



Garden Reach Shipbuilders & Engineers Limited

A Government Of India Undertaking Under the Ministry Of Defence

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LIMITED TENDER

Item: Low Frequency Variable Depth SONAR (LFVDS) for 12 Ships (06 built by GRSE and 06 by CSL)

Tender No. NCM/LT/ND/BG/ASW SWC/LFVDS/ET-2050

- Offers are invited from reputed manufacturers in two bid system through
- E-PROCUREMENT mode from the bidders participated and qualified against EOI ref. NCM(ND)/LT/BG/LFVDS/EOI-1974 dtd. 07.06.2023 having experience in subject items.
- Nature of Tender : Limited (Domestic)
- Last date & Time of Receipt of Tender : 21 days from the date of publishing of tender The time lines are furnished below:-

Sl.	Activities	Completion date
a.	Publishing of tender	-
b.	Submission of Pre-bid queries by the bidder(s) to GRSE, if any on single time	Within 7 days from the date of publishing of tender
c.	Reply to pre bid queries of bidder(s)	Within 7 days from submission of pre-bid queries raised by bidder(s)
d.	Tender closing date	06-02-2024 At 12:00 P.M of 21 days from tender publish date
e.	Techno-commercial bid opening date	07-02-2024 At 02:00 P.M of same or next date of tender closing date
f.	Price bid opening date and L-1 declaration	After clearance of offer technically and commercially .

- Technical Specification & Scope of Supply : As per enclosed SOR No. GT43620002M , REV -1 dtd. 14.12.2023
- Commercial Terms : As per Annexure – I, II & VII enclosed.
- Tender can be down loaded from web site <http://www.grse.nic.in/etender/>
- Tender / Bid formats are to be downloaded from our e-portal “<http://www.grse.nic.in/etender/>” and Offers in filled-in formats are to be uploaded using Digital Signature Certificate (DSC).

9. This tender is neither an agreement and nor an offer by the Shipyards (GRSE & CSL) to the prospective Bidders or any other person. The purpose of this, tender is to provide interested parties with information that may be useful to them in submitting their proposals pursuant to this tender. This tender includes statements, which reflect various assumptions and assessments arrived at by the Shipyards (GRSE & CSL) in relation to the Projects. This tender document and any assumptions, assessments and statements made herein do not purport to contain all the information that each Bidder may require. The Bidder shall bear all its costs associated with or relating to the preparation and submission of proposal pursuant to this tender. Wherever necessary, Shipyards (GRSE & CSL) reserves the right to amend or supplement the information, assessment or assumptions contained in this tender. Shipyards (GRSE & CSL) reserves the right to withdraw the Tender before given clearance to L-1 bidder for production and FET. The issuance of this tender does not imply that the Shipyards (GRSE & CSL) is bound to shortlist a Bidder for the Project. The GRSE also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

10. This tender is non-transferable. This Document is the property of Shipyards (GRSE & CSL) and is issued by Shipyards (GRSE & CSL) for the information of bidder to whom this RFP(Tender) is issued. Bidder, to whom this RFP is issued, will be responsible for its safe custody and that its contents will not be disclosed in any form to any unauthorized person/ entity. This document will be treated as a company confidential document for all purposes. The above provisions will also apply to any authorized sub-vendor/ person/ entity with whom the document or part thereof are shared.

11. Whether Shipyards (GRSE & CSL) will open the tender as per schedule or extend the offer submission due date is completely under purview of Shipyards (GRSE & CSL). GRSE /CSL also reserved the rights to change quantity of the items during TNC /PNC meeting . If there is any development /design/non recurring cost etc. , the same to be distributed equally among all 12 ship sets.

12. Shipyards (GRSE & CSL) reserve the right to negotiate the price with L-1 bidder, as per existing procedure of Shipyards (GRSE & CSL).

13. Tender Fees: Nil

14. Earnest Money Deposit: **Nil**

15. This tender is confidential in nature and disable visibility type , hence techno commercial offer of one bidder will not be visibility to other bidder and will not also be disclosed.

16. The price bids will be opened through e-procurement portal after clearance of the offer technically and commercially. The price statement will be visible to all technically and commercially cleared firms after opening of price bid in e-procurement portal. No manual price comparison statement or price calculation will be forwarded to bidders by GRSE. GRSE/CSL also not bound to entertain any communication to bidder(s) other than L-1 bidder after price bid opening.

Note: - In case of withdrawn of offer by any participated firm at any stage of finalization of the order, Shipyards (GRSE & CSL) may take the following actions: -

- i. Issue of tender holiday to the firm
- ii. Firm's will not be issued any tender for any items for a period/ project etc.
- iii. In case the firm, participated in open tender, the offer may be rejected
- iv. Firm will be restricted for vendor registration at GRSE/renewal of vendor registration at GRSE.

In addition with the above, Shipyards (GRSE & CSL) will take necessary action against the firms as deemed fit.

B.Ghosal

Sr. Manager (NCM/L&W)

M/s. Garden Reach Shipbuilders & Engineers Limited,
43/46, Garden Reach Road,
Kolkata-700 024 (INDIA)

Enclosure List:

- ANNEX-I : Mandatory terms
- ANNEX-II : Special terms & conditions
- ANNEX-III : SOR (Uploaded separately)
- ANNEX-IV : Preference to Make in India ,GOI Notification No P-45021/2/2017-PP(BE-II Dated 04.06.2020) Policy
- ANNEX-V : Declaration
- ANNEX-VI : BG format of GRSE and CSL(Uploaded separately)
- ANNEX -VII : Integrity Pact format for GRSE
- ANNEX-VIII : Integrity Pact format for CSL(Uploaded separately)
- ANNEX-IX : CERTIFICATE- MALICIOUS CODE
- ANNEX -X : Commercial acceptance Matrix(Uploaded separately)
- ANNEX -XI : SOR acceptance Matrix(Uploaded separately)

MANDATORY TERMS

ITEM : Low Frequency Variable Depth SONAR (LFVDS) for 12 Ships (06 built by GRSE and 06 by CSL)

1. **Two Parts Bid Clause:**

The Offers must be submitted in two parts:

Part I (Techno Commercial Bid): No price should be mentioned in this bid or offer will be liable for rejection the bidder shall ensure following to include in the Part-I bid:

- i. SOR Compliance Matrix/ Deviation format duly signed by the authorized signatory.
- ii. Weight control Data sheet if applicable.
- iii. Declaration in letter head duly signed and stamped that LFVDS system offered by M/s xxxxxxxxxxxxxxxx (Name of the Indian nominated bidder by IN for LFVDS System of ASWSWC) is suitable for fitment, operation and maintenance on board ASWSWC built by both GRSE and CSL within space envelope and weight limitation as mentioned in the SOR.
- iv. Acceptance on clauses of Tender Enquiry, Special Terms and Condition and STACS in the prescribed formats duly 'Accepted OR Not Accepted' as applicable and deviations, if any, for each of the clause.
- v. Undertaking for product support if applicable.
- vi. Bidders / Suppliers should enclose the additional documents as applicable to this tender.
- vii. Techno-Commercial bid indicating quoted/not quoted against each line item and Deviation, if any.
- viii. Bidder contact details with office address, contact person name, e mail, phone no. of 3 persons including head of organization.
- ix. Prices are not to be mentioned/ indicated in Part-I bid. Indication of price/Deviation will liable for rejection of bid.
- x. Firm to submit the declaration enclosed at Annexure IV along with the bid.
- xi. It is mandatory to mention Firm's name, contact No., name of contact person, e-mail id, firm's address and offer reference in technical bid, SOR compliance Matrix, Commercial bid, Special terms & condition matrix etc.

(a) **Part-II (Price Bid):** Prices for each of the listed items have to be uploaded strictly in the prescribed format provided in the e-Procurement portal. Bids received other than this given format will be rejected.

2. Starts up benefit as per policy for MSME will be applicable

3. **Integrity Pact:** The Integrity pact essentially envisages the agreement between prospective vendors / bidders & buyers committing the person/officials of both the parties not to exercise any corrupt influence on any aspects of the contract. Only those vendors/bidders who enter into such an integrity pact with the buyer would be competent to participate in the bid. The format of integrity Pact of GRSE and CSL are enclosed with tender documents. Refer Annexure-VIII. 02 separate integrity pact 01 for GRSE and 01 for CSL in respective formats dully filled is to be uploaded in e-procurement portal along with the techno-commercial offer Ink-signed copy reaches GRSE before scheduled tender opening plus 7 days. Bidders are to

ensure that every page of IP is ink signed and company seal/stamp is affixed on the document. Non-submission of Integrity pact in GRSE & CSL format shall lead to REJECTION of offer.

4. **Acceptance:**

The Acceptance matrix/formats enclosed with the tender are to be downloaded from the e-portal and after due completion the same is to be uploaded along with the quotation by the bidder/vendor. This is to facilitate the buyer to know at a glance the acceptance or deviation by the vendor regarding the commercial terms & conditions of the e-tender. The following is to be complied:-

- (a) The supplier should clearly indicate the clauses in the specification not being complied with (if any). In the absence of a clear non-compliance/non-acceptance statement, it will be assumed that the material supplied will meet the requirements in full.
- (b) No conditional offer and hard copy of offer will be accepted.
- (c) Tender must contain offers/response for all line items as sought.

