarantee (PBG) for execution of the job till satisfactory completion of entire contract. There shall be no exemption / relaxation for the Guarantee against unreasonable quote. In case of breach of contract GRSE shall reserve the right to invoke the BG and may impose tender holiday for a period as per GRSE Vendor policy.

#### **4.10. Price Negotiation & Price Negotiation Committee (PNC)**

##### **4.10.1 Price Negotiation Committee (PNC)**

- 4.10.1.1 PNC will comprise of members from Sub-Contract cell, FFC and owner's rep for only cost plus ship (as specified in relevant ship's contract). PNC is empowered to co-opt any member as required for the job.
- 4.10.1.2 The PNC is only the recommending authority. The Tender Committee shall be the final approving authority for placement of order.
- 4.10.1.3 Director (Finance) shall be a member of PNC of those procurement of services which require approval of PSC and/or Board.
- 4.10.1.4 Based on estimated cost of procurement, the following will be empowered PNC members:



<b>Constitution of PNC</b>	<b>Board /PSC</b>	<b>TC I</b>	<b>TC II</b>	<b>TC III</b>	<b>TC IV</b>	<b>TC V</b>	<b>TC VI</b>
<b>TCC</b>	Board /PSC	CMD	Functional Director	CGM /GM of Pur. Pt. /GM of Unit /HOU	AGM of Pur. Pt. /DGM (SR)	DGM of Pur. Pt.	SM/Mgr. of Pur. Pt.
<b>PNC Members</b>							
1	Director	Functional Director	CGM/GM Of Purchase Pt./GM of Unit/HOU	AGM/DGM of Pur. Pt. /Head of Pur. Pt. of unit/AGM/ DGM(SR)	DGM/SM of Pur. Pt.	SM/ Mgr of Pur. Pt.	DM/AM of Pur. Pt.
2	CGM /GM of Pur. Pt. /GM of Unit /HOU	Same as PSC	AGM/DGM of Pur. Pt. /Head of Pur. Pt. of unit/AGM/ DGM(SR)				
3	CGM /GM /GM of Unit (of Indenting / Execution Dept.)	Same as PSC	AGM/DGM of Indenting / Execution Dept.	DGM/SM of Indenting / Execution Dept.	SM/M of Indenting / Execution Dept.	M/DM of Indenting / Execution Dept.	DM/AM of Indenting / Execution Dept.
4 FC /Fin. Authority	D(F) & GM(F)	GM(F)/ Head of FC Section	Head of FC	DGM/ SM(FC)	Mgr. (FC)	DM/ AM(FC)	DM/ AM(FC)
Member Secretary	GM/AGM/DGM of Pur. Point	Same as PSC	Same as TC I	DGM/SM of Pur. Pt.	Officer of Pur. Pt.	Same as TC IV	Same as TC V

**Note:**

1. For Customer Funded items, representative of the Customer Organization could be invited to participate in PNC, wherever required.
2. PNC member from Indenting /Execution Dept. to be opted based on requirement. Additional members may also be co-opted based on the requirement.
3. PNC would be Chaired by the Senior Most Member.





- 4.10.1.6 In case price negotiation is to be carried out, the same may be done only after approval of the Chairman of respective Tender Committee as per provision of Article 4.10.1.4
- 4.10.1.7 In all cases of price negotiation, falling under purview of TC – II and above, the meeting schedule is to be informed to CVO in advance.
- 4.10.1.8 The power of member of PNC should not be sub-delegated under normal circumstances. However, if the situation so demands due to exigency, the sub-delegation may be allowed subject to approval of GM(F)/ GM /CGM (of purchase point) for AGM /below level and D(F)/ D(S) for GM(F)/ GM/CGM (of purchase point).
- 4.10.1.9 In case where the price negotiation is held, minutes of PNC meeting and recommendation, thereof, should include proper reasonableness/ justification on acceptance of price and signed by all its constituent members, justifying the case for procurement.

#### **4.10.2 Price Negotiation**

- 4.10.2.1 There should be no post-tender negotiations with L1, except in certain exceptional situations as under where negotiations with L 1 bidder is permissible:
- a. Procurement of proprietary items
  - b. Items with limited sources of supply
  - c. Supply of items where there is suspicion of a cartel formation
  - d. Where nature of work is complex or under development with restricted vendors
  - e. Where specific benchmark price/ estimate is not available

Justification and details of such negotiations should be duly recorded and documented and convincing reasons must be recorded by the authority recommending the negotiations. Competent Authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a retender and a definite time frame should be indicated.

- 4.10.2.2 Negotiations should also be conducted through PNC in following cases\_
- a. The resulting number of sources is limited to one (RSVS) or two including PAC cases.
  - b. Where contract is to be finalized on Single Vendor Nomination basis.



- c. In multi-vendor cases where the offered price is considered high with reference to the LPP / adjusted LPP/ available estimate /benchmark price /assessed reasonable price.

PNC should record its recommendations regarding the reasonableness of the price offered by the L 1 Bidder and the need for negotiations or otherwise with detailed justification.

**4.10.2.3 Procedure for holding Price Negotiation with L1 Vendor**

- a. Based on above, if price negotiation is required to be held, the same is to be conducted with approval of CFA /TC Chairman.
- b. Brief for holding PNC, to be circulated among PNC members.
- c. Price comparison statement to be duly vetted by Purchase point and Finance representative.
- d. Prior to holding negotiation with the vendor, the PNC may hold an internal meeting to work out the strategy.
- e. Subsequent to the PNC, PNC Member Secretary will put up MOM of the PNC meeting and purchase proposal for approval of CFA/ TC Chairman in PP Format along-with the revised offer of the vendor based on negotiation and confirmation from the vendor regarding acceptance of negotiated price and other terms.
- f. Format for price justification may be as follows:

Sl. No.	Description of items	Qty	Last Purchase Price /Estimate		Current Purchase			% Increase	Gap of Years between Last and Current Purchase	% incr. per Year
			PO dt.	Year of Execution	Price before neg.	Price after neg.	Year of Delivery			

Note: In case previous order is not available & item is being procured for the first time, comparison to be made with estimates.



g. PNC Recommendation Format as under:

Sl. No.	Project / Non-project: Type of Item			
1	Item Description			
2	Approval ref. of PNC and members			
3	Clarification on Analysis of quoted price			
4	Progress of negotiations			
5	Final offer after negotiations			
6	Observation on final offer/ reasons for acceptance of proposal			
7	Savings of negotiations w.r.t. L1 quote			
8	Recommendation of PNC			
Signature				
Designation				
PNC	Member Secretary (Pur. Pt.)	Member-1 (User end if opted)	Member-2 (FFC)	PNC Chairman
Name/Desg./Signature of Co-opted Members				

4.10.2.4 For procurement of services requiring multi sourcing (if stated in NIT), a pool of techno-commercially cleared vendor will be created through negotiation based on the submitted documents against the tender. Negotiated L1 price can be counter-offered to all qualified pool of vendor(s) for quantity based on their capacity assessment & to ensure uninterrupted services simultaneously keeping live the developed / established vendors.

4.10.2.5 Before price negotiation, the following document should be made ready and available with Sub-Contracting Department:

- (a) Brief for holding PNC.
- (b) Technical Evaluation Statement with comments.
- (c) Commercial Evaluation Statement with comments.
- (d) Price Comparison Statement and estimated price.
- (e) Points for discussion / negotiation.



- 4.10.2.6 Price negotiation with L1 bidder is to be done by all committee members. After the price negotiation meeting, the PNC shall prepare the record notes of discussion along with its recommendation for approval by Tender Committee.
- 4.10.2.7 In all cases of Price negotiation, due transparency is to be maintained and Price Negotiation should neither result in delay, nor harassment nor an impression of ulterior motives. Vigilance is to be kept informed in writing in case of PNC meeting for the values under the purview of TC-II & above about the date/time of negotiation.
- 4.10.2.8 In all cases, the reason for negotiation, as applicable, is to be stated in Purchase Proposal for respective TC.
- 4.10.2.9 Distribution of the total quantum of material supply / work execution among multiple bidder at established L1 rate of the tender can be done as follows:
- - (i) As far as possible in respect of critical items and jobs requiring timely completion to meet the delivery schedule; the Department concerned to decide in advance more than one source of supply and the ratio for distribution of quantity of the Supply Order / Contract indicating the same in the tender itself to bring in transparency & fairness.
  - (ii) In case pre-disclosure of splitting /multiple distribution could not be done in the tender itself and if after due processing of the tender it is discovered that the quantity to be ordered is for more than that of lowest bidder's capacity then the quantity being finally ordered should be distributed among other bidders in a manner that is fair, transparent and equitable.
  - (iii) To effect such distribution in fair, transparent and equitable manner the assessment may be made out in the meeting of the technical committee covering of technical parameters of the bidders, the capacity, the capability, the completion period of work / supply, the volume of work / supply etc. based on which the distribution of jobs / order will follow through chronological ranking of bidders (L2 & L3 likewise). The assessed capacity of the bidders should be clearly indicated in the minutes of the TNC so that the same is transparent to the bidders also.
- 4.10.2.10 Counter offer by L1 bidder to arrive at an acceptable price shall amount to negotiation. However, any counter offers thereafter to L2, L3 etc. bidders (as accepted by L1 bidder) in cases of splitting /multiple distribution of quantities shall not be deemed as negotiation.



4.10.2.11 It is also made clear that if L1 bidder/ contractor withdraws their offer or backs out before the work order is placed or before execution of work order takes place, there should be re-tendering in a transparent and fair manner. In such a situation, a limited or tender with short notice may be invited if so justified in the interest of the work and decision may be taken on the basis of lowest tender. The withdrawal by L1 bidder is to be intimated to VR Cell for taking necessary action as per GRSE vendor policy (e.g. tender holiday /vendor code blocking etc.).

#### **4.11. Acceptance of Lowest offer**

4.11.1 The lowest offer amongst the technically cleared parties is invariably to be accepted.

4.11.2 The non-acceptance of PNC recommendations by Tender Committee should be a reasoned decision and clearly spelt out in purchase proposal (PP).

#### **4.12. Absence of Bidders**

4.12.1 If any tenderer/bidder does not participate in the techno-commercial negotiations, but his offer is found technically and commercially acceptable, the quoted price of the firm may be accepted by the PNC, if the same is valid on the date of the conduct of PNC. In case revised bids are called for from the bidders who are present and if extra time is allowed, similar opportunity should also be afforded to the bidders who are absent.

4.12.2 The bidder may be allowed to modify or withdraw its bid after submission, provided that written notice of the modification or withdrawal is received by the department who have invited tender prior to the dead line prescribed for submission of bid.

4.12.3 If the vendor, called for Price Negotiation failed to attend the scheduled meeting but offered discounted price through letter/mail/fax may be considered by PNC.



**4.13. Re-Tendering**

- 4.13.1 Re-tendering should be avoided at all cost as it will result delay as well as rework by indenting department (for conducting re-TNC) and Subcontract cell (for re-tendering action)
- 4.13.2 However re-tendering may be inescapable in following major cases:
- (a) There has been a basic change in the specification after receipt of tender
  - (b) None of the offers received conforms to the given specification
  - (c) The prices quoted are unreasonably high compared to the estimate
  - (d) All the firms withdraw their offers
  - (e) If validity of offers expire in course of processing the tender and the same is not extended by any or all the vendor(s), equal opportunity will be offered to all the tenderers for submission of revised price bid with extended validity of offers and the tender is to be processed based on revised offer(s).
  - (f) In case L-1 vendor backs out during negotiation or before the order is placed, there should be re-tendering in a transparent & fair manner.
  - (g) There is evidence of a sudden slump in prices after receipt of the bids.
  - (h) Cartelization is suspected.
  - (i) When successful bidder did not fulfil contractual obligations.
  - (j) Any other compelling situations.
- 4.13.3 In case there is inadequate response in first enquiry, tender enquiry may be floated again. On re-tendering, if there is no suitable response, open tender may be resorted to. But if the requirement cannot be delayed due to production scheduling then the offers received will be compared with previous order, if available, for putting up the purchase proposal with justification.
- 4.13.4 However, before re-tendering, existing tender precedent should be closed.



## CHAPTER 5

### PURCHASE PROPOSAL & PLACEMENT OF ORDER

#### 5.1. Purchase Proposal

- 5.1.1 Purchase proposal in the prescribed format is essential for consideration and acceptance of the appropriate authority. This is prepared by the department initiating the enquiry. A standard format for purchase proposal is placed at **Appendix-XIII**.
- 5.1.2 A proper record of all purchase proposals is to be maintained so that same could be produced on demand in future.
- 5.1.3 Purchase proposal is to be made also for following: -
- a) For all amendments involving financial implications.
  - b) For all repeat Orders.
  - c) In case of change of supplier
  - d) in case of change in payment terms with additional financial implication.
- 5.1.4 In case of emergency, the Departmental Head may use his discretion to initiate actions and subsequently report to the T.C. to avoid delay. For extension of delivery period with L.D. it will be left to the discretion of the Head of the Ordering Department not below the rank AGM, who will approve it on recommendation of the group in-charge of the sub-contracting point. For amendments in respect of changing Inspection Authority / Agency, the Head of the Sub-Contracting Dept. may do so with the concurrence of Indenting Dept.
- 5.1.4.1 The proposal for Extension of Delivery date without L.D should be raised in prescribed format with justifiable reason and the proposal to be routed through Planning / User Department. Approval on proposal for extension of contractual delivery date without LD shall be obtained from Competent Authority based on total contract value as follows\_
- i. For total contract value up to Rs.100 Lakh, approval of GM of Purchase point to be obtained with financial concurrence of AGM(F-FC).
  - ii. For total contract value up to Rs.500 Lakh, approval of functional Director to be obtained with financial concurrence of D(F).
  - iii. For total contract value above Rs.500 Lakh, approval of CMD to be obtained with financial concurrence of GM(F).



**Note:** Intimation of LD waiver to be forwarded to PSC /Board, in case the Procurement is coming under purview of PSC /Board.

5.1.5 The following important information will be furnished in the purchase proposal:

- a) Proposal date and reference number
- b) Name of Project
- c) Indenter
- d) Purchase requisition number and date
- e) Item(s) with complete specification and quantity
- f) Mode of purchase / Tender
- g) Payment terms
- h) No. of enquiries floated and offers received
- i) Total value of Purchase Proposal
- j) Tax Code
- k) All other points as per purchase proposal format
- l) Name of vendor
- m) Tender Committee

5.1.6 Check Points for scrutiny of purchase proposal are as follows:

- a) Previous rate vs. present rate
- b) Delivery required by the indenter
- c) Delivery quoted
- d) Whether lowest offer, if not, justification
- e) Vendor (s) recommended, if registered with GRSE, and 5digit code number
- f) Present order (s) status with recommended vendor(s) (if not a new vendor)
- g) Original copy of TNC, CNC & PNC (if held) meeting
- h) Order value
- i) Estimated cost
- j) Mode of despatch and inspection





- 5.1.7 Approving authorities of Purchase Proposal are as follows:
- a) Purchase proposals for the orders beyond the purchase powers of the procurement department are to be forwarded to appropriate tender committee as the case may be through proper channel, for obtaining approval.
  - b) No order will be placed without approved purchase proposal.
  - c) In case of urgency, a letter of intent can be placed only by the Departmental Head authorising the vendor to start the job against a contract after approval of Purchase Proposal.

## **5.2 Price**

- 5.2.1 While placing orders, it will be clearly stated whether the order is on “Firm Price Basis” or with “Escalation Clause” will be applicable there. In case escalation is accepted, the determinant escalation strategies will be well defined in the order itself mentioning factors, components etc.
- 5.2.2 It will be clearly stated if the price is inclusive of any taxes etc. or extra. If extra, the percentage or quantum is to be specified in the Purchase Order.
- 5.2.3 Price is an important factor in the finalisation of any tender, nevertheless, due consideration and appropriate weightage is to be provided for quality, delivery and dependability of the firm.
- 5.2.4 Location of execution of service shall be clearly stated in Tender as well as Purchase Order.
- 5.2.5 Purchase order may be split between two or three vendors without any differential price if the quantity is large, as per article no. 4.10.2.9
- 5.2.6 If the validity of the contract is for a long period and considering the nature of job escalation clause may be included in tendering stage subject to prior approval of Tender Committee. However, in case escalation is accepted, the determinant escalation strategies will be well defined in the order itself mentioning factors, components etc. The calculation for escalation will be based on the changes in minimum daily wage rates circulated by HR dept., GRSE Ltd. as per Notification of Ministry of Labour & Employment, Govt. of India.
- i. The initial established rates “Rs. R” will be fixed for two year from the start date of the Rate Contract.



ii. The escalation percentage on initial established rate “Rs. R” for the Third year will be based on minimum daily labour wage rate. Escalation will be applicable on 70% value of the established rate “R”.

iii. Calculation of escalated rate will be as per following process:

Average minimum daily labour wage rate w.e.f. 1st April, 2021 is “Rs. A” (say)

Average minimum labour wage rate w.e.f. 1st April, 2023 is “Rs. B” (say)

Therefore, Annual escalation percentage will be,  $(B-A)/A$  % (for third year of the Rate Contract)

The increased value of Rate, Rs.  $[(0.7R) \times (B-A)/A \times 100]$

The escalated Rate will be, Rs.  $R + [(0.7R) \times (B-A)/A \times 100]$

### **5.3 Delivery of services**

5.3.1 Delivery schedule will be given precisely instead of vaguely stating “URGENT”, “IMMEDIATE”, “AS EARLY AS POSSIBLE” etc. It should also be clearly stated indicating specific date/month/year or week(s)/duration linked with matl. availability or mile stone in the purchase order.

5.3.2 In deciding a request for extension of delivery date, the basic points to be considered are:

a) Is the requirement still alive?

b) If the job / supply can be executed earlier

c) If the service can be purchased at a lower cost from an alternative source

d) If any liquidated damage clause for such extension will be relaxed.

5.3.3 In case of downward trend in price, the same will be taken advantage of. In case of upward trend in the prices and the jobs are still required to be executed, extension of delivery period may be allowed provided the vendor agrees to execute the job at old rates.

5.3.4 In connection with the delivery/completion date mentioned in the purchase order, the following important points will be considered to avoid any bone of contention:



- a) Unless it is mutually agreed upon between vendors and the buyer in writing, no arbitrary date should be stated in the purchase order (e.g. quoted delivery time 4 months vis-à-vis delivery mentioned in the order two months).
- b) Whether delivery period is to be counted from the date of placement of order or from the date of furnishing all the technical and commercial points including the drawings, if any. This is one of the major disputes and as such prompt settlement should be arrived at during CNC meeting.
- c) Delivery of goods without complete document e.g. Test certificate, guarantee certificate, Inspection note etc. will be deemed as incomplete supply and as such it will be in the category of delayed delivery.
- d) For subcontract work inside GRSE specific dates are to be mentioned for starting & completion of job and sub-schedule for stage wise completion of job.

5.3.5 Unambiguous delivery schedule stipulated in Purchase order is the essence of the contract and such goods/services should be delivered within the stipulated delivery date. In case of unavoidable delay for occurrence of Force Majeure conditions (as laid down in the Purchase order) the vendor should intimate the ordering department about the possible period of delay so that an amendment in writing is issued accepting mutually agreed grace period.

#### **5.4. Payment Terms**

5.4.1 Following payment terms in general are to be adopted for subcontracting job, working inside GRSE:

- a) Contractor is to raise their invoices following Running Accounts (RA) Billing System clearly showing the quantity Ordered, Rate, cumulative quantity of job completed up to previous bills, job completed under this bill and corresponding value of the job. The Contractor is to submit bill (in 03 copies) along with Work Done Certificate duly signed by respective authority.
- b) The 90% bill amount (with full GST) of actual work done will be paid as monthly progressive basis within 30 days of receipt of bill (in 03 copies) duly certified by Bill Certifying Authority I/C MFOS Dept./ PL-3025/ his



nominated rep. / their Nominated officer & supported with satisfactory Work Done Certificate. Recoverable from contractor, if any, is to be adjusted from respective stage payments as per certification of Bill Certifying Authority. Moreover, release of payment is subject to clearance of ESI / P.F and other labour oriented mandatory liabilities of the Contractor.

c) Balance 10% of the Bill amount will be retained till completion of the guarantee period. This 10% of the Bill amount will be released post expiry of guarantee period duly certified by GM (MW)/ GM (FOJ)/ their Nominated officer or on submission of performance Bank Guarantee of equivalent amount (which is valid till expiry of Guarantee period).

Submission of certified Material Reconciliation Statement (MRS), is also required for release of balance 10%, if the materials are taken outside GRSE premises.

Work done certificate shall not be required for release of performance bank guarantee / 10% retention amount.

d) For those jobs which do not require post execution performance guarantee, 100% payment can be released in place of 90%.

e) Payment will be made on actual certification basis.

F) Stage payment

5.4.2 Following payment terms, in general, are to be adopted for services against supply of items:

a) 90% payment on supply of items to be released within 30 days of receipt of bill duly certified by competent authority and supported by duly certified Work Done Certificate.

b) 10% payment will be retained and will be released after expiry of Guarantee period.

#### 5.4.3 **Advance Payment**

5.4.3.1 No advance payment is to be agreed in the first instance. However, as a second option, advance payment may be given in line with prevailing DOP.

5.4.3.2 All advance payment and payment not associated with deliverables are to be backed by appropriate Bank Guarantee as per CVC guidelines. In case of any deviation approval is to be taken from Board.

5.4.3.3 All advance payment should be interest bearing as per CVC/RBI guidelines. In case of any deviation, approval is to be taken from Board.



5.4.3.4 Penal interest is to be charged on the advance in case of delay in delivery of supplies beyond the agreed/contractual delivery schedule.

5.4.3.5 The advance payment may be released in stages depending upon the progress of work, mobilization of required equipment etc. Amount of advance payment and rate of interest will be decided by the Management / T.C. as appropriate. However, C&MD may approve interest free advance payment with or without Bank Guarantee with the financial concurrence of D(F) subject to the following:

(i) In case of procurement through PSU and OFB, advance payment of Rs 100 Lakh in each case.

(ii) In case of any AMC is entered by GRSE with the OEM.

(iii) For advance payment in Foreign currency for import of materials/ services, up to a value of Rs: 10lakhs (INR equivalent)

All such advance payment approval needs to be intimated to the Board. This has effect from circular no: Secretarial Department dtd:29 Dec'09.

Any advance payment above the specified limits to be made after approval by Board.

## **5.5 Guarantee/ Warranty**

5.5.1 Workmanship will be guaranteed for satisfactory performance for a particular period of time as indicated in the P.O. For any bad workmanship, the vendor / sub-contractor will be fully responsible to carry out the rectification job by them within the time stipulated by GRSE including direct expenses related to removal and repositioning of any item already fitted and without any financial implication on GRSE. In case of failure of sub-contractor in rectifying the defect meeting ship's/ project construction schedule, outstanding deficiencies shall be rectified by GRSE and all costs of such work shall have to be borne by the sub-contractor.

5.5.2 An order cannot be cancelled for breach of warranty. GRSE's claim will be confined to the damages incurred only in case the vendor does not comply with the warranty terms.

5.5.3 All the rectifications will be carried out by the contractor only during the warranty period. In case of emergency or otherwise, if the same is to be carried out by GRSE, then a written permission from the vendor should be obtained otherwise the warranty may stand cancelled. Amount recoverable from the vendor for such emergency repair will be mutually agreed upon by the Ordering Department and the vendor.



**5.6 Standard Terms & Conditions of Order**

5.6.1 All other standard terms and conditions [**Appendix-III**], as agreed, are to form part of the order e.g. liquidated damage, risk purchase, Limitation of Liability, secrecy clause, force majeure, arbitration, hindrance record, insurance, fire prevention, safety code, security regulations, indemnity, jurisdiction of the court, compliance of statutory regulations/acts etc.

**5.7 Issue of Raw materials to be taken outside GRSE premises**

5.7.1 Raw material issued by GRSE is required to be collected by sub-contractor against submission of Bank Guarantee as per GRSE format for the equivalent value of material that will remain in the custody of the firm during the execution of the work at sub-contractor's premises. Transportation of raw materials from GRSE to sub-contractor's premises and transportation of finished job/material from Sub-contractor's premises up to GRSE are the responsibility of the contractor. GRSE will load raw material and unload the finished item at GRSE premises with assistance from the sub-contractor.

5.7.2 Indemnity Bond from the registered sub-contractors can be accepted in lieu of bank guarantee but it should be backed by Insurance Coverage for the supplied raw materials for theft, damage etc. with GRSE as the beneficiary on case to case basis with due approval of tender committee chairman not below rank of GM.

5.7.3 Requirement of Bank Guarantee or Indemnity bond should be clearly indicated in NIT and the same may be changed during CNC meeting with approval of TC chairman not below rank of GM. SOP guide line for Matl. Collection and insurance to be made & followed.

5.7.4 No such Bank Guarantee /Indemnity bond /insurance will be required, in case of job execution inside GRSE premises.

**5.8 Statutory Rules**

5.8.1 All the contractors must abide by the statutory rules governed in the country as laid down hereunder:

a) Failure to comply with statutory provisions where ever applicable, bills of sub-contractor will not be processed & payment of the bill will not be released.

b) Failure to comply with the above may invite penal action and contractor should indemnify GRSE on this account.



- c) No separate payment to contractor will be made for any expenses that may have to be incurred by the contractor for the above.

## **5.9 Purchase Order**

- 5.9.1 After the approval of the purchase proposal by the respective Tender Committee, a purchase order in the prescribed format will be prepared and issued only by the appropriate officer of the concerned department initiating the proposal. It informs the vendor of the buyer's desire to purchase the services specified in the order as per terms and conditions. It is a contractual instrument and has important legal implication concerning the rights and obligations of both the seller and the buyer.
  
- 5.9.2 A purchase order will incorporate the following information:
  - i) Vendor's name and address, code contact details
  - ii) Order number and date
  - iii) Approved purchase proposal No. and date
  - iv) PR No. and date
  - v) Name of the project/ship
  - vi) Purchase point (as defined in the scope of Ordering Department)
  - vii) Tenderer's quotation No. & date
  - viii) GRSE's GST registration No.
  - ix) Delivery schedule and Execution site/delivery point
  - x) Inspection authority
  - xi) Dispatch instructions
  - xii) Payment terms
  - xiii) Terms of price
  - xiv) Mode of dispatch/transit insurance/insurance charges (If so applicable)
  - xv) Service Code No., where applicable
    - xvi) Detail SOR of the job
  - xvii) Unit rate – This must be in terms of accounting unit
  - xviii) Total quantity. Terms such as "Ship set" should be avoided. Exact quantity to be indicated
  - xix) Total order value in words and in figures



- xx) GST as applicable to be shown clearly
- xxi) Any special terms and conditions besides the standard ones
- xxii) The signature of the Sub-contracting officer along with name and designation Information at Sl. (iii) & (iv) are to be indicated as 'FOR GRSE USE ONLY' in P.O.

5.9.3 Purchase Order released through SAP System will be in the prevailing standard format.

5.9.4 Vendors will be asked to send order acceptance in unambiguous language within 10 days of receipt of P.O.

**5.10 Check Points before issuance of Purchase Order**

5.10.1 Following to be checked before issuance of P.O.:

- a) Validity of offer
- b) Whether the purchase order is as per approved purchase proposal
- c) Whether the P.O. conditions are in agreement with the quotation /negotiated offers

5.10.2 Signing Authority for Purchase orders will be as follows:

	<b>Value in Rs.</b>	<b>Sub-Contract Point Member</b>
i)	Upto Rs. 5.0 Lakhs	Assistant Manager
ii)	Above Rs. 5 Lakhs to Rs. 25 Lakhs	Deputy Manager
iii)	Above Rs. 25 Lakhs to Rs. 75 Lakhs	Manager
iv)	Above Rs. 75 Lakhs to Rs. 150 Lakhs	Senior Manager
v)	Above Rs. 150 Lakhs to Rs. 300 Lakhs	Deputy General Manager
vi)	Above Rs. 300 Lakhs to Rs. 500 Lakhs	Additional General Manager
vii)	Above Rs. 500 Lakhs	General Manager / Chief General Manager

5.10.3 In the absence of the signing authority, the Officiating Member may sign the order. If there is no officiating arrangement, then the order will be signed by the next higher authority.





- 5.10.4 The name and designation of the signing authority should be written clearly in the Purchase Orders.
- 5.10.5 No order should be placed on terms which are at variance from those accepted by the firm; as such contracts are not legally binding documents. Terms and conditions as agreed by the vendor should be incorporated in the order and also as per purchase proposal approved by respective Tender Committee. No verbal orders to be issued in any circumstances.
- 5.10.6 Following essential ink signed hard copies need to be generated for each P.O. since all POs are generated in SAP system and hence the same are available for anybody for reference and use.
- 1st copy -- Vendor
- 2nd copy -- Finance (SLP Section)
- 3rd copy -- Case File
- 5.10.7 For shipbuilding orders against Naval or Coast Guard contracts, the distribution of additional copies shall be done as per requirement of ship's contract.
- 5.10.8 The order copies will be distributed to different departments for verification and information. In case any discrepancy is noticed by any of the concerned Departments, the same is to be brought to the notice of the Ordering Department immediately.
- In case any discrepancy in P.O. is noticed by any of the concerned department, the same is to be brought to the notice of the Ordering Department immediately for verification/corrective action.
- 5.10.9 One Purchase order generated from any NIT and of value more than Rs.5 lakhs is to be sent to Internal Audit (IA) department for verification of entire processes followed. IA department will return the P.O. with comments, if any, within 48 hours/02 working days. This is applicable only for shipbuilding orders.

## **5.11 Repeat Order**

- 5.11.1 Repeat order will be avoided normally unless there are cases of justified emergencies warranting / placement of repeat order. Repeat orders without calling for fresh tender may be placed under following conditions:
- a) In case of urgency or requirement where delay due to adhering to normal procedure may adversely affect production or selection of new



vendor may involve additional work for yard. The reason for doing so should be stated in Purchase Proposal.

- b) Where the original order was not a repeat order or placed on single tender basis barring OEM related services.
- c) However, Repeat order may also be placed in case where initial procurement was on SVN subject to issue of fresh SVN by indenter.
- d) Where the value of repeat order does not exceed the value of the original order.
- e) Price of the service has not undergone downward revision in the intervening period.
- f) Relaxation may also be granted for procurement against export order execution, ship delivery, ship repairs, project and production hold-up, stock-out, single established source of supply, and any emergency requirements certified by Concern Director. The reason for resorting to such short cuts must be clearly pronounced

5.11.2 Repeat order refers to Purchase order placed on the previous supplier (without obtaining fresh quotations) for the same service, which were ordered on him as a result of open / limited tender. Order may be placed upto 100% of the value of the original order within 24 months from the date of original order, unless in the meantime further market research has disclosed a cheaper source of supply or there has been a downward trend in prices. In such a case repeat order may be placed at lower than the original order value consistent with the market trend.

5.11.3 A purchase proposal has to be made for all repeat orders and TC is to be considered as per value of Repeat order and type of original tender (Limited/Open/Single).

5.11.4 Relaxation on Conditions governing Repeat Orders may also be granted for procurement against export order execution, ship delivery, ship repairs, project and production hold-up, stock-out, single established source of supply and any emergency requirements certified by concerned functional Director. The reason for resorting to such steps must be clearly pronounced.



## **5.12 Rate Contract Order**

- 5.12.1 Where the same activities are required repeatedly for same or different projects/ships, rate contract order may be established on single/multiple vendors for execution of the job for duration of maximum three years based on individual job requirement.
- 5.12.2 Rate contract will be established through limited / open tendering process, based on tender value, indicating clearly in NIT that it will be rate contract type with specified period of validity and expected quantity of job for a total contract period when the rate will remain fixed. NIT should also specify that rate contract may be established with multiple vendors. Period of validity should be generally 02 years and maximum 03 years depending on project duration. RC may be extended for additional 02 years with escalation and the additional quantity may be increased up to 300% of the original order quantity.
- 5.12.3 During TNC meeting, capacity assessment of each bidder is to be made and the same is to be recorded in MOM.
- 5.12.4 The rate will be established with L1 bidder as per quoted/negotiated rate. The rate contract order will be placed on L1 bidder. Rate contract order will contain item wise rate only and no quantity will be indicated. It will also contain tenure of contract along with other terms and conditions. Based on this rate contract, individual Purchase order with quantity and completion time schedule will be placed on L1 bidder as per requirement/PR raised by production department.
- 5.12.5 To engage multiple vendors, counter offer of established L1 rate will be given to other qualified bidders in chronological ranking of bidders (L2, L3, L4 & likewise) for their acceptance. In order to maintain transparency, this procedure of establishing parallel rate contract should be clearly stated in NIT with indicative ratio of job distribution. Parallel Rate contract will be established with the bidders who accept established L1 rate after approval of T.C. Chairman.
- 5.12.6 Individual purchase orders can be issued, against requirement, till the validity of the rate contract order. However, subcontract cell must have a check point to ensure that total quantity of individual purchase order do not exceed the original tender quantity. In case original tender quantity is exhausted, approval of TC Chairman is to be obtained for ordering additional quantities.



### **5.13 Trial Order on New Vendor**

To develop new vendors, trial order for a particular service may be placed on new vendor, for quantity up to 5% of the total tendered quantity of an existing RC/ Order for that specific service, on the basis of recommendation of TNC of that tender at established L1 rate. Here the term “New vendor” refers to the following\_

- i. a vendor, who had participated in a tender for a particular service but techno-commercially cleared for trial order only.
- ii. a vendor, who has not participated in a tender for a particular service but User Dept. evaluates the vendor as technically capable of doing that particular job.

In both of the above cases, the “New vendor” has to get clearance from TNC for trial order through fresh assessment.

Trial order shall be processed after finalization of original tender. However, placement of trial order is not mandatory for each tender and shall be processed as per production requirement with the approval of TC Chairman. Price Bid of the “New vendor” (who had participated in a tender) will not be opened.

Post successful execution of Trial Order(s), in case of requirement by the indenter, order for 20% of tendered quantity over and above initial loading of 5% may be loaded on the successful Trial vendor(s) at established rate (s).

In case of additional requirement of beyond tendered quantity, Trial vendors may be engaged in parallel with regular vendors for maximum quantity of 25% of total requirement.



## CHAPTER 6

### FOLLOW UP OF PURCHASE ORDER

#### 6.1 Introduction

- 6.1.1 Follow up of every purchase order is an essential function of the ordering department.
- 6.1.2 In case of RC/Long term contract a notice to be forwarded to the indenter /user department at the following stages\_
- i) Post depletion of 90% of the total approved quantity.
  - ii) Before 03 months of the expiry of the contract.

#### 6.2 Project Monitoring System

- 6.2.1 Project Monitoring System, is generally constituted for major subcontracted work with long completion period, to monitor progress of work periodically and systematically, so that corrective action, either from GRSE or vendor side, can be taken to arrest shortfall/delay in production. Reps of user department/Planning/QA/Material/other as considered necessary will form this Project Monitoring Team.
- 6.2.2 In the event of non-performance or non-engagement of manpower by the vendor for the execution of the work, PMT may forward progress review report to Sub-Contract cell for necessary action. Based on feedback received from PMT, Contract cell may take necessary action by organizing a meeting with PP & C, respective production dept. and vendors to resolve the issue of slow progress of work of the vendors as and when required. The vendor has to explain the grounds for non – execution of order within 07 days from the date of reminder. In case of no response, another reminder will be issued. If found vendor’s performance was unsatisfactory and the vendor is unable to justify timely execution of order as per production requirement, risk purchase clause will be imposed.

In case of delay acceptable to GRSE, an amendment to the Purchase order may be issued with revised /extended delivery date without imposition of L.D as per approved procedure.

#### 6.3 Clearance of Bills

- 6.3.1 (i) The subcontractor will submit the bill along with requisite documents as per purchase order at the bill receiving counters located at the gate of each unit of the company.



(ii) Each bill is to be packed in sealed envelope super scribing the purchase order no, vendor code, Bill No./Invoice and name of the person/Employee to whom bill is to be addressed for processing.

6.3.2 On submission of bill, system generated receipt, containing a bill tracking number (BTN) will be handed over against each bill. This number will be unique number for identification of each bill and to be used for all correspondence in future.

6.3.3 Faulty bills, and bill without requisite documents will be returned to vendor and fresh BTN is to be obtained on re-submission of the bill. On generation of BTN, a system generated mail will be sent to the registered e-mail id of the vendor. Similarly mails will be sent on payment of the bill and also on rejection of the bill.

6.3.4 All personnel connected with certification and clearance of bills must work expeditiously so that credibility of GRSE is established to ensure timely payment as indicated in P.O.

#### **6.4 Payment through Electronic Clearing System (ECS /NEFT)**

6.4.1 Payment shall be made to vendors through ECS/NEFT. The vendors are required to furnish bank details /information as per format on receipt of order to the ordering department. Detail procedure of payment through ECS/NEFT to be followed and ECS/NEFT format are placed at **Appendix – XVII**.

#### **6.5 Damage**

6.5.1 External damages are prima facie due to rough handling during loading/unloading or improper temporary support provided by the vendor for transportation. In case this damage occurs, the indenting department will report to vendor and insurance cell with a copy to ordering dept. within 02 days from receipt of material.

6.5.2 Ordering Dept. will intimate the vendor to start rectification work within 02 days of receipt of letter failing which GRSE reserves the right to get the job done at vendor's risk and cost.

6.5.3 Where damages have occurred all necessary safeguards should be initiated by receiving/indenting department by not giving clear inspection report to the vendor.



**6.6 Recovery of Cost of services/facilities provided to vendor by GRSE**

6.6.1 Sometimes there is a request from vendor to provide certain facilities e.g. services of crane and other equipment/machineries etc. which as per P.O. are to be arranged by the vendor. These requests may be considered by the user department in the interest of progress of the ship/project and may be provided, if feasible, on cost recovery basis.

6.6.2 Sometimes the vendor fails to perform certain activity which are required to be carried out on priority as per production schedule and delay in execution of the activity will affect the follow-on activities or cardinal activities of the ship/project. In such cases the user department will intimate the vendor in writing to complete the required activity within a specified time or will ask for vendor's consent for deduction of the activity/quantity reduction from the vendor's scope and get the job done through other available source. Sub-Contract cell is to be kept informed while taking any such action by user department. If the vendor agrees to complete the activity within specified time but fails to complete the activity within that time frame, another letter is to be issued to the vendor stating that in the event of failure by the contractor to maintain the schedule, GRSE reserves the right to get the work done by alternative source at the risk and cost of the sub-contractor.

Then, GRSE shall be at liberty to purchase/obtain the service from the alternative source as it deems fit, to make good such default and or in the event of the contract being terminated. Any excess over the job price/service rates, paid and incurred by GRSE (in the event of engagement of alternative source), as the case may be, over the contract price shall be recoverable from the firm. To make good the recoverable excess amount paid, GRSE shall be at liberty to invoke Bank Guarantee and/or withheld other available dues of the firm.

**6.7 Recovery of Cost of consumables supplied to Vendor**

6.7.1 Sometimes, as per requirement of P.O, GRSE is required to supply electrodes / spool, backing strip, paint etc. to vendors, on chargeable basis, to maintain quality.

6.7.2 The rate that GRSE will charge for these items need to be intimated to vendors before bid submission so that the same can be factored by them in their price bid.

6.7.3 Subcontract cell, in consultation with Finance, will finalize GRSE issue rates for these items which may be updated after a definite period say half yearly or yearly and intimate to the vendors.



6.7.4 Issuing department will issue these items to vendors and keep proper record. The vendor, while submitting bill, will deduct the cost of GRSE supplied items. Issuing department will certify the quantities indicated in the bill. SLP section of Finance department will check the issue rates and effect recovery of cost.

**6.8 Additional work and amendment to Purchase Order**

6.8.1 P.O. for services is generally awarded on the basis of estimated quantities of job. On completion of the job, it is invariably found that the actual quantities of work done against individual line items vary from the ordered quantities. P.O. also specifies a tolerance for the ordered quantities.

6.8.2 Whenever the actual quantities are less than ordered quantities but within negative tolerance specified, P.O. may be amended after obtaining final quantities from user department.

6.8.3 Whenever the actual quantities are more than the ordered quantities but within positive tolerance ( $\pm 25\%$  or as predefined in SOTR), the P.O. may be amended as per requirement and procedure.

6.8.4 Whenever the actual quantities are in excess of positive tolerance, the indenting department will justify the reason for increase, duly vetted by CGM/GM of indenting department. Thereafter P.O. will be amended after approval of appropriate T.C.

6.8.5 Completion/delivery schedule for excess quantities within positive tolerance will remain unaltered. Completion/delivery schedule for excess quantities in excess of positive tolerance need to be discussed with vendor in presence of reps of indenting department and mutual consensus on amendment of completion / delivery schedule is to be arrived at.

6.8.6 Amendment of Purchase Order (P.O.) after issuance should be generally discouraged. However, amendments to purchase orders will be issued when the formal P.O. released is not in terms with the mutually agreed terms or when a subsequent understanding is arrived at between the vendor and the purchaser and appropriate actions are called for.

6.8.7 All amendments are to be done in SAP and three sets of ink signed hard copies are to be generated as indicated in Art. 5.10.6. All the authorities concerned are to be informed accordingly.

6.8.8 Issue of too many and frequent amendments should be avoided.

6.8.9 Amendments to P.O. will be approved by the same Authority / TC which originally approved the purchase proposal, subject to the amended value,





(other than due to change in statutory levies) being within the financial powers.

6.8.10 Amendments will be necessary when:

- a) There is a change in quantity requirement supported by a P.R. Quantity increased by amendment should not exceed the original quantity ordered except in special circumstances.
- b) There is a change in payment or delivery terms.
- c) There is a change in unit rate or there is any financial involvement.
- d) There is an alteration in the delivery schedule and/or date.
- e) Technical specification/quality standard changes subsequent to placement of order. Financial implication needs to be considered also.
- f) All cancellations (part or full) will be covered by an amendment.

6.8.11 If the order has been completed, fresh order to cover fresh requirement will be released in lieu of amendment.

6.8.12 Purchase order will not be kept alive for more than 12 months from the date of maturity. Orders which are unlikely to be executed will be cancelled and a fresh order will be placed against live requirements only.

6.8.13 Normally no cancellation of P.O. will be unilaterally effected, when the delivery/ completion date has not yet matured, without the consent of the vendor. Where cancellation is proposed due to breach of contract, it should be done immediately. Cancellation can be only effected after giving the vendor a notice of reasonable time to perform the contract, and as such an appropriate notice should be issued to the vendor to execute the order. However, during the pendency of delivery/completion period specified in the P.O., if the stage progress of work is found to be unsatisfactory and or not commensurate with the contractual delivery schedule, GRSE shall have the right to cancel the P.O. before maturity of delivery period, under intimation to the defaulting vendor. However proper justification as indicated in Art. 6.2 must be kept.

## **6.9 Maintenance of Hindrance Register**

6.9.1 There may be cases where progress of work is affected due to non-availability of site, material or drawing for a considerable period. All such hindrances which have genuinely prevented the vendor from execution of work are to be recorded with date of occurrence and its removal in the



hindrance register and jointly signed by reps of vendor and user department. In case of refusal on the part of vendor to sign the register, it would mean that the delay, if occurred, will be solely attributable to vendor.

- 6.9.2 Records of hindrances are not only required for grant of extension of delivery date but also required for monitoring of the project work and early removal of the hindrances by GRSE.

## **6.10 Liquidated Damage**

- 6.10.1 In the event the vendor fails to complete the job indicated in P.O. within the given schedule stipulated in the order, the purchaser is entitled to have recourse to impose Liquidated Damage as per terms stipulated in the Purchase order.

- 6.10.2 The vendor will be liable to pay minimum Liquidated Damages @ ½ % per week or part thereof on the undelivered work subject to a maximum of 5 % of the value of the order for delayed part. The amount of L.D. may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer.

- 6.10.3 The provision shall not apply in such cases of delay for which the vendor is entitled to extension of time in accordance with the following conditions:

- a) Force Majeure Clause: As stipulated in purchase order/contract document.
- b) Failure on the part of GRSE to fulfill its timely obligations, e.g. site clearance, availability of drawings/material, delivery of GRSE supplied items etc. which are directly connected with the delivery/completion schedule mentioned in the purchase order and or agreed during negotiation.
- c) Suspension in writing by GRSE to hold back production

- 6.10.4 Extension in delivery date may be granted by the purchaser after being convinced of the genuineness of the difficulty being faced by the vendor. Proposal for extension of delivery dates without L.D. is to be dealt as follows:

- a) For contract value upto Rs.100 lakhs, the proposal should be approved by GM of ordering department with financial concurrence of SM (F-FC) / Finance department after routed through Planning/user department.
- b) For contract value beyond Rs.100 lakhs and upto Rs.500 lakhs, the approval is to be obtained from functional Director with financial concurrence of GM (F-FC)/AGM(F-FC).



- c) For contract value beyond Rs.500 lakhs, the approval is to be obtained from functional Director, Director (Finance) and C&MD.
- d) Proposal in all cases should be raised in prescribed format, placed at **Appendix-XVIII** with justifiable reason and extract from hindrance register to be maintained by user department.

Note: DP Extension without imposition of LD with waiver amount beyond Rs.25 lakhs, intimation to be forwarded to the Board post approval [as per Sub-Delegation of Powers].

### **6.11 Risk Purchase**

- 6.11.1 In case of non-execution/ failure to execute the job by a vendor, sub-contracting department may act for fresh tendering to get the job done by other sources through risk purchase where additional risk and cost, if any, for completion of the job will be recovered from the defaulting vendor.
- 6.11.2 Before going for Risk Purchase, all attempts are to be made for augmentation of manpower/resources by the defaulted vendor to meet the production schedule agreed by him. Risk Purchase should be the last resort as it will delay the production schedule as the estimation of left-over job and subsequent ordering will take some time.
- 6.11.3 Risk Purchase clause can be applied when a defaulted vendor fails to execute the job /supply the item even after issue of reminder and caution letter. It can also be applied in case of apprehension of delay in completion of the job, as being brought out as per periodic progress review meeting, even before the scheduled completion date indicated in Purchase order.
- 6.11.4 Minutes of meeting of periodic progress review, held fortnightly/monthly, by reps of user department with reps of vendor, should clearly bring out the shortfall between the agreed schedule and actual work completed. Any hindrance, not attributable to vendor, should be suitably considered. A copy of these MoMs should be sent to Subcontract cell.
- 6.11.5 In case shortfall in production ordering from agreed schedule is observed in two consecutive months, Subcontract cell will take up with the defaulted vendor to take immediate corrective steps to enhance production to meet the construction schedule of the ship/project. In case no response is received within 10 days from receipt of the letter, another letter/reminder will be issued to the vendor. If there is no response, nor any appreciable improvement in work in next 07 days, a notice shall be issued to vendor for risk purchase with a cut-off date. After expiry of cut-off date, Risk Purchase clause should be applied on the vendor and action for getting the job done from alternate source at the risk and cost of vendor should be initiated.



- 6.11.6 To make a risk purchase, after cancelling the order on the original contractor, following actions must be initiated:
- a) Risk Purchase will be made within six months from the date of cancellation, otherwise it may not be tenable.
  - b) Where risk purchase is made, it will be ensured that the order placed is for the same or identical job with same or identical specification.
  - c) In case of carrying out risk purchase, re-tendering is to be done with short duration of submission of tender and defaulting vendor is not to be included.
  - d) In case the risk purchase is being carried out for a part quantity only (i.e. some portion of original order was executed successfully) then the claim will be commensurate with part quantity alone.
  - e) For risk purchase, normal purchase procedures like inviting quotations/negotiation / single nomination basis and finalization of order is to be followed.
  - f) Finance – SLP section is to be informed immediately after the decision of invocation of risk purchase is taken with an advice of “STOP PAYMENT” to the vendor.



## **CHAPTER 7**

### **REGISTRATION & DEVELOPMENT OF VENDORS**

#### **7.1 Introduction**

- 7.1.1 Registration/Restriction/De-registration of vendors is a continuous process and Sub-contract cell is informed accordingly from time to time by VR cell. The consolidated vendors' list will be circulated twice in a year i.e. during January and July by VR cell.
- 7.1.2 Procedure for Vendor registration, GRSE vendor policy etc. are already hoisted in GRSE website and the same are to be followed.

#### **7.2 Development of New Vendors**

- 7.2.1 With order book of GRSE and orders in pipeline, there is a requirement to increase the capability of GRSE to a great extent. To meet this requirement, there is an urgent need to increase vendor base for subcontract work.
- 7.2.2 Although the primary responsibility for development of new vendors lies with VR cell, Sub-Contract cell and all user departments must put their best efforts to locate for technically competent and financially sound new vendors. Timely execution of work and quality of services are the two pillars on which new vendors to be developed.
- 7.2.3 Some of the methods that may be adopted to locate new vendors are given below:
- (a) Reach to vendors already registered with other DPSU shipyards
  - (b) Organise vendor Mela/Business Partner meet at GRSE
  - (c) Utilise Defence Task Force meeting organised by CII
  - (d) Take help from Indian Chamber of Commerce, Bengal Chamber of Commerce
  - (e) Issue Expression of Interest (EOI) / open tender in press media / website
  - (f) Assess capacity of a new vendor from the pool of qualified vendors for loading of some job in case of EOI & RCs.
- 7.2.4 Proper guidance should be given by Sub-Contract cell and user departments to new vendors working first time at GRSE so that they feel comfortable working with GRSE. All possible help in terms of providing GRSE part of services as per P.O. provision, inspection of the job and release of work done certificate in a time bound manner, clearance of bills



expeditiously etc. are to be provided to the vendors. All activities starting from NIT to order placement and subsequent execution of job should be carried out in a transparent, fair and equitable manner to build confidence on the vendors so that they come up with more investment at GRSE.

- 7.2.5 For development of new vendors for block fabrication work, order for a panel may be given to the vendor to start with as per existing / old rate contract to enable the vendor to go through the entire process of fabrication including stringent quality requirement. If the vendor is successful in completing the job, he may be qualified for taking part in tender for block fabrication.
- 7.2.6 For development of new vendors in outfitting activities, to start with a small order for similar job may be given by CGM/GM of production department through EPC or EOC to enable the vendor to go through the entire process of carrying out the job including stringent quality requirement at various stages. If the vendor is successful in completing the job, he may be qualified for taking part in the tender for outfitting work.
- 7.2.7 A new vendor having sound financial status may not possess the requisite technical pre-qualification criteria indicated in NIT. In such cases, the new vendor may sign a MOU with another company having requisite technical pre-qualification, then qualification of that company may be considered as that of new vendor provided that the MOU is signed before submission of bid.

### **7.3 Registration of New Vendors**

- 7.3.1 New vendors are registered by VR Cell as per detail procedure hoisted in GRSE website.
- 7.3.2 Registration is meant for items of recurrent use only. For one-time requirement, order is to be placed against a Provisional Code to be issued by V.R. Cell. Request for provisional code, in standard format, is to be initiated by the Sub-Contract cell for processing through V.R. Cell. Extension of provisional code for placing the second order to the same vendor (if not already registered) may be granted with due approval of GM / AGM of purchase points / user dept. and GM(QA).
- 7.3.3 All registered vendors will be given a digit code by VR Cell. This Code No. against each approved vendor's name, address and PSG allotted will be circulated through vendor list to all purchase / contract points and the Finance Dept. for future reference. Vendors shall be registered activity wise i.e. PSG.



- 7.3.4 Any restriction/deregistration/regret cases will be circulated immediately to all Purchase points and Finance as and when case arises. The consolidated list will be circulated twice in a year. No enquiry should be issued or any order to be placed on vendors whose cases have been restricted/deregistered/regretted.
- 7.3.5 The registered vendor shall inform the Sub-Contract cell in advance in case he is unable to participate in the Limited tender for which he is selected as a prospective bidder by the indenter/tenderer for whatsoever reason. Failure to comply with this will be viewed seriously and consecutive three failure on the part of the Vendor to do so is liable for disqualification / debarring of the Vendor from all future tender enquiries and or delisting from the list of 'Approved Registered Vendors'.

#### **7.4 Placement of Orders on New Vendors**

- 7.4.1 Registration of new vendor is done by GRSE's vendor cell through a standard procedure taking all precautions.
- 7.4.2 For urgent placement of order on an unregistered firm, a provisional code will be allotted on request from Sub-Contract cell. The Sub-Contract cell must satisfy itself that the vendor is both financially and technically capable of executing the order. The vendor should be asked simultaneously to apply for registration, in case the requirement is of recurrent nature. Such vendor must have PF & ESI Registration, GST Registration No, HSN /SAC Code & IT A/C No. Provisional code will be valid for one order only. Extension of validity of provisional code may be granted only on recommendation of concerned GM/AGM and approval of GM (QA). The vendor should not be allowed to continue on provisional code for more than four times unless the vendor approaches with formal application for registration.
- 7.4.3 On recommendation of the Sub-Contract cell after satisfactory execution of order, the case of registration of the new firm be considered. However, failure of the firm to get itself registered due to non-submission of filled in VR Form or necessary documents will debar the firm from continuing business dealing with GRSE.

#### **7.5 Restriction of Business to Vendors**

Restriction of Business to vendors will be done when vendor is loaded to its full capacity as assessed by TNC or vendor has failed to execute similar type of job(s) recently for reasons attributable to vendor or delinquent vendors or vendor convicted of violation of norms repeatedly regarding safety, security, quality, statutory obligations etc.



- 7.5.1 Restriction of Business to vendors will be done when vendor is loaded to its full capacity as assessed by TNC or vendor has failed to execute similar type of job(s) recently for reasons attributable to vendor or delinquent vendors or vendor convicted of violation of norms repeatedly regarding safety, security, quality, statutory obligations etc. For detail procedure, GRSE's vendor development policy to be referred.

## **7.6 Relationship with Business Partners**

- (a) All out efforts are to be taken to make the vendor understands that there is a genuine interest of the buyer in service rather than a mere contract fulfilment. A business relationship always pays.
- (b) Straightforward conduct may be followed in all transactions/consignment with the overall buying policies and principles of GRSE.
- (c) The competition amongst vendors shall be kept open and fair and the sanctity of the tendering system will be maintained by discouraging revision of bids after submission and insisting on receiving the best price at the outset.
- (d) The confidence of the contractor or his company shall be respected as to quotations or other confidential information.
- (e) All correspondences with the vendors shall be prompt, complete and to the point.
- (f) The contractor's genuine omissions/errors shall not be exploited.
- (g) The buyer shall visit from time to time sources of supply and keep informed about products and stability.
- (h) Give all sub-contractors a full, fair, prompt and courteous hearing.
- (i) Cordial and due consideration shall be given to all vendors.
- (j) A buyer shall keep himself free of any obligation to any vendor.
- (k) Mutual friendly relations are matters apart from business. It is a two-way traffic to foster business relationship on proper platform. To confer with business circle when a job is required urgently, the contractor may come to the rescue of the buyer. The contractor, receiving brusque dealings, will not make any effort to render any special service. Honestly reciprocity and square dealings beget friendship.
- (l) All sorts of commercial bribery, favouritism or entertainments which prejudice the buyer's fair decision will be treated as serious offence and by all means, should be avoided.
- (m) Assurances which cannot be kept shall not be given as in the long run they will undo all the previous goodwill built up.





- (n) Lend all kinds of help in explaining the procedures for submission of bills, payment follow-up etc.
- (o) Purchasing for the vendor shall be avoided as it entails legal complications.
- (p) All denials shall be communicated with courtesy and the vendor should be convinced logically. This will prevent the consequent damages which otherwise a disappointed vendor may cause.
- (q) Respect time of both yourself and that of the vendor. Maintenance of time schedules for meetings also establish good relations. Prior appointments will conserve time.
- (r) Disclosing any confidential matter will be treated as serious offence and by all means should be avoided.
- (s) To respect GRSE's obligations, express/implied promise which Ordering Department cannot be reasonably expected to fulfil, will be tactfully avoided.



**CHAPTER 8**  
**MICRO & SMALL ENTERPRISES (MSEs)**  
**AND START-UPS**

- 8.1 GRSE, being a public sector enterprise, endeavors to support the Micro and Small Enterprises for facilitating their promotion and development and enhancing their competitiveness. GRSE has already implemented the Public Procurement Policy for Micro & Small Enterprises (MSEs) order 2012 to encourage participation of MSEs in GRSE's outsourcing efforts.

Bidders are also advised to procure all such parts / components, as contained in the list available on GRSE website, required in manufacturing of the ordered equipment / products, from MSEs and are also advised to furnish their bills with a certificate having details of the vendors, value of procurement, quantity etc. in the bills.

- 8.2 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.

Relevant document, Entrepreneurs Memorandum (EM Part-II) / NSIC / Udyog Aadhaar Memorandum (UAM) / Udyam Registration Certificate, for manufacture/supply of concerned goods/services, must be submitted along with the offer for such purpose to claim the benefit. All Micro & Small Enterprises are required to declare their Udyog Aadhar Memorandum (UAM) number on the Central Public Procurement Portal (CPPP). Documentary evidence of the said declaration is to be submitted along with the techno-commercial bid failing which benefits being accorded to Micro & Small Enterprises will not be extended.

- 8.3 Following facilities/benefits will be given to MSEs: -
- (a) Issue of tender document free of cost.
  - (b) Exemption for payment of Earnest Money Deposit.
  - (c) The percentage of procurement of goods and services from MSEs will be at least 25% of the total annual procurement.
- 8.4 Above benefits will also be accorded to the vendors registered with NSIC under a single point vendor registrations scheme.



- 8.5 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 as follows\_
- (a) at least 25% of the tender quantity (subject to tender quantity being adequate and divisible for this purpose) provided the MSE matches the L1 landed cost at GRSE.
- (b) In case of non-divisible / non-splittable item in tenders, an MSE quoting in the price band of L1+15% may be awarded for full/complete supply of tendered value, considering the spirit of policy for enhancing the government procurement from MSEs subject to bringing down of price to L-1 by the MSE concerned. To avail this purchase preference, submission of EM Part-II / NSIC / UAM / Udyam Registration certificate is mandatory failing which the benefit will not be accorded.
- 8.6 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 25% of the order value equally.
- 8.7 In case the MSE is owned by SC/ST owners, then the enterprise will get a share of 4% of the above 25% exclusively in addition to sharing of equal portion of balance with other non-SC/ST MSEs.
- 8.8 If more than one MSE owned by SC/ST owners are there in case of a tender, such MSEs will share balance percentage 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.
- 8.9 To qualify for entitlement as SC/ST owned MSE, the SC/ST certificate issued by the District Authority must be submitted along with the offer or the same should be indicated in the relevant document (Entrepreneurs Memorandum (EM Part-II) / NSIC / Udyog Aadhaar Memorandum (UAM) / Udyam Registration Certificate).
- 8.10 In case the participating MSE is a partnership company having one of the partners belonging to SC/ST as above, benefits related to SC/ST owned MSE shall be accorded only if the majority partner [i.e. holding 51% shares or above] is an SC/ST.
- 8.11 Nodal authority in GRSE for redressing any grievances related to the implementation of this policy will be Chief Information Officer (CIO\_ MSME Act)/ Principal Grievance Officer.  
However, CIO/PGO/Nodal authority may change from time to time as per the instruction/order of competent authority.



- 8.12 The Public Procurement Policy for MSEs may change from time to time and all notifications in this regard is published in the GRSE website for all concern/ interested vendors.

Policy details are also available in the Ministry of MSME website <http://dcmsme.gov.in> as well as MSME Champions website <https://champions.gov.in/Government-India/Ministry-MSME-Portal-handholding/msme-problem-complaint-welcome.htm>, [https://champions.gov.in/Ministry-of-MSME/skills,loan,credit\\_guarantee,PM-atmnirbhar-Economic-Package,eligibility\\_criteria,guidelines\\_Schemes/query\\_questions\\_FAQs.htm](https://champions.gov.in/Ministry-of-MSME/skills,loan,credit_guarantee,PM-atmnirbhar-Economic-Package,eligibility_criteria,guidelines_Schemes/query_questions_FAQs.htm)

8.13 **Benefits given to START-UPS**

- (a) All Start-Ups will be allowed to participate against tender enquiries without submission of prior experience and prior turnover details.
- (b) However, with a view to ensure quality, such participating Start-Ups will be asked to submit proof of job execution capability, to meet the quality and technical specifications of the tendered service(s).
- (c) In case, after ordering, such Start-Ups are not able to execute the job with required quality and specifications, the same will be informed to the Department of Industrial Policy and Promotion authorities for necessary corrective action for delivery compliance.
- (d) To preclude possibilities of failures of Start-Ups to execute the purchase order which, in turn, may result in cascading effect on project timelines, leading to delay, price escalation, L.D. from customer and loss of reputation as a reliable shipbuilder, this policy will be applicable considering the criticality of the service(s) in terms of technology, safety, etc. The purchasing authority will decide the necessity of prior experience in terms of quality. Accordingly, such service will be exempted from procurement from Start-Ups without prior experience and prior turnover.
- (e) All Start-Ups will be exempted from submission of Earnest Money Deposit. However, Security Deposit / Contract Performance Bank Guarantee will be applicable.
- (f) Efforts will be made to ensure that the Start-Ups get themselves registered with GRSE prior to placement of purchase order.
- (g) Start-Ups here will imply all such organizations as registered with the Department of Industrial Policy and Promotion and will include Micro, Small and Medium subcategories.



**CHAPTER 9**  
**LEGAL ASPECTS**

**9.1 Introduction**

9.1.1 The Sub-Contract Manual should be treated basically as an instruction Manual and not a comprehensive legal document. This Sub-Contract Manual principally aims to codify all the Administrative Orders, practices and procedures into a unified system in consonance with the prevailing statutes of the land. For any clarification or understanding of any term or issue in question, the relevant law in this regard may be referred to. Since a 'Sub-Contract' is also a 'Contract' per se, therefore, the basic principles of Contract laws are applicable too in a sub-contract, besides keeping in mind the provisions and the applicability of the other relevant laws in a particular sub-contract.