5. **Bid Modification:**

Modification in bids, if any, is to be made by bidders prior to the tender closing date & time.

6. **Revised Bid:**

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

7. **Miscellaneous Instruction to bidder:**

- (i) Bidder should consider the corrigendum published before submitting the bid online.
- (ii) It is construed that the bidder has read all the terms and conditions before submitting their offer. Bidder should go through the tender schedules carefully and upload the documents as asked; otherwise, the bid will be rejected.
- (iii) Bidder shall submit the compliance matrix, STACs & GT&C Accepted/Deviation Format properly. If any field under Accepted/Deviation columns is left blank, then it shall be considered as accepted by the bidder.
- (iv) If there are any clarifications, this may be obtained through the site, or during mail. Bidder should take into account the corrigendum published in e-portal site from time to time before submitting the online bids.
- (v) Bidder is requested to resolve all the tender related queries during pre-bid meeting or prior to tender closing date. GRSE reserves the right to accept, clarify or reject the queries raised by the bidder.

8. Policy for MSME is applicable for this tender. All updates in policies for MSME till price bid opening will prevail. To avail the MSME Purchase preference, firm has to submit the valid MSE certificate along with techno-commercial bid. The MSE certificate will be considered valid for the preference to MSE bidder in this tender only if the same issued before tender closing due date and validity should be at least tender closing due date plus six months. It is sole responsibility of the bidder to update them on policies issued by MSME ministry. Policies for MSME will prevail upon Purchase Preference Policy for Make in India. This tender is non divisible, hence MSE bidder will be provided Purchase Preference of 100% quantity, if the

MSE bidder falling under Purchase Preference as per MSME policy. Policy for MSME will prevail upon policy for Indigenization.

9. **Bids Evaluation Methodology & Criterion:**

L1 bidder shall be determined based on FOR DESTINATION ANY PLACE AT INDIA, on Total Equipment price along with documentation, OBS, Tools, services etc. as per SOR for **all the 12 ship set taken together**. Ranking of bids for L1 determination shall be done considering scope as per SOR/finalized TNC and the total "Cost to Company" basis. The taxes and duties will be taken into account for ranking of bids, if it's a Cost to GRSE/CSL.

Ranking of bids for L1 determination shall be done considering, the total "Cost to Company" basis , details furnished below for better understanding :-

- (i) The total of basic cost of 12 ships (including Packing, Forwarding,) shall be basis for the purpose of comparison of bids.
- (ii) Freight & insurance on material value will considered for ranking of bid. Services to be rendered onboard ship including all charges at supplier's account.
- (iii) Taxes i.e GST shall be excluded for ranking the bids.
- (iv) Basic Custom Duty (BCD) will not be considered for ranking of bid/L-1 determination.

10. **Integrity pact and Independent External Monitors (IEM):**

The following Independent External Monitors (IEMs) will have the power to access the entire project document and examine any complaints received by him.

For GRSE :-

- (a) Shri Bam Bahadur Singh, Height-7; Flat No.1802, Uniworld City, New Town, Rajarhat, Kolkata-700160 bbsinghbeml@gmail.com
- (b) Shri Pidatala Sridhar, IRS (Retd.) Flat 2C, Kanaka Lakshmi Apartments 3-6-467 & 468 Street Number-6, Himayatnagar, Hyderabad-500029 sridharpidatala@gmail.com.

For CSL :-

Shri Jagadip Narayan Singh, IAS (Retd.) , Address-C 54 Bharatendu Harischandra Marg, Anand Vihar, Delhi-10092, Mb. 9978405930, e-mail:- jagadipsingh@yahoo.com

11. **Bid Rejection Criteria:**

(a) **Bids will be categorically rejected under following criteria:**

- (i) Bid received other than E-PROCUREMENT Portal.
- (ii) Submission of more than one offer by a same firm.
- (iii) Bidder not agreeing to accept Integrity Pact (IP) or submitting integrity pact with deviation to GRSE & CSL format, wherever Integrity Pact is to be submitted.
- (iv) Bidder is not complying with SOR requirement.
- (v) If the firm is under tender Holiday by any Defense PSU/ other PSU/GOI. Bid will be rejected on receipt of such information during processing or before finalization of tender. Bid submitted by Indian vendor other than INR.
- (vi) Bid submitted by the firm other than Indian firm.
- (vii) Bid submitted by any bidder who have issued Risk Purchase Notice by any shipyard for similar products. For the same firm has to submit the declaration as per ANNEX-V of the tender along with Part-I bid , failure in which offer of the firm may be rejected with 03/04 days' notice period. In case of GRSE observed, falsification of the

declaration provided by any bidder , the offer of the firm will be rejected at any stage before tender finalization and GRSE reserve the right to take any penal action on the firm.

(b) **Bids are Liable for Rejection under following criteria:**

- (i) Failure to submit sufficient or complete details for evaluation of the bids within the given period which may range in between 03 to 04 days depending on the deficiencies noticed in the SOR/ technical data which shall not however conflict with validity period. However, over all time allowed in respect of normal procurement shall not exceed 1 week.
- (ii) Incomplete / misleading / ambiguous bids in the considered opinion of TNC/CNC.
- (iii) Bidder not complying with the Pre-Qualification criteria , if stipulated in Tender/SOR.
- (iv) Bidder not meeting indigenous content as specified in the tender.
- (v) Bidder not agreeing to supply spares (On Board spares, B&D spares) if applicable / post sale product support / post work completion support if required.
- (vi) Bid with technical requirements and or terms not acceptable to GRSE/CSL/Customers/External agency nominated as applicable.
- (vii) Unreasonably longer delivery period quoted by the bidder.
- (viii) Validity period indicated by bidders is shorter than that specified in the tender enquiry.
- (ix) Bidders not agreeing to furnish required Security Deposit till validity of contract/PO or ~~Indemnity Bond in case of PSU (Subject to acceptance of GRSE/CSL)~~ or variation in quantum of Security Deposit as mentioned in the tender.
- (x) Bidder not agreeing to furnish required Performance Bank Guarantee for Equipment to be supplied/Services rendered or not agreeing for retention of equivalent amount by GRSE up to the period till completion of contractual & Warranty obligations or variation in quantum of PBG.
- (xi) Bidder not agreeing for Warranty period as specified in the tender.
- (xii) Bidder not accepted the payment terms as per tender.
- (xiii) Bid received without 'Certificate of conformity' duly filled in & signed, if applicable.
- (xiv) If the bidder had been declared as insolvent/bankrupt/prohibited in the recent past and or is under scanner of any statutory bodies, they must confirm their present status in that respect with adequate supporting documents. Non submission of adequate document or if submitted document is not acceptable, the bidder shall be liable for rejection.
- (xv) Quote received with Price Variation Clause.
- (xvi) Bid received without pre-qualification documents where required as per the tender. Bids not meeting the pre-qualification parameters stipulated in the tender enquiry.
- (xvii) Bidder does not quote for all line items where it is mandatory to quote as such.
- (xviii) Bidder not complying the GRSE & CSL's indigenization policy.
- (xix) Any deviation w.r.t tender terms is sought which are not acceptable to GRSE & CSL.

- (xx) Bidder has submitted more than one offer.
- (xxi) Bidder has submitted offer other than their offer.
- (xxii) Bidder nor responding to GRSE/CSL queries, not attending TNC/CNC/PNC meeting within the stipulated date.
- (xxiii) Bidder requested for modification of bid post tender closing and the same is not acceptable to GRSE and CSL.
- (xxiv) If the firm is issued with “Risk Purchase Notice” by GRSE & CSL for any project within last 2 years or before opening of this tender for failure in delivery of similar items (as per opinion of GRSE & CSL).
- (xxv) Indicating price in any document other than price bid.
- (xxvi) Bidder not complying to meet local content as specified in the tender.

12. **Instruction for New / Unregistered Vendors:-**

New / Unregistered vendors to positively submit the following qualification criteria in Part –I bid, failing which their offer will not be consider further for tender evaluation.

- i. Submission of the constitution and status of the firm.
- ii. Registration with GOI/PWD/PSU/and reputed organization, if any.
- iii. Experience of supply / manufacture during last 2/3 years of tendered item. (P.O. copy & performance certificate of reputed customers to be enclosed).
- iv. Submission of GST registration certificate, PAN /TIN together with copies of trade license.
- v. Copy of Audited Balance Sheet and Audited Profit & Loss Account for last three years and Solvency Certificate from Banker.
- vi. Name, address, telephone & Fax No. of the bankers and the contact person of the firm.
- vii. Hierarchy of the firm (at least 3 person name to be mentioned in Commercial bid).
- viii. Scanned copies of the above documents are to be attached along with the techno-commercial bid. The original, if required to be submitted tender issuing authority and being informed to bidder.