9.1.2 An additional obligation has also been created upon such corporate bodies or authorities which are considered as "State" within the meaning and scope of Article 12 of the Constitution of India. This judicial command entails a duty upon the State to act fairly while entering into purchase or service-Contracts. The administration therefore must not suffer from lack of natural justice and fair play.

**9.2 Essential conditions of a VALID CONTRACT**

9.2.1 Certain conditions are essential and as such, must be fulfilled or ensured for formation of a contract. As such, there must be:

- (i) an intention of the parties to enter into a Contract.
- (ii) an Offer from the Seller and an Acceptance by the Purchaser.
- (iii) a valuable money consideration (i.e. price).
- (iv) a lawful object.
- (v) competence of the parties to enter into a Contract.
- (vi) a free and mutual consent of the parties.

**Note:** Parties, sometime, come up with a dispute on a particular provision or provisional on the plea that (such) provision(s) is/are not provided in the contract by mutual consent of the parties. It is, therefore, imperative that sufficient care be taken to ensure point (vi) above.



### **9.3 Formation of a Sub-contract**

- (i) Under usual course of business, the Purchaser invites offers from competent and prospective sellers or service -providers, which is called Notice Inviting Tender (NIT) or simply Tender or Enquiry, where certain terms and conditions are pre-set. These conditions are known as “conditions for purchase”.
- (ii) Consequent to such invitation, the Sellers or service-providers submit their Offers, which are also known as “Quotations”. The purchaser then communicates its Acceptance of the Offer or Offers by issuing an order or orders, commonly known as “Supply Order/Purchase Order/Service Order/Work Order”.
- (iii) Immediately on acceptance of the Offer of the Seller or Service-provider by the Purchaser and communication of the same to the Seller or Service – provider by the Purchaser, ‘the contract’ is concluded and both parties are obliged to act in accordance with the provisions of the said contract.
- (iv) In formation of a contract, the most important role is played by a factor known as “Time Factor”. The Purchaser must accept the offer within the date of its validity period, in default of which the Offer becomes “Stale” and does not bind the Seller/Offerer. The Seller/Offerer is also entitled to withdraw its offer before the acceptance by the Purchaser. In such case, however, the EMD, if deposited by the Seller in terms of the Tender, is liable to forfeiture.
- (v) Another most important point relates to treatment of correspondences that were exchanged and negotiations that took place prior to and/or during finalization of the Contract, as part of the bargain between the parties. The final decision and/or points of agreement that would emerge from such documents, should be clearly mentioned in the Supply Order or the Contract (along with the references) in order to facilitate performance of the contract as well as to eliminate any controversy that may crop up in future.

### **9.4 SOME SALIENT FEATURES OF A CONTRACT**

#### **9.4.1 Foreclosure of Contracts**

The tender documents should provide a clause to the effect that if any time after placement of P.O., GRSE decides to abandon or reduce the scope of work below the permissible limit indicated in order for any reason whatsoever and hence not require the whole or any part of the works to be carried out, In-Charge Sub-Contract Cell shall give notice in writing with or without assigning any reason to that effect to the contractor or Service – provider. Length of the notice (i.e. the period) may vary with the nature and validity of the contract /order. The 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 or damage etc. consequent on foreclosure of the whole or part of the work; but will be paid for the work done till date of foreclosure.

#### **9.4.2 Termination, Cancellation and Rescission of Contracts**

9.4.2.1 Termination and rescission are almost synonyms having very little distinguishable features. While Termination or Cancellation means “to destroy the force, effectiveness, or validity of, or annul”, the word Rescission has a distinct legal character. It is a volitional act of the party, who is not guilty of breach of the contract, to terminate the contract when there is a breach by the other party. In the former case, the parties may endorse on the act by consent but in the latter case, there must be a breach for recession. It is, therefore, important to keep the above aspect in mind while using these words in commercial letters, otherwise, even an innocent mistake may create a serious legal complication.

9.4.2.2 Following clauses to be included in STAC as point of contract termination by GRSE, if the contractor:

- (i) Makes default in commencing the work within a reasonable time from date of handing over of the site and continues in that state after a reasonable notice from P.L. or nominated representative.
- (ii) In the opinion of the P.L. or nominated representative, at any time, whether before or after extended date for completion, the contractor makes a default in proceeding with the work with due diligence and continues in that state even after a reasonable notice from P.L.
- (iii) Fails to comply with any of the terms and conditions of the contract before or after reasonable notice in writing, and orders properly issued there under or, fails to complete the work, work order and items of work with individual dates for completion, and clear the site on or before the date of completion or fail to achieve the progress as set out.

#### **Suspension of Work:**

The tender document may provide a clause for Suspension of Work for managing situations, in case requirement for the same arises. The contractor shall suspend execution of work or any part thereof for the time / in a manner as stated in the suspension notice issued by PL or his nominated representative to prevent any damage or for safety reasons.



- 9.4.2.3 Sub-Contract cell, on advice of P.L. or nominated representative may without prejudice to any other right or remedy which shall have accrued or shall accrue thereafter to GRSE cancel the contract as a whole or in part thereof or only such work order or items of work in default from the contract. Whenever the Sub-Contract cell exercises his authority to cancel the contract as a whole or in part under this condition, he may get the job completed at the Contractor's risk and cost.
- 9.4.2.4 If the cost of completion exceeds the money due to the contractor under this contract, the contractor shall either pay the excess amount ordered by Sub-Contract cell or the same shall be recovered from the contractor by other means.
- 9.4.2.5 In case GRSE completes the work or any part thereof under provisions of this condition the cost of such completion is to be taken into account in determining the excess cost to be charged to the contractor, such charges under this condition shall consist of the cost of materials purchased/and/or labour provided by GRSE with an addition of such percentage to cover supervision charges and establishment charges as may be decided by T.C. Chairman whose decision shall be final and binding.
- 9.4.2.6 Sub-Contract cell shall issue letters to the contractor regarding slow progress/non-commencement of work and the Final Notice shall then be issued before proposal for cancellation of the work is put up and approved by T.C. Chairman. While putting up the proposal for termination it shall also be recommended that the defaulting Contractor be given tender holiday and debarred from quoting for GRSE works for a period of Two Years from date of termination. On approval the cancellation letter shall then be issued by Sub-Contract cell.
- 9.4.2.7 In case of termination of contract, re-tendering may be resorted to.

### **9.4.3 Breach:**

Failure to perform any or all the obligations under the Contract is called a Breach; i.e. violation of contractual obligations. Breach by one party gives rise to a cause of action for which the other party is entitled to seek suitable compensation or damage from the former. Even though the Purchaser complaining of non-performance by the Contractor /Seller has no legal right to seek for specific performance (or vice versa), in some exceptional cases, specific performance is considered to be the only remedy and thus, granted.



#### **9.4.4 Consequences of Breach, Termination / Rescission**

- (a) The party complaining of breach by the other, is entitled to claim damages from the latter, in accordance with the provisions of the contract or law. In other words, damages flow from the breach and subsequent rescission of the contract. The word “damage” has an extremely wide connotation, both in the Sale of Goods Act and the Contract Act. Commonly, damages are known to be the pecuniary recompense given by process of law to a person for the actionable wrong that another has done to him. In a transaction for sale of goods or services, following two types of damages are claimed very often:
- (i) Liquidated Damages (LD) for delivery beyond the agreed date of delivery.
  - (ii) Damages flowing from procurement of goods or services from alternate source or simply purchase at risk and cost of the seller or service-provider.
- (b) In the former case, the Purchaser becomes entitled to recover such sum as mentioned in the contract, consequent to failure of the seller or service-provider to supply the goods or service within the time prescribed in the order. But the essence of such damage should be a genuine covenanted pre-estimate of damage.
- (c) In the latter case, where the seller fails to supply the goods or provide services, even after allowing sufficient time and opportunity in accordance with the terms of the contract, the purchaser rescinds the contract and arranges to procure the goods from alternate source. In this process, if the purchaser suffers any loss by way of higher procurement cost, the differential cost is usually recovered from the supplier against the said “Risk & Cost” condition.
- (d) Similarly, the seller or service-provider is also entitled to claim damages from the purchaser for any wrong done by the purchaser. The quantum of such loss or damage, however, is a subject matter of proof by the seller. - or service-provider.

#### **9.4.5 Bribes and Gifts**

- 9.4.5.1 Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the contractor or his parties, agent or servant or any one on his or their behalf to any officer, servant, representative or agent of GRSE or any



person on his or their behalf in relation to the obtaining or to the execution of this or any other contract with GRSE shall in addition to any criminal liability which the contractor may incur, subject the contractor to the cancellation of all contracts with GRSE and also to payment of any loss or damage resulting from any such cancellation.

9.4.5.2 Any question or dispute as to the commission of any offence under the present clause shall be settled by GRSE in such manner and on such evidence or information as they may think fit and sufficient and their decision shall be final and conclusive.

#### **9.4.6 Corrupt or Fraudulent Practices**

GRSE requires that Bidders/Suppliers/Contractors observe the highest standard of ethics during the procurement and execution of all contracts. In pursuance of this policy GRSE:

- (a) Defines, for the purpose of these provisions, the terms set forth below follows: -
  - (i) “Corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
  - (ii) “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of GRSE and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive GRSE of the benefit of free and open competition.
- (b) Will reject a proposal for award of work if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.
- (c) Will declare a Bidder ineligible, either indefinitely or for a stated period of time, to be awarded a contract/contracts if it at any times determines that the Bidder has engaged in corrupt or fraudulent practices in to defeat or restrict competition in the tendering process or in executing, the contract.

#### **9.4.7 Dispute Resolution – Arbitration**

- i) 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 tender / agreement / supply order (*retain whichever is applicable*) the same shall be referred to the Chairman & Managing Director ( 'CMD' in short) or the Managing Director ('MD' in short), as the case may be of Garden Reach Shipbuilders & Engineers Ltd. (GRSE Ltd' in short ) for adjudication of the said disputes or differences, as Sole Arbitrator, in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

- ii) The CMD or MD, GRSE Ltd. if he so desires, may nominate / appoint another officer of GRSE Ltd. or a person, whom he thinks fit and competent, for adjudication of the disputes or differences, referred to him as the Sole Arbitrator.
- iii) Such arbitration shall, in all respects, be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and the rules framed thereunder or any statutory modification or re-enactment thereof for the time being in force.
- iv) The Award of the Sole Arbitrator shall be final, conclusive and binding upon the parties.
- v) In the event of the death or resignation for any reason whatsoever of the said Sole Arbitrator, appointed by the said CMD or MD of GRSE Ltd., the CMD or MD of GRSE Ltd., on an application from either of the parties in this behalf, shall act himself as the Sole Arbitrator or nominate / appoint, in place of the outgoing Arbitrator, another officer of GRSE Ltd. or a person whom he thinks fit and competent to adjudicate the said disputes and differences in accordance with law.
- vi) Also, in the event of 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 or MD of GRSE Ltd., on an application from either party, shall himself act as Sole Arbitrator or nominate / appoint another officer of GRSE Ltd. or a person whom he thinks fit and competent to adjudicate the disputes and differences in accordance with law.
- vii) 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, unless otherwise decided by the parties or by the Sole Arbitrator himself, shall be the premises of Garden Reach Shipbuilders & Engineers Ltd. located at 43/46, Garden Reach Road, Kolkata 700 024.



**9.4.8 Shipyard's Risks:**

The owner is reasonable for the excepted risks, which are: -

- (a) War, hostilities, invasion, act of foreign enemies, rebellion, revolution, insurrection of military or usurped power, or civil war;
- (b) Riot, commotion, disorder, unless solely restricted to employees of the Contractor or his sub-contractors and arising from the conduct of the works;
- (c) Contamination by radio activity from any nuclear fuel, or from any nuclear waste radioactive toxic explosive;
- (d) a cause due solely to the design of the job, other than the contractors own design;
- (e) Pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds;
- (f) Flood, tornados, earthquakes and landslides;
- (g) Loss damage due to the use or occupation by the GRSE of any Section or part of the Permanent Works except as may be provided for in the contract;
- (h) Any operation of the forces of nature (in so far it occurs on the site) which an experienced contractor could:
  - (i) not have reasonably foreseen or could
  - (ii) have reasonably foreseen, but against which he could not reasonably have taken at least one of the following measures:
    - (aa) Prevent loss or damage to physical property from occurring by taking appropriate measures; and
    - (bb) Insure against.

**9.5 Cartelization**

Cartelization is one of the horizontal agreements that shall be presumed to have an appreciable adverse effect on competition. Cartels are agreements between enterprises (including a person, a government department and association of persons/ enterprises) not to compete on price, product (including goods and services) or customers. The objective of a cartel is to



raise price above competitive levels, resulting in injury to GRSE. For GRSE, cartelization results in higher prices, poor quality and less or no choice for goods or/and services.

### **Conditions Conducive to Formation of Cartels**

If there is effective competition to participate in the tender process, cartels would find it difficult to be formed and sustained. Although it is very difficult and complex process to prove cartelization but discreet vigil can be paid on some of the following conditions that are conducive to cartelization:

- i. High concentration -few competitors
- ii. High entry and exit barriers
- iii. Homogeneity of the products (similar products)
- iv. Similar production costs
- v. Excess capacity
- vi. High dependence of GRSE on the product
- vii. History of collusion

### **9.6 Novation**

- (a) Sometimes, it becomes necessary to amend and/or modify and existing contract. Such substitution is considered as the core of Novation. If the parties to a contract agree to substitute a new contract for it, the original contract need not be performed. The issuance of an amendment to a supply order, altering and/or modifying any or all of the terms and conditions of the said supply order, is considered to be Novation.



APPENDIX-I

Format for Purchase Requisition

Garden Reach Shipbuilders & Engineers Ltd.
(Ministry of Defence, India)
Design and Planning Office-1,
43/46, Garden Reach Road, Kolkata - 700024.

INDENT

YARD NO: C30170000000000 ASWC - GRSE Yd : 3017

INDENTOR : Ppc
INDENT NO: 1400004451
REQUISITION DATE: 24.08.2013

Table with columns: SI No Material Code, Material Description, Quantity Required, UOM, Req Div, Date, Pur Gp, Fitting Number, WBS Element. Row 1: 00010, Supply of potable Fresh water, 1.000, AU, 10.09.2013, DP2, C-3017-02-02-03-02

Components of Service

Table with columns: SI. No., Description, Unit, Item Text. Row 1: 00010, Supply of potable Fresh water, 30 TON, Supply of water by BARGE on 07.09.2013

Inspection Authority / Scope Of Inspection

Serial No. 00010
Supply of water at DIAMOND HARBOUR/RAICHAK

ENCLOSURES:
(DRAWING)
(SOR)

Signature of Planning officer:
Signature of Dealing Officer:
Signature of Mgr./ DM.:
Signature of DSN/CM:

Handwritten signature and stamp of K. Mistry, Sr. Manager, Design & Engineering, Garden Reach Shipbuilders & Engineers Ltd.

Handwritten signature and stamp of A.G.M. (P.O.), Garden Reach Shipbuilders & Engineers Ltd.

Handwritten notes: Recd, 26/08/13



**Format for SOR**

<b>GRSE Ltd.</b>	<b>TECHNICAL SPECIFICATION FOR</b> .....	SOR No. SOR/ Sheet 111 of
<b>Dept :</b>		Rev :
<b>Yard No. :</b>		Ref : Drg. No.
<b>Group :</b>	Drawn : Date :	Checked :
<b>Inspection :</b>		Date :

1. INTENT
  
2. CONTRACTOR'S SCOPE OF WORK
  
3. DRAWINGS
  
4. GRSE'S SCOPE OF SUPPLY
  
5. CONTRACTOR'S SCOPE OF SUPPLY
  
6. JOB EXECUTION SCHEDULE
  
7. TECHNICAL ELIGIBILITY CRITERIA
  
8. QUALITY CONTROL/ INSPECTION AUTHORITY
  
9. GURANTEE & WARRANTEE APPLICABILITY



**Format for SOR Check List**

Doc No. STANDARD/ 01

Rev. No.

Date:

**Standard Checklist for SOTR for Outsourcing Jobs**

SI No	SUBJECT	Sub SI No	Details	REMARKS
<b>A</b>	<b>Scope of Work</b>			
		1	Detail Scope of Work	
		2	Technical Specification	
		3	Total Quantum of job	
		4	Detail job Quantity	
		5	Upper & lower Limits for Quantity variation	
		6	Provision for Modification & rework if any	
		7	Method of Measurement	
		8	Unit of Measurement	
<b>B</b>	<b>Manpower Requirement</b>			
		1	Total manpower requirement	
		2	Trade wise breakup of manpower	
		3	Minimum qualification trade wise	
<b>C</b>	<b>Qualification Criteria</b>			
		<b>(a)</b>	<b>Eligibility Criteria</b>	
		1	Experience of Bidder Required	
		2	Requirement of Qualified Manpower on Roll	
		3	Requirement of Machinery, Tools & Tackles	
		4	Output of work Required	
		<b>(b)</b>	<b>Technical Rejection Criteria</b>	
		1	Cut-off point for Experience	
		2	Cut-off point for Qualified Manpower on Roll	
		3	Cut-off point for availability of Machinery, Tools & Tackles	
		4	Cut-off point for Output of work	
<b>D</b>	<b>GRSE Scope of Supply</b>			
	Material	<b>(a)</b>	<b>Materials &amp; Consumables</b>	
	Consumable	1	Free issue Materials	
	Drawing	2	Free issue Consumables	
	Electricity	3	List of Drawings (if applicable)	
	Compressed Air	4	Materials/Consumables on cost recovery	
	Water	<b>(b)</b>	<b>Facilities/ infrastructure</b>	
	Crane	1	Facilities for Free	
	Transporter	2	Infrastructure for Free	
	etc.	3	Services for Free	
		4	Infrastructure/Services/Facilities on cost recovery basis	
<b>E</b>	<b>Quality Control</b>			
		1	Minimum criteria for quality of material supplied	
		2	Minimum criteria for quality of consumables supplied	
		3	Minimum criteria for quality of work done	
		4	Details of Guarantee Requirement	
<b>F</b>	<b>Quality Inspection</b>			
		1	Quality Assurance Authority / QAP	
		2	Procedure for Inspection	
		3	Facilities to be provided by GRSE for Inspection	
		4	Facilities to be provided by Vendor for Inspection	
		5	Cost of facilities to be borne by GRSE OR Vendor?	
<b>G</b>	<b>Vendor Scope of supply</b>			
		<b>(a)</b>	<b>Materials &amp; Consumables</b>	
		1	List of Materials	
		2	List of Consumables	
		3	List of Documents	
		4	Details of Manpower	
		<b>(b)</b>	<b>Facilities/ infrastructure</b>	
		1	Details of Equipment's (including/excluding operator)	
		2	Details of Infrastructure	
		3	Services (if any) viz Loading/unloading/Transportation etc	
		4	Details of Tools & Tackles	
		5	Ensuring Safety for Men & Materials	





**STANDARD TERMS & CONDITIONS (STAC)**

**मानक निबंधन और शर्तें (एसटीएसी)**

**(1) Integrity Pact समग्रता अनुबंध ( For the value of Contract more than Rs. 2.0 Cr.):**

All the participating vendors in this tender are required to enter into agreement by signing an Integrity Pact.

“The Pact essentially envisages as agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both the parties, not to exercise any corrupt influence on any aspect of the contract”.

Signing of Integrity Pact will be preliminary qualification for participation of this tender, only those vendors who have entered into this Pact with GRSE will qualify for the contract. This Integrity Pact will be effective from the stage of invitation of bids till the date of complete execution of this contract.

Signing Authority for Integrity Pact:

(A) Vendor: Proprietor / Director / Authorized representative

(B) GRSE: Head of the ordering department, not below the rank of DGM/ AGM

Vendors need to sign on each page of the Integrity Pact document and provide the same on a Govt. issued bond paper of Rs.100/-. The scanned copy of the same need to be uploaded along with the technical Bid documents and original copy of the same to be forwarded to Tendering Department before the due date of the tender.

The vendor has to submit Integrity Pact as per GRSE Format along with Techno-commercial bid, wherever applicable as per NIT.

**(2) Micro & Small Enterprise (सूक्ष्म और छोटे उद्यम) -**

a) Purchase preference will be given to eligible Micro and Small Enterprise firms as per MSME Act on submission of valid Udyam Registration Certificate (URC) or NSIC copy along with their offer to claim the benefit. Tendered Service is to be listed in the URC or NSIC submitted else they are disqualified to avail the benefit.

b) Out of 25% target of annual procurement from MSEs, 4% (within the 25%) reservation will be provided for MSEs owned by Schedule Caste (SC) /Scheduled Tribe (ST) entrepreneurs and 3% (within the 25%) reservation will



be provided for MSEs owned by women entrepreneurs. Necessary documents to be submitted along with the techno-commercial bid as evidence failing which benefit shall not be accorded. However, in the event of failure of such MSEs to participate in the tender process or meet the tender requirements and L1 price, 4% reservation for MSEs owned by SC/ST entrepreneurs and 3% reservation for MSEs owned by women entrepreneurs will be met from other MSEs.

- c) Following facilities/benefits may be given to MSEs: -
- (i) Exemption for payment of Tender Fee & Earnest Money Deposit.
  - (ii) Relaxation in prior Turnover and prior Experience Criteria (Specially for Start Ups- Certificate of DIPP is required to Claim the benefit)
- d) (i) MSEs registered with MSME authority as stated above, quoting price within the band of L1 +15% will be allowed to supply a portion of the requirement by bringing down their price to L1 price in a situation where the L1 price is from someone other than MSE. Such MSEs will be allowed to supply at least 25% of total tendered value. To avail this purchase preference, submission of Udyam Registration Certificate /NSIC is mandatory failing which the benefit will not be accorded.
- (ii) In case L1 is not an MSE and there is more than one MSE within the range of L1 +15%, only the lowest MSE shall be considered for 25% order in case of divisible item or 100% in case the order quantity is not divisible, subject to matching the L1 prices.
- (iii) If the lowest MSE refuses to accept the L1 price, then the second lowest MSE within the range of L1 +15% will be considered. This process will continue till a MSE in the range accepts the L1 price or the MSEs in the L1 + 15% range are exhausted.
- (iv) In case no MSE accepts the L1 price or there is no MSE available in the L1 +15% range, then the order shall be placed to the L1 bidder without applying this principle.
- e) Non-Divisibility of Tender Items: - In case of non-divisible / non-splittable item in tenders, an MSE quoting in the price band of L1+15% may be awarded for full/complete supply of total tendered value, considering the spirit of policy for enhancing the government procurement from MSEs subject to matching the L1 prices by the MSE concerned. However, contract will be awarded as per GOI policy and at discretion of GRSE.



- f) To qualify for entitlement as SC/ST owned MSE, the SC/ST certificate issued by the District Authority must be submitted along with the offer or the same should be indicated in the relevant document NSIC / Udyam Registration Certificate.
- g) For the MSEs owned by SC/ST owned entrepreneur, the benefits as stated above shall be accorded only in the following cases:
  - (i) For proprietary MSE, proprietor(s) shall be SC/ST.
  - (ii) For partnership MSE, the SC/ST partners shall be holding at least 51% shares in the unit.
  - (iii) For Private Limited Companies, at least 51% share shall be held by SC/ST promoters.

**(3) Tender Fee (निविदाशुल्क): Non-Refundable**

- i. Amount of declared non-refundable tender fee is to be submitted in the form of Demand Draft / Pay Order, Payable at Kolkata and issued in favour of “Garden Reach Shipbuilders & Engineers Limited” by any Nationalized/Scheduled Bank other than Co-operative Bank. Physical DD/PO to be forwarded to Tendering Department of GRSE within 07 days of tender due date. A scanned copy of the same is to be uploaded as an attachment to the PART I of e-bid submission.
- ii. MSE registered firms having the tendered service listed in their MSE document will be eligible for exemption of tender fee. To claim the exemption, a copy of the valid MSE certificate with its annexure is to be scanned and uploaded as an attachment to the PART I of e-bid submission. The same is to be confirmed in the techno-commercial concurrence format.
- iii. Non-submission of tender fee or a valid MSE certificate may lead to offer rejection.

**(4) EARNEST MONEY DEPOSIT (INTEREST FREE) बयाना जमा (ब्याज रहित)**

- i. Amount of declared interest free Earnest Money Deposit (EMD) is to be submitted in form of Demand Draft / Pay Order, Payable at Kolkata and issued in favour of “Garden Reach Shipbuilders & Engineers Limited” by any Nationalized/Scheduled Bank other than Co-operative Bank. Physical DD/PO to be forwarded to Tendering Department of GRSE within 07 days of tender due date. A scanned copy of the same is to be uploaded as an attachment to the PART I e-bid submission.



- ii. EMD may also be submitted in the form of Bank Guarantee with six months validity as per enclosed GRSE format of Bank Guarantee and is to be forwarded directly to GM (Finance), GRSE in Bankers' sealed envelope failing which same will not be accepted. Details of B.G. are to be in Techno-Commercial part of offer.
- iii. MSE registered firms having the tendered service listed in their MSE document will be eligible for exemption from submitting EMD. To claim the exemption a copy of the valid MSE certificate with its annexure is to be scanned and uploaded as an attachment to the General Document part of E-PROCUREMENT. The same is to be confirmed in the PART I concurrence format.
- iv. MSE Registered Firms has to be submit Bid Security Declaration In lieu of Earnest Money Deposit as per GRSE format.
- v. Non-submission of EMD /Bid Security Declaration and valid MSE certificate may lead to rejection of offer.
- vi. **Refund of Earnest Money Deposits**
  - a. EMD of unsuccessful bidders will be refunded/ returned within 30 days of finalisation of order on surrendering the original copy of GRSE Money Receipt with an application by bidder addressed to HOD of Ordering Department, GRSE on receipt of intimation from GRSE.
  - b. EMD of disqualified bidders in TNC/CNC will be returned within 30 days from the date of receipt of application along with original copy of Money Receipt from the bidder. EMD, if not claimed within 1 year from the date of notification EMD will be forfeited.
  - c. EMD of successful bidder will be returned after receipt of security deposit against work order as per contractual terms.
- vii. **Forfeiture of Earnest Money Deposit (बयाना जमा की जब्ती)**

EMD may be forfeited under the following circumstances:

  - a. The bidder withdraws the bid after opening of Price Bid during the period of validity of offer.
  - b. The bidder does not accept the correction of error in bid price as indicated in **Clause 30** hereinafter.
  - c. The successful bidder fails within the specifies time limit to:
    - a) Acknowledge the LOA/Order
    - b) Furnish the required Security Deposit
    - c) Non-performance of the contract by the Contractor



**(5) VALIDITY OF OFFER:**

Your offer should remain valid for a period of 90/120/180 days (as per terms of specific NIT) from the due date of the tender.

**(6) SECURITY DEPOSIT (INTEREST FREE) प्रतिभूति (ब्याज रहित):**

i. Successful bidder will deposit an amount equivalent to the declared per cent of the total contract value as interest free Security Deposit (SD) in the form of Pay Order/D. D/Bank Guarantee (with validity of sixty days beyond contract period as per GRSE format) on any schedule bank other than Co-operative bank payable at Kolkata, duly crossed favouring Garden Reach Shipbuilders & Engineers Limited., within 15 days from the date of site clearance/receipt of LOA or PO/as specified in the NIT. In case of non-submission of SD as per schedule, penal interest will be charged for delayed period of submission of SD beyond 15 days at the prevailing SBI cash credit rate on the amount of SD to be submitted.

ii. If S.D is submitted in the form of B.G then same is to be forwarded directly to Gen. Mgr. (Finance) in Banker's sealed envelope failing which same will not be accepted. Details of B. G. should also be confirmed to Ordering Department, GRSE.

iii. S.D. amount would be refunded / returned after successful execution of the job and certification of Material Reconciliation Statement by Internal Audit, if applicable. Vendor is to apply for release of their SD along with Job Completion Certificate [A sample format of "Job Completion Certificate" is placed at **Appendix-XV**] which has to be certified by PL/Engineer-in-charge/authorized representative of concerned department through GRSE Ordering Dept. In the event of failure to execute the order satisfactorily or default by the contractor/ sub-contractor, the security deposit will be forfeited.

**(7) WORK DONE CERTIFICATE (W.D.C.):** Firm will put up Work Done for certification to site engineer /PL /or as specified in the NIT, along with clear inspection report signed by Quality Assurance Authority. W.D.C. is to include whether work has been completed as per delivery schedule or the delay in days/weeks occurred in completion of work. A sample format of WDC is placed at **Appendix-XIV**.

**(8) COMPLIANCE OF ESI & PF (ईएसआई और पीएफ़ का अनुपालन): -**

a) Compliance of ESI & PF of the engaged workman is the responsibility of the contractor.



b) For execution of job inside GRSE premises, vendor has to obtain clearance from HR Dept. regarding statutory compliance of minimum wages, PF, ESI, etc. of their engaged workmen for release of payment.

(9) **GST REGISTRATION (जी एस टी पंजीकरण)**: - The vendor will have to submit copy of GST registration certificate (Part A & Part B) along with the Technical bid. Any bidder without having GST Registration Certificate will not be considered for Ordering.

(10) **GUARANTEE PERIOD (गारंटी अवधि)**:

Workmanship will be guaranteed for satisfactory performance for a period ***as stated in NIT***. Any faulty work carried out by the sub-contractor is to be rectified by them within the time stipulated by the GRSE. In case of failure of sub- contractor to meet the ship's programme, outstanding deficiencies shall be rectified by GRSE and all costs of such work shall have to be borne by the sub-contractor).

During guarantee/ warranty period if any equipment or any component thereof supplied by the contractor, suffers due to defective material and/ or due to improper design and/ or due to defective drawing or due to faulty workmanship the contractor will assume full responsibility of rectification of such defective equipment or component thereof including all direct expenses relating 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.

(11) **PRICE (मूल्य)**:

**A. For Tender in NIC Portal:**

a) Price bid need to be filled up (excluding GST) in html format only through e-portal. No other attachment regarding price will be allowed, if so, then offer will be rejected. For break-up of prices, GRSE may attach excel sheet with the html format price bid and the bidder has to fill up their prices in excel sheet and also in html format as per instruction in NIT.

**B. For Tender in GeM Portal:**

a) Price bid needs to be filled up (with or without GST as specified in NIT) only through GeM portal for the total job.

b) The Bidder may have to upload the breakup of their quoted price in line with BOQ, as specified in NIT, along with their price offer in GeM portal.