13. **Instruction for All Vendors:**

- (a) Your offer should be submitted within the scheduled date and time as mentioned in this tender.
- (b) Techno-Commercial Bid will be opened on the scheduled date and time through e portal.
- (c) Price Bid will be opened on later date, after scrutinizing the Techno-Commercial bid. Price bid of those firms will only be opened, whose offer will be found suitable after technical & commercial evaluation.
- (d) As a general rule price negotiation with L1 vendor(s) will not be entered into as for as possible, unless warranted by unreasonable price quoted in the opinion of GRSE & CSL.
- (e) To avoid any complication regarding late receipt or non-receipt of offer, it is to be clearly noted that responsibility is lying with the tendered to ensure that the offer is submitted within the due date and time.
- (f) This tender is being issued without any financial commitment and GRSE & CSL reserves the right to change or vary the quantity of item, at any stage during execution the order. GRSE also reserves the right to withdraw this tender, if so necessary at any stage.

- (g) Suppliers/vendors to submit bills for payment complete in all respects along with all relevant documents as required as per terms of order, to the bill receiving counter located at the gate of each unit of GRSE & CSL. For submission, of each Bill is to be packed in sealed envelope superscribing the following details on the envelop:
- i. Purchase Order No.
 - ii. Vendor Code (As per PO)
 - iii. Bill No/ Invoice No.
 - iv. Name of the person/ employee to whom bill is addressed for processing
 - v. A transition fee of Rs. 500/- will be charged in case of first return of bill(s) due to inappropriate/incomplete/faulty submission of documents. A transition fee of Rs. 1000/- will be charged in case of each subsequent return of the bill(s) for the same.

14. **Validity of offer:** 30 months after opening of techno-commercial bid.

15. **Recording of Deviations/Conditions:**

GRSE & CSL will consider the response to NIT Terms only. If any deviation/ additional points given by the bidder or deviation of any terms and conditions, information or clarification is furnished by the bidder has to be discussed and recorded as per mutually agreed terms in relevant PNC/CNC/TNC MoM for GRSE and CSL to consider the same at a later stage.

16. **Non-Disclosure:-**

The Bidding documents, including this tender and all enclosed documents provided are and shall remain or become the property of the GRSE & CSL. These are transmitted to bidder solely for the purpose of preparation and the submission of a proposal in accordance herewith. Bidder is to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their proposal. The provisions of this Para shall also apply mutatis mutandis to Bids and all other documents submitted by bidder, and the GRSE/CSL will not return to bidder any proposal, document or any information provided along therewith (except unopened Commercial Bid as relevant).

17. Information relating to the examination, clarification, evaluation and recommendation for bidder shall not be disclosed to any person who is not officially concerned with the process, or concerning the Bidding Process. GRSE and CSL will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. GRSE and CSL may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or GRSE& CSL or as may be required by law or in connection with any legal process. A Non Disclosure Agreement to be executed by the bidder.

18. **Confidentiality of Information:-**

No party shall disclose any information to any 'Third Party' concerning the matters under this tender generally. In particular, any information identified as 'Proprietary' in nature by the disclosing party shall be kept strictly confidential by the receiving party and shall not be disclosed to any third party without the prior written consent of the original disclosing party. This clause shall apply to the sub-contractors, consultants, advisors or the employees engaged by a party with equal force.

19 (a). **Undertaking by Bidder:-** Bidder will submit an undertaking that they are currently not banned/ debarred /suspended from doing business dealings with Government of India /any other government organisation and that there is no investigation going on by GoI against them. In case of ever having been banned/ debarred/ suspended from doing business dealings with MoD/ any other government organisation, in the past, the Bidder will furnish details of such ban/ debarment along with copy of government letter under which this ban/ debarment/ suspension was lifted/ revoked. The Bidder shall also declare that their sub-contractor(s)/ supplier(s)/ technology partner(s) are not Suspended or Debarred by Ministry of Defence/ any other government organisation. In case the sub-contractor(s)/supplier(s)/ technology partner(s) of the Bidder are Suspended or Debarred by Ministry of Defence /any other government organisation, the Bidder shall indicate the same with justification for participation of such sub-contractor(s)/supplier(s)/ technology partner(s) in the procurement case.

(b). Subsequent to submission of bids if any sub-contractor(s)/ supplier(s)/ technology partner(s) of the Bidder is suspended or debarred by Ministry of Defence, the Bidder shall intimate the Ministry of Defence regarding Suspension or Debarment of its sub-contractor(s)/ supplier(s)/technology partner(s) within two weeks of such order being made public.

20. **Indigenous Content:-** To be as under :-

For GRSE :-

Minimum 60% IC is to be achieved for complete P.O value for 06 ships.

For CSL:-

Minimum 60% IC is to be achieved for complete P.O value for 06 ships.

Note :

(a) Bidder shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content along with techno-commercial offer.

(b) The bidders (Indian) in their technical offer shall also submit road map towards reduction of FE content / increase of INR content in the system/equipment offered. This proposed indigenization plan shall be formulated by bidders in such a manner that there is a progressive increase towards indigenization as well as items indigenized across the items.

21. For Purchase preference and indigenization, please refer Public Procurement (Preference to Make in India, GOI Notification No P-45021/2/2017-PP(BE-II Dated 04.06.2020) Policy. Firm has to indicate their local and FE content in percentage of their quote in their letter head indicating Foreign currency and base rate and date considered in quote duly certified by the concern authority as per above policy.

22. **Year of Production**. Deliverables supplied under the P.Os should be of latest manufacture i.e manufactured after the date of L-1 bidder declaration with unused components/assemblies/sub-assemblies, conforming to the current production standard and

should have 100% of the defined life at the time of delivery. Deviations, if any, should be clearly brought out by the Bidder in the Technical Proposal.

23. **Codification:-**The Bidder agrees to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the contract as per part list (including MRLS). In case, the NSNs are not available, the bidder agrees to codify using basic technical characteristics as required for codification in consultation with MoD/Directorate of Standardisation. In case of IPR issues, codification will be undertaken as Type IV codification (where only the manufacturer details and part number are to be provided).
24. **Government Regulations:** It may be confirmed that there are no Government restrictions or limitations in the country of the Bidder or countries from which subcomponents are being procured and/or for the export of any part of the deliverables being supplied.

It may be further confirmed that all national and international obligations relevant to transfer of conventional arms of the country of the supplier or countries from which parts and components are being procured, have been considered for the duration of the contract. Accordingly, thereafter there would be no review, revocation or suppression of Defence export license and other related clearance issues to the supplier for the contract that could impinge on the continuity of supply of items and their parts or components under the contract.

25. **Patent Rights:-** Bidder should confirm that there are no infringements of any Patent Rights in accordance with prevailing laws.
26. **Fall Clause.** If the equipment being offered by the Bidder has been supplied/ contracted with any organisation, public/ private in India, the details of the same may be furnished in the technical as well as commercial offers. The Bidders are required to give a written undertaking that they have not supplied/ is not supplying the similar systems or subsystems at a price lower than that offered in the present bid to any other Ministry/ Department of the Government of India and if the similar system has been supplied at a lower price, then the details regarding the cost, time of supply and quantities be included as part of the commercial offer. In case of non-disclosure, if it is found at any stage that the similar system or subsystem was supplied by the Bidder to any other Ministry/ Department of the Government of India at a lower price, then that very price, will be applicable to the present case and with due allowance for elapsed time, the difference in the cost would be refunded to the Buyer, if the contract has already been concluded.
27. **Denial Clause:-** In case the delay in delivery is attributable to the Seller or a non-force majeure event, the Buyer may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the Seller of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in and/or any adverse fluctuation in foreign exchange are to be borne by the Seller during the extended delivery period, while the Buyer reserves his right to get any benefit of downward revisions in statutory duties, and foreign exchange rate.

28. **COMPATIBILITY OF LFVDS SYSTEM FOR FITMENT ON BOARD ASWSWC :**

The bidder participating in the present tender must provide following undertaking in official letterhead mandatorily along with the Techno-commercial bid:

The LFVDS system offered by M/s xx (Name of the Indian bidder nominated by IN for LFVDS System of ASWSWC) is suitable for fitment, operation and maintenance on board ASWSWC built by both shipyards GRSE and CSL within space envelope and weight limitation as follows:

(a) **WEIGHT:** The total weight of the LFVDS system including its launch and recovery system shall be restricted to **12 Tones**.

(b) **SIZE:** Height of On-Board Electronic cabinets along with shock mounts shall be restricted to 2000mm. The overall size of Launch and Recovery System (including wet, dry end) of LFVDS including dedicated cooling unit (for CSL only) shall be restricted to:

(i) For ASWSWC of GRSE: 5500mm (length) X 5000mm (width) X 2200mm (height with shock absorber) including maintenance space. Distance between the deck for installation of launch and recovery system and Load Water Line is 1000mm (approx.). Layout of LFVDS Launch and Recovery System and LFVDS Electronics Compartment is attached at APPENDIX–9 for reference.

(ii) For ASWSWC of CSL: 5900 mm (length) X 4000 mm (width) X 3150 mm (height with shock absorber) including maintenance space. Distance between the deck for installation of launch and recovery system and Load Water Line is 2000mm. Layout of LFVDS Launch and Recovery System and LFVDS Electronics Compartment is attached at APPENDIX–9A for reference.

The bidder may conduct ship visit on board ASWSWC both at GRSE and CSL for feasibility study for installation, if required and provide confirm of installation without any major changes prior to response to RFP.

In case, the undertaking in official letterhead of the nominated vendor is not received prior to tender closing due date or along with the Techno-commercial offer, then the Techno-commercial offer of the vendor shall be treated as “REJECTED”.

MALICIOUS CODE CERTIFICATE: A Malicious Code Certificate shall be submitted by the vendor of LFVDS System in the format as detailed at APPENDIX–8 of SOR along with the offer.

29. **JOINT RECEIPT INSPECTION (JRI):**

29.1 Joint Receipt Inspection (JRI) of delivered goods shall be carried out on arrival of goods at GRSE / CSL Store in the presence of supplier's rep in order to verify completeness of the scope of supply and intactness of the supplied equipment. Defective / damaged parts and deficiency, if any, in supply shall be made good by the supplier of LFVDS System free of cost. IHQ-MoD(N) reserves the right to participate in JRI. JRI shall be completed within 90 days of arrival of goods and it will be quantitative checking to verify that the quantities of the delivered goods correspond to the quantities defined in Purchase Order and the invoices. GRSE / CSL will invite the vendor of LFVDS System with a maximum 7 days prior notice to attend the JRI for the delivered goods. The bio data of the equipment vendor's representative will be communicated to GRSE / CSL, 7 days prior to the dispatch of goods to GRSE / CSL for obtaining the necessary security clearance.

29.2. Upon completion of each JRI, JRI Report shall be prepared and signed by both Parties. In case the supplier's representative not available for the JRI within the specified time period provided by GRSE/CSL then the JRI Report shall be signed by the GRSE's / CSL's and IN representative only and the same shall be binding on the supplier of LFVDS System. Copy of JRI Report shall be dispatched to the vendor within 30 days of completion of JRI. In case of deficiencies in quantity (quantity does not correspond to the quantity shown in the Packing List) and defects (transit damage and or any other physical damage), details of these deficiencies and defects shall be recorded in the JRI Report and claims shall be raised by GRSE / CSL for which the vendor of LFVDS System shall be bound to settle the claims in a time bound manner.

30. **PRESERVATION, PACKING & SHIPPING:** Preservation requirement, procedures and schedule for main equipment, OBS and B&D Spares are to be indicated in the offer. The vendor of LFVDS System to ensure preservation of equipment in such way that there will be no deterioration of electronics during prolonged storage time. Details of the preservatives used and the preservation and de-preservation procedure while in store & also on-board preservation procedure and their intervals will be submitted by the vendor of LFVDS System. Requisite preservatives (with proven valid shelf life) will be supplied for carrying out re-preservation work by GRSE / CSL, when necessary as per procedure provided by the vendor of LFVDS System. Initial preservation is to be carried out at the manufacturer's works for a period of 18 months. The spares (OBS & B&D) shall be supplied in long term preserved condition that is suitable for storage under tropical high humidity conditions for a period of 18 months. The vendor of LFVDS System would be responsible for adequate packing and handling of the goods till the receipt of the items at the designated premises. Appropriate packing and handling measures shall be undertaken depending on the items being dispatched. Battery units for the system shall be supplied during STW/ commissioning stage.

30.1 All equipment shall be adequately packed and protected with supports to ensure adequate protection during all methods of transportation. Each unit within a package/container shall be clearly marked in English for identification. The container shall clearly indicate the commodity description with caution marks, quantity, weight, size, etc. The instrumentation and sensors meters etc which are likely to be damaged during transit and installation are to be removed from the main equipment and shall be supplied in a separate suitable box/packing. OBS to be packed in separate box with clear identification.

30.2 Following items shall be packed in separate containers/boxes with proper list of their contents in English for their easy identification and traceability:

- (i) Deliverables related to Main Equipment (to be marked in green colour).
- (ii) Deliverables related to Installation material and Tools related to Main Equipment (to be marked in green colour).
- (iii) Special tools and equipment for installation (to be marked in red colour).
- (iv) On Board Spares and Tools (to be marked in red colour).
- (v) Base & Depot Spares.
- (vi) Documentation (to be marked in blue colour).

30.3 The packing list against each of the above serials shall also be forwarded to GRSE / CSL in soft copy (MS Excel format) with required part nos. A separate document

giving complete details and instructions for storage, preservation, handling and transportation after delivery shall be supplied.

31. PRICE: Quoted price shall include all deliverables including OBS, services of Engineers as required for installations, connectorization, STW, HATs/SATs of the System as per SOR.
32. OBS:-
 - (a) List of OBS in ILMS format and CPIL/PIL to be submitted as under:- offer per ship for 12 ships .
 - (b) OBS list without indicating prices along with techno-commercial.
 - (c) OBS list with indicating prices along with financial offer.
33. **BASE & DEPOT SPARES (B&D SPARES):** The vendor of Lfvds System shall forward recommended list of B&D spares **(One set of B&D spares for each shipyard)** for the system for five years of exploitation iaw INBR 622. Quotes for B&D spares shall be submitted in the ILMS format, at the time of submitting their technical offers for the main equipment itself. Firm will be rejected during CNC of the equipment, if it fails to submit List for B&D spares along with the main equipment or the List does not comply with the ILMS format. For deciding L1, only equipment OBS cost will be considered. B&D spares would be ordered separately after Ranging and Scaling (R&S) by IHQ-MoD(N). The vendor of Lfvds System is to forward the complete PIL of each and every equipment along with item costs in the prescribed ILMS format to ensure data capture into the ILMS/ Naval inventory management software.

The quotation of B&D spares shall be valid for at least 18 months from P.O placement date for main equipment . The vendor of Lfvds System shall also provide finalised / approved list of B&D spares in INCAT (Indian Naval Catalogue of Inventory) databank compatible format in electronic media.

If any special tools, test equipment, software required for shore maintenance/ repair, the same shall be supplied by the vendor of Lfvds System (one set for 06 ship sets) as part B&D Spares and shall be included in the offer of B&D Spares. STTE and test simulator for functional check of each LRU and array also to be included in the list of B&D Spares. A reparability matrix is to be formulated by the supplier and the STTE/ test simulator being proposed for functional checks shall cater for at least 90% of the LRUs (excluding COTs items) fitted in the system.

Promulgated format will be shared with L1 firm , post opening of price bid.

Contact details :

For Technical queries :-

Mr. D K Mandal, AGM(D)(L&W) ,e-mail :- Mandal.DilipKumar@grse.co.in

Mr. Ashwani Bahuguna . MGR(D)(L&W) , e-mail:- Bahuguna.Ashwani@grse.co.in

For Commercial :-

Mr. B Ghosal, SM(NCM)(L&W) , e-mail :- Ghosal.Budhaditya@ grse.co.in

For CSL :- All correspondences on any issue to be marked to following :-

Mr. Manoj S , DGM(Design) ; mail id:-manoj.s @cochinshipyard.in.

Mr. Jery Zacharia, SM(Design),mail id:- jery.z@ cochinshipyard.in.

Mr. Mithun Chandran , MGR(Commercial) , mail id:- mithun.s@ cochinshipyard.in.

***** **End of ANNEXURE-I** *****

ANNEXURE: II

SPECIAL TERMS AND CONDITION OF NIT

ITEM: Low Frequency Variable Depth SONAR (LFVDS) for 12 Ships (06 built by GRSE and 06 by CSL)

1. **Scope of Supply:** Items are to be supplied as per SOR No. GT43620002M , REV -1 dtd. 14.12.2023 Any deviation from SOR will not be accepted during the contract period, unless otherwise accepted by GRSE , CSL and IN in TNC meeting.

2. **Term of Prices:** Price is to be firm and fixed till execution of the order. No price escalation will be allowed at any stage during contract period. It is mandatory to quote for all line items as per tender, the currency will be in INR only .

3. **FET:**

3.1 FET is to be conducted by the L1 vendor on “**NO COST**” basis which is mandatory (irrespective of whether already FET cleared or not). The L1 vendor would be required to develop the LFVDS System as per the present SOR and conduct Field Evaluation Trial (FET) along with *IN* nominated FET Team in Indian water on board one of the ASWSWC to be nominated by *IN* in advance in accordance with Trial methodology to be provided by *IN*. FET is required to be conducted within 18 months after L1 declaration and subsequent PNC conclusion. A preliminary Trial methodology is attached at APPENDIX–7 for reference.

3.2 Conducting FET is the responsibility of the L1 vendor and broadly encompasses following activities:

- (a) L1 vendor shall take the equipment on board, Install, connectorize and complete STW and FET along with *IN* FET Team.
- (b) Post clearance of FET, L1 vendor will dismantle all equipment and take back all the items to his premises.

3.3 On successful completion of FETs and receipt of FET clearance certificate from *IN*, both the shipyards will place orders for 06 (six) ship sets of LFVDS Systems each on the L1 vendor within 06 months. FET Compliance Report is required to be submitted to the shipyards by the L1 vendor after completion of FET. A preliminary format of FET Compliance Report is attached at APPENDIX–7 for reference. However, final format will be promulgated by IHQ MoD(N) prior to conductance of FET.