- C. The price should remain firm & fixed till satisfactory execution of the entire contract as per NIT. GST percentage has to be indicated in the offer. GST registration certificate for the service being tendered is to be enclosed with the techno-commercial bid. GST registration number is to be quoted in all bills.
- (12) **QUANTITY VARIATION:** Quantity as specified in the NIT/SOTR/Price Bid is tentative and it may vary according to the actual requirement of the job. The selected bidder has to execute the required quantity at the same rate, terms & conditions up to variation (+25%) or as specified in the NIT in addition to the initial tendered quantity. Necessary amendment of Purchase Orders will be issued accordingly.
- (13) **UNREASONABLE QUOTES अतर्कसंगत भाव -**
- A. For Job Contract:**
- i) In case the price of L-1 Bidder is found to quote unreasonably low and/or express desires to withdraw from the tender then such bid will be cancelled and EMD will be forfeited and punitive action will be taken in line with the provision as per GRSE Vendor Policy.
- ii) However, in case the L1 Bidder agrees to take-up the job with such unreasonable low quote, lower by 30% or more than estimate and also if the difference in price between L1 & L2 is 30% or more, then the quoted price to be analysed w.r.t tender requirement and if the L1 bidder fails to justify their quoted rate, the obtained L1 quote will be rejected and punitive action will be taken in line with the provision as per GRSE Vendor Policy.
- iii) If the justification is acceptable to GRSE, then the bidder has to submit Bank Guarantee of 10% of the total Contract value (inclusive of GST) in addition to the Security Deposit (SD) and Performance Bank Guarantee (PBG) for execution of the job till satisfactory completion of entire contract. There shall be no exemption / relaxation for the Guarantee against unreasonable quote. In case of breach of contract GRSE shall reserve the right to invoke the BG and may impose tender holiday for a period as per GRSE Vendor policy.
- B. For Manpower Contract:**
- i) The quoted price of the L1 bidder should comply with the prevailing Minimum Wages Act & Other Statutory requirements i.e PF, ESI etc.
- ii) In case the quoted price of the L1 bidder is found unreasonably low i.e does not comply with the Minimum Wages Act & Other Statutory requirements and the L1 bidder fails to justify their quoted rate then the



obtained L1 quote will be rejected and punitive action will be taken in line with the provision as per GRSE Vendor Policy.

**(14) JOINT VENTURE:**

The bids submitted by a joint-venture company of two or more firms/persons/entities as partners/promoters shall comply with the following requirements:

- i) The Joint Venture Agreement must be a registered document under the Indian Registration Act and must be an independent and registered entity under the Companies Act/Indian Partnership Act, having its own trade name and having separate CIN, PAN, GST and other Statutory Licenses/Registrations independent of its promoters/partners.
- ii) All partners/promoters of the joint venture shall be liable jointly and severally for the execution /performance of the project/contract and for all sorts of contractual obligations, responsibilities and liabilities and consequences arising out of breach of terms and conditions of contract.
- iii) A Certified/True copy of the Joint Venture Agreement shall have to be submitted with the bid along with the resolution of Board of Directors (in case of a company) or a Power of Attorney to be executed by all the Partners (in case of Partnership Firm) of JV entity authorizing such person who will sign on behalf of JV entity.
- iv) Submission of EMD /SDs /Performance Guarantee etc., to be made by the Joint Venture Company/Firm and similarly all payments would also be remitted to/in favour of the JV entity.
- v) In order for a joint venture to qualify/meet the minimum criteria as may be specified in the Tender, the experience and financial capability of each of its promoters/ partners would be considered jointly to judge the experience and/or the financial capability of the JV entity as an independent entity. That is to say that the individual experience/qualification of each partner/promoter of the JV would be considered together for ascertaining the experience/qualification criteria of the JV. However, if any specific criteria/qualification is mentioned in the Tender that has to be met by each of the partners, then in such case each of the JV partner/promoters have to meet the same.
- vi) Neither the JV entity nor any of its partners/promoters should have been blacklisted, banned or debarred from issuing any Tender or suffering Tender Holiday from participating in any Tender process of Government of India or any of its Agencies or by any State Government or by an PSU (both Central & State included) or by any Court/Tribunal. If so, then the bid is liable to be rejected.





vii) If selected, PO would be issued in favour of the JV.

(15) **CONSORTIUM:**

The bids submitted by a Consortium of two or more firms as partners shall comply with the following requirements:

- i) There must be a written Agreement for formation of the Consortium amongst its members which should *inter alia* include the role of each member, the ratio of investment and the ratio of profit/loss sharing. The terms of the Agreement cannot be modified post submission of the bid and during execution of Contract, if awarded, without the express consent of GRSE. The Consortium Agreement must record that as to which member would act as the Lead Member in the Contract/Tender. This authorization shall be evidenced by submitting with the bid a Power of Attorney authorizing such member to act on its behalf as Lead Member, signed by legally authorized signatories of all other partners/members.
- ii) Each partner firm/company of a Consortium must legally authorize its representative who will represent the partner firm/company to sign and execute the Consortium Agreement and all other necessary papers/documents required for the formation of Consortium and all other purpose relating to activities of Consortium.
- iii) The leader shall be authorized to incur liabilities and to receive instruction for and on behalf of any and all partners/members of the consortium and the entire execution of the contract and all other related documents shall be done under the supervision and involvement of the lead member.
- iv) All partners of the consortium shall be liable jointly and severally for the execution of the project or contract without any limitation of liability. Any default or lapse on the part of any of the members of the Consortium regarding performance of the contract will be treated as default on the part of the Consortium as a whole and the Lead Member alone will be responsible for all consequential losses and damages that may be sustained by GRSE for such default or lapse on the part of a member.
- v) A Certified True copy of the Consortium contract/agreement entered into by and between the consortium partners and a certified True copy of the Power of Attorney, referred above, must be submitted with the bid and failure to submit any of such documents will make the bid of the Consortium liable to be rejected.
- vi) If Contract is awarded to the Consortium, an Agreement would be executed by and between GRSE and all the Consortium members



wherein, inter alia, the role of each member and the mode of payments to be specifically defined and/or mentioned. However, all the consortium members shall remain, jointly and severally, responsible for execution and completion of the Contract and also to make good for all losses and damages if any sustained or to be sustained by GRSE in the subject contract due to default and/or negligence of the Consortium as a whole or of any of its members. Any statement or clause seeking to limit the liability of each member of the Consortium, such statement or clause to be treated as incompatible with the principle of joint and several liability and the bid of the Consortium will be liable to be rejected as not in compliance of tender specifications, without further evaluation.

- vii) In order to qualify/meet the qualification criteria, each of its partners/members or combination of partners/members must meet the minimum criteria set for the individual bidder. Failure to comply with this requirement will result in rejection of the Consortium's bid. The data/figures of each of the partners/members of the Consortium shall be added together in proportion to their participation in the Consortium, to determine the bidder's capacity as a whole to comply with the minimum criteria.
- viii) The percentage of partnership of the lead partner shall be highest among all the Consortium partners. Bid has to be submitted by the Lead Partner in its name however it should be clearly indicated that the lead partner is submitting such bid on behalf of a Consortium of which it is the Lead Partner.
- ix) The lead partner shall be responsible for payment of Bid Security/EMD as well as the Security Deposit & Performance Guarantee. However, the same has to be submitted by MSME/NSIC firms also if such firm acts as a Lead partner.
- x) All Payments to be made to the Lead Member pursuant to satisfactory execution of the job as specified in the Contract irrespective of the performance by all the members. Payments made to Lead partner of the Consortium would be construed as valid payment. Further the Consortium members agree not to entangle GRSE in any internal dispute between the Consortium members regarding payment/non-payment or any other issue and accordingly waives their rights, if any in this regard.
- xi) None of the consortium partners/members should have been blacklisted, banned or debarred or issued any Tender holiday from participating in Government Contracts by either the Government of India or any of its Agencies or by any State Government or by an PSU (both Central &



State included) or by the Courts/Tribunals. If so, then the bid is liable to be rejected.

**Note:** The Consortium Agreement & the PoA is to be submitted by the Consortium's Lead partner along with the Bid for examination by GRSE. If the Consortium Agreement or the PoA does not meet the criteria as specified in the clause then such bid would be liable to be rejected.

(16) **SUB-CONTRACTING OF SUB-CONTRACTED JOB (उप संविदा कार्य का उप संविदा) :-**

- a) Sub-Contracting of the Sub-Contracted job is usually discouraged. When a contract is being finalised with a Vendor/ Contractor for execution of a particular job, the Contractor shall not sub-contract the job / a part of the job.
- b) However, in case of requirement, the job in part or full could be sub-contracted with an approval from GRSE and copy of the same has to be forwarded to Ordering Dept. & HR Dept. for their information.
- c) For sub-contracting of the sub-contracted job, the Vendor/Contractor has to submit the details of the sub-contractor to whom the job will be loaded including their name, credentials, document of past performance etc. for approval of GRSE Engineer In-Charge/ In-charge of User Dept./Project Leader / Project Superintendent /Head of Units.

(17) **EXCESS/WASTE/REJECTED MATERIALS (अतिरिक्त/बेकार/ अस्वीकृत सामग्री) :-**

Removal of excess/waste/rejected materials etc. generated during execution of work should be arranged by the Contractor at their own cost immediately after completion of work each day and for non-removal of same by the Contractor, the expenditure incurred by GRSE (if any) in removing these materials will be recovered from the available dues of the Contractor.

(18) **FIRE & SAFETY PRECAUTIONS अग्नि एवं संरक्षा सावधानियाँ :-**

The Vendor/Contractor shall abide by the Safety regulations/rules of the GRSE as detailed in Fire & Safety Guidelines (please refer [www.grse.in](http://www.grse.in)). The Vendor/Contractor should take all safety precautions and provide adequate supervision & control for their workmen in order to carry out the job safely. In case of any violation of safety precaution and non-usage of safety equipment, Contractor shall be liable for a penalty which is detailed in Fire and Safety Guidelines (please refer [www.grse.in](http://www.grse.in)). Penalty amount



depends on the type and frequency of violation mentioned in the safety guideline and the same will be deducted from the defaulter’s bill.

**(19) SAFETY GUIDELINE FOR MATERIAL HANDLING EQUIPMENT:**

The Vendor/Contractor shall abide by the Safety Guidelines /regulations of GRSE as detailed in NIT. The Vendor/Contractor should comply with all the Safety requirements like Statutory Examination and Certification of Crane & associated lifting tackles, Display of SWL, Competency requirement of Crane Operators, PUC etc. in order to carry out the job safely. In case of any violation GRSE will take appropriate action as per policy.

**(20) MANDATORY USE OF ISI MARKED PPE BY CONTRACTOR**

**EMPLOYEES:** The Contractor shall ensure the use of ISI marked PPE by their engaged Employees. An indicative list of ISI marked Personal Protective Equipment, is appended below for mandatory compliance by the vendors without any deviation:

**LIST OF PPES**

<b>Sl. No.</b>	<b>Name of PPE</b>	<b>Standard</b>
(a)	Safety Helmet	IS: 2925 / EN 397.
(b)	Safety Footwear	IS 15298 / EN ISO 20345
(c)	Safety Goggles	ANSI Z87.1 / EN166.
(d)	Ear Plug	IS: 9167/ EN 352
(e)	Hand Gloves	(i) IS 4770 for electrical work (ii) EN 420 for general requirement (iii) EN 388 for mechanical hazard (iv) IS:6994 / EN 407 for heat applications (gas cutting / welding).
(f)	Welding Fume Respirator & Dust mask	IS: 9473 / EN: 149
(g)	Double lanyard Safety Belt & harness, automatic fall arrestor	IS: 3521
(h)	Cotton Boiler Suit Cloth	IS: 177 - 1989 (Amended up to date), Variety 3

**Note:** Apart from the above-mentioned PPE, vendors may consider any other type of standardized PPE as per job requirement, in consultation with GRSE Safety Department.



- (21) **ENVIRONMENT MANAGEMENT AND OCCUPATIONAL HEALTH & SAFETY (पर्यावरण प्रबंधन एवं व्यावसायिकस्वास्थ्य सुरक्षा):** - The vendor shall ensure compliance of Environment Management System (ISO14001:2014), Occupational Health & Safety (ISO 45001:2018) & Energy Management System (ISO 50001:2011) while carrying out their activity in the yard.
- (22) **ENERGY CONSERVATION (ऊर्जा संरक्षण):** -  
GRSE will provide power supply at free of cost for execution of job. The vendor should ensure that the power during execution of job shall be used in a very economical way to save energy as per Energy Management System of ISO 50001: 2011.
- (23) **GUARANTEE FOR RAW MATERIAL:** This Clause will be applicable for Collection of Raw materials /Free Issue materials from GRSE for the jobs which are to be executed outside GRSE premises.
- a) Raw materials will be required to collect from GRSE against submission of Bank Guarantee as per GRSE format for the equivalent value of material as specified in NIT/Purchase Order. Transportation of materials from GRSE to Sub-contractor's premises and transportation of finished materials from Sub-contractor's premises up to GRSE is the responsibility of the contractor or as specified in NIT.
- b) Indemnity Bond affixing the Common Seal from the registered sub-contractors may be accepted in lieu of Bank Guarantee but it should be backed by Insurance Coverage with GRSE as the beneficiary on case to case basis. If the contractor is unable to take coverage, GRSE will cover such risk and cost of premium will be borne by the contractor/recovered from their dues.
- c) Indemnity Bond has to be submitted as per GRSE Format on the non-judicial Stamp paper of value Rs. 100/- and to be Notarized if Common Seal is not applicable.
- d) During collection of material, the Transporter of the Sub-Contractor has to submit L-R copy, failing which materials will not be issued to the Sub-Contractor.
- e) For the jobs which are to be executed inside GRSE premises, submission of Bank Guarantee or Indemnity Bond for Collection Raw materials is not required.



**(24) MATERIAL RECONCILIATION STATEMENT (MRS): -**

(a) Firms are to furnish the material reconciliation statement (running MRS) to GRSE, for items supplied by GRSE for execution of a job at vendor's premises. Furnishing of MRS to be done immediately on delivery of the Finished item/Block but not later than 30 days of delivery of the finished item showing details of raw materials received, material actually consumed, excess material returned, wastage etc. This statement should be submitted with documentary evidence of material issued/returned/wastage duly accepted by competent authority of GRSE and as per the GRSE format and filled up check list for MRS. Permissible variation in MRS is 1.5% of design weight of structure. MRS certification is to be completed by GRSE within 60 days of receipt of the same from vendors.

(b) Quantity of stiffeners used in transportation are to be mentioned in delivery challan clearly indicating whether the stiffeners are: -

- i) Temporary stiffeners supplied by vendor.
- ii) Sections of ABS quality supplied by GRSE.

(c) While submitting MRS of Finished item/Block, copies of certified MRS of all previous Finished items/Blocks are to be enclosed. This will be called the final MRS.

**(25) INSURANCE (बीमा): -** In case the sub-contracted job has to be executed at contractor's premises, the Insurance has to be taken by the contractor with appropriate value coverage for the underlying risks (the beneficiary would be GRSE by endorsement) e.g. Loss due to following:

- (i) Fire as per AIFT including EQ, STFI at Contractors premises.
- (ii) Burglary including theft during Storage at Contractors premises.
- (iii) Marine transit to and fro as per ITC(A) including SRCC (on the basis of agreed valuation between GRSE & contractors).
- (iv) Loading & unloading including TP liability at all fabricator's premises.
- (v) Loss due to infidelity of contractors whilst in storage.
- (vi) Spoilage of material by contractors by any accidental reasons whatsoever.

If the contractor is unable to take coverage, GRSE will cover such risk and cost of premium will be borne by the contractor/recovered from their dues.

For the jobs which are to be executed inside GRSE premises, Insurance coverage will not be the responsibility of contractor.



**(26) SITE-INCHARGE / LOG BOOK / HINDRANCE & OTHER RECORDS: -**

- a) One fully responsible and Qualified Site-in-charge has to be posted at the site during progress of work.
- b) Attendance Register, Wage Register etc. are to be maintained daily for the particular job on board and to be shown as and when required.
- c) Details of technical personnel deployed for the job.
- d) Monthly progress report.
- e) Log book for re-work/ modification.
- f) Details of materials brought by vendor along with copies of challan.
- g) Proper record of hindrances is to be maintained by the sub-contractor for the purpose of timely removal of the hindrance and is to be put up for approval by Project Leader/Site Engineer on weekly basis. A copy of the same would have to be enclosed while submitting any request for waiver of liquidated damages.
- h) Sufficient Supervisory Staff should be provided by the contractor during execution of work and in case of any accident/ damage to GRSE properties, full responsibility will be attributed to the contractor and loss incurred will be recovered from the contractor.

**(27) WORKING HOURS:**

The Contractor's normal working hours shall be in between 8 AM-5:06 PM from Monday to Friday & from 8:00 AM to 1:00 PM on Saturday. 1<sup>st</sup> & 3<sup>rd</sup> Saturday is Non-Duty Saturday. Work may also be required to be carried out in shifts (A, B & G shifts) as per GRSE's requirement. Also, work may be required to be carried out on Sunday/Holiday or beyond schedule working hours as per requirement of GRSE and the Contractor will have to arrange for same as per NIT Terms.

**(28) RISK PURCHASE:**

In case the progress of work is not satisfactory and the contractor fails to maintain the schedule, GRSE reserves the right to get the work done by alternative source at the risk and cost of sub-contractor.

GRSE shall be at liberty to purchase/obtain the service from the alternative source as it deems fit, to make good such default and or in the event of the contract being terminated, the balance of the remaining service to be delivered there under. Any excess over the job price / service rates, paid and incurred by GRSE, as the case may be, over the contract price shall be recoverable from the firm. To make good the recoverable excess amount paid, GRSE shall be at liberty to invoke Bank Guarantee and/or with other available dues of the firm.



**(29) INDIVIDUALITY OF THE CONTRACT:**

This Contract should be treated as an individual contract and should not be related with other orders with GRSE in respect of progress of work or payment.

**(30) SECURITY OF INFORMATION: -**

All documents and drawings of this project are of confidential in nature and should be used explicitly for the purpose for which they are provided. Drawings should not be copied and should be returned to GRSE on completion of work.

No information in respect of contracts/orders shall be released to the national or international media or any one not directly involved its execution without the express written approval of the Integrated Headquarters, MOD (NAVY). In the event of any breach of above provisions, the vendor would have to make good of any loss/ cost/ damage/ any other claim whatsoever preferred by anybody to GRSE in this respect.

Non-Disclosure Agreement (NDA) as specified in the NIT has to be submitted as per GRSE Format. A sample format of "Non-Disclosure Agreement" is placed at **Appendix-VI**

**(31) REGISTRATION OF NEW VENDOR:**

The contractor has to confirm if they are registered with GRSE and Indicate Vendor Code (5 digits) and Product Code group accordingly in their offer. If the contractor is not registered with GRSE, then documents required for provisional vendor registration has to be submitted to the Ordering Department. For Permanent Vendor Registration with GRSE, the contractor has to submit their application to GRSE Vendor Development Cell.

**(32) CONTRACT WORKMAN WAGE PAYMENT: -**

Payment of wages to the contractor's employee/workmen should be made through individual bank account on monthly basis instead of cash payment. PF-UAN activation of all the contractor's employee/workmen is mandatory.

**(33) INSPECTION: -**

- (i) Quality assurance authority: As per NIT/SOTR.
- (ii) Inspection to be carried out stage wise by Quality Assurance Authority. On completion of work for any stage, vendor has to submit Inspection Offer to GRSE (Inspection Agency) for stage inspection. GRSE (Inspection Agency) shall co-ordinate with the Outside Inspection Authorities (as applicable) for carrying out inspection of completed job.
- (iii) GRSE reserve the right to inspect all operations to be carried out by the contractor. Free access to the work site at all the time shall be ensured





by contractor. The presence or absence of GRSE representative does not relieve contractor of the responsibility for quality control. The contractor shall provide all assistance for carrying out inspection of completed work.

- (iv) Repeat inspection for any particular job is to be discouraged as far as possible. Hence the vendor should complete the job in all respect prior to submission of Inspection Offer to avoid reoffering. In case of repeat inspection happens for more than two occasions then the additional cost implication incurred by GRSE will be deducted from the bills of the vendor at actual. Number of occasions of repeat inspection for any particular job is to be indicated by GRSE in inspection note and same is to be incorporated in the work done certificate for deduction of additional cost implication for repeat inspection. Cost of deduction shall be calculated by Executing Dept., GRSE with the help of Finance Dept., GRSE.

**(34) CORRECTION OF ERRORS:**

Bids determined to be responsive will be checked by GRSE for any arithmetic error. Errors will be corrected by GRSE as follows:

- (i) For manual tendering: -

- a) Where there is a discrepancy between the rates in figures and in words, the rates in words will govern.
- b) Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

- (ii) For tendering through NIC Portal: -

Where there is a discrepancy between the rates in html format and the attachment to price bid (if applicable), the rates in attachment to price bid will govern. In attachment to Price bid; if any discrepancy found between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will be considered.

- (iii) For tendering through GeM Portal: -

Where there is a discrepancy between the total price quoted in GeM Portal and the attachment (i.e break up of quoted price in line with BOQ) to price offer, the total price quoted in GeM portal will govern. In attachment to the Price offer, if any discrepancy found between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will be considered.



(35) **FORCE MAJEURE:**

In the event of contractor being unable to fulfil the obligation under the agreement owing to force majeure, such as War, Fire, Earthquake, Flood, Strike/ Lockout at GRSE premises where the contractor is working, the party affected shall not be held responsible for any failure or non-performance of the duties and obligations under the agreement, provided that all responsible efforts have been made to overcome the consequences of such failure, or non-performance. The time for performances of the contractual obligation shall then be extended by period not more than the duration of such events.

In the event of Force Majeure condition existing at contractor's site in GRSE Premises or CPT areas for GRSE work, GRSE is to be intimated with details of such happenings and cessations thereof, within 3 days. Force Majeure is to be limited to contractor's site in GRSE/CPT premises for GRSE's work only. Lock out/ Closure of contractor's factory premises or office or any other place outside GRSE/CPT/GRSE nominated place as indicated above cannot be considered as a Force Majeure condition under this contract.

(36) **TERMINATION OF CONTRACT:** In the event of non-performance or non-engagement of manpower for the execution of the job within the notice period, GRSE reserves the right to cancel the order in part or in full, and no compensation whatsoever will be entertained.

(37) **DAMAGE OF MATERIALS / EQUIPMENTS:** The contractor will ensure that no damage is caused to the materials, equipment or any other property of GRSE due to negligence and / or any reason whatsoever by the contractor's personnel. The cost of such damage will be suitably recovered from contractor's bills.

(38) **OFFICE & STORAGE SPACE:** The contractor will have to arrange their office & storage required for execution of job, for cumulative order value of Rs.75 lakhs and above, of their own. However, space for placing up to one container will be provided free of cost by GRSE. Container will have to be removed by the contractor within 03 months from the date of final settlement with GRSE. In case of non-removal of container within specified period penalty as deemed fit will be imposed for the occupied area of GRSE.

(39) **ARBITRATION (मध्यस्थता): -**

- i. 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 settled/adjudicated through Arbitration to be



- conducted by a Sole Arbitrator, to be appointed by the parties on mutual consent, in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- ii. In the event the parties fail to mutually appoint a Sole Arbitrator within 30 days from the receipt of a request by one party from the other, then either of the parties may approach the Hon'ble High Court at Calcutta under the provisions of the Arbitration and Conciliation Act, 1996 for appointment of a Sole Arbitrator by the Hon'ble Court.
  - iii. 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.
  - iv. The Award of the Sole Arbitrator shall be final, conclusive and binding upon the Parties.
  - v. In the event of the death or resignation or incapacity or whatsoever of the said Sole Arbitrator if appointed by the parties mutually the said parties may again appoint a suitable Substitute Arbitrator in place of the erstwhile Sole Arbitrator to continue with the proceedings. In the event of appointment of the Sole Arbitrator by the Hon'ble High court at Calcutta on death or resignation or incapacity or whatsoever of the said Sole Arbitrator, either of the parties in this behalf, may make an application to the Hon'ble High court at Calcutta for appointment of a Substitute Arbitrator and the Hon'ble Court may pass such orders as it deems fit and proper.
  - vi. Also, in the event an Arbitration award is set aside by a competent court the parties may appoint a Sole Arbitrator mutually or on failing to appoint a Sole Arbitrator mutually within the statutory period then either of the parties may file an application before the Hon'ble High Court at Calcutta under the provisions of the Arbitration and Conciliation Act, 1996 for appointment of a Sole Arbitrator by the Hon'ble Court in accordance with the provisions of the Arbitration & Conciliation Act.
  - vii. The cost of the arbitration, fees of the arbitrator, remuneration of the stenographer and clerk, stamp paper etc. shall be shared equally by the parties, unless otherwise directed by the Sole Arbitrator. 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.
  - viii. The language of the proceeding shall be in English.



- (40) **JURISDICTION:** Litigation, if any, pertaining to this contract will come under the jurisdiction of High Court at Kolkata.
- i) 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.
  - ii) The Firm is warranted that all service rendered by them shall conform to applicable city, states & central laws, ordinances and regulations and the said Firm shall indemnify / defend / relieve GRSE harmless, from / of against loss, cost of damage, by reason or any actual or alleged violation thereof.
  - iii) GRSE 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.
  - iv) All existing applicable Laws such as ESI, PF, SERVICE, CONTRACT LABOUR, CHILD LABOUR etc. as applicable, shall be binding for the contract.
- 1. For any discrepancy between NIT (Notice Inviting Tender) and STAC, NIT statement may be taken as final.
  - 2. Clarification required, if any, regarding Tender Document, should be got resolved by contacting competent authority of GRSE prior to submission of bid.

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- 41. **SPECIAL CONDITIONS OF CONTRACT:** - as per **Appendix-'A'** enclosed.
- 42. **CONTRACTORS RESPONSIBILITIES:** - as per **Appendix 'B'** enclosed.
- 43. **GENERAL REQUIREMENTS:** - as per **Appendix-'C'** enclosed.
- 44. **CHECK LIST OF STATUTORY RESPONSIBILITY OF CONTRACTOR WITHIN GRSE:** - as per **Appendix-'D'** enclosed.
- 45. **SAFETY GUIDELINES TO BE ADOPTED BY THE CONTRACTORS AT GRSE:** - as per **Appendix-'E'** enclosed.
- 46. **CHECK LIST FOR BILL SUBMISSION:** - as per **Appendix-'F'** enclosed.



**APPENDIX-“A”**

**SPECIAL CONDITIONS OF CONTRACT**

(Relating to Labour Laws)

1. It is expressed terms of this tender/contract that this tender/contract shall be governed strictly in accordance with all the terms and conditions as embodied in all other documents forming part of this tender/contract. The Contractor shall be responsible to produce to and /or complete the under the contract exclusively with his/it's duly employed workmen solely at his/ its own risk and responsibility.
2. The definition of “workmen”, “Contractor”, “principal Employer”, “Wages” or any other statutory terms, used elsewhere in this tender/ contract, shall have the same meaning as are assigned to them by the Contract Labour (Regulation & Abolition) act,1970or any other applicable/ appropriate enactment.
3. While performing the contractual work, the contractor must ensure compliance with all the existing statutory labour enactment/ regulations, including the following :-
  - a) Contractor Labour (R & A) Act,1970 and Central & State Rules as applicable.
  - b) Minimum Wages Act,1948.
  - c) ESI Act,1948
  - d) EPF & MP Act, 1952.
  - e) The Building & other Construction Works (RE &CS) Act, 1996 & Rules
4. Contract Labour (R & A) Act, 1970 & rules framed thereunder. The Contractor is to comply with all the provisions of the Act including the following important requirements under the Act.
  - a) To obtain a labour Licence issued by the Competent Authority (i.e. Licencing Officer) where the execution of work is to be carried out. The contractor, on whom the contractor is awarded by the Principal Employer /GRSE is require to obtain Licence for all the Contractor Labours working under it/him, including the Contractor Labour of his /its sub-agency's piece rated workers or any other labour engaged by it /him in any manner for the execution of the contract at the principal Employer /GRSE premises as applicable under the relevant provision of the Act. The Contractor is to contact the Office of the Asst. Labour Commissioner, 6, Church Lane Kolkata-700 001 or any other appropriate office / Authority for obtaining /renewal of the Labour Licence etc. in respect of contractual work executed by him /it for the principal Employer/GRSE.
  - b) The Contractor shall maintain a “muster Roll Register”, “Register of Wages”, “Deduction”, “Overtime”, “Fines” and “Advance” strictly as per the provisions of the Act. The Contractor shall issue Wage Slips to the workman at least a day prior to disbursement of wages. The Registers maintained by the Contractor shall be placed



for inspection and scrutiny by the concerned officer of the Principal Employer/GRSE at regular intervals and also as and when required.

c) the Contractor shall be responsible for payment of wages to each workman employed by it /him in accordance with law and the disbursement of wages shall be made in presence of authorised representative of the Principal Employer /GRSE. No wage period shall exceed one month and wages of every workman shall be paid within three days from the end of the wage period, in case the wage period is one week or a fortnight and in all other cases before the expiry of the 7<sup>th</sup> day from the end of wage period.

d) Contractor is required to cover all the workmen under them including those workmen of the Sub-agencies, piece rated workers or any other workers engaged by him/it in any manner under ESI & EPF & MP Acts. All these workmen are to be covered under separate Code Nos. of the Contractor. Contractor should also ensure its own PF & ESI Code while entering into the contract.

e) Notice showing the rates of wages, hours of work, wage period, date of payment of wages/unpaid wages, name, address and designation of Inspector, having jurisdiction, shall have to be displayed in conspicuous places and at the work site as per Rule 81(1)(i) of the Contract labour (R & A) Act and the Rules framed there under. A Notice board shall have to exclusively earmarked for above purpose.

f) A copy the notice as per Rule 81 (2) of the at shall be required to be sent to the inspector and wherever any change occurs, the same shall be required to be communicated to him forthwith.

g) As per Rule 81 (30) of the Act, information of commencement / completion of work of the Contractor shall have to be communicated to the Inspector within 15 days from such commencement/completion.

5. Photocopies of Registration Certificates of Code Nos. along with current documents/ challans etc. in support of deposit of contribution as applicable under above Act/Rules are to be submitted with Techno-commercial part of tender.

#### **6. Compliance of EPF & MP Act:**

a) The Contractor shall have own P. F Code no. against his Firm and submit the same to GRSE while entering into /finalising tender.

b) P.F shall have to be deposited against own code of the Contractor and P.F. Challan along with Annexure for P.F deposition against Contract Labour, name wise, shall have to submitted to the Principal Employer by the 20<sup>th</sup> of every month. Besides, all other statutory returns pertaining to P.F. are to be submitted by the Contractor in time.

c) In the event of failure to show proof of P.F Deposit for all the workman working under the Contractor, including workers of its Subcontractor, payment/clearance of the right to pay the bill after suitable deduction on account of P.F. Bills of such defaulted Contractor shall be settled only on satisfactory production of P.F deposit



challan in respect of Contractor Labour duly certified by the HR Dept. of the respective Unit/Main Yard of Principal Employer/GRSE.

**7. Compliance of ESI Act:**

The Contractor shall have own ESI Code No as against his Firm and submit the same to GRSE while entering into contract/ finalising tenders. The Contractor shall cover all the workman /employees engaged by him, under ESI Act/Scheme and pay the monthly contribution (both employer and employee) and shall furnish all necessary particulars to ESI Corporation as required by the said Act under their own ESI Code and also to the Principal Employer/GRSE.

The Contractor expressly undertake that nobody will be engaged by it/him without coverage under the Act. In case ESI Code No of the contractor is inoperative for whatever reasons, the Principal Employer/GRSE will be at liberty to deduct ESI Contributions at appropriate rates from the Contractor's Bill and deposit the same to the ESI Authority.

**8. Contractors having ESI Code:**

The Contractor will furnish a list containing details of workmen/employees to be engaged for work to the concerned Department before taking up the assigned job. Any subsequent change will have to be intimated forthwith to the concerned Department of the Principal Employer /GRSE for proper control. In addition, they will also submit documentary evidence showing all compliance with ESI formalities in respect of employees engaged in the job of the Principal Employer / GRSE. Such documents will be monthly challan for ESI deposit and certified copy of all half-yearly returns submit to ESIC etc., subject to satisfactory compliance of all formalities.

9. All Contractors shall ensure that detailed responsibility be strictly complied with as envisaged in the enclosed list of Contractors responsibilities along with other provisions as applicable to them as per Appendix 'B'.

10. The Contractor engaged in Shipbuilding works is require t obtain registration under the Building & Other Construction Work Act, 1996 and Rules framed there under and is also required to maintain Registers and Records and submit returns strictly in line with the stipulated provisions of the said Act & Rules so framed.

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**APPENDIX- “B”**

**CONTRACTORS RESPONSIBILITIES**

1. Obtain Labour Licence from ‘Licensing Authority’, and to submit a copy of ‘Licence’ to the Retainer and concerned Unit HR Department.
2. ‘Licence’ to be renewed by applying in Form-VII to ‘Licensing Authority’ at least 30 days before expiry and copy to be furnished to the Retainer and HR Department.
3. The contractor shall be responsible for payment of wages to each workman employed by him. The wages of every workman shall be paid within three days from the end of the wage period, in case the wage period is one week or a fortnight and in all other cases within/ before the expiry of the seventh day from the end of the wage period. Date, Time, Place of payment wage /unpaid wages, minimum rate of wages, hours of work, wage period, name address and designation of Inspector having jurisdiction etc., are to displayed in a Notice Board at conspicuous place and copy to submitted to Retainer and HR Department. All other statutory payments are to be made within the due date as per statute.
4. It shall be the duty of the Contractor to ensure that timely disbursement of wages is made in the presence of the authorised representative of the principal Employer – i.e. representative of the HR DEPT/ Retainer. Certification of the Register Wages by the representative of the Retainer/HR Dept. would be made with the following endorsement:-  
“ Certified that the amount shown in Column No. .... has been paid to the workmen concerned in my/ our presence on .....at .....”
5. Register of Workmen employed by the Contractors shall be maintained in Form XIII and produced before the Retainer and HR Dept.
6. Muster Roll Register (Form-XVI), Register of Wages (Form- XVII), Register of Deduction of Damages or Loss (Form-XX), Register of Fines Form-XXI), Register of Advance (Form-XXII), Register of Overtime (Form-XXIII) are to be maintained and produced before Retainer/ HR Dept.
7. Returns in Form-XXIV (in duplicate) to be sent by the Contractor to the Licensing Officer for the Half –year ending 30<sup>th</sup> June and 31<sup>st</sup> December each year endorsing copy to HR Dept./ Retainer.
8. Ensure issuance of Wage Slip to each labour at least a day prior to disbursement of wages and copy be submitted to Retainer/ HR Dept.





9. Copy of Nomination and Declaration Form -2 (REVISED) under EPF (MP) Act, 1952 in respect of all labourers to be submitted to Retainer/ HR Dept.
10. Monthly Return Statement of contribution) in Form -12A (Revised duly filled in along with challans for deposit of PF contribution, is to be submitted to the Retainer by 20<sup>th</sup> days happens to be Sunday/Holiday, the same is to be submitted on 21<sup>st</sup> /next working day.
11. Consolidated Annual Contribution Statement/ Returns in Form 6A and contribution card for current period in Form- 3A (Revised) to be submitted to RPFC with a copy to Retainer/ HR Dept. within 30<sup>th</sup> April each year.
12. Status on Employees Provident Fund Scheme in Form -19 and status on Form-10-C (EPS) for workmen ceasing employment and claiming withdrawal benefit, to be furnished forth with to Retainer /HR Dept.
13. Every contractor shall send to the Commissioner EPF, within 15 (fifteen) days of close of each month, a Return in Form-5 under paragraph 36 (2)b of EPF Scheme 1952 & EPS 95 [ Para 20(4)].
14. ESI & PF Registration Certificate in original to be produced before the Retainer/HR Dept. and copy submitted before /at the time of commencement of work.
15. ESI Challans against deposit of monthly contributions of workmen be submitted every month, by 10<sup>th</sup> day of the subsequent months, to ESI Authorities and copies be made available to HR Dept./ Retainer along with ESI empanelment of all employees engaged by them latest by 20<sup>th</sup> day of each month.
16. Ensure Half- Yearly Returns is submitted to ESI Authorities endorsing copy to Retainer/ HR Dept. at the earliest.
17. Date of commencement/ completion of work with the Company is to be intimated to the HR Dept. through respective PLs/HODs/DGM(Repair) as applicable.
18. The contractor engaged in Shipbuilding work with the Company is required to obtain registration under the Building & Other Construction Work Act, 1966 & Rules there under. All statutory obligations as per this Act/ Rules are to be strictly complied with Contractor is to maintain Register and Records and also submit the requisite Returns accordingly.
19. Any other statutory provisions as may be applicable are required to be complied with by the Contractor.

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**APPENDIX-'C'**

**GENERAL REQUIREMENTS:**

- (a) All your personnel will be subject to routine physical search and checking of Identity Cards at any time during the deployment.
- (b) During the engagement of Contractors, if anybody gets involved in any police case or gets himself involved with quarrel with GRSE employees or other contractor's workmen engaged in GRSE, his entry permit will be withheld forthwith.
- (c) A certificate from the contractor's labour, clearly endorsing that characters of all his labourers have been duly verified and found to be satisfactory be submitted to GRSE at the time of making gate Pass.
- (d) Photo Identity Card /Gate Pass as required by GRSE will be arranged by the contractor for his employees at his own cost.
- (e) No workman of the contractor will be allowed to join or participate in any Gate Meeting/ Demonstration inside or at GRSE Gate.
- (f) During the course of engagement with GRSE, if any individual's character is found to be not satisfactory, on verification of specific complaint received, entry permit will be withdrawn forthwith. Entry / Exit will be allowed only in presence of proper Supervisory staff of the contractor. No workman of the contractor will be allowed to loiter around in the yard leaving the specified space of work.
- (g) Police Verification certificates of character antecedents in respect of all employees of contractors/Sub-contractors for operating in GRSE Ltd. are required to be submitted to Security Dept./GRSE Ltd. before processing of Gate Passes. This requirement is as per Official Secretariat Act, 1923 of Ministry of Home Affairs, Govt. of India.
- (h) One fully responsible and qualified Site In-Charge has to be posted at the site during progress of work.
- (i) The contractor will ensure that no damage is caused to the materials, equipment or any other property of GRSE due to negligence and /or any reason whatsoever by the Contractor's men.
- (j) The contractor will work when the ship will be at FOJ/Main Yard/CPT Dry Dock/ any other place/Dock near GRSE in the event of work being carried out outside GRSE premises.



- (k) The contractor shall have to follow all the rules and regulations of other Docks/places in the event of work being carried out outside GRSE premises.
- (l) For any exigencies and for stock taking or for any other reason deemed valid by GRSE, GRSE reserves the right to suspend the work as required, without any compensation to the contractor.

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**APPENDIX-‘D’.**

**Check List of Statutory Responsibility of Contractor within GRSE:**

**THE CONTRACT LABOUR (R& A), ACT, 1970 AND CENTRAL RULES, 1971**

SL. NO.	NATURE OF STATUTORY REQUIREMENTS	FORM NO.	RESPONSIBILITY	REMARKS
01	Labour License	Form –II	Contractor	Contractors engaging 20 or more contract labours would apply for obtaining labour license (in triplicate) to the ALC (C), Kolkata. A copy of the license should be submitted to concerned Unit HR Department. <i>Note:</i> The Contractor cannot deploy more than the number of workmen mentioned in the license on any day.
02	Renewal of labour license	Form –II	Contractor	The contractor shall apply to the ALC(C), Kolkata for renewal of license at least 30 days prior to its expiry. A copy of the acknowledgement / renewed license should be submitted to concerned Unit HR Department.
03	Notice for commencement / completion of work	Form-VII	Contractor / Principal Employer	The contractor shall submit Form – VII to the Inspector / Labour Enforcement Officer (C), Kolkata within 15 days intimating the actual date of commencement / completion of the work. The receipted copy of Form – VII should be submitted to concerned Unit HR Department.
<b>MAINTENANCE OF REGISTERS</b>				
04	Employee Register	FORM – A	Contractor	Comprising of personal details like name, father's name, DOB, Address etc. of the workmen engaged by the contractor.
05	Wages Payment Register	FORM – B	Contractor	Comprising of current rate of minimum wages, employees PF & ESI contribution and other allowances, if any.
06	Register of Loan / Recoveries / Fines etc.	FORM – C	Contractor	To maintain record of loans, fines and advances given, if any and monthly record of recoveries.
07	Attendance Registers	FORM – D	Contractor	Data of daily attendance of each workmen engaged by the contractor indicating their in and out time.



SL. NO.	NATURE OF STATUTORY REQUIREMENTS	FORM NO.	RESPONSIBILITY	REMARKS
08	Employment Card	Form – XII	Contractor	Every contractor shall issue employment card / appointment letter to their contract workers within 03 days from their date of employment.
09	Service Certificate	Form – VIII	Contractor	To be issued by the contractor upon termination of employment / completion of work etc.
10	Wage-slip	Form – XIX	Contractor	Contractors shall issue wage-slip to their workmen at least 01 day prior to disbursement of wages.
11	Annual Return	Online Submission	Contractor	Every Contractors shall prepare Annual Return for the previous year which is submitted online by the Contractors' in <i>Shram Suvidha</i> Portal to the Registering Officer within 31st Jan of the following year.



**APPENDIX 'E'**

**(Revision 2.0 dated 20<sup>th</sup> June 2018)**

**SAFETY GUIDELINES TO BE ADOPTED BY THE CONTRACTORS AT GRSE PREMISES**

**1. General:**

The GRSE has started adopting the outsourcing route for meeting various production, Maintenance and construction requirements needing involvement of outside agencies / contractor firms having their own employees and set-up. These contractor firms besides other obligations like PF, ESI, Minimum Wages are bound to be adopting and implementing safety norms, fire precautions and also become liable for facing legal consequences arising out of non-compliance of provisions contained under The Factories Act, 1948 and Rules framed thereunder. As such, the contractors will be governed by all the statutory requirements. Accordingly, the contractor shall ensure fulfilment of safety guidelines laid down by Safety Department of GRSE. The contractor shall provide proper Personal Protective Equipment (PPEs) and tools & tackles to their workmen. In case of non-compliance, the GRSE reserves the right to impose penalty for any of the following reasons:

- (a) Unsafe acts being adopted by the individual workman and / or the contractor.
- (b) Non-compliance to safety norms and contract terms.
- (c) Creating unsafe conditions at place of work.
- (d) Serious accidents due to the reasons mentioned under (a), (b) & (c) above.

**2. Safety Rules:**

- (i) The Contractor firm shall abide by the safety rules framed under "The Factories Act, 1948" and shall take all safety precautions, provide adequate supervision & control for his workmen in order to carry out the job safely. The Contractor shall report to the concerned Officer of executing Department as well as the Chief Safety Officer of Safety Department immediately on award of contract along with contract documents & job instructions from the contract awarding Department and shall obtain brief for the job and the safety rules & procedures to be followed. The Contractor shall obtain clearance from Safety Department before starting the job. The contractor shall engage workers to do the contract job only when he is satisfied that the unsafe conditions, if any, of gas / electricity / moving machinery etc are removed from the area of work. The Contractor shall supply required PPEs like safety shoes, helmets, hand gloves, safety goggles etc. depending upon working condition(s). Further, the contractor shall be liable for adopting any other PPE recommended by Safety Department.



(ii) The necessary safety precautions, proper tools and equipment including personal protective equipment for contractors' men are to be arranged by the contractors for safety of the personnel employed by them. The Site In-charge of the firm shall be accountable to the respective Officer of the executing Department in all matters related to safety of their personnel at work including all activities carried out by them.

(iii) The Contractor shall take all reasonable precautions to prevent fire of any nature arising out of his operations and shall be held accountable for all damages from fire resulting due to adopting unsafe practices by any one on behalf of the contractor's firm.

(iv) Prior to taking part in the subject tender, the contractor firm has to assess all the safety hazards by visiting GRSE at site and Safety Assurance Plan must be submitted along with the technical bid.

(v) The indicative standard safety precautions are enumerated below to be adopted by the contractor firms:

**a) Personal Protective Equipment (PPEs):**

The contractor shall provide & ensure use of ISI marked Industrial Safety Shoes, Safety Helmets, Retractable type Full Body Harness (Double Lanyard), Welding Fume Respirator, Safety Goggles, Hand Gloves, Boiler Suits & other necessary Personal Protective Equipment (PPEs) depending upon the nature of job while at work.

**b) Hot Work Safety (Gas Cutting, Welding etc.):**

- i. Prior to commencement of hot work, surrounding areas (including other side of the bulkhead & deck) shall be inspected for the presence of any inflammable materials and no Hot Work shall be carried out without obtaining Hot Work Permit from Fire Fighting Department of GRSE.
- ii. Adequate ventilation must be arranged while working in confined spaces throughout the period of carrying hot work.
- iii. Damaged gas hoses & welding cables should not be used for gas cutting & welding job. Gas cutting hoses & copper welding cables must be ISI marked of reputed make. Use of Aluminium Welding Cable is prohibited during construction activities from fire safety point of view.
- iv. The gas cutting hose should be separated from welding cables & electric cables.
- v. The welding holders, if energized, should not be left unattended.



- vi. All gas cutting torches shall be ISI marked of reputed make and must be fitted with standardized FLASH BACK ARRESTER.
- vii. Full insulated welding holders (ISI marked) shall be used in construction jobs.
- viii. During recess period (Lunch time and at the end of day's work) or when work is suspended for more than half an hour, the gas cutting hoses shall be disconnected from the cylinder valves and removed from ship's confined space and keep the same in an open area / Main Deck.
- ix. All gas equipment shall be subjected to "Water Dip" test daily, before taking those on board. A record of the testing to be maintained by the person carrying out such test.
- x. Electric power shall be cut off from welding transformer end during recess period, at the end of day's work and whenever the work is stopped for at least half an hour.
- xi. During hot work activity at the overhead location and on the bulk head, a person must be deputed at the opposite side of hot work from fire safety point of view.
- xii. Use of LPG for gas cutting is strictly prohibited in the shipyard.

**c) House Keeping.**

- i. All inflammable wastes like cotton waste, plastic, broken wooden planks / parts, jute, cloth, electrodes packets, paper cartoon, refused cable insulation etc. should be removed by the contractors from the ship every day.
- ii. Gas cutting hose & welding cables shall not be used / laid on board in a haphazard manner and to be hanged properly on suitable hook / support towards avoiding fire & electrocution hazard.
- iii. AC Ducts are to be placed properly to avoid stumbling hazard on board vessels.

**d) Electrical Safety:**

- i. Portable Safety Hand Lamp (110 Volts) should be used on board vessel.
- ii. All electrical connections should be of permanent type as far as possible.
- iii. Industrial type Plug & Sockets shall be used for electrical connections.
- iv. Use of Damaged Electrical Extension Board (i.e. without having top part of the KITKAT FUSE, Plug & Socket) is prohibited.
- v. The 440 V / 220 V supply lines should be provided with distinguishing mark & identified with red stickers at every meter distance.
- vi. 440 Volt supply lines should be taken at overhead location.





**e) Safety during Painting:**

- i. Painting work should not be undertaken, while hot work is in progress either in the compartments or in the adjacent areas.
- ii. A board indicating "Painting in Progress" in Hindi, Bengali & English be displayed near entrance of the compartment.
- iii. While painting, a safety hand lamp fitted with insulated handle, wire case and glass cover over the lamp shall only be used.
- iv. While painting in confined space / closed compartments, one person must be posted near the entry point for constant coordination with the person working inside the confined space.
- v. During spray painting activity, Work Permit to be taken by the contractor firm as per GRSE norms.

**f) Safety during Grinding:**

- i. All grinding machines shall be provided with standardized & non-expired grinding wheels of reputed make and shall be fitted with protective metal guards during grinding job.
- ii. Use of oversize grinding wheel is prohibited.
- iii. All grinding wheels shall be of reputed brand & make and shall be stored / handled carefully prior to taking into use.
- iv. Damaged grinding wheel shall be replaced forthwith for avoiding likely hood bursting of the Wheel.
- v. Suitable Safety Goggles / Transparent Face Shield to be used for protection of eyes against foreign body.
- vi. Double insulated type portable Grinding Machines to be used.

**g) Safety while working at height:**

- i. Suitable scaffolding structure having working platform of adequate strength with fencing shall be provided for workmen for all works that cannot be done safely from the ground/ low level.
- ii. Damaged / defective wooden planks shall not be used for staging purposes.
- iii. Wooden planks are to be secured at both ends for preventing over turning of the planks.



iv. Use of oil drums for staging purpose is strictly prohibited. The Steel Stools / staging materials are to be used for staging purpose and to be used in safe manner.

v. While working at height, from where a person is likely to fall and injured, retractable type Full Body Harness with double lanyard shall be used with proper anchorage to the life line / rigid structure.

**h) Safety during erection of scaffolding structure:**

- i. The scaffolding platform shall be provided with suitable railing, toe guard & waist guard on each open side and shall be secured at both ends for preventing overturning of the planks.
- ii. All personnel, engaged for erection of scaffolding structure must wear safety belt.
- iii. All scaffolding materials such as steel tubular pipes, couplers are to be in good physical condition.
- iv. Stability of the scaffolding structure to be established before any person is allowed to work on the scaffolding platform.

**i) Safety while working on fragile roof (AC Sheets):**

- i. The AC Sheets dismantling activity shall be in compliance to the Rule 51 A of W.B. Factories Rules, 1958.
- ii. All the metal access ladders (if not available at site, in that case to be erected) shall be provided with IS / EN Marked vertical fall arrester for vertical ascending or descending of personnel from the fragile roof.
- iii. Sufficient number of dedicated Roof Ladders / Crawling Boards / Duck Ladders (Load Tested at 500 Kgs and manufacturers load test certificate to be submitted) shall be used on the fragile roof according to site requirements. All personnel, required to work on fragile roof, shall be well trained and conversant with the use of Roof Ladder / Crawling Board / Duck Ladder, as the case may be.
- iv. Overlay type P.P. Safety Net, having suitable mesh size, to be used underneath the working location for arresting inadvertent fall of man and materials (small nuts & bolts, broken asbestos sheets etc.) from height.
- v. The underneath area of work shall be cordoned with cautionary tape with a minimum site clearance of 5 mtr. in all direction from the location of work and sufficient number of Cautionary Notice (in Bengali Hindi Language) to



be displayed & maintained at site as stipulated in Rule 51 A (c) of W.B. Factories Rules, 1958.

- vi. IS / EN Marked Double lanyard Full Body Harness (with retractable attachment) and sufficient number of horizontal life lines to be erected above the fragile roof for anchoring of Full Body Harness during dismantling of asbestos sheets. If required, safety posts of adequate strength to be erected for laying of horizontal life lines for anchoring the lanyards of Full Body Harness.
- vii. Before starting of the job, the contractor must submit individual Medical Fitness Certificate against every engaged employee, issued by MBBS Doctor, in favour of the workers required to work at height declaring that all such worker(s) are fit to work at height.
- viii. Firm has to engage trained and experienced personnel at GRSE site and trade wise training / experience certificate of the individual concerned to be submitted to GRSE.
- ix. 'Safety Tool Box' to be conducted by the Site In-charge on regular basis prior to commencement of day's work and a register of the personnel attended the Tool Box Talk to be maintained at site with signature of the individuals, duly endorsed by the Site In charge of the firm.
- x. Suitable Scaffolding Platform with fencing, having adequate strength shall be provided for workmen for all works that cannot be done safely from the ground / low level.
- xi. "Height Work Permit" shall be obtained by the Site In-charge of the contractor's firm on daily basis, duly endorsed by the concerned executing Deptt. of GRSE & certified by GRSE Safety Department.
- xii. All roads and open areas adjacent to the work site shall be suitably protected by erecting vertical safety net and PVC woven cloth for arresting the fall of fragmented materials during dismantling activity.



**j) Safety while working with Acetone:**

- i. The persons while working with Acetone must wear impervious gloves and flame retardant antistatic protective clothing. For handling in a closed ventilation, the persons must wear safety glasses with side- shielded.
- i. Do not undertake any Hot Work (including grinding / drilling) in the vicinity of vapour, if formed and also do not use Electric switches. Safety clearance similar to hot work in extant is to be followed i.e. Work permit system should be implemented by concerned Department with a copy to Fire/ Safety Department before starting any job.
- ii. In case of spillage of Acetone, soak up with inert absorbent materials (e.g. Sand, Saw dust) and shovel into suitable container for disposal. Do not use sparking tools. Do not allow product to enter sewer or waterways. Use personal protective equipment. Remove all sources of ignition. Ensure adequate ventilation.
- iii. During normal handling, ensure all equipment is electrically grounded before beginning transfer operation. Ensure adequate ventilation. Do not allow product to contact skin, eyes and clothing. Do not breathe vapours. Keep away fire, sparks and heated surfaces. Keep container tightly closed in a dry and well ventilated place. Do not use plastic buckets, which may lead to spillage.
- iv. Keep all Acetone containers in a well-ventilated space. Empty container may retain product residue including flammable or explosive vapours. Store in area designed for storage of flammable liquids.
- v. Do not cut, drill, grind or weld near full / partially full or empty product containers. Keep away from heat and source of ignition.
- vi. Re-open used container with caution. Containers which are opened must be resealed and kept upright to prevent leakage.
- vii. Provide local and general exhaust ventilation to effectively remove and prevent build-up of and vapours or mists generated from handling of the product.

**k) Deployment of Trained Employees by the contractors:**

- i. Each contractor has to depute trained & experienced personnel in the respective trade(s) for working at GRSE Site.
- ii. Contractor has to submit requisite trade training certificate of the individual to the executing dept. before commencement of job & issuance of Gate Entry Permit.



**I) Safety during Handling | Storage | Disposal of Oil Drums and Hazardous Wastes:**

- i. The oil drums shall be handled in such a manner so that no damage to oil drums takes place / spill on the ground.
- ii. The oil drums should not be rolled on the ground. It should be carried with the help of proper trolley.
- iii. Oil drums should not be left / kept in haphazard manner, instead it should be stored at dedicated storage place.

**3. Contractor's liability for non-compliance of Safety Rules & Regulations:**

- (a) Each contractor firm shall be solely responsible for any untoward incident arising out of adopting unsafe practices while working at GRSE premises and in the event of any accident happening in the yard, resulting in physical injury to the contractor personnel or loss of lives or otherwise damaging any part of the property, the contractor shall be required to make good the loss to the Company and shall be responsible for all consequences that follow from loss and / or injuries to the persons involved in such accidents / litigation expenses or litigation consequences etc.
- (b) It will be liability of the contractor firm to ascertain the standard safety precautions for discharging his work as per the prevailing safety standards in GRSE. The decision of GRSE Management in all matters concerning to safety, shall be final and binding on the contractor.
- (c) For compliance of requisite safety norms, each contractor firm will deploy their own qualified Safety Officer at GRSE site.
- (d) On completion of work in any location (either on-board / in the yard), the contractor firm or his agents must ensure that the place is left in a reasonably clean state and all scraps are transferred to nearby scrap-bins / removed from GRSE premises as per terms and conditions.
- (e) GRSE reserves its right to suspend the work in the event of the contractor not complying with the rules / instructions with regard to safety practices for which no claim of any kind will be entertained. The executing department or the Head of Safety Dept., upon his satisfaction that the Contractor is not conforming to the safety requirement(s), may direct stoppage of work and require the Contractor to remedy the defects or supply the Omission/s as the case may be. The Contractor shall not proceed with the work until his



compliance with such directions to the satisfaction of the executing department or the Head of Safety Department.

- (f) Without prejudice to the right conferred by the clause (e) above for stoppage of work for violating safety requirements, the Contractor shall be liable for a penalty as below:

Sl.	Type of violation	Penalty (in Rupees)			Penalty
		1st instance	2nd instance	3rd instance	4th instance
	Any worker not having / not using PPEs properly	1000/-	1500/-	2000/-	Discontinued / debarred
(ii)	Use of defective / non IS PPEs	2000/-	3000/-	5000/-	Discontinued / debarred
(iii)	Found adopting Unsafe Act (wilful violation of safety norms)	5000/-	7500/-	10000/-	Discontinued / debarred
(iv)	Creation of unsafe condition	5000/-	7500/-	10000/-	Discontinued / debarred
(v)	Non deployment of trained personnel (Trade wise)	5000/per untrained personnel	10000/per untrained personnel	15000/per untrained personnel	Discontinued / debarred
(vi)	Major violation of safety guidelines of the Tender terms and / or safety Guidelines issued by Safety Dept. from time to time	10000/-	20000/-	30000/-	Discontinued / debarred

**Note:**

- (i) In case of permanent disability / fatal accident during the execution of the contract, a penalty will be imposed on the contractor on the basis of recommendation of contract awarding Department on case to case basis. In such case the penalty may be banning of business dealing with GRSE or penalty of up to 10% of contract value to a minimum of Rs 50,000/- (fifty thousand) or both.
- (ii) In case the safety rules are found to be violated more than 3 (three) times during the tenure of the contract, GRSE shall have the discretion to terminate



the contract forthwith without assigning any reason and without any further intimation. Moreover, the defaulter contractor may be debarred from participating in future tenders for the next 1 (one) or more years depending upon the management discretion.

**4. Recovery of Penalty amount by GRSE:**

All penalty amount shall be recovered by the Head of Department awarding the Contract, who will assess gravity of violation and impose penalty which shall be final and binding on the contractor firm. The penalty amount shall be recoverable from any Bill / Security Deposit / Earnest Money Deposit or from other dues of the contractor.

5. The above rules and procedures are only illustrative and not exhaustive.



**APPENDIX 'F'**

<b>CHECK LIST FOR BILL SUBMISSION - for Service Contracts</b>				
<b>A. GENERAL PARTICULARS: (to be checked and submitted by Contractor/Vendor)</b>				
A.1	BTN (as per BTS System):-			
A.2	Invoice No and date / E-Invoice No. & Date (if applicable for the vendor) (Original & in triplicate)			
A.3	PO Number			
A.4	Name of Vendor			
A.5	Location of work :	MW / RBD/ FOJ/ TU / 61Park/Vendor's premises		
<b>I. For RA Bill (Running/Progressive bill) (Put ✓ Mark)</b>		<b>YES</b>	<b>NO</b>	<b>NA</b>
A.6	PO Number and date verified with Invoice:			
A.7	Vendor Name & Address in Invoice verified with Purchase Order:			
A.8	Vendor Code as in PO verified with Invoice:			
A.9	Original certified WDC enclosed :			
A.10	Whether WDC is Certified by the Authorized Person as per PO / SOTR with Rubber Stamp			
A.12	HSN/SAC code is as per PO			
A.13	GSTIN No. is as per PO			
A.14	GST % is as per PO			
A.15	Security Deposit (SD) submitted as per PO			
A.16	PBG of equivalent amount submitted, as per PO			
A.17	Compliance of Statutory Liabilities of labour as per PO			
<b>II. Applicable for Final/Balance Bill (Put ✓ Mark)</b>				
A.20	Certified Job Completion Certificate (JCC) enclosed			
A.21	MRS as per PO terms enclosed (If applicable)			
A.22	Guarantee Period (GP) expired as per PO term			
A.23	PBG of equivalent amount submitted, if GP is not over (If Yes, copy to enclose with the bill)			

\_\_\_\_\_  
Signature of Vendor's representative  
with Seal/Stamp

**Note:** Transaction fee of Rs. 500.00 for first return & Rs. 1000.00 for subsequent return of bill with inappropriate documents will be charged.





<b>CHECK LIST FOR BILL SUBMISSION - for Service Contracts</b>				
<b>For GRSE Use Only</b>				
<b>B.</b>	<b>To be checked and verified by Bill certifying authority (Put ✓ Mark)</b>	<b>YES</b>	<b>NO</b>	<b>NA</b>
B.1	Whether Bill has been forwarded through BTS			
B.2	Whether WDC is Certified by the Authorized Person as per PO / SOTR with Rubber Stamp			
B.3	Job starting & Completion Date (Schedule & Actual) indicated in WDC			
B.4	Certification of Penalty/ Recovery from bill indicated in WDC, if applicable			
B.5	Whether Bill is Certified by the Authorized Person as per PO / SOTR with Rubber Stamp			
B.6	Certification of Penalty/ Recovery from bill as per WDC, if applicable			
B.7	Service Entry Sheet(SES)/GR in line with WDC, PO & Invoice			
	<b>For Final/Balance Bill (Put ✓ Mark)</b>			
B.8	Certified MRS copy as per PO terms enclosed (If applicable)			
B.9	Guarantee Period (GP) expired as per PO term and JCC			
B.10	PBG copy of equivalent amount till GP validity enclosed(if GP is not over)			

\_\_\_\_\_  
Signature of GRSE Bill Certifying Authority  
with Designation



**INTEGRITY PACT**

Between

M/s. Garden Reach Shipbuilders & Engineers Limited (GRSE) hereinafter referred to as

“The Principal”

and

..... hereinafter referred to as “ the Bidder /Contractor”

The Principal intends to award, under laid down organizational procedures, contract/insert/delete’s for..... The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness /transparency in its relations with its Capital Bidder(s)/ or Contractors(s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principals mentioned above.

**Section 1 - Commitments of the Principal**

[1] The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles: -

- a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept for self or third person, any material or immaterial benefit which the person is not legally entitled to.
- b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provided to all Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
- c. The principal will exclude from the process all known prejudiced persons.

[2] If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.



**Section 2 – Commitments of the Bidder(s)/ Contractor(s)**

[1] The Bidder(s) /Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

a. The Bidder(s) / Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.

c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/Contractor(s) will not use improperly, for purpose of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

d. The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder(s) /Contractor(s) of Indian Nationality shall furnish the name and address of the foreign particulars, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s) /Contractor(s). Further as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only, copy of the "Guidelines on Indian agent of foreign Supplier" is annexed and marked as annex.

e. The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

[2] The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offence.



**Section 3 – Disqualification from tender process and exclusion from future contracts.**

If the Bidder(s)/Contractor(s) before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s) /Contractor(s) from the tender process or take action as per the procedure mentioned in the “Guidelines on Banning of business dealings” is annexed and marked as Annex – B”.

**Section 4 – Compensation for Damages.**

(1) If the *Principal* has disqualified the Bidder(s) from the tender process prior to the award according to section 3, the Principal is entitled to demand and recover the damages equivalent to earnest Money Deposit /Bid Security.

(2) If the principal has terminated the contract according to section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

**Section 5, - Previous Transgression**

(1) The Bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealing”.

**Section 6 - Equal treatment of all Bidders / Contractors / Sub-contractors.**

(1) The Bidder(s) /Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.

(2) The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Sub-contractors.

(3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or its provisions.



**Section 7 – Criminal charges against violating Bidder(s)/ Contractor(s)/ Subcontractor(s)**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

**Section 8 – Independent External Monitor /Monitors**

(1) The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

(2) The Monitor is not subject to instructions by the representative of the parties and performs his functions neutrally and independently. He reports to the Chairman GRSE.