3.4 In case the system failed in FET in 1st chance, then the L-1 bidder will be provided the 2nd chance to clear FET. The FET Clearance in the 2nd chance to be completed within 02 months from the date of failure in FET in 1st chance. If the system again failed in FET, then GRSE/CSL will go for retendering.

3.5 **APPROPRIATION OF FET CLEARED SYSTEM:** FET cleared system can be accepted as first system if following conditions are fulfilled by the L1 Vendor:

- (a) The system Shall be production grade system.
- (b) The system shall undergo all QA checks by QA agency nominated by *IN* in accordance with IN approved QAP document.
- (c) The system shall undergo FATs to be witnessed by IN FAT team in accordance with IN approved FAT document.

(d) The system shall undergo re-preservation and proper packing prior delivery to the shipyard as first system.

4. **Terms of Delivery:**

(a) **For the system for FET:** at any place in India at ASW SWC platform.

(b) For supply of system after FET clearance: - Material is to be delivered GRSE, Kolkata and CSL, Kochi for respective ships ("Delivered at Place"-DDP INCOTERMS-2020 with ultimate consignee). Packing, Forwarding, Freight and Insurance charge is to be borne by the supplier. Before deliver the material, prior confirmation for delivery store location to be obtained from ordering department of respective shipyards..

5. **Dispatch:**

Consign to:

GRSE Kolkata for 06 ships and CSL, Kochi for 06 ships

Following documents should be submitted along with material:-

- (a) Copy of invoice. Invoice to be made as per deliverables list of the order.
- (b) Delivery Challans clearly indicating Purchase order No. , material code and details box wise packing list.
- (c) Copy of Inspection Note Details and Packing List co-relating the items in the inspection report.
- (d) Purchase Order copy & Amendments, if any
- (e) Copy of Inspection Release Note (IRN) issued by nominated inspection officer, if any .
- (f) Copy of Warranty Certificate, Preservation Certificate etc
- (g) Weight certificate and any other documents mentioned in SOR.
- (h) Technical documentation if applicable.
- (i) Packing List
- (j) Storage/Preservation/Installation/ Commissioning/ Maintenance procedure/ Certification for preservation & other documentation in requisite sets as relevant.

6. **Delivery schedule and time lines:-**

DELIVERY: The delivery schedule for the main equipment, cables, installation materials, OBS, and services of engineers shall be as per the dates mentioned below:-

Sl. No.	Activity	Timeline	Cumulative timeline(m=Month)	Remarks
a	PNC conclusion with L1 vendor and go ahead for conduction of FET from shipyard/IN	T0	0 m	
b	FET to be conducted by L1 vendor and subsequently "FET cleared" to be declared by IN	T1= T0 + 18m	18m	"FET to be conducted within 18 months post PNC conclusion. If system clears FET, IN shall declare the system 'FET cleared'. In case the offered system failed to clear the FET, a second chance will be given to rectify defects and clear FET within two months' time after declaration of first FET as "Failed" (T0 + 20m). In such case, all subsequent activities shall be deferred by two months. In case the system fails in the second FET, shipyards will go for retendering.
c	PO placement by shipyards	T2= T1 + 6m	24m	Post clearance of FET by IN, GRSE and CSL will place order separately for six ship sets of Lfvds each.
d	First system delivery	T3= T2 + 6m	30m	At GRSE, Kolkata
e	Second System delivery	T4=T3 + 6m	36m	At CSL, Kochi
f	Third System delivery	T5=T4 + 6m	42m	At GRSE, Kolkata
g	Fourth System delivery	T6=T5 + 6m	48m	At CSL, Kochi
h	Fifth System delivery	T7=T6 + 6m	54m	At GRSE, Kolkata
i	Sixth System delivery	T8=T7 + 6m	60m	At CSL, Kochi
j	Seventh System delivery	T9=T8 + 6m	66m	At GRSE, Kolkata
k	Eighth System delivery	T10=T9 + 6m	72m	At CSL, Kochi
l	Ninth System delivery	T11=T10 + 6m	78m	At GRSE, Kolkata
m	Tenth System delivery	T12=T11 + 6m	84m	At CSL, Kochi
n	Eleventh System	T13=T12	90m	At GRSE, Kolkata

	delivery	+ 6m		
p	Twelfth System delivery	T14=T13 + 6m	96m	At CSL, Kochi

7. **Quality Assurance and Inspection Authority:** As per SOR.

8. **Marking and packing of Deliverables.** The bidder shall ensure that each deliverable is marked clearly and indelibly, as follows: -

(a) In accordance with the requirements specified in the RFP or if no such requirement is specified, with the indicated codification number or alternative reference number specified.

(b) Ensure that any marking method used does not have a detrimental effect on the strength, serviceability or corrosion resistance of the deliverables.

(c) Where the deliverables have a limited shelf life, with the cure date/date of manufacture or expiry date expressed as months and years.

(d) Where it is not possible to mark a deliverable with the required particulars, these should be included on the package in which the deliverable is packed.

(e) **Packaging of Deliverables.** The Bidder shall pack or have packed the deliverables, as applicable:-

In accordance with DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.

To ensure that each deliverable may be transported in an undamaged and serviceable condition.

9. **Payment Terms:**

A) For supply portion

(a) 10% of deliverables value as stage payment against submission of final version Binding data and invoice supported with equivalent amount of Bank Guaranty valid till completion of supply.

(b) 80% payment with 100% Tax of supply value against submission of invoice after receipt and acceptance of the items at shipyard /destination place.

(c) Balance 10% payment of supply value after expiry of warranty period or against submission of PBG of 10% of supply value valid till warranty period plus one month.

B) Service :- 100% payment with 100% tax of the respective services will be made against submission of invoice along with Work Done Certificate (WDC) duly signed by Shipyard /WOT/IN.

10. **Payment Mode:** All the payments to indigenous bidders due shall be made through Real Time Gross Settlement (RTGS) / National Electronic Fund Transfer (NEFT).

11. **Guarantee/ Warrantee Clause:**

12 months from SAT completion date or 24 months from the date of JRI whichever is earlier.

If within the period of warranty, the goods/stores are reported by the BUYER to have failed to perform as per the specifications, the SELLER shall either replace or rectify the same free of charge, maximum within 15 days of notification of such defect by the BUYER provided that the goods are used and maintained by the BUYER as per instructions contained in the Operating Manual. Warranty of the equipment would be extended by such duration of downtime. Record of the down time would be maintained by user in log book. Spares and all consumables required for warranty repairs shall be provided free of cost by SELLER. The SELLER also warrants that the special oils and lubricants required for the warranty repair of the equipment shall be provided by the SELLER himself. All activities including diagnosis, rectification, calibration, transportation etc, required for making equipment serviceable and available would be the SELLER's responsibility. The SELLER also undertakes to diagnose, test, adjust, calibrate and repair/replace the goods/equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty

period, at the cost mutually agreed to between the BUYER and the SELLER The SELLER shall intimate the assignable cause of the failures.

SELLER hereby warrants that necessary service and repair backup during the warranty period, including routine maintenance beyond Unit Level, shall be provided by the SELLER and he will ensure that the cumulative downtime period for the equipment does not exceed 15% of the warranty period.

If a particular equipment/ goods fails frequently and/or, the cumulative down time exceeds 15% of the warranty period or a common defect is noticed in more than 5% of the quantity of goods with respect to a particular item/component/subcomponent, that complete item/equipment shall be replaced free of cost by the SELLER within a stipulated period of 90 days of receipt of the notification from the BUYER duly modified/upgraded through design improvement in all equipment supplied/yet to be supplied and ESP supplied/yet to be supplied. Warranty of the replaced item/equipment would start from the date of installation and commissioning of replaced item/ equipment.

SELLER shall associate technical personnel of maintenance agency and QA of BUYER during warranty repair and shall provide complete details of defect, reasons and remedial actions for averting recurrence of such defects.

The Seller to offer extended warranty for deliverables separately in the Price Bid Format Whenever delivery is made in stagger manner, actual date of delivery of last consignment will be considered as actual delivery date of equipment and warranty date will be calculated accordingly.

The Warranty for the item/service supplied shall be limited to back to back basis and the Warranty obligations flow down to the ultimate customer.

12. **Liquidated Damage (L.D):**

- (a) In the event of delay in supply beyond the contractual delivery period, Liquidated Damages will be imposed @ ½% per week or part thereof, subject to a maximum of 5% of the undelivered portion of the order of the delayed part. The liquidated damage would be deducted from the invoice of supplier / vendor at the time of release of the payment.

- (b) LD @ 0.25% per week delay or part there of subject to maximum of 1% of total order value will also be recovered in case of delay in submission of Binding data, Drawings & QAP (as applicable) to the concern authority for approval for the first ship set only. In case the contractual submission of date Binding data, Drawing & QAP is in staggered manner / date, if any the date will fail, LD will be imposed.