(3) The Bidder(s) /Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The monitor is under contractual obligation to treat the information and documents of the Bidder(s) /Contractor(s) /Subcontractor(s) with confidentiality.

(4) The Principal will *provide* to the Monitor sufficient information about all meetings among the parties related to the Project provided Such meetings could have an impact on the contractual relations between the Principal and the Contractor, the parties offer to the Monitor the option to participate in such meetings.

(5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

(6) The Monitor will submit a written report to the Chairman, GRSE within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.



(7) Monitor shall be entitled to compensation on the same terms as being extended to / provided to Independent Directors on the GRSE Board.

(8) If the Monitor has reported to the Chairman GRSE a substantiated suspicion of an offence under relevant IPC/PC Act, and the Chairman GRSE has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.

(9) The word '**Monitor**' would include both singular and plural.

**Section 9 – Pact Duration:**

This pact begins .....when both parties have legally signed it. It expires for the Contractor 18 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged by Chairman of GRSE.

**Section 10 – Other provisions:**

- 1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal i.e. Kolkata.
- 2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- 3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- 4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

**(For & On behalf of the Principal)**  
**Bidder/Contractor)**  
**(Office Seal)**

**(For & On behalf of**  
**(Office Seal)**

Place.....  
 Date.....

Witness 1:  
 (Name & Address) .....  
 .....  
 Witness 2:  
 (Name & Address) .....



**FORMAT NO.**

**OS/03/0085**

**GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED**

**43/46, Garden Reach Road,**

***Kolkata 700 024***

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**(GUIDELINES OF BANK GUARANTEE)**

1. Non- Judicial Stamp Paper – N. J. S. Paper of Rs. 50/- (Rupees Fifty Only) is to obtained in the name of the banker for execution of the Bank Guarantee. If a single Stamp Paper of Rs. 50/- is not available, Stamp Papers of multiple denominations may be used but the serial nos. or purpose of each Stamp Paper be of consecutive nos. and purchased on the same day. Such Stamp Paper should not be older than one year or the date of purchase Order / Contract whichever is applicable. Stamp Papers obtained in the name of the supplier will not be accepted.
2. Address of the Supplier / Contractor and the executing Bank should be incorporated in full in the Bank Guarantee.
3. Bank Guarantee should be executed by scheduled Banks preferably by Nationalized Banks and should be sent in Banker's sealed envelope directly to General Manager (Finance), Corporate Finance. M/S Garden Reach Shipbuilders & Engineers Limited .43/ 46, Garden Reach Road. Kolkata – 700 024. superscribing the word "BANK GUARANTEE".
4. No. confirmation of B. G. is required to be obtained from issuing Bank if the B. G. executed by Scheduled / Nationalized Banks is received in Banker's sealed envelope.



5. Banker's confirmation is required in case of Bank Guarantee executed by Non- Scheduled Banks / Co-operative Bank/ Regional Private Bank etc. and for those Guarantee which were not received in the terms of (3) above.
  
6. The Bank Guarantee should conform strictly in conformity with the terms and Conditions of the order and in GRSE's standard format prescribed against each of the above cases.
  
7. Expiry date should be in accordance with the requirement of contractual terms and the claim period for preferring the claim should not be less than six months from the date of expiry of any case.
  
8. Bank Guarantee shall be free from all infirmities and typographical errors / deletions / inclusions / riders etc., requires to be authenticated by Bank's signatory with official seal.
  
9. Issuing Bank should furnish confirmation towards execution of Guarantee immediately on receipt of GRSE's formal letter for same. Confirmation letter should contain GRSE's letter reference requested for and must be in Bank's sealed cover addressed to GRSE.

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**FORMAT OF BANK GUARANTEE TOWARDS EARNEST MONEY**

**GUARANTEE BOND**

(To be used by all scheduled Banks)

In consideration of M/s. Garden Reach Shipbuilders & Engineers Limited, 43/46, Garden Reach Road, Kolkata -700024 (hereinafter called “the Buyer”) having agreed to exempt M/s..... having its registered office at ..... (hereinafter called “the party”) from the demand, under the terms and conditions contained in the Tender No..... dated ..... (hereinafter called “the Said Tender”) of Security Deposit for the due fulfillment by the said party’s of the terms and conditions contained in the said Tender on production of a Bank Guarantee for Rs..... (Rupees.....only) we.....Bank Limited (hereinafter referred to as “the Bank”) do hereby undertake to pay to the Buyer an amount not exceeding Rs..... (Rupees.....only) against any loss of any breach by the said Party of any of the terms & conditions contained in the said Tender.

We, ..... Bank .....do hereby undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Buyer stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Buyer by reason of any breach by the said Party of any of the terms and conditions contained in the said Tender or by reason of Party’s failure to perform the said Tender. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee.

We, ..... Bank Limited further agree to the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of said Tender / Order and that it shall continue to be enforceable till all the dues of the Buyer under or by virtue of the said Tender / Order have been fully paid and its claims satisfied or discharged or till the Managing Director , Garden Reach Shipbuilders & Engineers Limited ,certifies that the terms and conditions of the said Tender / Order have been fully & properly carried out by the said party and accordingly discharges the Guarantee. Unless a



demand or claim under this Guarantee is made on us in writing on or before the ..... We shall be discharged from all liability under this Guarantee thereafter.

We, ..... Bank Limited further agree with the Buyer that the Buyer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Tender / Order or to extend time of performance by the said Party from time to time or to postpone for any time or from time to time any of the powers exercisable by the Buyer against the said Party and to forbear or enforce any of the terms and conditions relating to the said Tender / Order and we shall not be relieved from our liability by reason of any such variation, or extensions being granted to the said Party or for any forbearance, act or omission on the part of the Buyer or any indulgence by the Buyer to the said Party or by any such matter of thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

We ..... Bank Limited lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Buyer in writing.

Notwithstanding anything contained herein above, the liability of the Guarantor under this Guarantee is restricted to Rs..... (Rupees.....only), and that this Guarantee shall remain in force until its expiry on the .....(date), unless a suit or action to enforce a claim under this Guarantee is made against the Guarantor within six months from the aforesaid date of expiry, all the rights of beneficiary under the said Guarantee shall be forfeited and the Guarantee shall be released and discharged from all liabilities thereof.

For ..... Bank Limited

Dated the ..... day of..... 20



**FORMAT OF BANK GUARANTEE TOWARDS SECURITY DEPOSIT**

Ref: 1. BPE Notification No. BPE/ G : 032/ 78/ 1 (4) Adv (F)/ 69 dated 24.10.78

2. Ministry of Finance Deptt. of Economic Affairs Notification No. F. No.

0 (7)/ B. 0. III/ 75 dated 02.11.77

**GUARANTEE BOND**

(to be used by all scheduled banks)

In consideration of M/s. Garden Reach Shipbuilders & Engineers Limited, 43/ 46, Garden Reach Road, Kolkata – 700 024 (hereinafter called “The Buyer”) having agreed to exempt M/s..... having its registered office at ..... (hereinafter called “The Party”) from the demand, under the terms and conditions contained in the Tender/ Purchase Order No..... dated ..... (hereinafter called “the said Tender/ Order”) of security deposit for the due fulfillment by the said Party’s of the terms and conditions contained in the said Order, on production of a Bank Guarantee for Rs. .... (Rupees ..... only), ..... we, ..... Bank Limited (hereinafter referred to as “the Bank”) do hereby undertake to pay to the Buyer an amount not exceeding Rs. .... against any loss or damage caused to or suffered by the Buyer by reason of any breach by the said Party of any of the terms and conditions contained in the said order.

2. We, ..... Bank do hereby undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Buyer stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Buyer by reason of any breach by the said Party of any of the terms and conditions contained in the said order or by reason of the Party’s failure to perform the said order. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee.



3. We, ..... Bank Limited further agree to the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Tender/ Order and that it shall continue to be enforceable till all the dues of the Buyer under or by virtue of the said Tender/ Order have been fully paid and its claims satisfied or discharged or till the Managing Director, Garden Reach Shipbuilders & Engineers Limited, certifies that the terms and conditions of the said order have been fully and properly carried out by the said Party and accordingly discharges the Guarantee. Unless a demand or claim under this Guarantee is made on us in writing on or before the ..... we shall be discharged from all liability under this Guarantee thereafter.

4. We, ..... Bank Limited further agree with the Buyer that the Buyer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Tender/ Order or to extend time of performance by the said Party from time to time or to postpone for any time or from time to time any of the powers exercisable by the Buyer against the said Party and to forbear or enforce any of the terms and conditions relating to the said Tender/ Order and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Party or for any forbearance, act or omission on the part of the Buyer or any indulgence by the Buyer to the said Party or by any such matter of thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

5. We, ..... Bank Limited lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Buyer in writing.

6. Notwithstanding anything contained hereinabove, the liability of the Guarantor under this Guarantee is restricted to Rs. .... (Rupees .....) and that this Guarantee shall remain in force until its expiry on the ..... (date), unless a suit or action to enforce a claim under this Guarantee is made against the Guarantor within six months from the aforesaid date of expiry, all the rights of the beneficiary under the said Guarantee shall be forfeited and the Guarantee shall be released and discharged from all liabilities thereof.

For  
..... Bank Limited.

Dated the ..... day of .....  
20.....



**FORM NO.**  
**QS/ 03/ 0097**

**FORMAT OF BANK GUARANTEE TOWARDS COLLECTION OF RAW MATERIALS FOR PERFORMING THE CONTRACTED JOB.**

This Deed of Guarantee made this ..... day of .....20..... from ..... (Bank) ..... (address) (hereinafter called the Bank) which expression shall mean unless excluded by or repugnant to the context be deemed to include its successors in office and assigns of one part and the GARDEN REACH SHIPBUILDERS & ENGINEERS LTD. having their Head Office at 43/ 46, GARDEN REACH ROAD, KOLKATA – 700 024. (hereinafter called “The Buyers”) which expression shall mean unless excluded by or repugnant to the context be deemed to include their successors in office and assigns of the other part.

Whereas

(1) Messrs ..... having its office at ..... (hereinafter called “The sellers”) have accepted an order bearing No. .... dated .....from the Buyers to manufacture and deliver fabricated / manufactured items out of the Raw Materials supplied by the Buyers.

(2) It is one of the terms for submission of the said order that the Sellers shall deposit with the Buyers a sum of Rs. .... (Rupees .....) as Bank Guarantee by a scheduled Bank in India duly approved by the Buyers.

(3) The Sellers have offered to furnish Guarantee by the Bank and the Buyers have approved the same.

(4) NOW THIS INDENTURE WITNESSETH that in consideration of the premises the Bank hereby unequivocally undertake and agree with Buyers to pay to the Buyers upon demand in writing whenever required so by them so to do and within a fortnight from the date of such demand sum or sums not exceeding in the whole of Rs

.....(Rupees.....  
.....)

as may become payable to the Buyers by the Sellers by virtue of or arising out of the terms and conditions and it is hereby expressly stipulated and agreed that if any



question arises as to whether any sum has become payable by the Sellers to the Buyers by virtue of or arising out of the said order the decision of the Managing Director of the Buyers shall be final and conclusive.

And this Indenture also witnessed that the Guarantee herein contained shall not be revocable by notice or by reason of dissolution or winding up of the business of the Sellers and the liability of the Bank under these presents, shall not be impaired in any way by any extension of times on variation or alternation made, given, conceded in the condition of the said order or any other indulgence given by the Buyers or by reason of any failure on the part of the Buyers to enforce any of their remedies against the Sellers and/ or by reason of failure on the part of the Buyers to observe or perform any of the stipulations contained in the said order and to be observed or performed by the Seller or by any other dealings between the Buyers and the

Sellers whether any of the above takes place with or without the knowledge of the Bank and that the Guarantee herein contained shall remain in full force until all claims and demands of the Buyers arising out of or in connection with the said order have been fully paid and satisfied.

Provided always and it is hereby agreed by and between the Parties that the Bank's liability under the Guarantee shall remain in full force for a period of ..... months from this date and is limited to a sum of Rs..... (Rupees .....).

NOTWITHSTANDING anything contained herein before, our liability under this Guarantee is restricted to Rs. .... (Rupees .....) our Guarantee shall remain in full force until .....20..... and unless a claim in writing is presented to us and if unpaid a suit or action to enforce such claim filed against us within six months from that date i.e. within ..... all rights under this Guarantee shall be forfeited and we shall be released and discharged from all liabilities thereunder.

(S E A L)

- NOTE:** (a) All correction in the Guarantee should bear mark of the Bank Seal and duly certified by the authorized signatory of the Bank.
- (b) No handwritten stipulation will be accepted unless certified by the authorized signatory of the Bank.



**FORMAT FOR ADVANCE PAYMENT GUARANTEE**

To  
Garden Reach Shipbuilders & Engineers Limited,  
43/46, Garden Reach Road,  
Kolkata - 700 024.

Dear Sirs,

In consideration of the Garden Reach Shipbuilders & Engineers Limited (hereinafter referred to as the "Buyer" which expression shall unless excluded by or repugnant to the context or meaning thereof, include its successors administrators and assigns) having issued to ..... (Name of the seller) with its Registered / Head Office at ..... (hereinafter referred to as the "Seller" which expression shall unless excluded by or repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) an order bearing Purchase Order No. .... dated ..... and the same having been unequivocally accepted by the seller resulting into a Contract between the buyer and the seller for supply of ....., more fully described in the said Purchase Order and the buyer in terms of one of the provisions of the said Purchase Order having agreed to make an advance payment to the seller for performance of the above Contract amounting to Rs. .... (amount in figures) (Rupees ..... Only) as an Advance against submission of a Bank Guarantee by the seller for equivalent amount.

We, ..... (Name of the Bank and its branch) having its Head Office at ..... (hereinafter referred to as the "Bank" which expression shall unless excluded by or repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay to the buyer merely on demand any and all monies payable by the seller to the extent of Rs. .... (amount in figures) (Rupees ..... Only) as aforesaid at any time up to ..... without any demur, reservation, contest, recourse or protest and / or without any reference to the seller. Any such demand made by the buyer on the Bank shall be conclusive and binding notwithstanding any difference between the buyer and the seller or any difference or dispute pending before any Court, Tribunal, arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during the currency without previous consent of the buyer and further agrees that the guarantee herein contained shall continue to be enforceable till the buyer discharges this guarantee.

The buyer shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to vary the advance or to







**PERFORMANCE BANK GUARANTEE TOWARDS SATISFACTORY PERFORMANCE**

THIS DEED OF GUARANTEE made this..... day of.....

BETWEEN.....  
..... (hereinafter called "THE BANK") which expression shall unless excluded by or repugnant to the context be deemed to include its successors in Office and assigns of the ONE Part and GARDEN REACH SHIPBUILDERS AND ENGINEERS LIMITED, having their Head Office at 43/ 46, GARDEN REACH ROAD, KOLKATA – 700 024 (hereinafter called "THE BUYERS") which expression shall unless excluded by or repugnant to the context be deemed to include their successors in office and assigns of the other part.

WHEREAS, ..... Messrs  
..... having its  
registered ..... office at  
..... (hereinafter  
called "THE SELLER") have accepted an Order No.  
..... for supply of  
..... from the Buyer to manufacture and  
deliver the same to Buyer in good condition.

AND WHEREAS it is one of the terms of the said order that the Seller shall furnish to the Buyer a Bank Guarantee comprising .....% of the value of the order amounting to Rs..... (Rupees .....) only for the satisfactory performance of the equipments supplied against the said order at least for a period of ..... from the date of supply i.e. from  
.....  
.....

AND WHEREAS the Buyer has agreed to accept such Bank Guarantee.



NOW THIS INDENTURE WITNESSETH THAT in consideration of the premise the Bank hereby unequivocally undertakes and agrees with the Buyer to pay to the Buyer upon demand in writing whenever required so by them to do and within a fortnight from the date of such demand sum or sums not exceeding in the whole of Rs..... (Rupees ..... only as may become payable to the Buyer by the seller by virtue of or arising out of the Terms and Conditions of the said order.

Provided it is hereby expressly stipulated and agreed that if any question arises as to whether any sum has become payable by the seller to buyer by virtue of or arising out of the said order, the decision of the Buyer will be final and conclusive and the Guarantee herein contained shall not be revocable by notice or by reason of dissolution or winding up of the business of the seller or any change in the constitution or composition of the Seller's business and the liability of the Bank under this presents shall not be impaired in any way by any extension of time or variation or alteration made given conceded in the conditions of the said order or any other indulgence given by the buyer or by reasons of any failure on the part of the Buyer to enforce any of their remedies against the Sellers and/ or by reasons of failure on the part of the Buyer to observe or perform any of the stipulation contained in the said order and to be observed or performed by the Sellers or by any other dealings between the Buyer and the Seller whether any of the above takes place with or without the knowledge of the Bank and that the Guarantee herein contained shall remain in full force and virtue only. All claims and demands of the Buyer arising out of or in connection with the said order have been fully paid and satisfied PROVIDED ALWAYS AND IT IS HEREBY AGREED BETWEEN THE PARTIES THAT a Bank's liability under this Indenture shall remain in full force from the date of issue of the Guarantee till ..... and is limited to a sum of Rs. .... (Rupees ..... only.

NOTWITHSTANDING anything stated above our liability under the Guarantee is restricted to Rs. .... (Rupees ..... only. Our Guarantee shall remain in force up to ..... and unless a claim or demand in writing is made on the Bank within 6 months from the date of expiry of the Bank Guarantee the Bank shall be released and discharged from all liabilities thereunder.

S E A L

Of the bank

Date : .....



**INDEMNITY BOND FOR COLLECTION OF RAW MATERIAL/ FINISHED GOODS**

**PURCHASE ORDER NO. ....**

**DT..... OF GARDEN REACH SHIPBUILDERS & ENGINEERS LTD.**

THIS BOND OF INDEMNITY made this ..... day of ..... by the M/s....., having its office and place of business situated at ....., hereinafter referred to as the 'CONTRACTOR', which expression shall unless excluded by or repugnant to the context be deemed to include all its successors in interest and assigns where the context shall so permit, in favour of Garden Reach Shipbuilders & Engineers Ltd, a Govt. Company incorporated under the companies Act, 1956, having its registered office at 43/ 46, Garden Reach Road, Kolkata – 700 024, hereinafter referred to as the 'PRINCIPAL' which expression shall unless excluded by or repugnant to the context be deemed to include all its successors in interest and assigns where the context shall so permit.

WHEREAS the contractor has entered into a contract with the principal bearing purchase order no. .... Dt. .... for ..... hereinafter referred to as the contract.

AND WHEREAS in accordance with the provisions of the said contract, the principal will supply and the contractor will take into its possession and/ or custody necessary Process material, raw material/ finished goods worth of Rs. .... (Rupees .....only) (hereinafter referred to as the 'GOODS') for the performance of the said contracted job.

AND WHEREAS the contractor shall be fully responsible for the safe custody of the said goods while the same will be in their possession for performance of the contracted job and for returning the same to the principal on completion of the contracted job in acceptable condition upon the inspection by the concerned inspection authority of the principal as specified in the aforesaid contract.

AND WHEREAS it is one of the provisions of the said contract that the contractor shall execute an indemnity bond amounting to Rs. .... (Rupees ..... only) in favour of the principal duly indemnifying the principal of from and against any or all losses and damages which the principal may suffer for non-return of the said goods in acceptable condition by the contractor for any reason whatsoever or on any ground whatsoever.



AND WHEREAS it is also one of the terms of the said contract that the principal shall obtain a comprehensive policy of insurance in the name of the principal for an amount equivalent to the value of the goods against loss, partial loss, damage, partial damage and/ or deterioration partial deterioration of the goods due to happening of any or all of the contingencies while the goods are in the custody of the contractor, like Risk of Fire, Riot, Strike, Burglary, Theft, Transit loss including Fidelity guarantee of the contractor during storage of the goods at the premises /

workshop of the contractor and/ or during the operational process i.e. deviation from the specified design/ drawing and/ or other specification and/ or standard causing rejection of the finished/converted goods by the inspection authority of the principal. Cost of premium arisen out of insurance coverage will be recovered from the contractor’s bill by the principal and the contractor has agreed for the same.

AND WHEREAS the contractor has agreed to execute a bond of indemnity in favour of the principal indemnifying the principal of from and against any loss and damage which the said principal may suffer or be put to suffer for non-return of the said goods in acceptable condition by the contractor for any reason or ground whatsoever.

NOW THESE PRESENTS WITNESSES that in pursuance of the said contract and in consideration of the goods being supplied and delivered to the contractor for the said contracted job and in pursuance of the said contractor taking possession of the said goods in its faithful custody, the contractor hereby covenant and promise with the principal that they, the contractor, is responsible for the safe custody of the said goods until delivery of the same back to the principal in acceptable condition upon due inspection by the inspection authority of the of the principal, after performance of the contracted job and that the contractor shall and will keep the principal harmless and indemnified of from and against any or all losses, damages, costs, charges and expenses which the said principal may suffer, incur or be put to suffer, incur by reason of non-returning of the said goods by the contractor to the principal after performing the contracted job, for any reason or ground whatsoever and that the quantum of such loss or damage including consequential loss, if any, to be fixed by the principal shall be final, conclusive and binding upon the contractor and the contractor shall pay the said amount merely on a demand in writing from the principal within a fortnight from the date of the said demand.

In witness whereof, the contractor has executed these presents on the day month and year first above written.

**Signed, Sealed and delivered**

**By the** .....

**Through it’s** .....

**(SIGNATURE)**

**(Designation)**



**In the presence of Signature**

**Name** :

**Address** :

**Note:** The Indemnity Bond has to be executed by the Managing Director/ CEO/ Official with ‘Power of Attorney” of the PSU/ Limited Company affixing common seal.

If common seal is not applicable in case of other classes of firms, Indemnity Bond should be affixed with valid seal of the firm, legally enforceable and to be executed by the Partner/ Proprietor/ official having requisite “Power of Attorney”.



**NON – DISCLOSURE AGREEMENT**

This Non-Disclosure Agreement executed this .....Day of .....2019.

**Between**

GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED, a company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at 43/46, Garden Reach Road, Kolkata – 700024, hereinafter referred to as “GRSE” (which expression shall unless excluded by or repugnant to the subject or context be deemed to mean and include its successors-in-interest, administrators and assigns) of the FIRST PART.

**AND**

M/s \_\_\_\_\_ (with full address)., (which expression shall unless excluded by or repugnant to the subject or context be deemed to mean and include its successors-in –interest, administrators and assigns) of the SECOND PART.

**WHEREAS**

For purpose of this Agreement, GRSE that discloses confidential information is herein after referred to as the “Disclosing Party” and M/s \_\_\_\_\_., that receives and or accesses confidential information here under is herein after referred to as ‘Recipient’

**WHEREAS** \_\_\_\_\_ being considered inter alia for the purpose of \_\_\_\_\_ work and as such some of the drawings/documents in connection with \_\_\_\_\_ are required to be disclosed which shall be treated as confidential and the said \_\_\_\_\_., shall not disclose or part with such drawings/documents to any other third party, without prior written consent from GRSE.

**AND WHEREAS** the said M/s \_\_\_\_\_., is obliged to execute an undertaking in the form of “Non-Disclosure Agreement” on handing over of GRSE and/or Designated Buyer owned data drawings/ documents and also confidential/proprietary drawings or technical information of any other party, as the case may be, to them by GRSE, duly promising and/or undertaking to keep and treat such data, drawings/documents as strictly ‘confidential’.

**NOW THEREFORE** both GRSE and M/s \_\_\_\_\_., do hereby agree as follows in the premises aforesaid:-

1. In the Premises aforesaid it is agreed as follows :



- a) During the pre-bid discussion and subsequent agreement between the parties herein, if any, for execution of the job and also for a period of 10 years from the date of Expiry and/or foreclosure and/or termination of the said agreement, M/s \_\_\_\_\_, the recipient, undertakes that the data, drawings/ documents so received in any form whatsoever shall be:
- i) Protected and kept as strictly confidential by them.
  - ii) Disclosed to and used only by the persons within the organization of M/s \_\_\_\_\_, who have a need to know solely for the purpose of pre-bid meeting and for execution of the work if awarded by GRSE subsequently subject to their taking due care and protection of the system and data.
  - iii) Used in whole or in part solely for the purpose of pre-bid meeting and for execution of the work if awarded by GRSE subsequently in the manner as ordered by GRSE or to be ordered from time to time exclusively and shall not be exploited for any other purpose or customers.
  - iv) Neither disclosed nor cause to be disclosed directly or indirectly to any third party.
  - v) Neither be copied nor otherwise be reproduced, in whole or in part without prior express consent from GRSE.
  - vi) Returned to GRSE forthwith on demand at any point of time and upon immediate foreclosure /expiry of the contract if subsequently entered .
2. Nothing in this agreement or the disclosure of the information or data or systems, to be intended to be granted or shall be construed as granting to M/s \_\_\_\_\_, any rights, title , interest or license other than the right to use such data, drawings/documents etc for the purpose of pre-bid meeting and for the execution of the contract/job if subsequently awarded by GRSE and shall not be exploited for any other purpose or customers and the property in all the information/data/ drawings or documents disclosed by GRSE to M/s \_\_\_\_\_. In this regard for the purpose of pre-bid meeting or for execution of job if any, to be subsequently awarded by GRSE shall, subject to the rights of the owner, rest with GRSE.
3. Neither party shall resort to any publicity or advertising in respect of this agreement or the subject matter thereof and the subject matter of PO and/ or any Agreement, if any, to be entered into subsequently.



4. M/s \_\_\_\_\_. shall not make any copies or duplicate in anyway in whole or part any information without the prior written consent of GRSE and where such copies or reproductions are permitted in accordance with this clause, M/s \_\_\_\_\_. shall treat them strictly confidential in accordance with the provisions of this agreement and comply with the instructions of GRSE with regard to the protection and disposal of them.
5. Expiry, foreclosure or termination of the PO or any or all of the subsequent agreements entered into by GRSE and the said M/s \_\_\_\_\_, if any, in pursuance of the pre-bid discussion, shall not relieve M/s \_\_\_\_\_ of their obligations under these presents which shall be effective and remain effective and in full force, for a period of 10 years from the date of such expiry/foreclosure/termination.
6. In the event of expiry, foreclosure or termination, M/s \_\_\_\_\_. shall forthwith return to GRSE, all data and drawings/documents as received by them during tenure of the PO and/or subsequent agreements.
7. Neither party shall assign any PO and / or any Agreement, if any, to be subsequently entered into, without the written consent of the other and should there be any re-organization, merger, take over or the like, its successor-in-interest shall be bound by the conditions of this Agreement.
8. Failure to enforce any provision of this agreement and/or failure to initiate timely action, will not construe to be waiver and GRSE shall be freely entitled to enforce the provisions of this agreement at any appropriate time thereafter.
9. M/s \_\_\_\_\_. shall indemnify and hold harmless GRSE from and against any action, claim or proceeding and any loss, damage, costs, expenses or liabilities arising out of such action, claim or proceedings, brought by any third party pursuant to any unauthorized disclosure or use of any data/document/drawings/ information by M/s \_\_\_\_\_, or by any person for whom M/s \_\_\_\_\_, is responsible under this agreement, or pursuant to any breach of any undertaking, warranty or representation contained in this Agreement.
10. This agreement shall be governed under the Indian Laws and the Courts in the city of Kolkata shall have exclusive jurisdiction to try determine and adjudicate any disputes arising between the parties in relation to this agreement.





11. GRSE' standard arbitration clause as contained in Annexure – I shall apply to this agreement for resolution of disputes between the parties.

IN WITNESS WHERE OF the parties have hereunto set and subscribed their respective hands and seals on the day, month and year first above written.

<b>FOR GARDEN REACH SHIPBUILDERS &amp; ENGINEERS LTD</b>	FOR M/s _____.,
Signature:	Signature:
Name:	Name:
Address:	Address:

<b>WITNESS 1</b>	<b>WITNESS 2</b>
Signature:	Signature:
Name:	Name:
Address:	Address:



**FORMAT FOR PRESS INSERTION**

**E-TENDER NOTICE FOR ONLINE BIDDING**

**NIT NO. SCC/KT/OT(PRESS)/Lagging & Lining/070/N.ET-1767**  
**SUB: Biennial Rate Contract for Lagging & Lining work of Steel Hull**  
**Compartments onboard ship for ongoing projects at GRSE**

**Due date: 21 days from date of publication**

1. Details will be available in e-tendering portal [www.grse.nic.in/etender](http://www.grse.nic.in/etender) and websites <http://www.grse.nic.in/tenderhome.php> & <http://eprocure.gov.in/cppp/>
2. Any addendum/corrigendum to this tender enquiry will be published in above websites only.



**APPENDIX - VIII**

**Format for Single Vendor Nomination**

1. Item description :
2. PR No. & Date :
3. Approx./Estimated /Sanctioned value :
4. Name & Address of the single vendor :
5. Reason /justification for single vendor Procurement :

Proposed by \_\_\_\_\_  
Designation  
Indenting Dept.

Approved by: \_\_\_\_\_  
Designation

Note:

- i) For value less than Rs. 25.00 lakhs, approval may be obtained from: CGM/GM.
- ii) For value more than Rs. 25.00 lakhs, approval may be obtained from: Director.



**APPENDIX - VIII**

GM (MW/FOJ/RBD)'s Office

**Date:**

**SUB: FORWARDING TNC MOM FOR :**

**REF: GRSE NIT / Enquiry No. :**

The signed TNC MOM is hereby forwarded for your doing the needful please.

**Distribution:**

1. MW/FOJ/RBD(OFFICE)
2. GM(CC&VD)(Main) - In original

**Copy to: WOT/CGRPT**



Date: \_\_\_\_\_

**RECOMMENDATION**

**TNC MEETING HELD ON DATE \_\_\_\_\_ AT \_\_\_\_\_ HRS AT THE CONFERENCE**

**ROOM OF GM (MAIN/RBD/FOJ), GRSE, MAIN/RBD/FOJ Unit**

**FOR \_\_\_\_\_**

**REF: GRSE NIT / ENQUIRY NO. .**

**GRSE Reps:**  
**recommendation**

**1.**

**2.**

**3.**

**Signature of firm's reps for**  
**Intimation of above**

**1.**

**2.**

**3.**



RECORD NOTES OF DISCUSSION DURING TNC MEETING HELD ON \_\_\_\_\_ AT  
\_\_\_\_\_ HRS AT THE CONFERENCE ROOM OF AGM (FOJ), GRSE, FOJ  
FOR \_\_\_\_\_

REF: GRSE NIT / ENQUIRY NO. \_\_\_\_\_

**MEMBERS PRESENT**

<b><u>FIRM's REP.</u></b>	<b><u>GRSE REP.</u></b>	<b><u>WOT REP.</u></b>
1. _____	1. _____	1. _____
2. _____	2. _____	
3. _____	3. _____	

**MEMBERS ABSENT:**

1. \_\_\_\_\_  
2. \_\_\_\_\_



**DESCRIPTION**

**REMARKS**

**A. SCOPE OF WORK:**

**ACCEPTED**

As per SOR attached to **GRSE NIT / ENQUIRY NO.** \_\_\_\_\_

**B. CONTRACTO'S SCOPE OF WORK:**

**ACCEPTED**

As per SOR attached to **GRSE NIT / ENQUIRY NO.** \_\_\_\_\_

**C. QUANTUM OF WORK:**

**ACCEPTED**

As per SOR attached to **GRSE NIT / ENQUIRY NO.** \_\_\_\_\_

**D. INSPECTION: GRSE (QA); WOT (K)**

**ACCEPTED**

As per SOR attached to **GRSE NIT / ENQUIRY NO.** \_\_\_\_\_

**E. SPECIAL POINT**

**ACCEPTED**

All points covered in **GRSE NIT / ENQUIRY NO.** \_\_\_\_\_

**DTD** \_\_\_\_\_ and in all annex and SOR enclosed with it are to be followed.

**F. ANY OTHER POINT IF REQUIRED**

**Signature of GRSE Rep:**

**Signature of Vendor Rep:**



**PREVIOUS EXPERIENCE OF THE VENDORS**

<b>SL. NO.</b>	<b>NAME OF THE VENDOR</b>	<b>PREVIOUS EXPERIENCE</b>	<b>REMARKS</b>
1.			
2.			