13. **Cancellation of order:**

a) The Purchaser reserves the right to cancel an order forthwith on completion of 50% of the scheduled delivery/Completion period the progress of manufacture/Supply is not to the satisfaction of Purchaser and failure on the part of the Bidder/Supplier/Contractor to comply with the delivery schedule is inevitable. In such an event the Supplier shall repay all the advances (if paid) together with interest at prevailing bank rates plus from the date of receipt of such advances till date of repayment. The title of any property delivered to Purchaser will be reverted to the Supplier at his cost.

b) In case of breach / non-compliance of any of the agreed terms & conditions of order / contract. GRSE reserves the right to recover consequential damages from the Supplier on account of such premature termination of contract.

c) In case of delay beyond agreed period from contractual delivery period or unsatisfactory progress before contractual delivery period, GRSE reserves the right to cancel the order and procure the order items / services from any available source at GRSE's option & discretion and entirely at your risk and cost. Extra expenditure incurred by GRSE in doing will be recoverable from Supplier. GRSE also reserve the right to take penalty action as deemed fit.

14. **Risk Purchase:**

For unsatisfactory progress even before contractual delivery date , delay in delivery, non submission of SDBG , non submission of progress report ,violate any of the terms & conditions P.O , shipyards shall have the right to cancel the part order/ whole contract and procure materials & services from alternative source completely at the suppliers risk and cost. Extra expenditure incurred by shipyards in doing will be recoverable from Supplier. Shipyards also reserve the right to take penalty action as deemed fit.

Further If the equipment / article / service or any portion thereof be not delivered / performed by the scheduled delivery date / period, any stoppage or discontinuation of ordered supply / awarded contract without written consent by Purchaser or not meeting the required quality standards the Purchaser shall be at liberty, without prejudice to the right of the Purchaser to recover Liquidated Damages / penalty as provided for in these conditions or to any other remedy for breach of contract, to terminate the contract either wholly or to the extent of such default. Amounts advanced or part thereof corresponding to the undelivered supply shall be recoverable from the Contractor / firm at the prevailing bank rate of interest.

The Purchaser shall also be at liberty to purchase, manufacture or supply from stock as it deems fit, other articles of the same or similar description to make good such default and/or in the event of the contract being terminated, the balance of the articles of the remaining to be delivered there under. Any excess over the purchase price, cost of manufacture or value of

any articles supplied from the stock, as the case may be, over the contract price shall be recoverable from the firm / Supplier / Contractor.

Firm will be given an advance written intimation for submitting clarification within a period of two weeks from notice. After exhausting this remedy the Risk Purchase clause will be invoked. Any payment made against the P.Os will also be recoverable from the supplier . Any Bank Guarantee submitted by the supplier may also be invoked for recovery purpose.

15. **Option Clause:**

GRSE/CSL retains the right to place order for additional quantities up to a maximum of 50% of the tendered quantity against this tender, at the same rate and Terms and Conditions. Such an option shall be available during the finalization of contracts.

16. **Non- Disclosure Agreement of the contract Document:**

Except with the written consent of the Buyer/Indian Navy, other party shall not disclose the contract, price or any provision, specification, plan, design, pattern, sample or information thereof to any third Party.

17. **Additional Information:**

GRSE/CSL shall not be bound by any conditions or provisions in the sellers bid form or acknowledgement of contract, invoices, packing list and any other documents which purport to impose any conditions at variance with the tender/PO terms. Wherever bidders provide additional information/requirements in their response bid/offer to this NIT, GRSE/CSL may consider the same only if these are in line with NIT requirements, discussed by bidder in TNC/CNC and recorded in relevant Minutes of Meeting.

18. **Taxes & Duties:**

Indian Firm to confirm that GST rate and HSN/SAC Code for the quoted items indicated in techno-commercial bid as well as price bid. TDS shall be carried out from the amount payable towards services. Firm shall submit Tax Residency Certificate (TRC) and PAN card. Firm shall bear and pay all taxes, duties and statutory levies in the country of origin in connection with the execution and / or performance of this contract.

19. **Custom Duty if applicable:**

- (a) Only Basic custom duty (BCD) at actual or limited to Import content mentioned in the P.O whichever is lower, will be reimbursed to the Indian bidder by shipyard against documentary proof of payment (submissions of original receipts).
- (b) Basic custom duty (BCD) as applicable on all imported goods, shall not be considered for arriving at landed price.
- (c) Indian Supplier will forward to shipyard, separate lists of items required to be imported by themselves and their sub-supplier giving the respective drawing references three months prior to actual import for scrutiny.
- (d) At the time of claiming reimbursement based on above, the following documents have to be forwarded:
 - Copy of the Import Purchase Order
 - Copy of the Import Invoice
 - Certification by Supplier that items being imported are for fitment onward ships.
 - Air Way Bill / Bill of Lading marked as Freight Paid
 - Insurance Policy / Insurance Document.
 - Evidence / Receipt towards payment of above taxes / duties
 - Statuary Auditor certificate certifying the claim
- (e) Reimbursement of BCD shall be based on GOI/RBI guidelines as issued from time to time.
- (f) BCD will be reimbursed after completion of delivery and acceptance of the items at shipyard.

20. **Goods and Service Tax(GST):**

- i. Firm shall follow all the provisions/requirements/timelines promulgated by the Government of India from time to time with reference to GST compliance. GST as per GST laws shall be payable extra as agreed.
- ii. Firm shall be responsible for the financial and non financial consequences in case of non compliance of GST provisions/requirements/timelines on their part.
- iii. The HSN code to informed by the firm and GST rate will be incorporated in P.Os.) The code must be in accordance with GST Laws. GRSE shall not be responsible for any error in HSN code for goods & /or services specified by supplier / contractor. Supplier / contractor shall pay penalty and / or interest imposed on GRSE or any loss due to delay in availing ITC by shipyards or any loss of Input Tax Credit (ITC) to shipyards due to errors by vendors at any stage. GRSE reserves right to recover any such interest, penalty or loss from any amount due to supplier / contractor or otherwise.
- iv. In case, shipyards is unable to avail ITC, supplier / contractor at their own cost shall rectify the shortcoming in the returns to be filed immediately thereafter. Further, if the ITC is delayed / denied to shipyard / reversed subsequently as per GST Laws due to non / delayed receipt of goods and / or services and / or tax invoice or expiry of timelines prescribed in GST Laws of availing ITC, non-payment of taxes or non-filing of returns or any other reason not attributable to shipyards, supplier / contractor shall pay any loss of amount along with interest and penalty on shipyards under GST Laws for the number of days the ITC was delayed. If the short coming is not rectified by supplier /

contractor and shipyards ends up in reversal of credits and / or payments, supplier / contractor is fully liable for making good all the loss incurred by shipyards. Shipyards reserves right to recover any interest, penalty or loss from any amount due to Supplier / contractor or otherwise.

- v. Supplier shall mention the shipyards GSTIN while invoicing and avoid any data entry error on GST portal.
- vi. Supplier shall ensure timely submission of invoice as per the provisions / requirement / timeline promulgated by GOI in relation to GST Law with all required supporting documents to enable shipyards to avail input tax credit promptly. The vendors invoice inter alia should contain GSTIN of vendor, GSTIN of shipyards, GST tax rate separately, HSN code wise goods or services, place of supply, signature of vendor, etc. Original invoice needs to be submitted to Bill Receipt Centre at shipyards .
- vii. Supplier shall file all applicable returns under GST Laws in the stipulated time & any losses of tax credit to shipyards arising due to delay in filing will be recovered from their invoice wherever shipyards is eligible to avail tax credit. Any default towards payment of tax and / or uploading of monthly returns by supplier / contractor, shipyards retains right to withhold payments towards tax portion until the same is corrected & complied by the supplier / contractor with the requirement of GST along with satisfactory evidence.
- viii. Supplier will not be entitled to any increase in rate of taxes & duties occurring during the period of extended delivery completion schedule if there is delay in supplies/completions attributed to him. However, if there is a decrease in Taxes & Duties, the same must be passed on to shipyards.
- ix. Wherever all-inclusive prices are quoted by the supplier without bifurcation of tax element, no escalation can be considered in respect of any variation in statutory levies arising subsequently because of the absence of the required base figures in the purchase order.
- x. Income tax applicable on cost of services rendered in India in relation to the P.O, shall be payable by supplier.
- xi. TDS on GST or any other charges will be deducted as per Govt. guidelines.

21. **Security Deposit Bank Guarantee (SDBG):**

- (a) Firm will submit SDBG to respective shipyard in Shipyard's format 5% of total order value excluding Taxes , Duties, freight etc. payable in Indian Rupees for Indian supplier .
- (b) SDBG shall be submitted within 25 days of date of transmission of P.O .
- (c) SDBG shall be from Bank of International repute as updated by SBI from time to time.
- (d) Firm should advise their banker to send BG directly to Finance Department of respective shipyard in Bank's sealed envelope to dispense with additional step of verification of authenticity of signatories.
- (e) In case of failure to submit the Security Deposit within 25 days of transmission of the order, shipyards reserves the right to cancel the order invoking the risk purchase clause.

- (f) SD will be returned without interest within 15 days after satisfactory execution of order for all line items in all respects. Hence, SD should be kept valid till completion of contract plus one month for settlement period
- (g) In case completion is likely to be delayed, the validity of the SDBG shall be extended suitably till the completion of delivery on instruction from shipyard . In case of non extension/ non renewal as requested, shipyard shall encash the BG before expiry of its validity period.
- (h) In the event of failure to submit the Security Deposit within 25 days of transmission of the order, but commenced the work, interest will be levied for the delayed period of submission as per SBI rate plus 2%. Also, the same shall be applicable for delayed period of extension of validity.
- (i) In the event of failure to execute the order satisfactorily, the Security Deposit will be encashed by shipyards
- (j) In case of non-extension / non-renewal as requested, shipyard shall encash the BG before expiry of its validity period.

22. **Performance Bank Guarantee (PBG):**

- (a) PBG for 10% of material value (excluding taxes & duties and service component , payable in Indian Rupees for Indian supplier and along with the claim as mentioned in payment term.
- (b) PBG shall be kept valid till completion of warrantee period plus 04 weeks.
- (c) Bank Guarantee shall be from Bank of International repute as updated by SBI from time to time.
- (d) In case delivery / completion /defect rectification are likely to be delayed, the validity of the PBG shall be extended suitably on instruction from shipyards. In the event defect due to poor workmanship leading to non-performance of the equipment and supplier's failure to attend the guarantee defects within a reasonable period of time or In case of non extension / non renewal as requested, shipyards shall encash the BG before expiry of its validity period. Shipyards decision shall be final & binding on supplier in this regard.
- (e) The Performance Bank Guarantee will be in respective shipyard's format and in favor of respective shipyards.

23. **PROJECT MANAGEMENT AND PROGRESS MONITORING:**

The required dates are indicated in tender. On placement of order/Orders a kick off meeting is to be held in respective shipyards to chalk out the sequence and priority of the activities and the deliverables in line with the prevailing construction status of the ship. In this meeting, a progress monitoring team shall be constituted by shipyard/IN officials and supplier 's representative. This team shall carry out periodic reviews (initially followed by weekly /monthly reviews) to decide and chalk out the detailed sequence and priority of the completion of work and deliverables. The vendor would have to adhere to the recommendations and decisions of the said team while executing the work.

- (a) First Information within 30 days of PO comprising following: -

- (i) SDBG submission status.
- (ii) Order execution plan along with percentage progress measurement methodology and bar chart indicating progress milestones.
- (iii) Documents submission status (Level 1, Binding data, QAP etc).

(b) Fort nightly / Monthly Progress Report commencing first week of quarter following submission of First Information comprising following:-

- (i) Updated Progress bar chart.
- (ii) Document submission and approval status.
- (iii) Ordering Status of major outsourced items and raw materials.
- (iv) Report on indigenization plan submitted as part of tender.
- (v) Manufacturing status in own and sub supplier's factory.
- (vi) Stage Payment Status where applicable.
- (vii) Bottlenecks/Holdups if any.

24. **Packing & Forwarding :**

Shall be arranged by Supplier at their cost. However, Supplier to ensure that all materials are properly packed (Spares in PIP in a separate box) to withstand transit damage / pilferage during transit.

All Spares are to be supplied in PIP Packing. OB Spares, Spares and tools are to be supplied in separate boxes with clear identification and part numbers in metallic or plastic tag with identical description in the respective packing list(s). Each box shall have a separate packing list attached with the detailed description mentioned and marking done on it. Supplier's representative is required during receipt inspection of loose items, accessories, spares and tools for easy identification and detection of shortfall.

Packing List of Supplier shall compulsorily indicate the shipyard's item codes and respective Supplier Item codes for each of the supplied items.

25. **DISPUTE RESOLUTION MECHANISM (DRM):-**

(a) Any dispute/differences between the parties arising out of and in connection with the contract shall be settled amicably by mutual negotiations.

(b) In case of non-settlement by (a) above, if at any time, before, during or after the contract period any unsettled claim, dispute or difference arose between the parties, upon or in relation to or in connection with or in any way touching or concerning this tender/agreement/order/contract, the same shall be referred to the concerned Functional Director.

(c) The Functional Director shall then nominate an Executive of the rank of General Manager whom he thinks fit and competent or a Committee of Executives who/which shall then scrutinize the claims/disputes that have been referred to the concerned functional Director and make efforts for amicable settlements by mutual discussions/negotiations.

(d) In case no amicable settlement is arrived by (b) above within a period of three months, then the Supplier/Contractor shall approach Public Grievance Cell and address the disputes as per the provisions made under the relevant clause of the contract.

(e) In case the issues/disputes do not get settled within a period of six months from the date of submission of the dispute to the Grievance Cell, then the Supplier/Contractor may invoke Arbitration Clause of the contract.

30. **Arbitration:**

For GRSE:

a) If at any time, before during or after the contract period, any unsettled claim, question, dispute or difference arises between the parties, upon or in relation to or in connection with or in any way touching or concerning this order, the same shall be 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.

b) 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.

c) Such arbitration shall, in all respects, be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and the rules framed there under or any statutory modification or re-enactment thereof for the time being in force.

d) The Award of the Sole Arbitrator shall be final, conclusive and binding upon the parties.

e) In the event of the death or resignation 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.

f) 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 and Conciliation Act.

g) 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.

h) The language of the proceeding shall be in English.”

For CSL:-

- a. In case of any dispute or differences arising out of this agreement, then the same shall be settled amicably between the parties by way of mutual discussions and negotiation. If such dispute cannot be resolved within 60 days from the date of commencement of such discussions or negotiation, then the aggrieved party shall refer the dispute to CSL Grievance Redressal Committee.
- b. In case either party is aggrieved by the decision of CSL Grievance Redressal Committee, then the same shall be referred to a Sole Arbitrator under the provisions of the Arbitration and Conciliation Act, 1996.
- c. The seat of arbitration shall be Ernakulam and the language of the arbitration proceedings shall be English. The arbitral tribunal shall award, provide a speaking and reasoned award and shall state the reasons on which it is. Such award shall be final and binding upon the parties.
- d. Subject to the above-referred arbitration clause any dispute or differences arising out of this agreement shall fall under the exclusive jurisdiction of courts at Ernakulam.

31. FORCE MAJEURE:

Should any force majeure circumstances arise, each of the contracting party shall be excused for the non-fulfilment or for the delayed fulfilment of any of its contractual obligations, if the affected party within 15 days of its occurrence informs the other party in writing.

Force majeure shall mean fires, floods, natural calamities or other acts such as war, turmoils, strikes (as not limited to be establishment of the seller), sabotage, explosions, quarantine restrictions beyond the control of either party.

It is understood and agreed between the parties hereto that the rights and obligations of the parties shall be deemed to be in suspension during the continuance of the force majeure event as aforesaid and the said rights and obligations shall automatically revive upon the cessation of the intervening force majeure event. The period within which the rights and obligations of the parties shall be in suspension due to force majeure event shall not be considered as a delay with respect to the period of delivery and / or acceptance of delivery under the contract or otherwise to the detriment of either party.

Notwithstanding the provisions of the immediately foregoing clauses it is further understood and agreed between the parties hereto that in the event of any force majeure persisting for an uninterrupted period exceeding 6 (six) months, either party hereto reserves the right to terminate this contract upon giving prior written notice of 30 (thirty) days to the other party of the intention to terminate without any liability other than reimbursement on the terms provided in this agreement for the goods received.

32. **Rejection Replacement:**

Any equipment found defective/rejected, Supplier will collect the same, all incidental charges to be borne by them, within 30 days from the date of intimation to Supplier of such rejection. Shipyard/IN reserves the right to dispose of the rejected items at the end of a total period of 40 days in any manner to the best advantage to shipyards /IN & recover storage charges and any consequence damage from sale proceeds of such disposal.

33. **Individuality of Contract:**

This order shall be treated as an individual contract, shall not allow any general lien to the portions and shall not get any prejudice in execution due to situation arising out of some other contract that supplier may have entered into with shipyards.

34. **INDEMNITY:** Bidder shall hold harmless and keep shipyards indemnified against all claims arising as a result of infringement of any patent rights on account of manufacture sale or use of articles covered by this order.

35. **JURISDICTION OF COURTS:** All contracts shall be deemed to have been wholly made in Kolkata for GRSE and Ernakulam, all claims there under are payable in Kolkata City for GRSE and Ernakulam for CSL 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 for GRSE and Ernakulam for CSL , India and the parties agree to exclusively submit to such jurisdiction. This Agreement in all respects shall be governed by and construed in accordance with the Indian Laws.

36. **PRODUCT AND SERVICE SUPPORT:** As per SOR.

37. **PURCHASERS PROPERTY:** All property (such as materials, drawings, documents etc. issued by shipyard/IN/MoD or any other individual or firm on behalf of shipyards in connection with the contract shall remain confidential, being the property of shipyards and you shall undertake to return all such property so issued and will be responsible for any or all loss thereof and damage thereto resulting from whatever causes and shall reimburse shipyards the full amount of loss and damage. On completion of work in compartment of Ship you must ensure that the place is left in a reasonably clean state and all scrap is transferred to nearby scrap-bins.