**RECOMMENDATION / APPROVAL FOR PERMITTING VENDORS TO SUBMIT  
REVISED PRICE BID DUE TO MINOR CHANGE IN SCOPE OF WORK**

1. Construction : **GRSE Yard No.:**
2. Equipment / System :
3. Vendors : (a)  
(b)  
(c)  
(d)  
(e)  
(f)  
(g)
4. Technical Offers : (a)  
  
(b)  
  
(c)  
  
(d)  
  
(e)  
  
(f)  
  
(g)



5. TNC Date :

6. Reason sited against submission of revised price bid. :

7. Recommendation / Comment : .

8. : **Submitted for consideration**

**TNC- Chairman**  
**Signature, Name & date**

**T.C Chairman**



**Format for conduct of CNC meeting before conclusion of TNC meeting**

Ref:

Date:

M/s. ....

.....

Sub: **Initiating Commercial Negotiation**

**Equipment/Item .....**

Ref: i) GRSE TE/RFQ No..... Dated .....

ii) Your Quotation No. .... Dated .....

1. This is for your kind information that imitation of commercial negotiation in the subject case is without prejudice to the outcome of Technical Negotiation.
2. In the event your offer is not technically cleared by TNC and/or non-acceptance of revised price bid, desired if any, arising out of Technical Negotiation; Commercial Negotiation entered into herein will stand void.
3. GRSE reserves the right to ignore this Commercial Negotiation in the event of non-finalization of Minutes of Meeting by TNC.

Thanking you,

Yours faithfully,  
Garden Reach Shipbuilders & Engineers Ltd.,

**Acknowledgement**

We agree with the above.

Signature of Vendor:

Date:

Place:



**SUB :**

**NIT SLA REF. NO.**

**GeM Bid ref. no.:**

**PRESENT**

<b><u>F I R M s</u></b>	<b><u>G R S E Ltd.</u></b>

The following points were discussed and agreed upon by all concerned: -

<b><u>POINTS</u></b>	<b><u>REMARKS/COMMENTS</u></b>
1. Technical Specification/Scope of work/Supply will be as per Tender Enquiry and as per TNC MoM dtd. _____	
2. Offer should be valid for _____ days from the date of opening of Part-I bid i.e. Techno-commercial bid. Under exceptional circumstances GRSE may request for extension of price validity, beyond 90 days against valid reason	
3. Registration status of the Firm as approved Vendor of GRSE to be confirmed. <b>Vendors not registered with GRSE should apply for registration.</b>	
4. PAN No. and GST Registration Certificate submitted. <b>[PAN no., GST no., SAC no. and GST percentage to indicated below]</b>	
5. Request to indicate the GST percentage considered in GeM Price bid. (Requisite document to be attached to substantiate the considered GST %)	
<b>6. DETERMINATION OF L1 BIDDER: -</b>	
<b>7. UNREASONABLE QUOTE:</b>	
<b>8. PRICE: -</b>	
<b>9. QUALITY ASSURANCE AUTHORITY: -</b>	
<b>10. SECURITY DEPOSIT: -</b>	
<b>11. WORK DONE CERTIFICATE (WDC): -</b>	
<b>12. PAYMENT TERMS: -</b>	
<b>13. SUBMISSION OF BILL:</b>	

**Cont..... P/2**



**:: 2::**

<b>POINTS</b>	<b>REMARKS/COMMENTS</b>
<b>14. GUARANTEE&amp; WARRANTY: -</b>	
<b>15. BOQ: -</b>	
<b>16. QUANTITY VARIATION: -</b>	
<b>17. JOB EXECUTION/COMPLETION SCHEDULE: -</b> <b>(A) Mobilization Period: -</b> <b>(B) Job Starting Date: -</b> <b>(C) Job Completion date / Period of Contract: -</b>	
<b>18. JOB EXECUTION: -</b>	
<b>19. LIQUIDATED DAMAGES: -</b>	
<b>20. RISK PURCHASE: -</b>	
<b>21. DAMAGE OF MATERIALS/ EQUIPMENT: -</b>	
<b>22. SECRECY OF INFORMATION: -</b>	
<b>23. ARBITRATION &amp; JURISDICTION: -</b> As per GRSE STAC attached with NIT.	
<b>24. All other terms and conditions as per Tender Enquiry, SOR, STAC, TNC MOM accepted and deviation sought in offer, if any, is withdrawn.</b>	

**FIRMS' REP.**

**i. M/s.** \_\_\_\_\_

PAN no.: \_\_\_\_\_ GST no.: \_\_\_\_\_

SAC no. \_\_\_\_\_ UNIQUE GeM SELLER ID: - \_\_\_\_\_

GST Percentage (%) \_\_\_\_\_

**GRSE REPs.**



**Techno Commercial Evaluation Report**

Department: \_\_\_\_\_

Bid reference Number: \_\_\_\_\_

The above referred tender was published on the GeM /NIC portal on \_\_\_\_\_, and has received \_\_\_\_\_ nos. of bids for “\_\_\_\_\_” and the following bidders are accepted / rejected \_

Sl. No.	Bidder's Name	Status
1		
2		
3		

The price bid will be opened on \_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_  
Signatory Authority



**Price bid Opening Checklist**

***Equipment/Item :***

**Tender Reference:**

- |  |           |
|--|-----------|
| a) No of vendors to whom T/E sent  | .....Nos. |
| b) Response received from vendors  | .....Nos. |
| c) No. of Technically accepted offers                                    | .....Nos. |
| d) No. of Technically & Commercially accepted offers                     | ..... Nos |
| e) IA/Finance Rep and customer rep. (where applicable) present           | YES /NO   |
| f) CVO informed well in time regarding event<br>(for TC II & above)      | YES /NO   |
| g) All authorized representatives of vendors (unless absent) are present | YES/ NO   |
| h) Estimated price received from Design/Indenter available               | YES/ NO   |
| i) Approval of TC Chairman obtained in case of revised bid acceptance.   | YES/ NO   |
| j) Certificate prior to Price Bid opening from vendor(s) obtained.       |           |

-----  
TC member of Commercial Dept.

Date :  
Time :







		आपूर्तिकर्ता Supplier	पिछला निष्पादन Previous Performance			निम्नतम Lowest प्रस्ताव Offer	भुगतान की शर्त Payment Terms
		बिद्यमान Existing	नया New	उत्कृष्ट Outstanding	सामान्य Average	निर्धारण करना Yet to Assess	PROFORMA CREDIT L.C./THROUGH BANK
की As on		निरीक्षण/Inspection at GRSE/ Vendor's Premises		मूल्य की शर्त /Terms of price Ex works / FOR GRSE		हाँ/नहीं Yes / No.	
स्टॉक Stock	अभ्युक्तियाँ REMARKS						
उपभोग Consumption							
कोड सं Code No.							
कोड सं Code No.	प्रस्तावित आदेश ORDER PROPOSED ON			कर, उत्पाद शुल्क ईत्यादि समेत क्रय आदेश का मूल्य Value of Purchase Order inclusive of Tax E. Duty etc. रू. Rs. ....+ <b>Service Tax</b>		कर/उत्पाद शुल्क ईत्यादि समेत संशोधित आदेश मूल्य Amended Order Value inclusive of Tax / E. Duty etc. रू. Rs.....	
प्रारंभक INITIATOR	सहायक प्रबन्धक (सं) Asstt. Manager (Contract)		उप प्रबन्धक (सं) Dy. Manager (Contract)		प्रबन्धक Manager (Contract)	वरिष्ठ प्रबन्धक (सं)Sr. Manager (Contract)	
निविदा मक्रान्त सं TENDER COMMITTEE No.	उप/अपर महा प्रबन्धक DGM (Contract)	व. प्रबन्धक (वि-वि सहमति) SM(F-FC)	महा प्रबन्धक (योजना) GM(PLG)				

**Proposal No Main/Contract/...../...../PP - ..... Date**  
**.....Dept. Sub Contract Cell**  
**C. C. 232001010800**



**Garden Reach Shipbuilders & Engineers Limited**  
**(A GOVT OF INDIA UNDERTAKING)**  
**43/46 Garden Reach Road, Kolkata - 700024**

Phone. 2469 8100~8113/EXTN

Fax. 2469 2020/8150

**WORK DONE CERTIFICATE**

WDC Ref. No. :

Date :

Work Title :

P.O. Ref. No. & Dated :

Work Done By :

Job Location / Yard No. :

Schedule Date of Starting :

Schedule Completion :

Actual Date of Starting :

Actual Date of Completion :

Total delay in job Completion (if applicable) :

Inspection Note Ref. No. ( if applicable):

Sl. No	Item Description	Unit	Measurement	Quantity
<b>Total Quantity</b>				

\_\_\_\_\_  
(Signature of authorised Rep. of Vendor)

\_\_\_\_\_  
(Signature of GRSE Rep.)

Name of Rep. : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Shop No : \_\_\_\_\_



	<p><b>Garden Reach Shipbuilders &amp; Engineers Limited</b>  <b>(A GOVT OF INDIA UNDERTAKING)</b>  <b><u>43/46 Garden Reach Road, Kolkata - 700024</u></b></p>
--	--

Address may change GRSE Unit wise as applicable

CIN: L35111WB1934GOI007891

Website: [www.grse.in](http://www.grse.in)

Certificate Ref.:

Date:

**JOB COMPLETION CERTIFICATE**

<b>Name of Vendor:</b>	
<b>Purchase Order no. &amp; Date:</b>	
<b>Job Description:</b>	
<b>Location of Work:</b>	
<b>Job start date:</b>	
<b>Final job completion date:</b>	
<b>Final total executed value (incl. of all taxes):</b>	

1. This is to certify that the Job as per above referred purchase order has been completed in all respect on the date mentioned above i.e. on \_\_\_\_\_ (date) by M/s.\_\_\_\_\_.

2. Guarantee /defect liability period:

Start Date: \_\_\_\_\_

End Date: \_\_\_\_\_

(Will be applicable as per PO terms)

Signature and Date (.....)  
(GRSE AUTHORISED REPRESENTATIVE)

NAME :

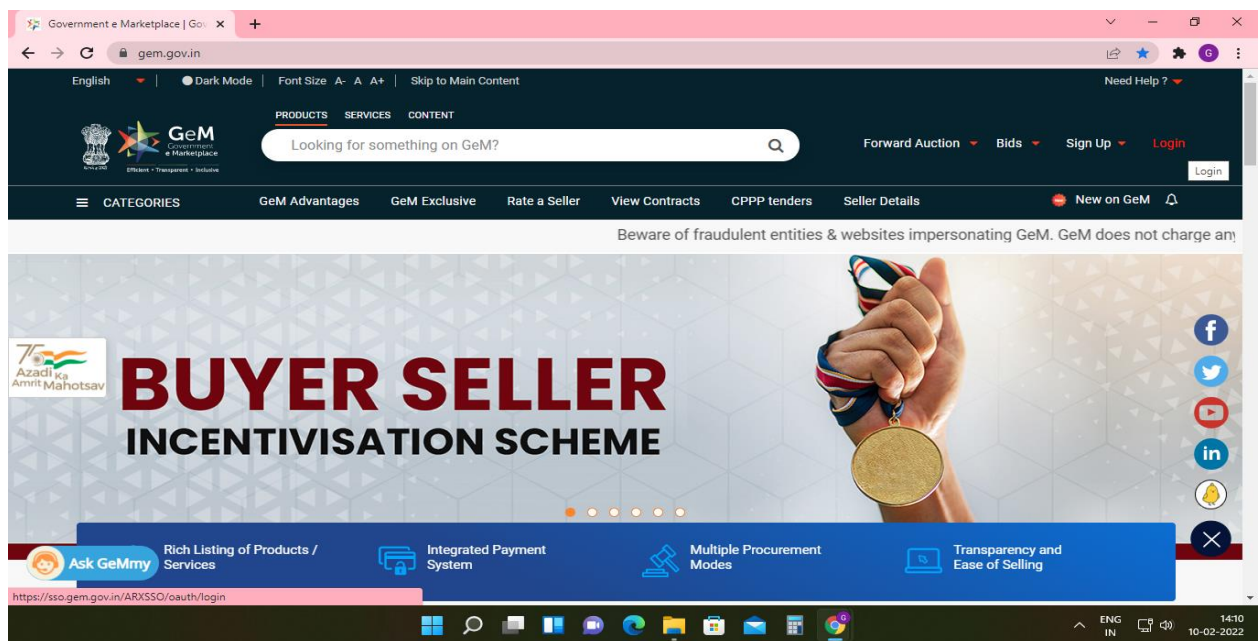
DESIGNATION :

OFFICIAL SEAL :

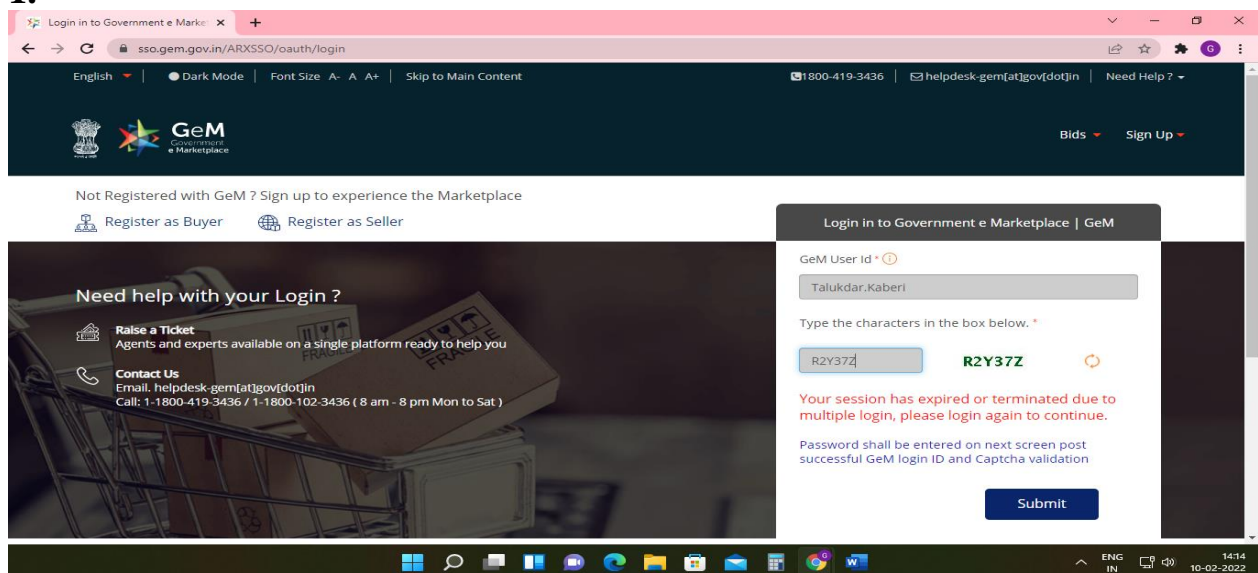
## GeM Process Flow

1. GeM Availability Report Generation
2. Tender Process through Custom Bid

### GeM Login

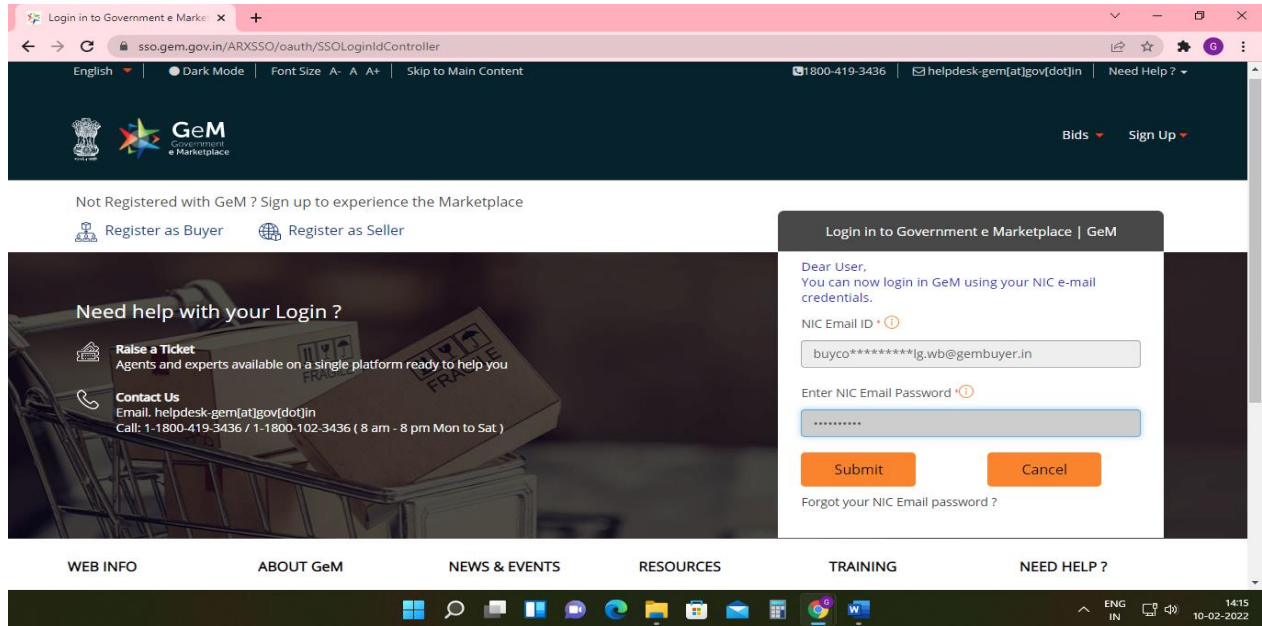


### 1.



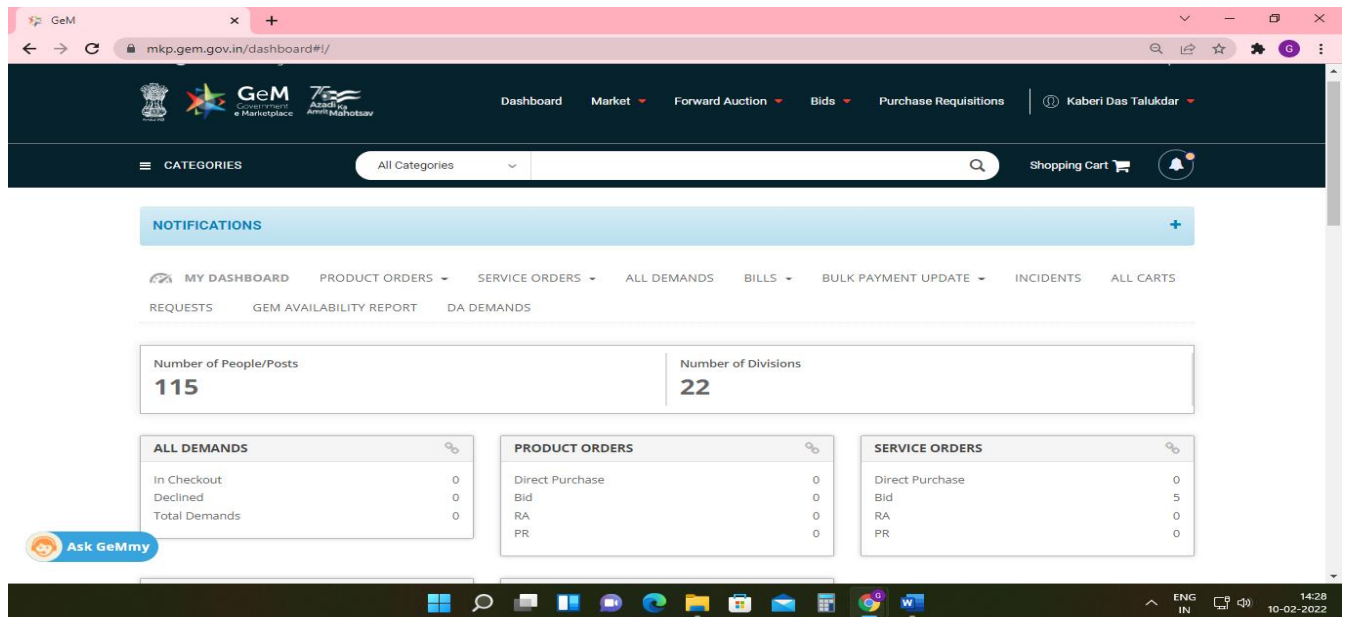


2.



Steps to GeM Availability Report Generation

1. Go to Dashboard ----- GEM AVAILABILITY REPORT -----  
CREATE MANUAL REPORT ----- ADD MORE ----- SERVICE---





## 2. Provide “NAME OF SERVICE “as shown below\_

**NOTIFICATIONS**

[Back to index](#)

### GeM Availability Report

Enter your product/service details and keywords to view category suggestions and select categories matching your requirement to generate the GeM Availability Report. You may search for multiple products or/and services to generate a single GeM Availability Report. In case category matching your requirements is not found, you may mark so against the searched product/service and this information will also be added to the generated report.

Please move your cursor to the category suggestions to see the category preview. You may also view the category to see all products/services and category specifications.

Name: 3D MODELING AND 2D SEAT DRAWING GENERATION FOR SHIP YD-3025

PRODUCT/SERVICE	SEARCH	SELECTED CATEGORY	REQUEST ID
Service	3D MODELING AND 2D SEAT DRAWING GENERATION		

[ADD MORE](#)

[Ask GeMmy](#)

14:37 10-02-2022

## 3. CONFIRM NON-AVILABILITY and PROCEED ----- GENERATE REPORT

**Confirm**

Before generating GeMARPTS, I want to upload the specifications of the required product which may be taken up by GeM for new category creation.

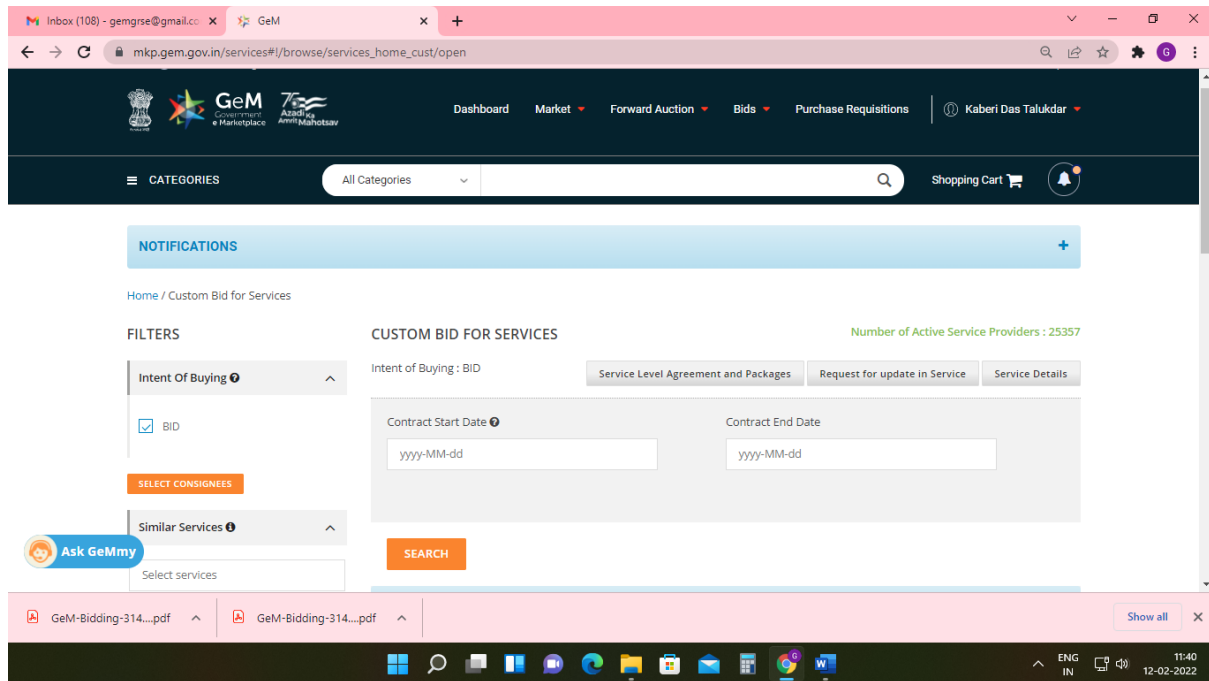
This is a one time requirement hence new category creation is not proposed / or requirement is recurring but request for new category creation will be submitted separately post generation of GeMARPTS.

[PROCEED](#) [CANCEL](#)

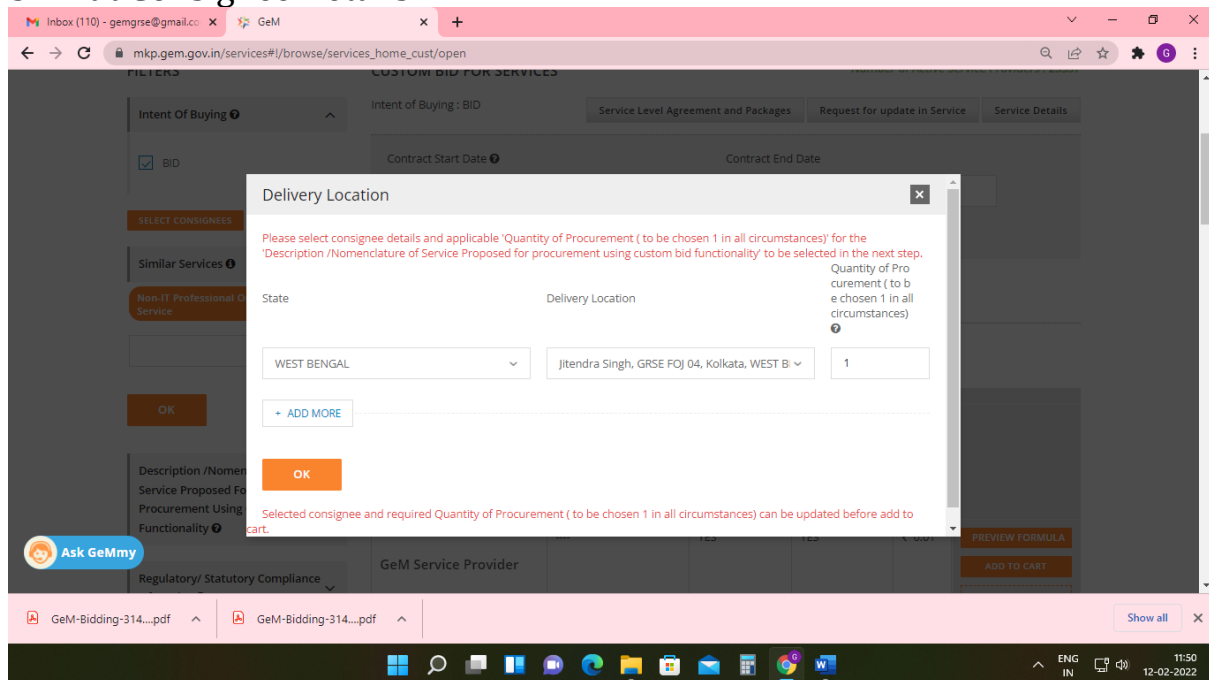
14:44 10-02-2022

### Tender Process through Custom Bid

1. Categories ----- Service ----- Custom Bid for Services
2. Window for Custom Bid appears. Put tick in Bid check box. Put Contract Start & End Date.



### 3. Put Consignee Details





4. Select name of similar service type & Put tick mark in check box\_ as shown in picture below. Put “Description /Name of service” to be tendered. Then add an item to your cart.

The screenshot shows the GeM website interface. On the left, there are three filter sections with checkboxes: 'Procurement Using Custom Bid Functionality' (checked), 'Regulatory/ Statutory Compliance Of Service' (checked), and 'Compliance Of Service To SOW, STC, SLA Etc' (checked). Three black arrows point to these checkboxes. Below the filters is an 'Ask GeMmy' button. The main area displays a table of services:

Seller	Description /Nomenclature Of Service Proposed For Procurement Using Custom Bid Functionality	Regulatory/ Statutory Compliance Of Service	Compliance Of Service To SOW, STC, SLA Etc	Total Value	
GeM Service Provider	---	YES	YES	₹ 0.01	<a href="#">PREVIEW FORMULA</a> <a href="#">ADD TO CART</a> Report This Offer
GeM Service Provider	---	YES	YES	₹ 0.05	<a href="#">PREVIEW FORMULA</a> <a href="#">ADD TO CART</a> Report This Offer
GeM Service Provider	---	YES	YES	₹ 0.10	<a href="#">PREVIEW FORMULA</a> <a href="#">ADD TO CART</a> Report This Offer

5. Then “Proceed to check out”

The screenshot shows the GeM website interface during the checkout process. A 'SHOPPING CART - INTENT OF BUYING : BID' window is open, displaying the following details:

- Item: Custom Bid For Services - INSTALLATION OF ROD GEARING ARRANGEMENT OF VALVES AND QUICK CLOSING ARRANGEMENT OF VALVES
- Quantity: 1
- Item Added On: 12.02.2022
- Contract Details: Duration: 365 Days, Start Date: Fri, 01 Apr 2022

Buttons for 'VIEW ALL CART' and 'PROCEED TO CHECKOUT' are visible. The background shows the 'Similar Services' section with a search bar and a table of services.





### 6. Provide Bid Details as shown in the following windows\_

Product Title	Quantity of Procurement ( to be chosen 1 in all circumstances)	Sub Total
Custom Bid for Services - INSTALLATION OF ROD GEARING ARRANGEMENT OF VALVES AND QUICK CLOSING ARRANGEMENT OF VALVES Item Added on 12.02.2022 (10 DAYS LEFT) Contract details: Duration: 365 days Start date: Fri, 01 Apr 2022 End date: Fri, 31 Mar 2023 <a href="#">Delete</a>	1	Price on Demand

### 7.

HOME / CREATE BID

SPECIFICATIONS CONSIGNEES/REPORTING OFFICER DETAILS EMD/EPBG DETAILS SPLITTING T&C VERIFY OTP/ESIGN & PUBLISH

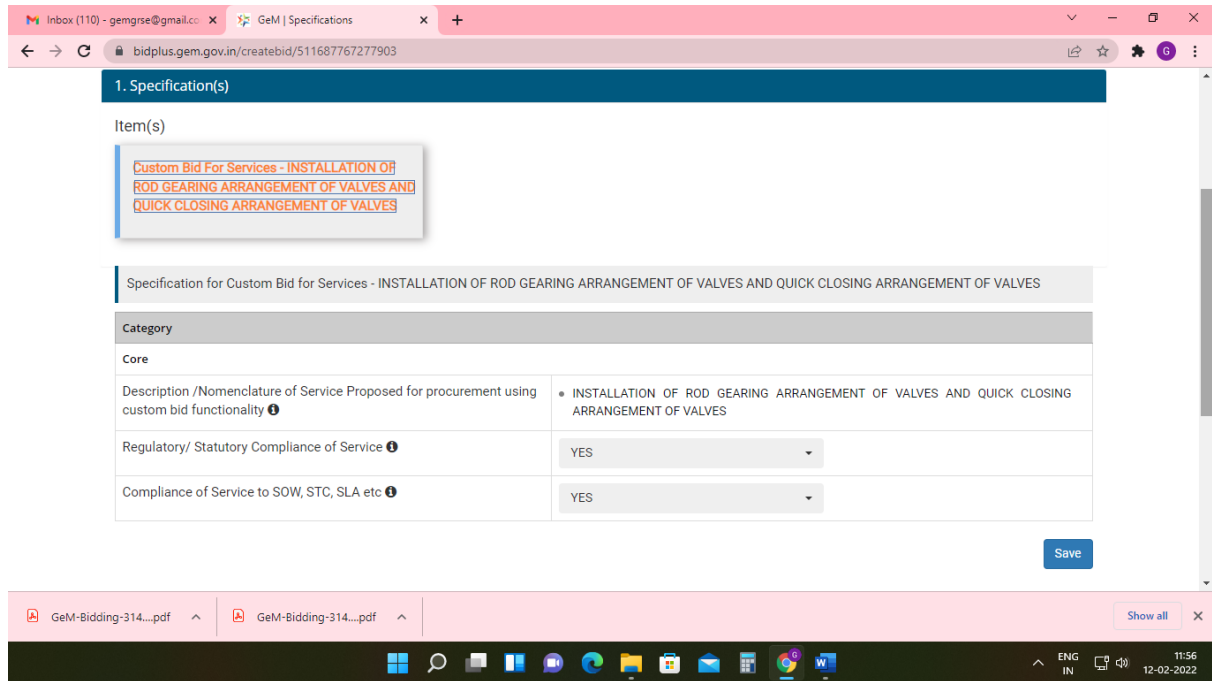
1. Specification(s)

Item(s)

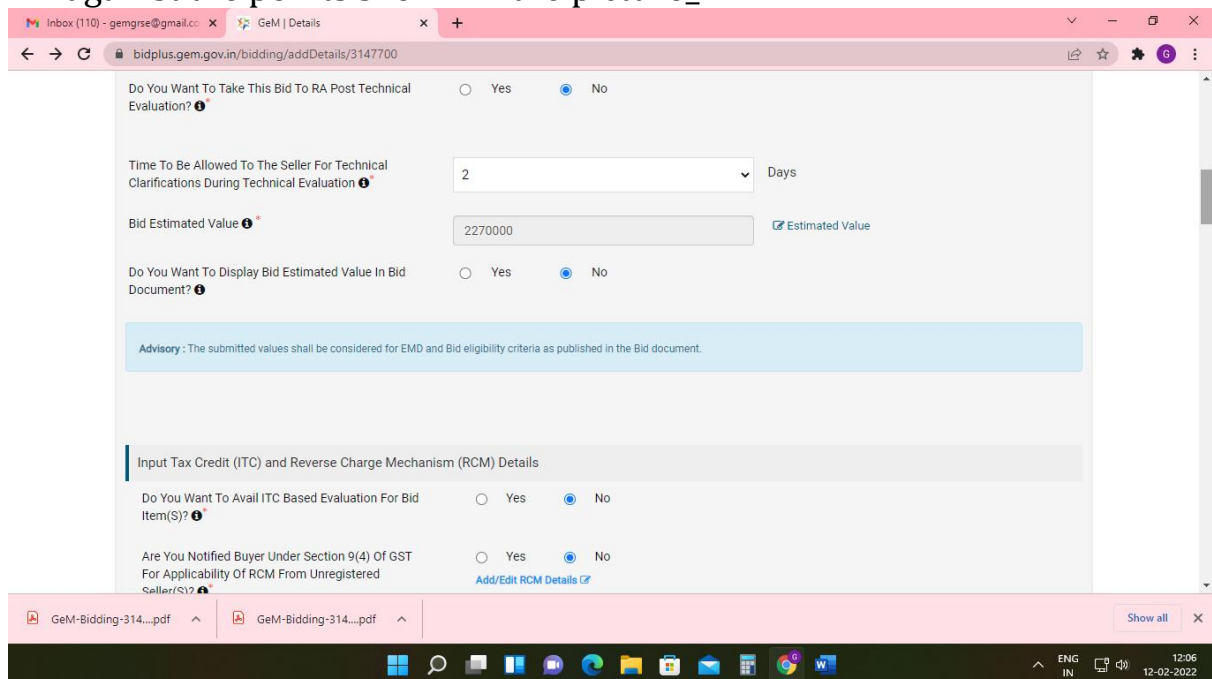
Custom Bid For Services - INSTALLATION OF ROD GEARING ARRANGEMENT OF VALVES AND QUICK CLOSING ARRANGEMENT OF VALVES



### 8. Click "Save"



### 9. Based on requirement of the service being tendered, select options against the points shown in the picture\_





**10.**

**Note :** ITC and RCM are normally required by Buyers who are commercial entities and need to take credit of input tax, other buyers may select NO as the option for ITC and RCM. Only buyer requiring Input Tax Credit and having Registration for RCM need to enter values above, all other buyers can simply proceed and click 'save' without entering any values above.

**Note :** For selection of contract duration, please consider 1 year as 365 days and 1 month as 30 days.

**Contract Duration**

Years*	Months*	Days*
1	0	0

Set Minimum Price For This Bid  Yes  No

**Participant Eligibility Criterion** (To be verified by the buyer at the time of technical evaluation)

Average Annual Turnover (For 3 Years) (In Lakhs)	Years Of Past Experience Required
7	3

Past Experience Of Similar Services  Yes  No

Document Required From Seller  Yes  No

Experience Criteria, Bidder Tu

**11.**

Document Required From Seller  Yes  No

Do You Want To Give Exemption To Verified MSE?  Yes  No

Do You Want To Give Exemption To Verified Startups?  Yes  No

Do You Want To Give Exemption To Verified SHG?  Yes  No

Whether Financial Document Indicating Price Break Up Required?  Yes  No

Please ensure Compliance of DoE OM dated 25.07.2016 in this regard. [\(View Order\)](#)

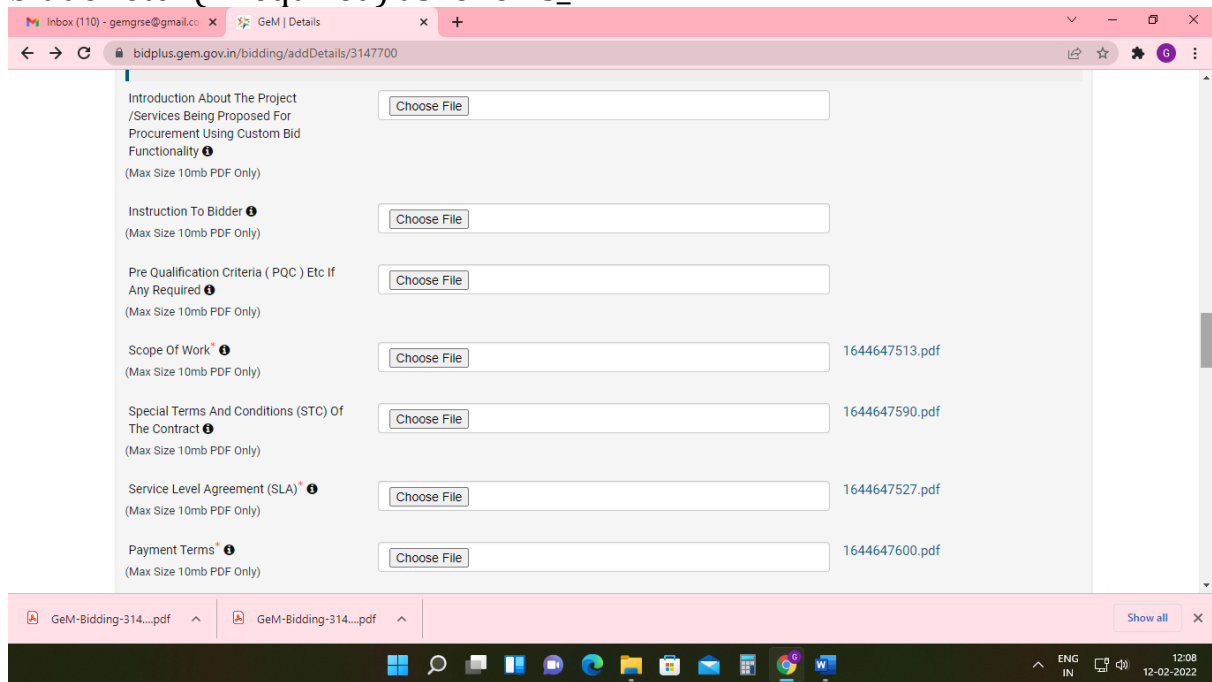
**Additional Qualification/Data Required**

Introduction About The Project /Services Being Proposed For Procurement Using Custom Bid Functionality (Max Size 10mb PDF Only)  Choose File

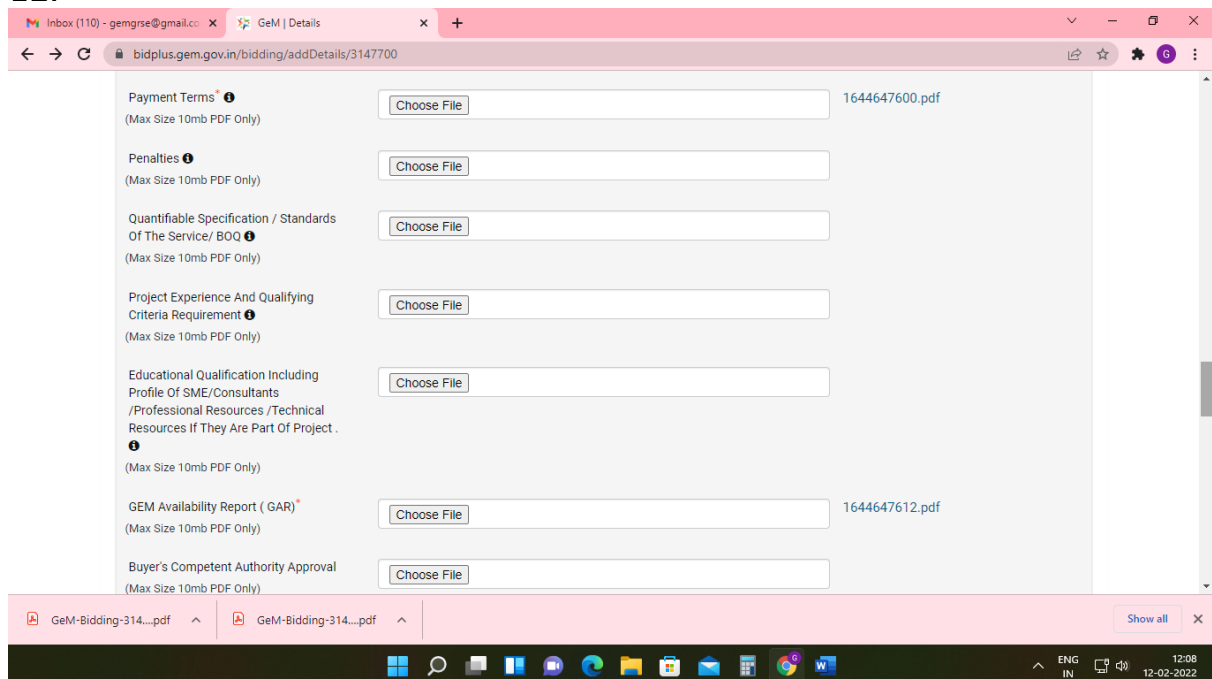
Instruction To Bidder (Max Size 10mb PDF Only)  Choose File



11. Upload pdf files of “SOW, SLA, Payment Term, STC, GAR” (these 05 nos. are star marked as mandatory) and “Introduction, BOQ, Instruction to bidder etc.”(if required) as follows\_



12.





### 13. Now select the options against the following points based on your tender requirement and “Save”\_

**Advisory :** As per GFR 2017, QCBS as method of evaluation should be used for procuring Consulting Services. However, as per the recent OM No. F.1/1/2021-PPD Dated 29th October, 2021 issued by Department of Expenditure, MoF, QCBS can also be used for procuring Non-Consulting services where the estimated value of procurement does not exceed Rs. 10 crores or where the procurement has been declared to be a Quality Oriented Procurement (QOP) by the competent authority. The maximum weight of the non-financial parameters in QCBS shall in no case exceed 30%, for procuring non-consulting services. Buyers are advised to comply with the conditions indicated in the above mentioned OM while procuring any non-consulting service through QCBS.

**DOE Guidelines - No. F.1/1/2021-PPD - 29th Oct'21**

Quality And Cost Based Selection (QCBS) Required?  Yes  No

**Least Cost Method Based Evaluation (LCS)** [Know More](#)

Least Cost Method Based Evaluation Required?  Yes  No

**Pre-Bid Details**

Is Pre-Bid Interaction Required?  Yes  No

**For encrypting and decrypting this Bid, we use secure key pairs linked to your account.**  
Your Account already has a key pair associated with it. Please click on Save to proceed.

**Save**

### 14.

Your EMD/ePBG details have been saved successfully.

SPECIFICATIONS   CONSIGNEES/REPORTING OFFICER   DETAILS   EMD/EPBG DETAILS   SPLITTING   T&C   VERIFY OTP/SIGN & PUBLISH

1. Specifications

2. Consignees/Reporting Officer

3. Details

4. EMD/ePBG Details

5. Splitting

Total Quantity : 1  
Buyer Type : **Central Buyer**

Do you want to provide Purchase Preference to MSE?  Yes  No

Purchase preference to MSE sellers available upto price within L1+ X%

Maximum Percentage of Bid quantity for MSE Purchase preference



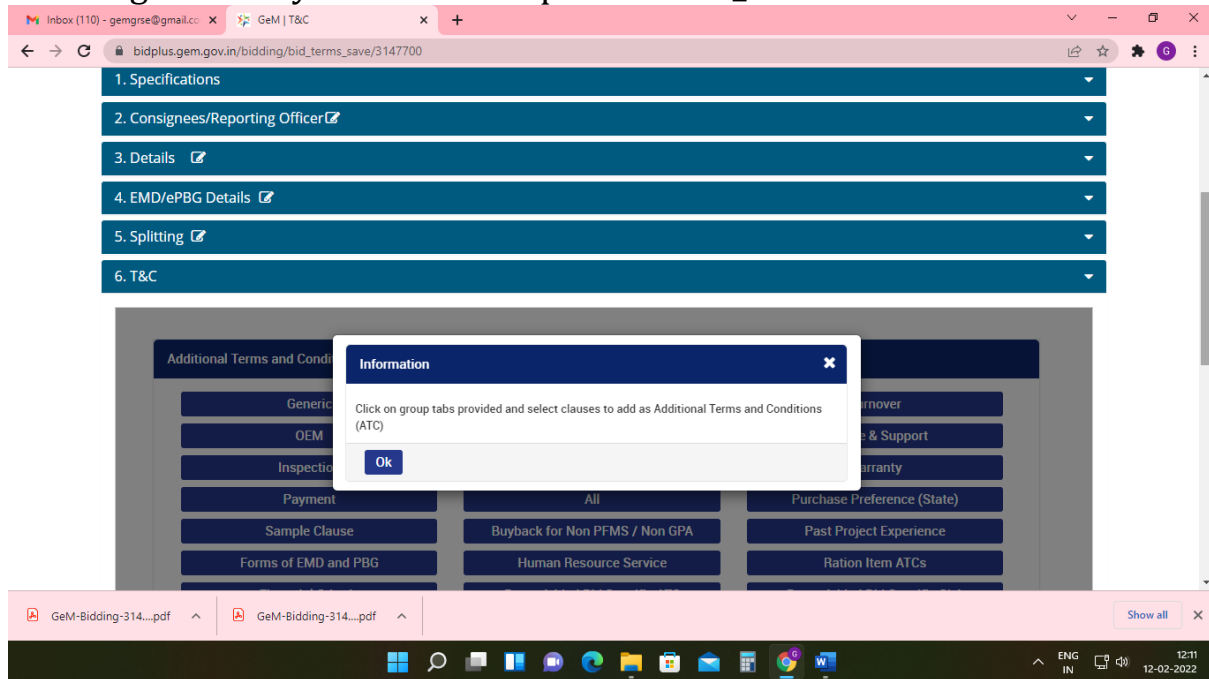
### 15. Provide EMD details\_

The screenshot shows the 'EMD' section of the bidplus.gem.gov.in portal. At the top, there are browser tabs for 'Inbox (110) - gemgrse@gmail.co...' and 'GeM | EMD/ePBG Details'. The address bar shows 'bidplus.gem.gov.in/bidding/addEPBGdetails/3147700'. The main content area is titled 'EMD' and includes a radio button for 'EMD Required' with 'Yes' selected. Below this is a 'Note' section with four numbered points: 1. EMD is allowed only for Bid Value greater than 5 Lakh (s). 2. The role of Advisory Bank is to verify the SFMS of the EMD and ePBG during bid verification of the seller. So, you are advised to select any bank and seller may chose any bank account for ePBG and EMD. 3. Department of Expenditure has issued instructions not to insist on EMD. GeM Has enabled taking Bid Securing Declaration as per DoE OM. Please ensure compliance of DoE OM 12.11.2020 (View Order). 4. The EMD % will be applicable for each schedule/group selected during Bid creation. Below the notes is the 'EMD Details' form with three fields: 'Advisory Bank\*' (State Bank of India), 'EMD Percentage(%) (%) \*' (2.00), and 'Amount (In INR) \*' (45400). Below this is the 'ePBG' section with a radio button for 'ePBG Required' with 'Yes' selected. It also has a 'Note' section with two numbered points: 1. EPBG is allowed only for Bid Value greater than 5 Lakh (s). 2. The role of Advisory Bank is to verify the SFMS of the EMD and ePBG during bid verification of the seller. So, you are advised to select any bank and seller may chose any bank account for ePBG and EMD. The bottom of the screenshot shows the Windows taskbar with the date '12-02-2022' and time '12:10'.

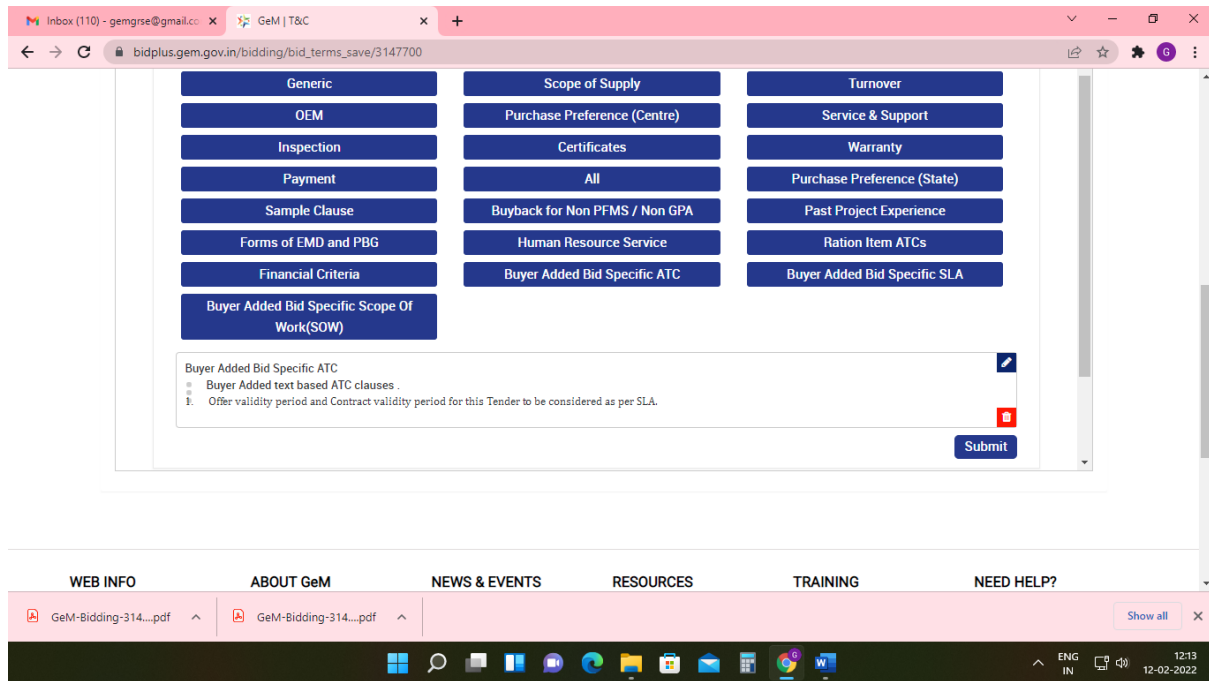
### 16. Provide ePBG /SD details and “Save”\_

The screenshot shows the 'ePBG' section of the bidplus.gem.gov.in portal. At the top, there are browser tabs for 'Inbox (110) - gemgrse@gmail.co...' and 'GeM | EMD/ePBG Details'. The address bar shows 'bidplus.gem.gov.in/bidding/addEPBGdetails/3147700'. The main content area is titled 'ePBG' and includes a radio button for 'ePBG Required' with 'Yes' selected. Below this is a 'Note' section with two numbered points: 1. EPBG is allowed only for Bid Value greater than 5 Lakh (s). 2. The role of Advisory Bank is to verify the SFMS of the EMD and ePBG during bid verification of the seller. So, you are advised to select any bank and seller may chose any bank account for ePBG and EMD. Below the notes is the 'ePBG Details' form with three fields: 'Advisory Bank\*' (State Bank of India), 'EPBG Percentage(%) (%) \*' (3.00), and 'Duration Of EPBG Required (Months) \*' (12). Below this is the 'Beneficiary Details' form with three fields: 'Name \*' (Kaberi Das Talukdar), 'Designation \*' (Manager), and 'Address \*' (West Bengal, Department of Defence Production, Garden Reach Ship Builders and Engineers Limited (GRSE), Ministry of Defence). At the bottom right of the form is a 'Save' button. The bottom of the screenshot shows the Windows taskbar with the date '12-02-2022' and time '12:10'.

17. Now write/add atleast one text base ATC clause or upload a file as “ATC” against “Buyer added Bid Specific ATC”\_



18. Now click on “Submit”





### 19. Tick to GeM terms & Condition agreement check box. Verify with OTP & Publish the tender.

3. Details

4. EMD/ePBG Details

5. Splitting

6. T&C

7. Verify OTP/eSign & Publish

Please validate all the data before proceeding to verify OTP.

I agree to the Terms & Condition of GeM.

Bid Document

Verify OTP & Publish

### 20. Done\_ “Tender published”

HOME / BIDS

The bid has already been finalized.

Published Bids (3) Published RAs (0) Draft Bids/RAs (0) Bid to RAs (0)

BID NUMBER - Enter Exact Bid Number

**Bid No: GEM/2022/B/1948485**

Item(s): Custom Bid For Services - INSTALLATION OF ROD GEAR... Notification(S)

Specification(S) Bid Document

Total Participations : 0 View Representations

Remaining Days : 0

Start Date: 12-02-2022 12:14:48

End Date: 05-03-2022 17:00:00

Bid Status : Active

Published Ended Finalized

Open Bid

**Bid No: GEM/2022/B/1948298**

Item(s): Custom Bid For Services - Erection And Notification(S)

Start Date: 12-02-2022 11:37:51





**ECS FORMAT**

VENDOR'S NAME : .....

ADDRESS : .....

VENDOR'S REGN. CODE NO. WITH GRSE : .....

DESIGNATED BANK ACCOUNT NAME : .....

BANK ACCOUNT NO. : .....

NATURE OF ACCOUNT :  SAVINGS  CURRENT  OTHERS \*  
\* give details.

NAME OF BANK :

BANK BRANCH ADDRESS :

BANK CODE NO. : .....

MICR NO. (9 DIGITS) FOR PAYMENT :

DATE OF EFFECT :

**NOTE : (A) ENCLOSE BANK'S VERIFICATION OF A/C. DETAILS AS PER  
FORMAT APPENDED BELOW  
(B) ENCLOSE ONE COPY OF RELEVANT CHEQUE LEAF.**

I, hereby, declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

(.....)

Signature of the Authorised signatory of the vendor

Date :

Certified that the particulars furnished above are correct as per our records.

BANK'S STAMP : (.....)

SIGNATURE OF THE AUTHORISED OFFICIAL  
OF THE BANK

Date :



**FORMAT NO. QS / 03 / 0079  
GARDEN REACH SHIPBUILDERS & ENGINEERS LTD.  
A Govt. of India Undertaking**

**DEPT: CONTRACT CELL (MAIN)**

**Date :**

**EXTENSION OF DELIVERY DATE WITHOUT LIQUIDATED DAMAGE**

1. Project. :
2. Order details:-
  - a) Order No & Date :
  - b) Short Description :
  - c) Order Value :
  - d) Value for which L. D. waiver sought :
  - e) Supplier / Sub-contractor :
3. Criticality of item (viz. Pre - Launch Hot work, Components for manufacture etc.) :
4. Contractual Delivery Date:-
  - a) Original Delivery Date :
  - b) Order Acceptance :
  - c) Amended Delivery Date without L. D. :
  - d) Performance Notices :
5. Actual/Expected delivery date:-
  - a) Supplier's Letter reference :
  - b) Delay attributed by Supplier to:-
    - i) Inspection Delay :
    - ii) Non-availability of raw materials :
    - iii) Priority for other projects of GRSE/MDL :
    - iv) Any other reasons :
6. Assessment of delay attributable to :-
  - a) Approval of Drawing / Sample etc. (Date of occurrence to be mentioned) :
  - b) Change in scope / specification Including modification etc. after placement of order (Date of Amdt. to be mentioned) :
  - c) Non – fulfillment of contractual obligations



by GRSE (e.g. nonpayment of advance, delay in payments in earlier Order L.O.C. opening etc., due date and effected date to be stated).

d) Force Majeure.

7. Proposed extension of delivery date up to ..... Without L. D.

\_\_\_\_\_  
**TC Member**

\_\_\_\_\_  
**DEALING OFFICER**

8. Recommended extension of delivery date up to ..... without L.D. since:
- a) The delay in supply has not effected the completion schedule of the project.
  - b) The delay has not been specifically brought out in any of our reports like CPRM, Board Meeting etc. having affected the completion schedule of the project.
  - c) The supplier helped GRSE by way of.....

9. Recommendation of

\_\_\_\_\_  
**(Production / User /PP&C/PMT etc.)**

10. Concurrence of Extension without L.D.  
:

\_\_\_\_\_  
**DGM (F – FC)**

11. Approved / Not approved:

\_\_\_\_\_  
**CGM /GM (Purchase Point)**



**ORDER VALUE OVER RS. 100 LAKHS AND UPTO RS. 500.00 LAKHS**

11. Concurrence of  
Extension without L.D.  
:

\_\_\_\_\_ **GM(F) /AGM (F-FC)**

12. Approved / Not  
approved

\_\_\_\_\_ **Functional DIRECTOR**

**ORDER VALUE MORE THAN RS.500.00 LAKHS**

13. Concurrence of  
Extension without L.D:

\_\_\_\_\_ **DIRECTOR (F)**

14. Approved / Not  
approved:

\_\_\_\_\_ **C & MD**



## **INDEX**

### **A**

Absence of Bidder – 69

Advance Payment – 76

Amendments – 88

Arbitration – 106, 130

Award of Work (by user Dept.) - 37

### **B**

Bank Guarantee – 159

Benchmark Price – 66

Bid System - 38, 39

Bill clearance - 85

Bill Submission Checklist - 152

### **C**

CNC – 57

Cancellation of P.O. – 89

CE&C - 60

Check Points – 72, 80

Comparative Statement –45, 46, 62

Cost Plus – 63

CVO /Vigilance –61, 65

Consortium - 121

Contractors' Responsibility - 136

Compliance of PF & ESI -117

Contract Workman wage Payment - 128

Correction - 129

### **D**

Delegation of Powers -46

Delivery – 74

Damages – 86

Development of New Vendor - 93

### **E**

Earnest Money – 20, 115

ECS – 86

Estimate – 60

e- Procurement – 30

Escalation - 73

Energy Conservation - 125

Environment Management -125

### **F**

Fast Track Tendering - 45

Follow-up – 85

Force Majeure –130

Fire & Safety Precaution - 125



## **INDEX** (Cont'd.)

### **G**

GRN – 11

GeM Procurement – 25, 196

GeM Availability Report - 27

Guarantee Period - 118

GST Registration - 118

General Requirement - 138

### **H**

Hindrance Register - 89

H-1 elimination - 42

### **I**

ICGRN - 11

Inspection – 128

Insurance – 126

Integrity Pact – 18, 113,154

### **J**

Jurisdiction - 132

Joint Venture - 120

### **L**

Liquidated Damages /LD – 90

Limited Tender – 32

Log book - 127

### **M**

MRS - 126

Material Guarantee - 125

MSME – 98, 113

MoU / EOI for Indigenization - 17

### **N**

Negotiation -55, 57, 65

NIT - 11

Novation - 109

NSIC – 11, 19, 21,22

Non-disclosure agreement - 174

### **O**

Opening of tender – 51

Ordering on New Firm – 95

Offer Validity - 117

Open Tender - 34

Ordering Policy - 13

### **P**

PAC –11

Price – 73,118

PNC – 64

PR – 17



## **INDEX** (Cont'd.)

PPE -124	Risk Purchase - 127
PSC –47	
Payment Terms –75	<b>S</b>
Pre-bid meeting – 25	Security Deposit - 117
Pre-qualification Criteria –24	Start Up Benefits - 100
Press Tender – 35	Statutory rules - 78
Price Negotiation – 65	Single Tender - 36
Purchase Proposal – 71	Single-Bid System - 39
Purchase Order - 79	Secrecy Information - 128
	Safety Guideline - 142
<b>Q</b>	Statutory responsibility of Contractor - 140
Quantity Variation - 119	Special condition of Contract - 133
<b>R</b>	<b>T</b>
Repeat order - 81	Trial Order on New vendor - 84
Rate Contract – 83	Two-Bid System - 38
Re-tendering - 70	
Restriction of Business - 95	<b>U</b>
Refit & Repair job - 43	Unreasonable Quote - 119
Relationship with vendor- 96	
Receipt of Tenders - 39	<b>V</b>
Reverse Auction - 40	Vendor Registration – 94,128
Resultant Single Vendor /RSV- 38	
	<b>W</b>
	Working Hours - 127
	WDC - 117