38. **TRANSFER OF SUPPLIERS / CONTRACTORS RIGHTS:** You shall not either wholly or partly sell, transfer, assign or otherwise dispose of the rights, liabilities and obligations under the contract between supplier and the shipyard without prior consent of shipyards in writing.

39. **IMMUNITY OF GOVERNMENT OF INDIA:** It is expressly understood and agreed by and between bidder and GRSE/CSL that GRSE/CSL is entering into this contract solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that Govt. of India is not a party to this agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that

GRSE/CSL is an independent legal entity with power and authority to enter into contracts solely in its own behalf under applicable Laws of India and general principles of Contract Law. You expressly agree, acknowledge and understand that GRSE/CSL is not an agent, representative or delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, Omissions and Commissions, breaches or other wrongs arising out of the contract. Accordingly you hereby expressly waive, release and forego any and all actions or claims, including cross claims, impleader claims or counter claims against the Govt. of India arising out of this contract and covenants not to sue the Govt. of India as to any manner, claim, and cause of action or thing whatsoever arising of or under this agreement.

40. **UNDUE INFLUENCE :-** The Seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or for having done or for borne to do any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offence by the seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act, 1988 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the Seller.
41. Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/penalty as the Buyer may deem proper, including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.
42. **'Buy Back' Clause:** The Buyer would have the option to amend the Manufacturer's Recommended List of Spares (MRLS) proposed by the Bidder within a period specified in the contract, post expiry of the warranty period. The Bidder needs to agree to either 'Buy Back' the spares rendered surplus or exchange them on 'cost-to-cost' basis with the spares, as required by the Buyer. The said spares would be purchased/ replaced by the Seller, based on the prices negotiated in the contract.
- (b) The spares are required to be categorized in four categories as follows: -
- (i) Manufactured by Bidder as OEM and can be sourced as per Part No.
 - (ii) Bought out items and customized by the OEM for the specific purpose and such customization would require OEM intervention.

(iii) Bought out from other OEMs/Third Party as specialized items and used without any customization. Such items can be sourced by quoting their Part No./identification No. as given by OEM/Third Party and directly utilized.

(iv) General Engineering items/COTs which can be sourced by stating the relevant standards and item description.

43. **Order Acknowledgement:** The supplier will acknowledge the Order within 10 days of its receipt by them. If no contrary advice is received within that period it will be deemed to have been accepted by the firm.
44. Firm confirm whether they have registered with SSI / NSIC / MSME / GRSE / NONE. If yes, request indicate category along with supporting certificate.

Annexure -IV

1. **Public Procurement (Preference to Make in India ,GOI Notification No P-45021/2/2017-PP(BE-II Dated 04.06.2020) Policy:**

To encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them. The details about the policy is described below.

2. **Definitions** : For the purposes of this Order:

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

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

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

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

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

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

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

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

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

3. Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement
- (a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.
- (b) In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of

GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

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

3A. Purchase Preference

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

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.

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

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.

ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.

iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

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

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

5. Minimum local content: The local content requirement to categorize a supplier as 'Class-I local supplier'/'Class-II local supplier'/'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if any nodal Ministry/Department finds that for any particular item, pertaining to their nodal ministry/department, the definition of Local Content, as defined in the Order, is not workable/ has limitations, it may notify alternate suitable mechanism for calculation of local content for that particular item.

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

7. Government E-marketplace: In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

8. Verification of local content:

a. The 'Class-I local supplier'/'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.

b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

c. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

d. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment.

ANNEXURE - V

TO BE SUBMITTED IN BIDDRR'S LETTER HEAD

FORMAT FOR UNDERTAKING/ DECLARATION, TO BE FURNISHED ON COMPANY LETTER HEAD WITH REGARD BLACKLISTING/ BANNED/ISSUE OF TENDER HOLIDAY/ RISK PURCHASE NOTICE

Ref: GRSE Tender No.

To

Garden Reach Shipbuilders & Engineers Ltd.

Kolkata
Cochin Shipyard Ltd.,
Kochi

We hereby confirm and declare that we M/s., registered office at and factory athas not been blacklisted/ de-registered/ debarred/ under tender holiday by any Government Department/ PSU/DPSU for which we have undertaken the works/service during last 5 (five) years ending at Tender closing date.

We are also hereby declare that we have not been issued with any Risk Purchase Notice by GRSE or CSL for non-fulfillment of delivery commitment of similar item for any project during last 2 years ending on (Tender Closing date)

For:

Authorised Signatory.....

Stamp.....

Date.....

Place.....

GRSE FORMAT
FORMAT NO. QS/03/0019

PROFORMA OF BANK GUARANTEE TOWARDS SATISFACTORY PERFORMANCE

THIS DEED OF GUARANTEE made thisday ofBETWEEN.....(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 SHIIPBUILDERS AND ENGINEERS LIMITED , having their Head OfficAt 43/46 , Garden Reach Road , Calcutta – 700024 (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 part WHEREAS Messershaving its registered office at(hereinafter called " THE SELLER ") have accepted an Order No.for supply offrom 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. fromAND 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 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 as to whether any sum has become payable by the seller to the 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 of 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 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 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 froce 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 upto.....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.

Date :200

Signature of Bank's Authorised
Signatories with Code No., Name,
Designation and Bank Stamp

GARDEN REACH SHIPBUILDERS & ENGINEERS LIMITED
43/46, GARDEN REACH ROAD
KOLKATA – 700 024.

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. F.No.0(7)/B.O.III/75 dated 2.11.77.

GUARANTEE BOND

(to be used by all scheduled banks)

1. 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..... (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 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..... against any loss or damage caused to or suffered by the Buyer by reasn of breach by the said Party of any of the terms or conditions contained in the said Tender.

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 or conditions contained in the said Tender or by reason of the 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.

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 Chairman & Managing Director, Garden Reach Shipbuilders & Engineers Limited, certifies that the terms & conditions of the said Tender 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 our obligations hereunder to vary any of the terms & conditions of the said Tender/Order or to extended 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 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 for bearance, 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 here in 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 date of expiry, all the rights of the beneficiary under the said Guarantee shall b released and discharged from all liabilities thereof.

ForBank Limited.

(seal)

Dated theday of200.....

INTEGRITY PACT TO BE EXECUTED FOR
HIGH VALUE ORDERS
GRSE

1. **IN FORMAT ENCLOSED.**
2. **IN NON – JUDICIAL STAMP PAPER OF VALUE RS. 110/-.**
3. **TO BE EXECUTED BY PERSON WITH APPROPRIATE AUTHORITY.**

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 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, provide 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 principals, 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 offences.

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 extant procedure of the company.

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 sub-contractors 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 violate its provisions.

Section 7 – Criminal charges against violating Bidder(s) Contractor(s) / Sub-contractor(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 perform 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 / determined 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)
(Office Seal)

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

Place.....

Date.....

Witness 1:
(Name & Address)

.....

.....

Witness 2:
(Name & Address)

.....
.....
ANNEXURE TO INTEGRITY PACT

GUIDELINES ON INDIAN AGENT OF FOREIGN SUPPLIERS

1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with GRSE shall apply for registration in the prescribed Application – Form.

1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public / Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission / remuneration / salary / retainer ship being paid by the principal to the agent before the placement of order by GRSE.

1.2 Wherever the Indian representatives have communicated on behalf of their principals the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.

2.0 DISCLOSURE OF PARTICULARS OF AGENTS / REPRESENTATIVES IN INDIA, IF ANY.

2.1 Tenderers of Foreign nationality shall furnish the following details in their offer :

2.1.1 The name and address of the agents / representatives in India, if any and the extent of authorization and authority given to commit the Principals. In case the agent / representative is a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.

2.1.2 The amount of commission / remuneration included in the quoted price(s) for such agents / representatives in India.

2.1.3 Confirmation of the Tenderer that the commission / remuneration if any, payable to his agents / representatives in India, may be paid by the Tenderer in Indian Rupees only.

2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:

2.2.1 The name and address of the foreign principals indicating their nationality as well as their status, i.e., whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents / representatives.

2.2.2 The amount of commission / remuneration included in the price (s) quoted by the Tenderer for himself.

2.2.3 Confirmation of the foreign principals of the Tenderer that the commission / remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by GRSE in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.

2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission / remuneration, if any payable to the agents / representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.

2.4 Failure to furnish correct and detailed information as called for in paragraph – 2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by GRSE. Besides this there would be a penalty of banning business dealings with GRSE or damage or payment of a named sum.

ANNEX-IX

CERTIFICATE- MALICIOUS CODE

(To be submitted on the OEM's Letter head)

1. This is to certify that the Hardware and the Software being offered, as part of the Contract, does not contain embedded malicious code that would activate procedures to:-

(a) Inhibit the desired and designed function of the equipment.

(a) Cause physical damage to the user or equipment during the operational exploitation of the equipment.

(c) Tap information resident or transient in the equipment/networks.

2. The firm will be considered to be in breach of the procurement CONTRACT, in case physical damage, loss of information or infringements related to copyright and Intellectual Property Rights (IPRs) are caused due to activation of any such malicious code in embedded software.

(Signed)

Designation / Name / Address of Firm

Date:

Place: