



∴ SAIL/ CMMG/ PCP-2024/01

R;c;lich:06.12.2024

Subject : Purchase / Contract Procedure 2024 (PCP-24)

1. The "Purchase / Contract Procedure 2020 (PCP 2020) were issued by CMMG on 20-03-2020 and subsequently amendments for some clauses were issued on 21-05-2021 and thereafter on 29.01.2022.
2. In the interim period thereafter, changes in Governance Structure and Government Guidelines were communicated :
 - a. Department of Expenditure 1(DoE) as the sole agency for issuing procurement related directives/ instructions
 - b. Promulgation of 3 separate manuals for procurement (MfPs) - one each for 'Goods', 'Works' and 'Consultancy and Other Services' by DoE;
 - c. Enhanced features & methods of procurement on GeM
3. In light of the above the Purchase/ Contract Procedure 2020 was reviewed to align it with the manuals as well as GeM features.
4. Accordingly, after in-depth discussions with different stakeholders in SAIL, the new Purchase/ Contract Procedure 2024 (PCP-2024) was prepared and has been approved by Chairman, SAIL. The procedure shall come into force with immediate effect.
5. SAIL Procedure for Procurement of Goods & Services on Government e-Marketplace (SP-GeM:2018) is withdrawn and shall no longer be applicable as the relevant provisions are now subsumed in PCP 2024.

The Purchase/Contract Procedure 2024 (PCP-2024) is attached herewith for ready reference and may also be downloaded from Corporate Portal under "CMMG->GUIDELINES->Purchase-Related (Including PCP)".

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(SJ Arimed)

Executive Director(CMMG)

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m:f SAIL

PURCHASE/ CONTRACT PROCEDURE - 2024
(PCP - 2024)

Corporate Mat,erials Management Group

'For Internal Circulation Only'

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J bbreviations Used

| | | |
|-------------|---|--|
| AMR | - | Addition, Modification and Replacement |
| AP | - | Automatic Procurement |
| ATC | - | Additional Terms & Conditions |
| BG | - | Bank Guarantee |
| BIS | - | Bureau of Indian Standards |
| CA | - | Competent Authority |
| CEC | - | Commercial Evaluation Committee |
| CPP | - | Central Public Procurement |
| CTE | - | Chief Technical Examiner |
| eve | - | Central Vigilance Commission |
| CVO | - | Chief Vigilance Officer |
| DPIIT | - | Deptt. of Promotion of Industry & Internal Trade |
| DOP | - | Delegation of Powers |
| ORO | - | Direct Reporting Officer |
| EMO | - | Earnest Money Deposit |
| EOI | - | Expression of Interest |
| EPS | - | Enterprise Procurement System |
| ERP | - | Enterprise Resource Planning |
| FDR | - | Fixed Depos it Receipt |
| FIFO | - | First fn First Out |
| GARN | - | Goods Acceptance/Rejection Note |
| GC | - | GuaranteeCertificate |
| GCC | - | General Conditions of Contract |
| GeM | - | Government e-Marketpiace |
| GST | - | Goods & Service Tax |
| GOI | - | Government of India |
| HOMM | - | Head of Material Management |
| HOD | - | Head of Department |
| HOP | - | Head of Projects |
| IEM | - | Indepe nde n t E xternal Monitor |
| IPSS | - | Inter Plant Steel Standards |
| ISO | - | Int ernational Organisation for Standardisation |
| LC | - | Letter of Credit/ Local Content |
| LCN!TC | - | Landed Cost Net of Input Tax Credit |

| | | |
|-------------|---|-------------------------------------|
| LCNS | - | La n de d Cost Net of Set Off |
| LO | - | Liqu idated Damages |
| LOA | - | Letter of Accepta nce |
| LPP | - | La st Purchase Price |
| LTE | - | Limited Tender Enquiry |
| Mli | - | Make in India |
| MM | - | Materials Management |
| MSE | - | M icro & Small Enterprise |
| NIT | - | No tice Inviting Tender |
| OEM | - | Original Equipment Manufacturer |
| OES | - | Original Equ ipment Supplier |
| OTE | - | Open Tender Enquiry |
| PAN | - | Permanent Account Number |
| PGB | - | Performance Guarantee Bond |
| PO | - | Purchase Order |
| PSU | - | Public Sector Units |
| QCBS | - | Quality and Cost Based Selection |
| RA | - | Reverse Auction |
| RBI | - | Reserve Bank of India |
| RFQ | - | Request for Quotation |
| SBO | - | Standard Bidding Document |
| SRM | - | Supplier Relationship Management |
| STE | - | Single Tender Enquiry |
| TC | - | Tender Committee / Test Certificate |
| TEC | - | Te chnical Evaluation Committee |
| TOD | - | Tender Opening Date |
| TOR | - | Terms of Reference |
| URC | - | Ud yam Registration Certificate |
| URL | - | Un ifo rm Resource Locator |
| VAT | - | Value Added Tax |
| VOE | - | Vendor Development Cell |
| WC | - | Warranty Certificate |
| WO | - | Work Order |

1.0. INTRODUCTION

- 1.1 The objective of the Purchase / Contract Procedure is to ensure transparency , fairness, uniformity, competition, economy, efficiency and accountability in the procurement/contract/tendering process across SAIL Plants/ Units.
- 1.2 The Purchase / Contract Procedure - 2024 (PCP-24) has been aligned with reference to the Manual for Procurement of Goods Manual for Procurement of Consultancy & Other Services and Manual for Procurement of Works issued by Department of Expenditure (DoE), Ministry of Finance as per CVC directive 022NGU032 dated 11.07.2022 and has been finalized after in-depth deliberations with Materials Management, Contract Cell, Vigilance, Projects and Finance.
- 1.3 The procedure is applicable to cill purchases /contracts for Goods or Services or Works and Job Contracts/ Project Cases/Conversion and Outsourcing of all types, unless specified otherwise. For Import of Coal and Coke, "SAIL Policy for Import of Coal & Coke" shall be followed. For Projects cases, in case of conflict between provision of Purchase/Contract Procedure (PCP) and Standard Bidding Document (SBD), the provisions of SBD shall prevail.
- 1.4 Deviations to the PCP should be rare. In exceptional cases, deviation may be permitted for recorded reasons with the specific approval of respective Director/ Director In-charge of the Plant/Unit. The deviation shall be reported to CVO through ACVO of the Plant/ Unit and to Corporate Materials Management Group (CMMG) (For MM and Contract cases) & Corporate Projects (for Projects cases).
- 1.5 In addition to procedure indicated in PCP-24, the different circular / guideline issued by Government Agencies from time to time may also be referred to. If any change is required to be made in the existing PCP due to such instructions / guidelines / directives or otherwise, amendments will be issued by CMMG.
- 1.6 In all cases wherever approval of Next Higher Authority (NHA) is envisaged as per the provisions of PCP or as per extant DOP, in case the original approval is by Director-in-Charge/ Director /Head of Unit, the NHA shall also be the Director-in-Charge/ Director /Head of Unit for according such approval.

2.0. RAISING OF INDENTS

- 2.1 The indents for procurement of' goods or services or both or proposal for job / operational / works contracts shall be raised by the department(s) concerned or designated centralized agencies. These indents shall be prepared in the prescribed format (to be designed by each planVunit).The indent shall be signed / e-signed / cleared online in SAP by the Head of the Department (HOD). The plant / unit shall devise a proper system of numbering the indents initially and the re-processing reference at different stages to facilitate cross-reference. Suitable records shall also be maintained for such numbering / references at different stages for control purposes. Efforts shall be made, wherever possible, to maintain records electronically and generate reference numbers online.
 - 2.1.1 For Project / Contract cases / Capital / AMR schemes, proposal will be initiated by indenter and processed by **MM** Dept./ Contract Cell/ Project Dept.I contract operating authority / designated centralized agency based on the scheme sanctioned by the management.
 - 2.1.2 The names of the suggested registered manufacturers / suppliers / traders / contractors, as the case may be, may be indicated by the indenter in the indent on the basis of past experience of parties along with order references . if any.
 - 2.1.2.1 **Reservation and Preferential / Mandatory Purchase from certain sources:** At the time of raising of indent, extant guidelines of the government related to reservation of items/services and purchase preference should be referred and suitably incorporated in the indent.

For example, directive related to procurement of khadi goods from Khadi & Village Industries Commission (KVIC), specific items for procurement from Micro and Small Enterprises (MSE), Make in India, Startups etc.

In case, exemption to Startups for annual turnover and experience criteria is not to be given, reasons for the same should be duly recorded in the indent.

The proposal for purchase preference to PSUs / Government organisations shall be based on the extant guidelines issued by the Government of India.

2.1.3 The indenter shall specify if the quantity for items / job / service is divisible for order distribution. In case it is required to place order on only one source, the indenter shall specify this in the indent. In case, it is required to place order on more than one source, the indenter shall specify so in the indent, giving the maximum number of suppliers / contractors to be engaged, justifying the reasons for the same.

1 In case there are certain quantifiable factors required to be considered / loaded while evaluating the prices quoted by the tenderers, such factors in clear quantifiable terms should be mentioned in the indent by the indenter.

1 In case the tenderers are required to submit samples along with the quotation, the same should be clearly mentioned in the indent itself. However, no sample should be called for the items for which detailed/ standard specifications are available. For procurement of clothing and textile items, detailed specifications may be mentioned & no sample shall be called. However, if required, provision for submission of an advance sample by successful bidder(s) may be stipulated for indeterminable parameters such as shade/ tone, size, make-up, feel, finish and workmanship, before giving clearance for bulk production of the supply.

1 In case Price Variation clause is to be included, the method to be used for determining the variation, the base rate and the base date for calculating the variation shall be clearly defined and indicated in the indent.

2.2 FOR PURCHASE OF MATERIALS

2.2.1 The indenter should give full and complete information regarding the description and specification of the material to be procured. To the extent possible, specifications given should be standard specifications. The cut-off points / range for performance / acceptance and the points / range for bonus and penalties should be indicated, wherever feasible.

2.2.1.1 The technical specification should normally be based on standards set by the Bureau of Indian Standards (BIS) / Indian Standards, wherever such standards exist. In the absence of BIS standards / Indian Standards, technical specification may be based on the relevant International standards. An indenting authority may, for reasons to be recorded in writing, base the technical specification on equivalent international standards even in cases where BIS standards / Indian Standards exist. For any deviations from Indian standards or for any additional parameters for better performance, specific reasons for deviations/modifications should be duly recorded.

2.2.1.2 In choosing equipments / appliances for procurement, emphasis should preferably be on factors such as efficiency, optimum fuel/power consumption, use of environmental friendly materials, reduced noise and emission levels, low maintenance cost, etc. to promote sustainability. Guidelines of Bureau of Energy Efficiency (BEE) (<http://www.bee-india.nic.in>) may be referred in this regard.

2.2.2 Digitized/scanned copies of manufacturing drawings with latest revision should be provided with the indents, wherever required.

- 2.2.3 Along with the indent, the indenter shall also prepare and enclose the following:
- a) In respect of new items, a check-list as per the prescribed proforma (to be designed by each plant / unit) justifying the indented quantity, with all columns correctly and completely filled. This check list shall be signed / cleared online by the HOD.
 - b) Due diligence must be made before procuring the items as Proprietary. Efforts made on de-proprietarisation should be recorded and a certificate on the prescribed proforma (to be designed by each Plant / Unit) signed by the HOD has to be provided. The purchase of items on proprietary basis should be kept at the minimum possible level and should be resorted to when other technically acceptable substitutes are not available.
 - c) Proposed criteria for technical eligibility & acceptance should neither be made very stringent nor very lax to restrict / facilitate entry of bidders. It should be ensured that the eligibility criteria are exhaustive yet specific to enable fair competition. It should also be ensured that the criteria are clearly stipulated in unambiguous terms. It should take into account the aspects mentioned in Clause no. 6.4 (a) to (g) Annexure 9: Sample Prequalification Criteria of Manual for Procurement of Goods and amendments thereto as well as relevant OMs/guidelines issued by DoE may be referred.
- 2.2.4 In the indent, the indenter will ensure, depending upon the nature of the item indented, incorporation of special requirement of Inspection/ quality assurance plan / special packing instructions, if any. The requirement of inspection / quality assurance plan / special packing instructions, if any, should be made part of the tender document.
- 2.2.5 In case some of the items in the indent are matching/complementary parts of an equipment assembly and are required to be supplied by one supplier only, the indenter shall specify this in the indent.
- 2.2.6 6 With a **view** to optimizing the utilization of internal facilities, each plant / unit is to prepare and get approved by the Competent Authority, an annual plan for **'Make'** items in increasing numbers on cost-effective basis, one month before the beginning of each financial year for the ensuing financial year. Indents shall not be raised for items identified as 'Make' in the annual plan for the financial year. However, where part quantity will be identified as "Make" and balance as "Buy"; indents for "Buy" quantity only shall be raised. For "Make" items, the department shall raise Work Order (WO) in the prescribed form, to be placed on the shops.
- 2.3 FOR JOB/ SERVICE CONTRACTS WHICH ALSO INCLUDES OPERATIONAL CONTRACTS, HANDLING, CONVERSION, HIRING, CONSULTANCY, WORKS ETC.**
- 2.3.1 The indenter should give detailed information regarding description of the jobs to be executed along with the materials to be supplied and equipment to be deployed by the contractor, wherever applicable. For the items to be supplied, the quantity along with detailed specifications and drawing number, etc., should be given in the indent. Similarly, for the equipment to be deployed the desired capacities of the equipment, their ownership, procurement through rent/ lease, etc., should be specified in the indent.
- 2.3.2 The overall quality of the jobs to be executed along with the expected Performance Guarantee parameters should be clearly indicated in the indent. The indent should also include any other Special Terms & Conditions other than the General Terms & Conditions, required for the execution of the jobs. Para 9.15.2 of Manual for Procurement of Consultancy & other Services, and amendments thereto as well as relevant OMs/guidelines issued by DoE may be referred.
- 2.3.3 In the indent, the indenter will ensure incorporation of suitable Special Terms & Conditions, particularly the Inspection Clause, and specify the Inspecting agency for certifying the execution of jobs as per contractual terms & conditions. The name and the designation of the executing officer / Contract Operating Authority would also be mentioned in the indent / proposal.

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- 2.3.4 With a view to optimizing the utilization of internal resources, each Plant / Unit is to prepare an annual plan and get it approved by the Competent Authority one month before the beginning of each financial year for the ensuing financial year of the jobs which cannot be undertaken internally and are to be off-loaded to the contractors during the financial year. Such list should be in decreasing number on cost-effective basis. Indents shall not be raised for the jobs not included in the approved annual plan for the financial year. In rare / exceptional cases, where the jobs were not included in the approved annual plan for the financial year, such indents shall be raised with recorded reasons and the approval of the Head of Works (for Steel Plants/ Units).
- 2.3.5 For same scope of work to be executed at different locations and/or in different phases, in a plant/unit, the annual list of such jobs prepared by different departments / shops, should be scrutinized and co-ordinated by one centralised agency for rationalization as per extant Outsourcing Policy of SAIL before it is approved by the Competent Authority. Accordingly, only one consolidated indent should be raised by the centralised agency for same/ similar scope of work considering the locational issues and if more-than one contractor is required to be engaged for such jobs, justification must be recorded in the indent (Ref. Para 2.1.3). In exceptional cases where one consolidated indent cannot be raised for same / similar scope of work, approval of the Head of Works/Head of Unit shall be obtained to raise these indents.
- 2.3.6 In case of proposals for consultancy services, the indenter shall provide complete details of Terms of Reference (TOR). Consultants or any of their affiliates will not be hired for any assignment, which by its nature, may be in conflict with another assignment of the consultants.

2.4 ESTIMATED VALUE

- 2.4.1 It will be the prime responsibility of the indenter to prepare judicious estimate of the current value of the indent. The indenter shall take the help of engineering services and other centralised agencies, if so required, for the preparation of judicious estimate using scientific/ technical methods. The estimated value of each and every item to be procured / each and every item of work to be executed will be filled in the appropriate column in the indent. The detailed estimate signed by the Head of the Indenting Department will be enclosed with the indent. Basis of estimate shall be invariably recorded.

Following shall be the guidelines for the preparation of estimates:-

- a) For frequently procured items or services (i.e., items / services purchased at least twice during last three (3) years), the estimate shall be based on the last purchase price obtained through normal tendering and competitive bids with adjustment for variations in the prices of raw materials, wages and other inputs including current market conditions based on relevant RBI indices or any other indices, wherever appropriate.
- b) For infrequently procured items (i.e. items not procured at least twice in last three (3) years)/ new items, scientific / technical estimate shall be prepared taking into consideration the cost of raw material, casting / machining, treatment/ testing, labour, overhead expenses, transportation and applicable statutory duties and levies etc. In case, cost of making pattern/ engineering drawing / development of the items are also included in the estimate, all care should be taken to exclude this portion of cost in future while re-indenting / re-ordering.

If required, for guidelines, budgetary quotations may be obtained for infrequently procured items preferably from OEM / OES / authorized dealer / registered vendors / last supplier, for new items(s) or new technology. Efforts should be made by the indenter to get more than one budgetary quotation.

For preparing departmental estimate, the lowest of rate(s) of

- i. Budgetary offers or

- ii. Last Purchase Price (LPP) with adjustment for variations in the prices of raw materials, wages and other inputs including current market conditions based on relevant RBI indices or any other indices, wherever appropriate or
 - iii. Cart Value on GeM, is to be considered.
- c) For procurement of proprietary items, LPP, if available in the last 2 years, should be considered as estimate. In cases where LPP is more than two years old or is not available, the supplier's price list / rates along with the applicable discounts shall be obtained for preparing estimates. Such list should be directly obtained from the manufacturer or India Office of OEM / OES or dealers / authorized agents. List supplied by dealers / authorized agents should not be considered unless authorized by the manufacturers. For a product available on GeM, estimate may be based on prevailing product price on GeM.
- d) For job contracts and infrequently procured (i.e. not procured at least twice in last three (3) years / new Service contracts including manpower related contract, conversion, handling, port related etc., fresh estimates shall be prepared for each indent/ contract. While preparing estimate, last contract price / job order value should not be the sole consideration for the basis of estimate. For the preparation of estimates, the following factors may be considered:
- i. Job elements,
 - ii. Supplies to be made,
 - iii. Mobile equipment/tools and tackles to be provided,
 - iv. Any other services, free against statutory obligations overheads etc.,
 - v. Green-field/ brown-field job, completion period, shutdowns involved.

Labour cost for each element of job, cost of supplies, hiring / operation cost of mobile equipment / tools and tackles and any other services, etc., shall be prepared for job contracts.

For standard service contracts, if available on GeM, estimate may be based on the prevailing rates of such service on GeM.

- e) For Projects cases, the Initial estimate prepared by the consultant should be examined by concerned officials and duly approved by the authority approving the issuance of tender enquiry in consultation with associate finance.

The estimates finalised prior to the notice inviting tenders should be duly recorded. In case the estimates are required to be updated after pre-bid discussions or techno-commercial discussions, the detailed reason for such update should be duly recorded in writing by the Tender Committee with proper deliberations and approved by the Tender Approving Authority. After approval of Tender Approving Authority, the Consultant/ Agency/ Department be asked to submit revised estimate (incremental / decremental as the case may be). The Revised Estimate be examined by the concerned officer(s)/ Department. Before approving, the Tender Approving Authority shall consult the Associate Finance.

3.0. SCRUTINY OF INDENTS/ PROPOSALS

- 3.1 The indents for procurement of material shall be scrutinized by the Screening Committee constituted by the Competent Authority for the nature of the items concerned, comprising the representatives of the related departments such as Centralized Maintenance, Central Workshop, indenter, MM Dept., Finance, etc. The executives nominated for the Screening Committee shall be in the rank of E-5 and above. The Screening Committee shall scrutinize the indent within a week of the receipt by it. The scrutiny by the Screening Committee shall *inter-alia* cover the following:-

- a) Norms prescribed with the approval of the Competent Authority for inventory holding both in terms of value and duration of consumption,
- b) The complete specifications including drawings, if required,
- c) Non-inclusion of the item in AIP approved Annual plan for "Make Items", mentioned in para 2.2.6,



- d) Consumption pattern,
- e) Stock In hand and dues in,
- f) Budget availability,
- g) Availability of all prescribed enclosures and certificates,
- h) Estimates along with the basic data including basis of estimate,
- i) Suggested mode of procurement/ tendering giving reasons,
- j) Names of suppliers suggested by the indenter in the indent,
- k) Inspection guidelines,
- l) Eligibility conditions, including turnover, production capability, financial strength, etc. do not result in unreasonable exclusion of capable suppliers/contractors but should be restrictive enough not to allow incapable suppliers/contractors,
- m) The QCBS (Quality & Cost Based Selection) / Life Cycle Cost may be adopted as the mode of evaluation on case to case basis. However, parameters of evaluation must be clearly mentioned.

Paras "3.9", "6.9.2" of extant Manual for Procurement of Consultancy & other Services and amendments thereto as well as relevant OMs / guidelines issued by DoE may be referred for guidance related to Quality & Cost Based Selection.

Para "9.17 .6" of extant Manual for Procurement of Consultancy & other Services / Para "4.9.1.A" of extant Manual for Procurement of Works thereto as well as relevant OMs / guidelines issued by DoE may be referred for guidance related to Quality & Cost Based Selection (QCBS) for Works and Non-Consultancy Services.

- n) Minimum / Maximum / Range for performance / acceptance and the Points / Range for bonus and penalties, if applicable,
 - o) Delivery schedule / instructions.
 - p) Packing and Marking details, as applicable,
 - q) Quantity and weight tolerance, if applicable.
- 3.1.1 Intimation of the clearance of quantity and value of an indent to be sent to the Indenter by the Screening Committee to update their records within three (3) days of completion of the scrutiny by the Screening Committee.
- 3.1.2 In case of computer generated indents of Automatic Procurement (AP) items. based on the reorder level, screening is not required by the Screening Committee.
- 3.1.3 Indents value below Rs. 5 Lakhs (Proprietary items and Single Tender Non-Proprietary (STNP) items), covering the annual requirement and items cleared by Empowered Committee constituted with the approval of Director / Director in-Charge / Head of Unit need not be scrutinized by the Screening Committee and shall be cleared by the Head of Indenting Department for further processing by the MM Dept. / concerned department. These indents shall have all details as per Para 3.1 and also a certification from the Head of Indenting Department, indicating that the indent is for the total annual quantity required.
- 3.2 The indents / proposals for service / Job contracts shall be scrutinized by the Screening Committee, constituted by the Competent Authority for the nature of the job concerned, comprising the representatives of the related departments such as indenter, Centralized Maintenance, Services, Contract Cell, Finance, etc. The executives nominated for Screening Committee shall be in the rank of E-5 and above. The Screening Committee shall scrutinize the indent within two weeks of the receipt of the indent by it.

The Screening Committee shall *inter-alia* cover the following, while examining the indent / proposal:

- a) Inclusion of the job in Approved Annual Plan, mentioned at Para 2.3.5,
- b) Complete job description including scope, drawings, if required,
- c) Budget availability,
- d) Availability of all prescribed enclosures & certificates,
- e) Estimates along with the basic data,
- f) Terms & Conditions required for execution of the job including the eligibility, payment terms, price evaluation criteria,
- g) Suggested mode of tendering, giving reasons.
- h) Names of contractors, suggested by the indenter in the indent.

- 3.2.1 Intimation of the clearance of quantity/scope of work and value of an indent to be sent to the indenter by the Screening Committee to update their records within three (3) days of completion of the scrutiny by the Screening Committee.
- 3.2.2 In case of any indent going beyond the approved overall budget of the department concerned, for additional / readjustment / re-appropriation of the budget, approval of Competent Authority as per the Delegation of Power (DOP) should be obtained.
- 3.3 If the indent is found to be incomplete in any respect, it will be returned by the respective Screening Committee to the indenter for completion.
- 3.4 The scrutinized indent, found complete in all respects, shall be sent to the MM Dept. / Contract Cell/ Contracting Department after obtaining approval of the Competent Authority.

4.0. ACTION ON INDENT BY MM DEPT/CONTRACT CELL/ CONTRACTING DEPARTMENT

- 4.1 On receipt of the indent by the MM Dept./ Contract Cell/ Contracting Department, an entry will be made in the **online / electronic** indent register and a case-file opened. Separate indent registers shall be maintained for purchase of material and for job contracts indents. While processing the indent for tendering, if any discrepancy is found, the MM Dept. / Contract Cell/ Contracting Department shall return the indent to the Screening Committee / indenter for compliance/clari fication by either Screening Committee or by indenter, on such discrepancies.
- 4.2 Considering the nature of item / **service** / job, its value / cost involved, knowledge of suppliers / contractors, prevailing market scenario, etc., the mode of tendering for indent value Rs. 5 Lakhs and above shall be submitted or ratified by the respective Screening Committee and for indents valuing below Rs. 5 Lakhs as referred in Para 3.1.3, the mode of tendering shall be suggested by the MM Dept. / Contract Cell / Contracting Department based on recommendations of indenter / HOD of concerned department, for approval of Competent Authority.
- 4.2.1 The indents should be processed by the MM Dept. / Contract Cell / Contracting Department within three (3) working days / seven (7) working days respectively for purchase/ job contract, on receipt of the indent from respective Screening Committee. The proposal seeking the approval of the Competent Authority for procurement/ contracting shall also envisage terms and conditions of the tender with deviations, if any, mode of tendering, bid submission time, the cost of tender documents, to be fixed either by Screening Committee or MM Dept. / Contract Cell / Contracting Department (as the case may be), and in case of Open / Global Tender, the starting and closing date for sale of tender documents along with the name of the office of the Plants/Units of SAIL for issue of the tender documents. Procurement process is to be initiated by the MM Dept. / Contract Cell / Contracting Department, which include issue of enquiry after receipt of the approval of the Competent Authority as per DOP.
- 4.3 Enquiry for the purchase of materials / job contracts shall be issued by MM Dept./ Contract Cell/ Contracting Department within seven (7) working days from the date of the approval accorded by the Competent Authority for mode of tendering. Names of tenderers from "!"horn

tender is invited, in case of limited or single tender, shall also be approved by the Competent Authority.

- 4.4 MM Dept. / Contract Cell/ Contracting Department should ensure that a reasonable time is fixed for the bids to remain valid while issuing tender enquiries, keeping in view the complexity of the tender, time required for processing the tender and seeking approval of the Competent Authority etc. and finalization of tender within the stipulated original validity should be ensured, as far as possible.

5.0. MODE OF TENDERING

- 5.1 The recommended modes of tendering for placement of orders are as under:

- i. Open Tender Enquiry (OTE) / Global Tender Enquiry (GTE) ;
- ii. Limited Tender Enquiry (LTE);
- iii. Single Tender Proprietary (STP) Enquiry (For proprietary cases or Items from Original Equipment Manufacturer / Supplier);
- iv. Single Tender Non-Proprietary (STNP) Enquiry

For procurement of goods & services on Government e-Marketplace (GeM):

- A. For processing of indent / enquiry /placement of Orders on GeM, the delegation of powers (DOP) will be based on mode of tendering opted. In case of any conflict between the provisions of PCP and GeM, the extant provisions of GeM shall have the overriding effect.

- B. Methodology of procurement as available on GeM may be adopted, including :

- a. Two bid system (techno-commercial and price bid separately) ,
- b. Direct Purchase up to specified value limit,
- c. Push Button Procurement (PBP) ,
- d. Single Packet Bid (SPB) ;

to be decided by MM Department / Contract Cell/ Contracting Department and approval for the requisite methodology other than 'a.' above is to be taken from Tender Approving Authority.

- 5.1.1 As a substitute to frequent tendering, for facilitating timely availability of any goods or service, Order placement may also be considered on the basis of the following:

- i. Repeat Orders;
- ii. Rate Contract (RC)/ 'long Term Agreement (LTA) / Memorandum of Understanding(MOU)

- 5.1.2 In addition to the above, there may be occasions when the Plant / Unit may have to resort to emergency purchase/ job contract.

- 5.1.3 Approval of Competent Authority shall be obtained for issuance of NIT in each of the above case.

- 5.1.4 For issuance of tenders, the O'Ms / Orders issued by Government of India and any subsequent modifications / amendments thereto, relating to:

- a) Public Procurement (Preference to Make In India) Order 2017
- b) Restrictions imposed on issuance of GTEs, and
- c) Requirement of registration of bidders with Competent Authority, such as in case of bidders from countries sharing land border with India etc., shall be adhered to and necessary clause (s) shall be included in the Terms & Conditions of Tender Enquiry / RFQ for complying with the provisions thereof.

5.2 OPEN TENDER /GLOBAL TENDER

- 5.2.1 Open/Global Tenders are to be considered, if any one or more of the following circumstances exist:

- i) When reliable manufacturers / suppliers / traders / contractors as well as latest technology are not clearly known.

- ii) When it is felt that advertising may elicit better response.
- iii) For any other commercial consideration i.e. as a policy, DOP / estimated value of purchase / Job contract, formation of cartel like situations etc.

Procurements exceeding the threshold of Rs. 50 lakh (Rupees Fifty Lakh) should normally be done through Open/Global Tenders. In case the same is to be done through LTE, reasons are to be recorded in the indent.

For Project cases, the threshold for OTEs as mentioned in extant provision as per Clause 3.5.1 of Manual for Procurement of Works, as amended from time to time, may be referred.

- 5.2.2 Plants / Units shall ensure that the complete tender documents along with the enclosures, if any, are uploaded and displayed on the SAIL Tender Website which can be downloaded by the interested tenderers.
- 5.2.3 All Open / Global tender notices shall be published on SAIL Tender website and will get reflected / published on Central Public Procurement (CPP) Portal. No notice is required to be given in newspapers for such tenders. Addendum / corrigendum / extension of Bid Submission / Bid Opening Date if any shall also be published on the above mentioned sites only. Therefore, a clause to this effect should be inserted in the NIT. Additionally, for import cases, the tender notices should also be published in Indian Trade Journal (ITJ) of DGCI&S, Ministry of Commerce & Industry.
- 5.2.4 Intimation for open / global tenders may be given by the dealing officer by email to all the parties who had participated in tenders earlier or any other prospective tenderers.

5.3 LIMITED TENDER ENQUIRY (LTE)

- 5.3.1 LTE should be issued only when reliable manufacturers / suppliers / traders / contractors are known. A list of such registered manufacturers / suppliers / traders / contractors shall be maintained by MM Dept. / Contract Cell / Contracting Department. The registration of manufacturers / suppliers / traders / contractors should be according to the relevant IPSS. LTE should be issued only to registered vendors.
- 5.3.2 When the decision is to adopt LTE as a mode of tendering, the whole indent should be treated as one and no split-up thereof should be made to reduce the value of tender enquiries.
- 5.3.3 Emphasis is to be given to maximize finalization of contracts/ procurement through e-mode of tendering such as ERP/ SRM /EPS / web enabled system. In Plants/ Units, where SRM / EPS is implemented and a-tendering is not resorted to, approval of HoMM shall be required.

Wherever e-tendering has not been resorted to, LTE papers should be scanned and e mailed to the firm as available in the records of the company. The mode of submission of tender (portal or physical) should be clearly stipulated in the document.

Where no email is available, LTE papers should be dispatched through registered post / under certificate of posting / courier to the address of the firm as available in the records of the Company. Original LTE papers should not be given by hand to the representative(s) of any firm.
- 5.3.4 The selection of firms for LTE shall be done by the MM Dept. / Contract Cell / Contracting Department in a judicious manner to ensure that:
 - i) The firms are financially and technically sound,
 - ii) The past performance of the firms with regard to quality and adherence to time schedule should also be considered while recommending a firm for issue of LTE,
 - iii) The supplier / contractor who has successfully made the last supply / executed the last job, shall be considered for issuance of LTE, except in case of any restriction(s) imposed by Government Policy/ Statute/ Guidelines;
 - iv) It is Intended that all vendors registered for a particular category/sub-category should be given opportunity to participate in LTE. In case the PlanUUnit decides for rotation above

certain pre-decided number of available registered vendors, the firms registered for a particular category/sub-category will be given coverage by rotation. Subject to (i), (ii) and (iii) above, no registered party should be considered for LTE for the second time unless all the registered parties in the list have been considered at least once in each cycle.

However, for procurement of Security Services, LTE shall be issued to the panel of Security Service Providers sponsored by Directorate General Resettlement (DGR);

- 5.3.5 In cases where there are less than three (3) registered suppliers for an item / service, vendors registered for similar items with other SAIL Plants / Units should be considered for issuance of LTE, provided there is no adverse report on their performance. Additionally, efforts may be made to look out for the vendors already available on GeM on which Orders / Contracts for similar items / services were placed by other Steel Sector buyers on GeM. Under exceptional cases, LTE may be Issued only to two registered suppliers with recorded reasons and shall be issued with the approval of Director/Director In-Charge/Head of Unit. Such cases should then also be marked to the Vendor Registration & Development Cell for development of more sources for future procurement.

However, for the items so far purchased as proprietary for which additional vendor(s) has / have been found / developed as proven source, LTE to all such additional vendors shall also be issued with the approval of Competent Authority as per DOP.

- 5.3.6 For capital sanction and Addition, Modification, Replacement (AMR) cases, the recommendations received from the consultants / Project Department shall also be given due consideration.
- 5.3.7 In case of purchases against indent value of Rs.10 Lakhs and above, wherever registered manufacturers are available, LTE should be limited to such manufacturers only. While issuing LTE to manufacturers, it should be clearly stipulated that in case any of their dealer(s) is authorised to quote on their behalf, a copy of such authority letter be endorsed to SAIL. Only after receipt of such authority letter, the quotation received from the dealer shall be entertained. For indent valued below Rs.10 Lakhs, the LTE may be directly issued to the authorised dealer(s) after confirming the validity of their dealership. A copy of correspondences directly made with the dealer(s) shall also be sent to the manufacturers simultaneously. In Plants/ Units where SRM is available, online authorization of authorized dealers shall be accepted.
- 5.3.8 LTE, other than those processed on GeM, should be posted on the SAIL Tender website as well as CPP Portal by the respective plants / units as per the provisions in the notification published in CPP Portal at URL: <http://www.eprocure.gov.in>.
- 5.3.9 The following instructions would be put up on the SAIL Tender Website: The Offer against these tenders from suppliers to whom LTE has been issued shall only be considered; Offer from any other party shall be treated as unsolicited. In order to increase competition, following shall also be posted on the website: "Whosoever is interested to be registered as a supplier of these items, should fill up the vendor registration form, hosted on the website. The normal registration process shall, thereafter be followed by the Plants/ Units for registering the eligible suppliers. This information is solely for the purpose of exploring the possibility of enhancing vendor base, wherever required and should not be considered as a purchase enquiry. Purchase enquiry in future may be issued to such suppliers, if registered."

LTEs issued on GeM shall contain the following as ATC as a bid term:

"The bids submitted by the Sellers to whom LTE has been issued, shall only be considered for evaluation; bids from any other Seller shall be treated as unsolicited in the instant procurement case. However, the firm(s) interested to be registered as a Seller to SAIL, should fill up the vendor registration form, hosted on the SAIL Tender website and complete the due process of registration with SAIL Plants/ Units."

5.3.10 LTEs should be issued in such a way that sufficient competitive quotations are received from the parties.

5.3.11 For ISO quality critical items, ISO procedure issued by SAIL Plants / Units for selection of vendors for issuance of LTE shall apply. For registration of vendors even for purchase of ISO quality critical items, relevant IPSS should be followed.

5.4 SINGLE TENDER ENQUIRY

5.4.1 Single Tender Proprietary (STP) Enquiry should be issued to the Original Equipment Manufacturer / Supplier or their authorized dealers (where the manufacturer does not supply the equipment directly) or the technology provider/ service provider or contractor only.

In case there are more than one dealer / partner authorized to sell a particular proprietary item / service, discount may be possible through tenders issued to all such known authorized dealers / partners as well as to the Original Equipment Manufacturer / Supplier/ Technology provider/ service provider/ contractor .

The DoP of proprietary procurement shall apply in all such cases.

5.4.2 Single Tender Non-Proprietary (STNP) Enquiry:

The cases where the enquiry is restricted to only one source, though many sources/ suppliers/ contractors/ agencies exist, such procurement contract is on nomination basis.

Such STNP Enquiries should be issued as an exception only and processed, after recording reasons.

The indenter should take approval of Director/ Director In-Charge / Head of Unit in all cases except:

- i) procurement service contract from PSUs/ Central Government/ State Government Undertakings where approval of Competent Authority shall be obtained as per the applicable DOP
- ii) small value purchases which shall be governed by provisions of Para 23.2.3 (d).

5.4.2.1 A list of items procured / contract awarded on single tender basis, other than those processed on GeM, should be hosted on SAIL Tender Website to enhance vendor base of such items/job as per the provisions in the notification published in CPP Portal at URL::<https://www.eprocure.gov.in>.

5.4.2.2 The instructions to be included on the website should be that, "Whoever is interested to be a registered supplier of these items, should fill up the vendor registration form, uploaded on the website. The normal registration process shall, thereafter be followed by the Plants / Units for registering the eligible suppliers."

5.4.2.3 Plants / Units should ensure updating of the list of single tender items on SAIL Tender website on a quarterly basis. A resource person at respective Plants / Units should be nominated for co-ordination.

5.4.2.4 STEs, other than those processed on GeM, should be posted on the SAIL Tender website as well as CPP Portal by the respective plants / units as per the provisions in the notification published in CPP Portal at URL::<https://www.eprocure.gov.in>.

5.5 REPEAT ORDERS

5.5.1 Normally, as per the lead time, prior to expiry of the running supplies / job contracts, the indenter has to process fresh indent. However, due to unavoidable circumstances, if either the indent is not processed or even after processing the indent, it is not possible to place fresh order in time, under such circumstances for the item / job contract for which continuity is essential, it may be necessary to place repeat order on existing party/ contractor. After recording the reasons leading to placement of repeat order, the proposal for repeat order on same terms, conditions & specifications may be considered on the following:

-)) The original order must have been placed in the usual course after issue of LTE or Open Tender Enquiry. Emergency orders shall not be considered;
-) Not more than two years have elapsed since placement of the original order;
-) No price escalation for firm price orders shall be given;
-) No repeat order shall be placed, if there is downward trend in prices;
-) The quantity/ scope considered for ordering is not more than 100% of the original ordered quantity/ scope, for each repeat order;
-) The original order was not placed on the basis of a higher price for earlier delivery;
-) Sanction of Competent Authority for repeat order shall be obtained.

In cases where original order is placed to cover requirement of up to one year, not more than two repeat orders should be placed .

In cases where original order is placed for more than one year and up to two years, not more than one repeat order for a period up to one year should be placed.

5.5.2 However, in exceptional cases., with the approval of Director In-charge / Director / Head of Unit and after recording justifications:

- i) In cases where original order is placed for up to one year, a third repeat order can be placed.
- ii) In cases where original order is placed for more than one and up to two years, a second repeat order for a period up to one year can be placed.
- iii) In cases where original order is placed for more than two and up to three (3) years, one repeat order for a period up to one year can be placed.

5.6 RATE CONTRACT (OWN)

5.6.1 As a substitute to frequent tendering, it is recognized that it is often advantageous on commercial as well as technical grounds to finalize orders on Rate Contract basis for items / jobs which are procured / executed either regularly or repetitively and for items of proprietary nature. The rate contract is finalised where the total annual requirement of such items / quantum of such jobs is large but not fixed. For entering into rate contracts / long term contracts, the mode of tendering to be followed may be decided as per the nature of the job item, the available sources, etc. Thus, rate contract enquiries may be either by Open Tender/ Limited Tender/ Single Tender depending upon the nature of item/job.

5.6.2 While Issuing LTE for rate contract, it should be ensured that only reliable and reputed manufacturers / suppliers / contractors of proven ability are entertained.

5.6.3 For purchase cases, rate contracts may also be entered into for items which are identified as of regular and repetitive consumption with the consent of the indenter without waiting for the indent, in order to ensure speedy processing. In such cases, complete and up-to-date drawings / specifications of the items should be obtained before calling for tenders. Orders in such Rate Contracts should, however, be finalized only after receipt of relevant indents.

5.7 PROCUREMENT ON GeM

Government e-Marketplace (GeM) may be utilized for procurement of goods & services available on GeM. For processing of indent / enquiry / placement of orders on GeM, the delegation of powers (DOP) will be based on mode of tendering selected as per Clause-5.1 above.

5.7.1 Procurement of any Goods or Services on GeM portal shall be as per the extant guidelines issued by the Government of India.

5.8 EMERGENCY PURCHASE/JOB CONTRACT

5.8.1 Provisions for emergency purchase / job contract have to be kept to meet the emergency needs of the Plants / Units and it is essential to delegate powers to meet such situations particularly in maintenance, commissioning and breakdown jobs so as to keep the flow of production/ services uninterrupted. In case of purchase, such emergency normally occurs

when there is inadequate or no stock in the Stores and chances of getting supplies against pending orders within the stipulated time schedule are remote. Similarly, in case of Job contracts, such emergency occurs when breakdown of equipment occurs and internal resources are not adequate to take timely action or there is likelihood of discontinuation of Services, which are required on continuous basis.

- 5.8.2 Due to the very nature of the requirements, which has to be met in the shortest possible time, the normal process of tendering stipulated in this procedure cannot be followed. For emergency indents, the mode of tendering and method of placement of order may, therefore, be adopted as per the specific requirements of the case and the time available for the placement of order and getting materials/ execution of jobs. Approval of the Competent Authority shall be obtained for the specific mode of purchase / award of contract and order finalised. Provisional order at the rate to be finalized later on / spot quotations and placement of order on Single Tender basis may be adopted in such situations.
- 5.8.3 Emergency indents shall be accompanied by non-availability & criticality certificates issued by the concerned HOD on prescribed format (to be designed by each plant / unit). However, processing of successive indents on emergency basis for the same goods/ services shall require approval of Next Higher Authority of the Indent Approving Authority. Details of more than two successive indents on emergency basis for the same goods or services shall be routinely reported to Director In-charge/ Director/ Head of Unit for information.
- 5.8.4 The materials may be procured from best possible source and jobs be awarded to the reliable Contractor for such emergency procurement / job contract respectively. Formal purchase orders should be issued / contracts entered into, in due course for regularizing the emergent action taken.
- 5.9 SAIL plants may participate in tenders/ auctions conducted by other companies for purchase of products. This will be done as per the extant "Policy for Participation in Tenders / Auctions" issued by CMMG.

6.0. INVITATION TO TENDER

- 6.1 For purchases, in case the technical / commercial terms are firm / frozen, single part quotation may be invited only against Limited Tenders by suitably selecting the vendors as explained under Para 5.3. However, for Open Tender as explained in Para 5.2, even for the firm technical / commercial terms, 2/3 part quotations should be invited. In cases where technical / commercial terms are to be negotiated, 2/3 part quotations should be invited even against Limited Tenders. In case of procurement through GeM, any methodology as mentioned in Para 5.1 may be adopted as per requirement of the particular case and provisions of GeM.
- 6.2 In cases of job / service contract, generally the technical / commercial terms need to be negotiated. Therefore, for all such job / service contracts, 2/3 part quotation, should be invited against both Limited Tenders and Open Tenders.
- In case of procurement through **GeM**, any methodology as mentioned in Para 5.1 other than Direct procurement or Push Button Procurement, may be adopted as per requirement of the particular case and provisions of GeM.
- 6.3 Before issue of NIT, MM Dept. / Contract Cell/ Contracting Department should ensure that desired information, particularly specifications/ commercial terms are available in the case file.
- 6.4 Before inviting open tenders, MM Dept./ Contract Cell/ Contracting Department shall determine / record the criteria for eligibility of the tenderers, which may include:
- a) Required experience and past performance in similar type of supply / contracts,
 - b) Required manpower (skill-wise) and type/capacities of equipment & construction / manufacturing facilities,

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- c) Proof of ownership / licensee of required equipment and construction / manufacturing facilities,
- d) Financial position,
- e) Service support, if any,
- f) Earnest money/ security deposit as per Clause No. 8.3
- g) Any other criteria, considered necessary.

The above criteria shall be specified in the Tender Document under special terms & conditions.

- 6.5 The MM Dept. / Contract Cell / Contracting Department shall also examine/ determine/ record (as per applicability) the relevant factors in addition to the price to be considered in Tender Evaluation; and the manner in which they will be applied for the purpose of determining the lowest evaluated tender. These factors, other than the price, to be used for determining the lowest determinable tenderer shall, to the extent practicable, be expressed in monetary terms or given relative weightage in the evaluation provisions in the Tender Document. The QCBS (Quality & Cost Based Selection) / Life Cycle Cost may be adopted as the mode of evaluation on case to case basis. No factors other than those specified in the Tender Document shall be used in the evaluation of offers at the time of preparing the Comparative Statement.

This shall also form part of the Tender Document under Special Terms & Conditions.

- 6.6 MM Dept./ Contract Cell/ Contracting Department should also determine and record whether the quotations are to be invited on firm prices or are subject to escalation/de-escalation with respect to major cost component of the items / jobs. In case the quotations are to be invited with prices subject to escalation / de-escalation, the method to be used for determining the escalation / de-escalation and the base date for calculating the escalation / de-escalation shall be clearly defined and referred in the Tender Document under special terms & conditions.
- 6.7 For purchases, clause for the submission of sample along with quotation be incorporated in the tender, if submission of sample was specifically asked for in the indent (Para 2.1.5 be read along with this Para).
- 6.8 In case of medicines, chemicals and other items having limited shelf life, the left over shelf life of each item at the time of delivery should be at least 80%. In emergency, the left over shelf life equal to 120% of the consumption period of such items may be accepted with the approval of the Competent Authority.
- 6.9 In case of Open / Global tenders, other than for capital schemes, the tender should specify that to bring the prices of the foreign suppliers and the Indian suppliers at par, the RBI reference rate should be considered for exchange rate conversion and the 'Forward Premium Rate' for the period of delivery and for staggered delivery the average of all the periods of delivery, will be added to the conversion rate for converting the price into INR for the purpose of evaluation. The RBI reference rate to be considered for exchange rate conversion and Forward Premium rate should be taken on the last date of bid submission. The RBI reference rate is available on the website of RBI at [URL:https:// www.rbi.org.in/home.aspx](https://www.rbi.org.in/home.aspx) and the Forward Premium is to be taken from Reuters or similar other screen/ information channels available in the Corporate Finance/ Finance Dept. of Plants.
- 6.10 In case the ordered quantity of the purchase indent or jobs of the Job Contract are required to be split into more than one party at the time of placement of order, the same will be specified in the tender document. It should be clearly mentioned in the tender document that the distribution of order will be in the ascending order as per the quoted price ranking of the tenderers, i.e., L1 tenderer will get the highest share and the last ranked tenderer within which the total order is to be distributed, will get the smallest share. However, before opening of the price bids, specific number of parties among whom order would be split would be decided and approval of Competent Authority would be obtained. Order shall not be placed on more than these numbers of parties, except in the case mentioned at 10.2.1 and purchase preference as per Government / SAIL Policy (e.g. MSE / MII).

6.11 In the Tender document under General Terms and Conditions, it should be clearly specified that order on one or more than one parties will be placed on the basis of L1 quotation and, if required, negotiations will be held with L1 tenderer only. However, all the tenderers may be required to explain / justify the basis of their quoted price as and when asked for. In case, any tenderer fails to justify his quoted price or refuses to co-operate in this regard, they will not be considered for participating in the re-tendering if order / contract is not finalised from the present tender.

6.12 For service / job contract case:s, there should be a stipulation in the tender documents under General Terms & Conditions that if a tenderer quotes unworkable rates, i.e., if the quoted rate is abnormally low, such that it raises material concerns as to the capability of the Bidder to perform the contract at the offered rate, the party will be asked to justify the rate quoted. After evaluating the justification provided, if it is felt that the bidder has failed to substantially demonstrate its capability to deliver the contract at the offered rate, the bid/ quote may be rejected.

However, under compelling circumstances, where the bidder is considered for placement of order despite having quoted abnormally low rates, the Bidder may be required to give Performance Guarantee Bond (PGB) (in addition to the Security Deposit, if applicable) through online mode/ Bank Draft/ Bank Guarantee/ Bankers Cheque / Fixed Deposit Receipt (FDR). The amount of PGB is to be decided by SAIUPlant at the time of placement of order and methodology for seeking PGB to be indicated in the tender document.

In case the tenderers refuse to give the PGB, the following action may be taken against them:

- i) If they have submitted Earnest Money Deposit - their Earnest Money Deposit will be forfeited and they will not be considered in re-tendering if order/ contract is not finalised from the present tender,
- ii) If they have submitted Bid Securing Declaration - action may be taken against them as stipulated in the Bid Securing Declaration.

6.13 If items under purchase are the matching / complimentary parts and required to be supplied by single party or items of work in the job contract to be performed by single contractor, it should be clearly specified in the tender document that total price of all such items / items of work shall be evaluated for determining the reasonableness of the price.

6.14 **CONSIDERATION OF AGENTS :** Wherever, foreign company / supplier participate in the tender, purchases should preferably be made directly from the suppliers / manufacturers. However, either the agent on behalf of the Principal/ OEM or the Principal / OEM directly be permitted to bid in a tender, but not both. If agents / dealers / stockists of foreign companies quote along with manufacturer, only the offer of Principal / OEM will be considered as valid. One agent cannot represent two Suppliers / Principal / OEM or quote on their behalf in a particular tender.

6.15 **INTEGRITY PACT:** For all Tenders/ Contracts / Long Term Agreements (LTAs) valuing 20 Crores & above and all tenders related to Handling Contracts for Departmental Warehouses of CMO and L&I, the tenderer(s) / bidder(s) / contractor(s) has to enter into an "Integrity Pact" with SAIL. A copy of the Integrity Pact typed on plain paper duly signed by the tender issuing officer who is the Authorized Signatory on behalf of SAIL, has to be enclosed with the tender / bid / LTA document. In case of uploading the tender in the website, Integrity Pact also has to be necessarily uploaded after scanning the signed copy of the pact.

Non-signing of the Integrity Pact will disqualify the offer/ bid. However, bidders may be given an opportunity to sign the Integrity Pact before rejection of the bid.

Following instructions along with the names of IEMs shall be included in the tender/ bid / LTA / Contract documents valuing 21 Crores & above and all tenders related to Handling Contracts for Departmental Warehouses of CMO and L&I.

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- (a) The Bidder(s) / Contractor(s) is required to enter into an "Integrity Pact" with the Principal i.e. SAIL. The Integrity Pact is to be signed by the Proprietor/Owner/Partner/Director by their duly Authorised Signatory. In case of failure to return the Integrity Pact along with the offer / bid, duly signed by the authenticity as mentioned above, will disqualify the offer / bid.
- (b) In the tender documents it should be specified that the Bidder(s)/ Contractor(s), if aggrieved, may raise complaints / pass on information, if any, to the Competent Authority / Operating Authority of the Tender/Contract.

For effective implementation of Integrity Pact. Independent External Monitors (IEMs) have been appointed. Any Bidder / Contractor, if aggrieved with the tendering process may also approach the IEMs directly at their email address provided in NIT or through IP Secretariat (e-mail: sail.ip.secretariat@sail.in; sail.ip.secretariat@gmail.com), 16th Floor, Scope Minar, Laxmi Nagar District Centre, Delhi - 110092.

6.16 TENDER DOCUMENTS

6.16.1 Format for quoting prices, wherever applicable, may preferably be provided with NIT.

6.16.2 Invitation to the tender, including instructions to tenderers, should be issued in prescribed proforma (to be designed by each Plant/ Unit category-wise). The invitation to tender should include General Terms and Conditions of contract of SAIL Plants/ Units, as applicable to the case, i.e.,

- i) for purchases only,
- ii) for job/ service contracts only including conversion, handling, hiring etc.
- iii) contracts governing supply and supervision of Plant, Machinery and Equipment and
- iv) contracts for supply and erection.

The tender documents should include detailed specifications and wherever applicable the Standards for specifications and drawings, etc.

6.16.3 The Special Terms & Conditions applicable to supplies / contracts such as stipulations made under Paras 6.4 to 6.15 along with conditions for inspection, testing, acceptance and performance guarantee should be clearly defined and made part of the tender documents.

6.16.4 Bidders shall be required to submit a single composite undertaking that they have read, understood and accepted the contents of tender including related clauses and that they affirm / certify the same including providing of data as required hereunder:

- a) Bid Securing Declaration,
- b) Non-Collusive tendering,
- c) Authenticity of documents submitted for bid evaluation,
- d) The person or team representing the bidder is not representing any other firm participating against the tender and if yes, the details thereon to be provided,
- e) Relationship of Proprietor / Partner / Director of the firm/ company, within the meaning of Section 2 (77) of the Companies Act 2013 with any employee working in Plant / Unit concerned or Director of SAIL including its subsidiaries. The details thereon to be provided in case relationship exists,
- f) Minimum Local Content, as applicable,
- g) Compliance related to Land Border sharing requirements, if applicable,
- h) Conflict of Interest in case, if applicable,
- i) Anti Bribery Management System (ABMS) declaration.

Such undertaking shall be taken in physical form in case facility for online submission of undertaking is not available.

6.17 METHODS FOR CALLING OF TENDERS

6.17.1 The following methods for calling of tenders shall be adopted :

- i) Single Part Tendering
- ii) Two (2) Part/ Three (3) Part Tendering

In case of physical bids, the tenderers shall be instructed to enclose each part in a separate sealed cover, clearly inscribing on the top of each envelope the relevant part number and description along with tender reference number and date of opening and submit all the parts simultaneously in a bigger sealed cover clearly inscribing on the top of the cover the tender reference number and the date of opening.

- 6.17.2 Single part tendering should be adopted only when all technical and commercial terms are well defined / stipulated in the tender document and are not negotiable. Conditional bids, i.e., bids not adhering to the tendered technical terms, will be rejected. However deviation in commercial terms can be accepted and evaluated where suitable loading has been pre-determined and mentioned in the tender document .
- 6.17.3 In case the technical specifications and / or commercial terms are not firm / deterministic / frozen, 2 / 3 part quotations shall be invited.
- a) Two part tendering involves calling for tenders in two parts:
 - i) Part I: Tender comprising Integrity Pact (if applicable) and techno-commercial offer, covering all terms except the price,
 - ii) Part II: Tender comprising the price bid only.
 - b) Three (3) part tendering involves calling for tenders in three (3) parts:
 - i) Part I: Tender comprising Earnest Money,
 - ii) Part II: Tender comprising Integrity Pact (if applicable) and techno-commercial offer, covering all terms except prices,
 - iii) Part III: Tender comprising the price bid only.
- 6.17.4 The price bids shall be opened (physically or online) / price- discovery shall be done only after all the Techno-Commercial terms are settled and samples if applicable are approved.
- 6.17.5 The time period should depend on the nature of the items to be procured, the nature of work involved in the contract, delivery / completion period etc. The following are the indicative time periods to be given for submission of quotation by the tenderers, from the date of tender notice:
- i. Open Tender: Up to 4 weeks
 - ii. Global Tender: Up to 6 weeks
 - iii. LTE (indigenous): Up to 3 weeks
 - iv. LTE (imports): Up to 6 weeks

6.18 EXPRESSION OF INTEREST

Expression of Interest maybe adopted in the following cases where in the first instance it is not possible to proceed with tendering . No indent may be required for issuing an EOI.

- i) Cases where new technology is involved and details are not fully known.
- ii) Where the tender specifications / commercial terms are required to be finalized in consultation with the prospective bidders by calling bidder's conference after receipt of the prequalification bid. During the technical discussions other stakeholders who can add value to the decision making on technical aspects and evaluation criteria may also be involved.
- iii) When prospective bidders are not known and have to be identified.

Based on the response received in the EOI, tender document may be prepared and processed accordingly.

6.19 PRE-BID DISCUSSIONS/ MEETINGS

In all technically complex Projects cases or contract cases requiring clarification, pre-bid discussions after floating of tender and before submission of bids should be held. The date, time and place of pre-bid discussions should be clearly mentioned in the tender document. During pre-bid discussions all the queries of the potential bidders must be properly clarified and recorded by Tender Committee.

If any change in the specification, terms and conditions in the original tender is contemplated as a result of pre-bid discussions, the same should be broad-based and have the approval of the Competent Authority. Accordingly, a corrigendum to the original tender is to be issued and advertised on the SAIL Tender Website/ a-Procurement site (for Online Tendering). The copy of corrigendum may also be sent to all bidders who had participated in the pre-bid discussions.

Sufficient time (at least 10 days) may be given between date of pre-bid discussions and date of submission of tenders. In case of corrigendum, sufficient time (at least 10 days) may be given between date of corrigendum and date of submission of tenders.

6.20 CONSTITUTION OF TENDER COMMITTEE

6.20.1 Tender Committee (TC) is to be constituted based on the estimated value of the indent. The same tender committee shall continue irrespective of the L1 price. However the ordering price is to be approved by the Competent Authority as per DOP.

For tenders, valuing less than Rs. 2 Crores, the scrutiny and recommendations should be in accordance with the prevailing guidelines and as per DOP. Plants / Units can have Standard Tender Committee for cases below 2 Crores as a Policy.

For high value tenders, valuing Rs. 2 Crores and above, the Tender Committee should be constituted with the approval of the Competent Authority preferably while obtaining approval for tender enquiry, but before pre-bid discussions (if applicable) or opening of tender.

Tender Committee should have representatives from (i) Indenting Department, (ii) MM Dept./ Contract Cell/ Contracting Department, (iii) Finance Department {Associate Finance, where other Finance Officer(s) are not available}, (iv) Centralized Maintenance Agency or any other representative as decided by the Competent Authority.

6.20.2 The functions of the Tender Committee would be as under:

- a) Tender Committee, if required, may constitute Technical Evaluation Committees (TEC) & Commercial Evaluation Committees (CEC) and also sub-committees, if required, in consultation with the TEC & CEC. The TEC & CEC shall function concurrently. If no TEC & CEC has been constituted then function of TEC and CEC, as mentioned below, is to be done by TC.
- b) To monitor the progress made by the TEC & CEC and Consultants.
- c) To examine the recommendations of TEC & CEC and Consultants.
- d) To take decision to open the price bids (physical or online) or to conduct RA, for determination of L1 Bidder, after freezing the Technical & Commercial conditions, provided the number of offers at this stage is equal or more than X+2 or approval for opening less than X+2 exists. In case of RA, TC is to also decide the strategy of Reverse Auction (if price Discovery through RA is already indicated in Tender Document).
- e) To evaluate the price offers, conduct negotiation with L1 tenderer, if required, after taking approval of Competent Authority and shall put up the recommendations of order placement (after justifying the reasonability of the price) or otherwise to the Competent Authority.

The Committee should complete the scrutiny and give the recommendations to the Competent Authority within a period of three (3) months from the date of opening of the tender or one month from the date of receipt of recommendations from the Technical & Commercial Evaluation Committees.

6.20.3 The functions of the Technical Evaluation Committee (TEC) would be as under:

- a) To scrutinize the Technical part of the tender and the recommendations of the consultants / Technical Evaluation Sub-Committee, if any.
- b) To conduct clarification meetings with the tenderers.

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- c) To evaluate the performance of on-going work/contract, if any in SAIL including Subsidiaries.
 - d) To give the recommendations to the Tender Committee.
 - e) To assist the Tender Committee, if required.

The TEC should complete the scrutiny and submit the recommendations to the Tender Committee within a period of two months from the date of opening of the tender.

- 6.20.4 The functions of the Commercial Evaluation Committee (CEC) would be as under:
- a) To scrutinize the Commercial part of the tender and the recommendations of the consultants or Commercial Evaluation Sub- Committee, if any.
 - b) To conduct clarification meetings with the tenderers
 - c) To give the recommendations to the Tender Committee.
 - d) To assist the Tender Committee, if required.

The CEC should complete the scrutiny and submit the recommendations to the Tender Committee within a period of two months from the date of opening of the tender.

- 6.21 The HOMM of Plants / Units shall decide the requirement of Performance Bank Guarantee in Purchase cases, if required, and the same shall be indicated in the NIT.

7.0. RECEIPT AND OPENING OF OFFERS

- 7.1 The following shall be the recognized methods for receipt of tender:
- i. Tenders received by Post:
 - ii. Tenders received by Courier service
 - iii. Tenders received through Tender Box. Location of the Tender Box is to be indicated in the Tender Document.
 - iv. e-Platforms, i.e. EPS, SRM etc.
- 7.2 Tenders received by post shall be sorted out according to the date of tender opening and be given to the concerned executives of MM Dept. / Contract Cell/ Contracting Department.
- 7.3 Verified e-mail quotations (only in cases of single part tenders) may also be considered as valid quotations if mentioned in the RFQ and if received till the last date/ time of submission of tender and indicate item-wise prices, specifications and delivery schedule. However, EMO, wherever applicable, is to be submitted prior to the opening of tender.
- 7.4 Except e-tenders, all tenders shall be opened centrally and jointly by an officer each from MM Dept./ Contract Cell/ Contracting Department and Finance Department. This provision shall not apply to Single Tender Enquiries. The Plant / Unit shall fix the days in a week and time for tender opening of different categories/ values.
- 7.4.1 The single part quotations of the tenderers on whom it has been decided to place trial orders only, shall not be opened at this stage. Such quotations shall be opened only after placement of orders on regular offers. However, in case of 2 / 3 part quotations, the techno- commercial parts of such tenderers will be opened for evaluation but the price bids will not be opened. The procedure for placement of orders on trial basis is explained in Para 12.0.
- 7.5 The tender box/ e-tender shall be opened immediately after specified closing time on the last day of submission of tender. The Tender Box shall be opened in the presence of an executive of MM Dept. / Contract Cell/ Contracting Department, in-charge of tender opening for the day.
- 7.6 All tenders received by post/ e-mail / courier or through tender box, shall be sorted out by the Administration Section / Tender Opening Cell in the presence of the tender opening officers, assigned for the purpose and put up for opening after listing in the prescribed register.

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- 7.7 For opening the tenders, it is intended that a minimum of X+2 offers should have been received ('X' is the number of supplier/ contractor on whom order is to be placed). In case of physical bids, the dealing executive will inform the Tender Opening Cell, the minimum number of offers required in each case. In case of 2/3 part quotation, there should be minimum X+2 techno-commercially acceptable offers in all cases provided that:
- (a) In case of open / global tenders, if less than the specified (X +2) numbers of offers(including single offer) are received; same can be processed (i.e. offers can be opened) without going for re-tender / tender opening date extension after taking approval of the authority one stage higher than the authority competent to approve the enquiry proposal. Alternatively TOD can be extended or case can be retendered with the approval of Competent Authority. In case more than one extension of tender opening date is required, approval of Director In-charge / Director/ Head of Unit shall be required.
 - (b) In case of LTE, if less than specified (X+2) number of offers are received in the first attempt, a second attempt may be made by inclusion of new vendors or extension of due date if there is no scope of adding new vendors. In case adequate number (X+2) of offers are not obtained even in response to the second attempt, the offers received shall be processed after taking approval of the authority one stage higher than the authority competent to approve the enquiry proposal.
- 7.8 Offers received against Single Tender cases can be opened before or after the tender opening date by the dealing executive of MM Dept. / Contract Cell/ Contracting Department. Where the offer is received after the tender opening date such offer will not be considered as late / delayed offer in respect of STEs.
- 7.9 For the purpose of opening, physical tenders shall be classified into following categories:
- i. **Regular Tender:** Received within the due time and date prescribed in the tender notice issued by MM Dept./ Contract Cell/ Contracting Department against Limited Tender / Open Tender / Global Tender.
 - ii. **Late / Delayed Tender:** Tenders received after the due date and time of receipt prescribed in the tender notice issued by MM Dept./ Contract Cell/ Contracting Department against Limited Tender/ Open Tender/ Global Tender.
 - iii. **Unsolicited Tenders:** Tenders submitted by firms to whom tender enquiries were not issued or tender received from firms who have neither purchased tender papers nor paid the tender fee for downloaded tenders, in case of advertised tenders.
- 7.10 Regular tenders (Physical or online) shall be opened on the appointed date and time of tender opening.
- 7.11 Delayed/Late Tenders will not be opened.
- 7.12 Unsolicited tender after opening will not be considered. However, in case of LTE issued to registered manufacturers, a tender received from the authorized dealer of the registered manufacturer along with the authorisation letter of the manufacturer to whom the enquiry was originally issued shall not be considered as unsolicited. Para 5.3.7 may also be referred.
- 7.13 In the event of a 2/3 part tender received in only one part and not meeting the requirement of separate sealed covers, the tender shall not be considered.
- 7.14 Any modification to the original tender by the bidder on its own excluding the changes made during pre-bid discussion or during techno-commercial discussion, after due date of tender opening shall also be treated as unsolicited and rejected.
- 7.15 Tenders not accompanied by requisite Earnest Money / Earnest Money not received before opening of Tender In case of e- tender, where Earnest Money is stipulated in the tender condition, shall be treated as invalid.

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- 7.16 In case of physical bids, Limited Tenders for indent value of Rs.10 Lakhs and above, and Open Tenders shall be opened in the presence of such tenderers who might choose to be present at the time of opening. Signatures of the authorised representatives of the firms present during tender opening shall be obtained. The following information depending upon the part of quotation opened, shall be given to the tenderers present during the opening:
- i. Names of all the tenderers
 - ii. Details of items offered
 - iii. Prices, including discount, if any, and other elements
 - iv. Delivery period
 - v. Terms of payment.
- 7.17 In case a person represents more than one tenderer, while witnessing the tender opening, it should be recorded in the file to examine the possibility of cartel formation and remedial action.
- 7.18 Where tenders are issued in 213 parts, only the techno-commercial bids (including that of trial parties) shall be opened on the tender opening date. The price bid shall not be opened, till the receipt of final technical / commercial recommendations from the indenter / Consultants / Evaluation Committee. In case, the quoted techno-commercial bids are in conformity to that of the tender, the price bids received shall be considered for opening. In case the techno-commercial bids need to be discussed and clarified by the tenderers, clarifications should preferably be obtained online and if required, physical clarification meetings should be held with them in accordance with clause number 9.2.3.
- 7.19 All the correspondence in respect of clarifications / confirmations, whether it be technical or commercial, shall be dealt through MM Dept./ Contract Cell / Contracting Department / Consultants / Evaluation Committee only till the final placement of order. Thereafter, while routine follow up shall be done by the executing agency under intimation to the MM Dept. / Contract Cell / Contracting Department. all the matters having financial / commercial implications will still be dealt with by MM Dept. / Contract Cell/ Contracting Department only.
- 7.20 Wherever tender has been invited in physical form, at the time of tender opening, each page of the original quotation shall be signed by the tender opening Executives with date. Alterations, over-writings or corrections shall be initialed with date.
- 7.21 Wherever basic price or discount. etc.. are Indicated only in figures and there is any over writing, such figures shall be mentioned in words and duly signed by the tender opening executives.
- 7.22 Any columns left blank by the tenderers in their quotation shall be crossed out by the tender opening officers and duly initialed.
- 7.23 Each original quotation must be numbered as Y/X where Y will be the running serial number of the pages in the quotation; X will be the total number of pages in the quotation received.
- 7.24 All the envelopes including the postal envelopes should also be signed and kept in file.
- 7.25 The details of tenders received shall be recorded in the proforma prescribed, duly signed by the tender opening officers.
- 7.26 Information regarding receipt of earnest money wherever applicable, or otherwise, shall be recorded.
- 7.27 Where for any reason, the due date and / or time of opening the tenders is extended, the concerned Executive shall intimate all the firms to whom the tender papers had been sent

irrespective of the number of quotations already received, the revised tender opening date and time.

- 7.28 Where party/parties request for extension in tender submission date and / or time, the extension may be allowed with the approval of Competent Authority for recorded reasons.

7.29 RETURN OF UNOPENED PRICE BIDS (FOR PHYSICAL PRICE BIDS)

The unopened hard copies of price bids of the parties whose offers have not been technically accepted and if it has been decided that price bids of such parties will not be opened, such un-opened price bids should be returned to the parties within 10 days from the date of price bid opening. In addition to the price bids, invalid, unsolicited and late offers are also to be returned back to parties within 10 days of tender opening.

8.0. EARNEST MONEY DEPOSIT (EMO)

- 8.1 In order to protect the organization from Irresponsible offers, Earnest Money Deposit (EMO) or Bid Securing Declaration in place of EMO (Refer Para 8.3.2.1) should be taken in all cases of Open Tenders and LTEs. Earnest Money Deposit* is required to be sought from the Bidders as per extant guidelines and the same will require the approval of the Competent Authority.

EMO shall be taken in all procurement cases of Open Tenders with indent value Rs.2 Crores & above. However, EMO, may be taken even below Rs 2 Crores, in specific cases where criticality / exigency so warrant, with approval of NHA to Tender Approving authority.

Further, In LTE cases where bidders are registered with SAIL or where bidders are as such exempt from submission of EMO as per extant government guidelines (e.g., MSEs etc.) the bidders will be required to submit BSD in all tenders irrespective of estimated value of the tender.

The amount of EMO to be submitted should not be so high as to discourage participation in tenders. The amount of EMO is to be specified in the tender document in terms of absolute value as per the following indicative schedule:

| Tender value*(f) | Earnest Money Deposit (f) |
|---------------------------------|---------------------------|
| Up to 1 lakh | 1000 |
| Above 1 lakh to 10 lakhs | 5000 |
| Above 10 lakhs to 50 lakhs | 15000 |
| Above 50 lakhs to 2 crores | 1 lakh |
| Above 2 crores to 10 crores | 5 lakhs |
| Above 10 crores to 25 crores | 10 lakhs |
| Above 25 crores to 50 crores | 20 lakhs |
| Above 50 crores to 100 crores | 35 lakhs |
| Above 100 crores to 250 crores | 70 lakhs |
| Above 250 crores to 500 crores | 150 lakhs |
| Above 500 crores to 1000 crores | 300 lakhs |
| Above 1000 crores | 500 lakhs |

"In case where the techno-commercially acceptable vendors are frozen for an extended period of time and price bids are taken on a periodic basis, EMO amount shall be based on the estimated value of the particular price discovery cycle."

- 8.2 Micro & Small Enterprises (MSEs) / PSUs / Government Undertakings and Co-operative Societies / Start-ups as recognised by Department for Promotion of Industry and Internal

Trade (DPIIT) etc., may be exempted from submission of EMO as per extant Government policy. For MSEs, the exemption will be extended on the basis of :

- i) Self-certified copy of Udyam Registration Certificate (URC);
- ii) The concerned MSE is registered in the MSME databank and
- iii) MSE is registered for the given scope of job / procurement.

Purchase preference to MSEs shall be provided as per status in the URC and in line with extant Government policy/ SAIL guidelines.

- 8.3 Acceptable Modes of EMO/ Security Deposit (SD)/ Performance Guarantee (PG): Earnest Money/ Security Deposit / Performance Guarantee may be submitted in the form of online transfer, Demand Draft, Banker's Cheque, Bank Guarantee (BG) or Fixed Deposit Receipt (FDR) from any Scheduled Commercial Bank except Co-operative and Gramin Bank but shall not be accepted in cash.

The tenderers should be asked to submit EMD in a separate envelope (in case of physical EMO), and not to enclose the same with any part of the quotation. No request for adjustment of earlier dues / outstanding amount with the Company in place of EMO / Performance Guarantee shall be entertained.

In case the supplier/contractor delays submission of Security Deposit / Performance Guarantee, a penalty of 0.2% of the original SD / PG amount per completed day of delay, limited to an amount not exceeding 5% of the original SD / PG amount shall be applicable. Payment for executed portion of order/contract should only commence on submission of requisite SD/PG. The same should be stipulated in the tender.

For cases of Service / Job Contracts spanning over multiple number of years, there may be a provision in tender for lowering or reducing the Security Deposit in proportion to the balance period (in multiples of year), wherever feasible.

- 8.3.1 For contract cases, Plants/ Units may give option to the registered contractors for depositing onetime non-adjustable EMD to be decided locally with the approval of Director In-charge / Director/ Head of Unit. However, no interest shall be payable on such deposits.

- 8.3.2 For all types of Procurement: (Purchase as well as Contract) cases:

- 8.3.2.1 In place of EMO, Bidders may submit a duly signed Bid Securing Declaration accepting that if they withdraw or modify their bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bid document, they will be suspended for the Plant/Unit, for a period of six months, from being eligible to submit bids for contracts.

- 8.3.2.2 If EMO has been taken and the decision on the tender is delayed beyond the initial validity period requested in the tender, the EMO should be returned and declaration for Bid Security should be obtained as depicted at Clause No. 8.3.2.1 above.

8.4 RETURN OF EARNEST MONEY DEPOSIT

- 8.4.1 In the event the tender of any party is rejected during the course of Techno- Commercial Scrutiny and Evaluation, the EMO should be returned to such tenderer within seven (7) days from the date of rejection of its offer.

- 8.4.2 In cases where number of sources is pre-decided in NIT as Single Source, the EMO provided by the tenderers along with the tenders should be returned to the unsuccessful tenderers within fifteen (15) days from determination of L1 tenderer.

In cases where number of sources is pre-decided in NIT as Multiple Sources, the EMO provided by the tenderers along with the tenders should be returned to the unsuccessful tenderers within fifteen (15) days from the date of issue of Letter of Acceptance (LOA) or Purchase Order, where LOA is not required to be issued.

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- 8.4.3 If EMD is not adjusted against Performance Guarantee / Security Deposit as per terms & conditions of the tender, the EMD of the successful bidder shall be returned within 15 (fifteen) days of submission of Performance Guarantee/ Security Deposit as per contractual terms.

9.0. SCRUTINY OF QUOTATIONS

9.1 SINGLE PART QUOTATIONS

- 9.1.1 In case of single part quotations (i.e., when the Technical / Commercial terms are firm and not subjected to negotiations and only LTE has been raised as explained under Para 6.1) the quotations after opening and scrutiny about their completeness shall be forwarded to the indenter wherever required for technical scrutiny or the Tender Committee for techno-commercial scrutiny within two days from the date of opening by the MM Dept. / Contract Cell / Contracting Department. Recommendations by the indenter/ Tender Committee shall be provided after technical / techno-commercial scrutiny.
- 9.1.2 The indenter will send to the MM Dept. / Contract Cell/ Contracting Department its clear-cut recommendations, either for placement of order / award of contract/ negotiation/ cancellation, within seven (7) days from the date of receipt of tender by the indenter, after taking approval of Competent Authority. Where the estimated prices and finally assessed value based on actual prices is beyond the permissible range of variation, the indenter / tender committee should specifically comment on the basis of estimation and the reasonableness of quoted price.
- In case the Tender Committee is to give the recommendations for placement of order / award of contract/ negotiation / cancellation of tender, the Tender Committee will submit its recommendations with recorded reasons for approval of the Competent Authority.
- 9.1.3 The parties who quote as per the tendered specifications/ commercial terms will not be rejected on the basis of incapability in case of LTE since LTE is issued to proven registered parties only. However, the quotations which do not conform to the tendered specifications/commercial terms (including the conditional offers) will be rejected.
- 9.1.4 No change in specifications shall be done at Tender Scrutiny stage. In case of any change in specifications, re-tendering will have to be resorted to.

9.2 2/3 PART QUOTATIONS

- 9.2.1 The techno-commercial bids after its opening as per Para 7.18, shall be evaluated by the indenter/Tender Committee and wherever applicable, comments / recommendations of the Consultants would be obtained. Indenter shall scrutinize the technical part and MM Dept/ Contract Cell/Contracting Department shall scrutinize the commercial part of the bids. A comparative statement of techno-commercial scrutiny of all the tenders shall be prepared by the indenter / Tender Committee, as the case may be, and given along with its recommendations to the MM Dept. / Contract Cell/ Contracting Department within seven (7) days of the receipt of the techno-commercial bids.
- 9.2.2 The Technical & Commercial Evaluation Committees may discuss the techno-commercial bids with the tenderers. After completion of discussions and freezing the techno-commercial conditions, the Technical , Commercial Evaluation Committees shall submit their recommendations to the Tender Committee. After due deliberations, the Tender Committee shall decide to open the valid price bids for final evaluation of the tender including the price and submit its recommendation for the approval of the Competent Authority for placement of order / award of contract to the suitable tenderer or for negotiation with L1 tenderer giving proper justifications or for cancellation of tender for recorded reasons.
- 9.2.3 During clarification meetings with the tenderers and clarifications / confirmations /details being sought from the tenderers, the basic features of the scope of supply/job, specifications and the

technical & commercial conditions stipulated in the tender specifications/ documents should not be changed. However, if details of the scope of supply /job, work, specifications, techno-commercial terms and conditions are not provided / described clearly in quotation, the same should be sought from the tenderers during clarifications meetings . After techno-commercial discussions & clarifications with the tenderers and freezing of the techno-commercial specifications/ conditions, the tenderers should be advised to confirm the validity of their price bids already submitted.

In case, tenderers desire to update their price bids citing reasons, it should be properly deliberated by the tender committee and may be permitted only under exceptional circumstances to be recorded in writing and with the approval of the Competent Authority. However, in such cases, all the techno-commercially acceptable tenderers may be permitted to submit decremental / incremental price bid with respect to their original price bids by a fixed date and time. If additional items have been included after techno-commercial discussions, tenderers may be asked to submit a separate price bid for the additional items only and price evaluation done accordingly .

The initial price bid and decrement/ increment shall be opened together.

- 9.2.4 In case where the techno-commercially acceptable vendors are frozen for an extended period of time and subsequently price bids are taken on a periodic basis, new vendors may be permitted to submit their techno-commercial bids. For Limited Tender cases, the credentials of the new party may be got verified before allowing submission of the techno-commercial bid. In case of open tender, such tenders should be kept alive in the website for such procurement period. Bid of the new vendor can be evaluated and in case the bid is found to be suitable, the same shall be considered for price bid opening / reverse auction along with the regular panel of suppliers in the subsequent price discovery cycle .
- 9.2.5 Outcome of techno-commercial evaluation (acceptance / rejection of offers) shall be communicated online / through email to the participating bidders. In case of rejection, reasons for rejection shall be mentioned in such communication . Representations thereon if any received within 48 hours shall be considered and replied to expeditiously. Price-bids shall not be opened until representations are replied to.
- 9.2.6 A limited or open tender which results in only one effective offer shall be treated as a single tender enquiry situation, with relevant powers of approval for award of order/contract.
- 9.3 In case any specific adverse report is received against a tenderer, as an information or upon enquiry made by SAIL, in respect of capabilities and performance of the tenderer, after receipt of tender (even after opening of price bid), the quotation/ tender submitted by such tenderer is liable to be rejected on the basis of recorded reasons and with the approval of the Next Higher Authority.

9.4 OPENING OF PRICE BIDS

- 9.4.1 After completion of the techno-commercial scrutiny, as explained in Para 9.2, the price bids shall be opened and evaluated. Prior to price bid opening, if approval for opening of less than X+2 offers has already been taken at techno-commercial bid opening stage and no further rejection of offers has taken place after techno-commercial evaluation , no further approval is required for price bid opening from the Competent Authority {as defined in 7.7(a)}.

However, in case some offers are rejected during techno-commercial stage, then approval of Competent Authority {as defined in 7.7(a)} is to be taken again for opening the price bid.

If X+2 or more number of offers were available at the techno-commercial bid opening stage and there are less than X+2 offers for price bid opening, prior approval of authority one stage higher than the authority competent to approve the enquiry proposal shall be taken.

9.4.2 The following stipulation should be mentioned in the tender document.

- i) If, in the price structure quoted for the required goods, there is discrepancy between the unit price and total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly
- ii) If there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected; and
- iii) If there is a discrepancy between words and figures, the amount in words shall prevail.
- iv) Such a discrepancy in a offer should be conveyed to the tenderer asking him to respond by a target date and if the tenderer does not agree to Procuring Entity's observation, the tender is liable to be rejected.

9.5 COMPARATIVE STATEMENT OF PRICE BIDS

9.5.1 The Comparative Statement shall indicate the item wise prices, rebates (if any), taxes, duties, packing & forwarding charges, freight & Insurance, etc., as applicable for all the accepted tenderers. The factors and the method of their application, which have been prescribed in the tender documents (Ref. Para 6.5) will be used while working the overall price in the Comparative Statement. If any additional factor has emerged during techno-commercial clarification meetings, to be adopted for evaluation of the tenders, then in that case an opportunity should be given to all the tenderers to confirm such an additional factor to be considered for evaluation of tenders.

9.5.2 To arrive at a comparable landed cost net of set-off (ITC/ CENVAT etc.) at the Plant, relevant IPSS / guideline for tender evaluation shall be followed.

9.5.3 The evaluated prices as per Paras 9.5.1 to 9.5.2 worked out in the comparative statement for different tenderers will be ranked as L1, L2, L3.... L1 being the lowest. The estimated price, as per the indent and its percentage variation from the total quoted price worked out as per comparative statement for each tenderer, will also be recorded in the comparative statement.

9.5.4 The evaluated price of the 1 tenderer should be compared with the estimate and the reasonability of the offered price may be examined by the Tender Committee / Committee comprising the representatives of Purchase, indenter and Finance. The committee may seek advice of the agency who has prepared the estimates on the reasonability of the estimates.

9.5.5 If some or all the items in the tender are parts of the same assembly/ sub-assembly or otherwise identified as matching / complimentary parts by the indenter in the Indent (e.g. in case of job contracts if some or all the items of work tendered are to be executed by one contractor only) as explained in Paras 2.2.5 and 2.1.3, overall quoted price of all such items/ jobs will be considered while preparing the comparative statement.

9.5.6 For capital sanction/ AMR cases, the price evaluation shall be done by the specified agencies / consultant and final recommendations shall be forwarded to MM Dept. / Contract Cell/ Contracting Department.

10.0. PURCHASE/CONTRACT PROPOSAL

10.1 As a policy each Plant/ Unit will fix the (+) range for purchase proposals & (±) range for contract proposals for deviations in the estimated price for acceptance of the total evaluated price of tenderers as worked out in the Comparative Statement. This range may be different for different types of indents as well as for different values of indents. The approval of Director In-charge / Director / Head of Unit shall be taken on such ranges of deviation from the estimated price, which may be reviewed as and when required.

10.2 In case order is to be placed on one party only and the L1 tenderer is within the specified range of estimated price. proposal for placement of order on L1 tenderer will be made and processed.

10.2.1 In case, none of the tenderer as indicated in Para 10.2, has offered full quantity / scope of work, then after taking approval of NHA and recording the reasons for not retendering the case, processing of tender is to be done including opening of price bid. After determination of L1 tenderer, he may be asked to confirm full / increased quantity / scope of work; and the quantity / scope of work so confirmed shall be ordered on that party. This will be subject to meeting satisfactory capacity / performance criteria. The balance quantity / scope of work, if any, can be ordered as follows:

- a) All the remaining technically and commercially acceptable tenderers be asked to offer maximum quantity up to the uncovered quantity /scope of **work** and match L1 price. Offers of such tenderers who match L1 price may be accepted for the quantity/scope of work offered by them in order of their rankings.
- b) If the full quantity/scope of work is still not covered at L1 price after step (a) above, the balance quantity/ scope of work can either be re-tendered or cancelled with the approval of the Competent Authority as per DOP.

10.3 In case the order is to be placed on more than one tenderer as specified in the indent /Tender Document and the L1 price is within the approved limits of estimate or the L1 price has been considered reasonable / acceptable (post negotiation), then the tenderers will be asked to match their prices with L1 rate for distribution of the items / jobs to be ordered. Only the tenderers, who agree to match their prices with L1 rate, will be considered for the distribution of order as per their original ranking.

10.3.1 For splitting the order quantity/scope of work among more than one tenderer, the basis will be their original rankings as per the comparative statement. The allocation will be in the descending order with L1 getting the highest share. The distribution pattern for splitting the order into 2/3/4 parties will be broadly as indicated below:-

In case of distribution for Ratio for Original Ranking L1, L2, L3, L4, L5, L6, L7, L8:

Two parties: 70:30

Three (3) parties: 60:25:15

Four parties: 50:25:15:10

Five (5) parties: 40:25:15:10:10

Six parties: 35:20:15:10:10:10

Seven (7) parties: 30:20:10:10:10:10:10

Eight parties: 25:15:10:10:10:10:10:10

However, capability, capacity and past performance will be kept in **view** for the allocation of quantity to multiple sources. In addition to the above, in case more than one party has the same rank, then their share will be added and equally distributed. For example, if distribution is to be made among six parties and two parties have the same ranking of L2 i.e. the original rankings are L1, L2, L2, L3, L4, L5, then from the above table, the distribution shall be:

L1 35%

L2 17.5% i.e. $(20+15)/2=17.5\%$

L2 17.5%

L3 10%

L4 10%

L5 10%

Similarly, if three (3) parties have the same ranking, viz. L1, L1, L1, L2, L3, L4, then the distribution shall be :-

L1 23.33% i.e. $(35+20+15)/3 = 23.33\%$

L1 **23.33%**

L1 23.33%

L2 10%

L3 10%

L4 10%

However, in case of tie among the same ranking parties i.e. in a situation where ranking is L1, L1, L2, L3, L3, L3, L4, and only four parties are to be considered for placement of order, the distribution shall be:

L1 37.5% i.e. $\{50+25\}/2=37.5\%$

L1 37.5%

L2 15%

L3 10%

Note: L3 10% and only one party among the three (3) L3 parties to be selected through draw of lot in the presence of their representatives.

- 10.3.2 In case more than one tenderer is qualifying as L1 after price evaluation and the order is not to be split, the placement of order shall be done after obtaining decrement from the L1 tenderers and If still there is a tie among L1 tenderers, then to discover the final L1, draw of lots shall be held in presence of the tenderers who chose to be present.
- 10.4 For job contract cases, if tenderer quotes unworkable rate, i.e., the L1 price is not reasonable (less than the lower limit of the allowed range of deviation from the estimated price), such that it raises material concerns as to the capability of the bidder to perform the contract at the offered price, the tenderer (including all other tenderers under split order which match with L1 price or prices considered for placement of order are less than the lower range of estimated price), will be asked to justify the rates quoted. On non-acceptance of justification/ refusal of the same, the bid may be rejected with recorded reasons and with the approval of the Next Higher Authority. Wherever there are compelling circumstances the tenderer may be asked to furnish Performance Guarantee Bond equal to the amount which will be the difference between lower limit of the allowed range of deviation from estimated price and the quoted price of tenderers with the approval of the Next Higher Authority to finalise the particular tender. In case the tenderers refuse to submit the Performance Guarantee Bond, action will be taken against the tenderer as per Para 6.12 with the approval of the **Next** Higher Authority on submission of recorded reasons.
- 10.4.1 In case the L1 tenderer is able to justify his rate, and found to be workable by the tender committee / MM / Contract Cell (as applicable) or credentials of the party are established, then order may be placed with approval as per DOP.
- 10.4.2 The Performance Guarantee Bond, wherever required, should be taken in the form as prescribed in Para 8.3. In case the contractor has any outstanding amount with the company against a different tender, the same should not be adjusted for this purpose.
- 10.5 Wherever voluntary reduction in prices is received after opening of the price bid and/or after the expiry of time limit fixed for re-bids, such reduction in price will not be taken into account for the purpose of evaluation and ranking for placement of order, while making the purchase/ contract proposal. Appropriate recording shall be made in the file to this effect.
- 10.6 Where the voluntary reduction in price is given by a tenderer, who is otherwise eligible to get order on the basis of bids received before the scheduled date and time, the order would be placed at a price taking into account the voluntary reduction offered by the party.
- 10.7 Any purchase preference to MSEs/ Local MSEs/ Ancillary Units/ PSUs/ Government Organisations/ Startups as recognised by Department for Promotion of Industry and Internal Trade (DPIIT) shall be based on the extant guidelines issued by Government of India. Additionally, "Minimum Local Content (LC)" as described in the Public Procurement (Preference to Make in India) Order 2017 (As revised on 16th September 2020) and subsequent amendments, if any, shall be applicable.

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- 10.8 Recommendations or decisions taken during the tender processing should be based on extant rules / guidelines / clarifications available / applicable on the date of making such recommendations or decisions. Review of recommendations or decisions already taken, based on subsequent revision in rules / guidelines / clarifications, should not be done unless otherwise prescribed in the revision in rules / guidelines / clarifications.

11.0. PRICE NEGOTIATIONS

- 11.1 There should be no post tender negotiations with L1 except in certain exceptional situations. Such exceptional situations would include procurement on Single Tender Proprietary (STP) Enquiry, Single Tender Non-Proprietary (STNP) Enquiry, single techno-commercially acceptable offer or limited source of supply and items where there is suspicion of a cartel formation. The Justification and details of such negotiations should be duly recorded and documented without any loss of time. The justification and details of such negotiations, wherever feasible, should be maintained online.
- 11.2 Negotiations, if required, should be conducted with the L1 bidder only, with the approval of Competent Authority. Reasons must be recorded by the Authority / Tender Committee / tenderer recommending negotiations. However in cases where L1 price obtained is outside the upper allowed range of deviation applicable for the Plant / Unit, negotiation may be held ab-initio i.e. without any approval. Negotiations should be held by the Tender Committee / Committee consisting of executives from MM Dept./Contract Cell/Contracting Department, Indenting Department, Finance Department. The Committee must record reasons and outcome of the negotiations.
- 11.3 Where quantities are to be distributed on multiple parties, the other parties L2, L3, L4..... need to match the L1 prices. The matching of prices, to avoid placement of order on differential price, shall not be treated as counter offer or negotiation.
- 11.4 In case L1 backs out, re-tendering should be resorted to in a transparent and fair manner without considering the backed out tenderer.
- Besides forfeiting the EMO submitted by the said tenderer, the tenderer shall be kept under hold without issue of tender enquiries up to next six months including barring participation in open tenders with the approval of concerned HoD.
- 11.5 Asking for discount online or through email or correspondence shall be permissible.
- 11.6 Order on more than one party shall be considered only if such stipulation was made in the NIT as explained in Para 6.10.
- 11.7 During price negotiations, changes in the already decided techno- commercial terms shall not be allowed and no increase in price is permitted.
- 11.8 The negotiations and decision for placement of order must be completed within the validity period of the offers. Wherever necessary, the extension of validity period by the parties concerned should be ensured.

12.0. TRIAL PURCHASE /WORK ORDER

- 12.1 The total quantity to be ordered on trial basis shall be determined and approved at the time of issue of tender. Tender enquiry for trial order may be issued only with the approval of Head of MM /Contract Cell/ Contracting Department subject to approval of Competent Authority as per DOP.
- 12.2 After evaluation / negotiation of techno-commercial bids as explained in Paras 9.2.1 and 9.2.2, technically suitable parties will be selected for consideration for placement of trial order.

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- 12.3 The price bids of the above mentioned technically suitable trial parties shall be opened and evaluated as explained in Para 9.4. The evaluated price of trial parties will be ranked as TL1, TL2, TL3... where TL1 is the lowest evaluated price.
- 12.4 If the evaluated TL1 price is less than or equal to the established L1 rate (received against regular tender for the same item), then the trial order for the approved quantity will be placed.
- 12.5 In case trial order is to be distributed among more than one trial parties, the other trial parties will be asked to match their prices with TL1 and then the trial quantity will be distributed as per table given in Para 10.3.1. However each party should be given the minimum trial quantity and in case this necessitates increase in trial quantity the same may be considered. No risk purchase action shall be taken in trial cases. Detailed trial procedure may be formulated by the individual Plants/ Units.
- 12.6 If TL1 price is more than the established L1 rate, the trial parties in order of their ranking who accept L1 rate will be considered for placement of trial order as per Paras 12.4 and 12.5.

13.0. ISSUE OF ORDER FOR PURCHASE/JOB CONTRACT

- 13.1 The order shall be placed in the standard proforma (designed by respective Plants/ Units) after obtaining approval of the Competent Authority as per DOP. The order shall be placed within the validity of the offer. The order shall also incorporate the relevant provision of Undertaking given by the vendor/ contractor.
- 13.2 The escalation/ variation clause, where envisaged or insisted upon, should be carefully drawn up, to avoid disputes at a later stage and does not give undue benefit to the Suppliers/Contractors. The basic elements on which escalation is agreed upon constituting the price at the time of placement of the order should be verified and their authenticity confirmed and the escalation formula and the authentic index to be relied upon for this purpose should be clearly laid down. Base rate for providing escalation/de-escalation should be properly indicated in the order / contract.
- 13.3 All orders should be self-contained and should have proper stipulations like Payment Terms, Liquidated Damages and Risk Purchase / Contract clauses, etc. to ensure timely supply of the material/execution of jobs.
- 13.4 In case a party is selected to supply material/ execute a job contract at higher price against a subsequent tender, but whose supply of the material/ execution of job contract against the earlier order at lesser price is not yet complete for reasons attributable to the Supplier / Contractor, it will be ensured that the supplies are made / jobs executed first against the earlier order before being considered against the subsequent order.
- 13.5 The time for award of contract should not ordinarily exceed 0+30 working days, where D is the date of determination of L1 bidder. For this, after examining the reasonability of the discovered L1 price with proper justification, Purchase or Contract Proposal, as the case may be, should be put up to the Competent Authority within the following:
- a) 0+7 working days from the date of determination of L1 bidder, in normal situations, where no negotiation was required to be held.
 - b) 0+21 working days from the date of determination of L1 bidder, in exceptional situations where negotiation(s) with the L1 bidder were also held.
- For Project cases, wherever multi-stage approval from Higher Authorities are required, over and above the 0+30 working days as above, an additional maximum of 15 days should be assigned for clearance at each level or a maximum of total 60 days, whichever is less.
- 13.6 Any order placed / work awarded on Single Tender Non-Proprietary (STNP) basis valuing Rs.1 Crore & above shall be reported to SAIL Board on quarterly basis. Plants / Units to

evolve their own system for such reporting. Internal Audit is required to check at least 10% of such cases.

- 13.7 **POSTING OF CONTRACT DETAILS:** All contract details for orders placed outside GeM should be posted on SAIL Tender website as well as CPP portal as per the extant provisions / direction of the Govt. of India.

14.0. EXTENSION OF DELIVERY/CONTRACT PERIOD AND LIQUIDATED DAMAGES (LD):

- 14.1 Liquidated Damages shall be levied against Suppliers/Contractors In case of delay in supply of materials/execution of contract beyond the date of delivery / completion of job specified in Purchase Order/ Contract. If the delay in completion of supply/ execution of job is attributable to SAIL or Force Majeure only, liquidated damages will not be levied.
- 14.2 Extension of delivery / pre-ponement of contract period may be granted by the competent authority as per DOP.
- 14.3 For the portion of delay which is attributable to SAIL or Force Majeure or to the Supplier /Contractor, the case shall be dealt with as follows:

| A. Delay attributable to SAIL or Force Majeure | |
|--|--|
| LD | Not Applicable |
| Taxes & Duties | Any increase in taxes and duties on account of statutory increase, fresh imposition of any duty or taxes which take place during such extended period shall be admissible/ availed. |
| Price Variation | Price variation, if indicated in the Purchase Order / Contract, shall be applicable during such extended period. |
| B. Delay is attributable to Supplier/Contractor | |
| LD | Applicable |
| Taxes & Duties | Increase / fresh imposition of taxes and duties during the extended period will be to the account of the party. However, the same will be admissible to the extent for which Input Tax Credit (ITC) is admissible against these levies. Any decrease in taxes and duties during the extended period will be availed of. |
| Price Variation | Price variation, if indicated in the Purchase Order / Contract will be applicable for the quantity supplied / work performed within the scheduled period of Purchase Order / Contract. For supplies made / work executed during the extended delivery period, the rates as prevail on the last day of the scheduled delivery / contract period only may be paid. De-escalations / reductions, if any, which takes place, shall have to be passed on to SAIL. |

- 14.3.1 For Project VAMR cases, relevant clause of SBD may be referred to.

15.0. AMENDMENTS TO PURCHASE/CONTRACT ORDER

Amendments to the Purchase / Contract Order should be rare. In exceptional cases, amendment may be issued for the recorded reasons with the approval of Competent Authority as per DOP.

16.0. PAYMENT TERMS

- 16.1 Payments should be made strictly according to terms & conditions as Indicated in Purchase Order (PO)/ Contract. Deviation, if any, in payment terms should be approved by Competent Authority with the concurrence of Head of Finance of respective Plant/ Unit.

- 16.2 In case where delivery period has expired, documents sent through Bank should be released only on approval of the Competent Authority based on recorded reasons. Such approval should be obtained within two (2) working days. In the case of payments through Bank, the Accounts Department after receipt of necessary advice from the concerned Bank will make payment to the Bank as per the terms of Purchase Order. In case the Accounts Department finds any discrepancy and is not able to get the documents released within two (2) days, they will seek the instructions of MM Dept./ Contract Cell/ Contract Operating Department in writing and act accordingly. The documents thus received should be handed over to the Stores Department under intimation to the MM Dept.
- 16.3 Before release of final payment, the following should be ensured by the Accounts Department except where 100% payment is made through Letter of Credit (LC)/ Bank against dispatch documents or 100% against proforma invoice.
 - i) The material both in quantity & quality and specification has been duly received as stipulated in the Purchase Order and has been taken on record by the Stores Department, evidenced by GARN and / or other specified documents.
 - ii) The recoveries which are to be made from the party have been made.
- 16.4 Running Account bills if payable as per contract and submitted by the contractors will be certified by the Operating Authority for the quality and volume of work executed and recorded in the Measurement Book. Bills of work executed by the contractor shall be jointly signed by the Operating Authority or his authorized representative and the contractor. These running bills will be sent to Finance for payment by the Operating Authority under acknowledgment obtained from the Finance Department
- 16.5 To check fraudulent payment of bills, each Plant/Unit should prepare elaborate system for inter-department forwarding / receipt / acknowledgment of various documents. Proper system of numbering the bills also be laid down to avoid duplicate payments.
- 16.6 The Accounts Department should immediately on receipt of a bill, examine the availability of all supporting documents. In case of discrepancies, the dealing officer within two days of the receipt of the bill should refer the matter in writing to the MM Dept./ Contract Cell/ Contract Operating Authority.
- 16.7 Bills completed in all respect received by Finance Department should be paid on First in First out (FIFO) basis. However, for Micro & Small Enterprises (MSEs), payment shall be made within the statutorily defined period as per extant GOI Rules/Guidelines.
- 16.8 For any bill complete in all respect, pending with Finance where payment has been delayed beyond 30 days from due date, the details along with reasons, should be displayed on Intranet portal by the Head of Finance of Plants / Units and a copy of the same should be forwarded to the respective Vigilance Department and HOMM / HOP (for Projects cases), on a monthly basis.

17.0. TAXES

- 17.1 Supplier must furnish/ upload the necessary documents for availing of GST Input Tax Credit (ITC) as per GST Law. This shall be ensured before releasing any payment to the Supplier after verification of GSTR 2A/any other document/form specified under extant GST Law.
- 17.2 In case of supply of Goods & Services, GST number of both Buyer and Seller should be mentioned in the contract.

18.0. CANCELLATION OF PURCHASE / CONTRACT AND RISK PURCHASE

- 18.1 When it is intended to cancel the Purchase Order or Contract or Work Order, which has been kept alive after expiry of delivery period by the conduct of parties, it is necessary to issue a notice to the concerned party before actual cancellation giving a period of fifteen days or such period as Law Department may advise for supply of material/ completion of pending job/ work

without prejudice to our rights, to recover LO as per terms of the contract. Where the order is not kept alive beyond delivery/contract period by implication or conduct of the parties, cancellation should be issued by the MM Dept. / Contract Cell/ Contracting Department immediately in consultation with Indenting / User department, with the approval of Next Higher Authority, after expiry of the delivery/ completion period stating that quantities/job incomplete on the due date are cancelled and risk purchase will be made in terms of the relevant clause of the tender conditions of the contract. However, before initiating the process for placement of alternate order on risk purchase or for cancellation of original order on the defaulting party, approval of the next higher authority should be taken. Wherever necessary, Law Department should be consulted to protect the interests of the Plant / Company.

- 18.2 Notice for execution of order on risk & cost can be issued during valid period of contract also if vendor/ contractor either fails to start the work / supply within reasonable time, the progress of the work / supply is poor or for any breach of contract.
- 18.3 For Risk Purchase action after issue of notice to the defaulting party, a tender enquiry will be issued excluding/ disallowing the defaulting party for finalization of order on alternate source. Preferably the date of tender opening of the alternative tender enquiry and the expiry of risk purchase notice to the defaulting party should be about the same time. Notice should be given to the defaulting party with a view to providing it with last chance to effect supply / to complete the work and as such its response should be taken into account before deciding on the cancellation or alternate procurement through risk purchase. The decision to place order on alternate party/contract or on risk purchase or cancellation of the original order should be taken after consideration of the response of the defaulting party and the receipt of the offers against the enquiry.
- 18.4 After expiry of notice period and on finalization of the alternate purchase order / contract the left-over / un-serviced quantity in the original purchase order/contract should be cancelled and new order should be placed.
- 18.5 The Risk PO /WO should as far as possible be on the same terms & conditions as the original PO/WO (apart from delivery time) i.e., the goods should be of the same specifications, etc.
- 18.6 It should be ensured that Risk PO/ WO is concluded within a reasonable time.
- 18.7 For details of actions to be taken, the Standard Risk Purchase Procedure published by CMMG may be referred to.

19.0. VENDOR DEVELOPMENT

- 19.1 It shall be the continuous endeavour on the part of all Plants / Units to find out and/ or develop substitutes / sources of supply with a view to reducing cost of input materials / services. Considerations should be given to save foreign exchange.
- 19.2 To achieve this objective, Director In- charge/ Director / Head of Unit shall constitute a Vendor Development Cell (VDC) under HOMM which will co-ordinate and monitor all related activities.
- 19.3 The need to develop a Vendor for an item /services shall be identified by MM Dept./ concerned shop and shall be approved by concerned HOD. The requisition for such items shall be made by concerned department MM Dept. with the approval of the Competent Authority and shall contain :
 - a) The existing practices/ material/ technology and their shortcomings;
 - b) The proposed practice/ material/ technology and the anticipated cost-benefit analysis;
 - c) Minimum quantity for conducting trial;
 - d) Minimum period for conducting trial.
- 19.4 Such proposals may be scrutinised by a Committee comprised for this purpose under HOMM. One month before the beginning of each financial year, the Committee shall identify the items

and in consultation with VDC .and the annual budget for the same would be got approved from the Director in-Charge/ Direct.or/ Head of Unit.

- 19.5 Before issuance of tender enquiry, the replacement specifications, functional requirements, input conditions, performance norms, relevant drawings, inspection procedures, method of conducting trials and outputs, etc., are to be worked out and finalised by the indenter/ concerned department in consultation with Design Department R&D, other Technical Consultant Departments including GET or RDCIS or any other Consultant. The proposal shall also indicate the stage and final inspection criteria. procedures and methods of conducting trial.
- 19.6 Final acceptance of the item developed shall be done after field trial. The trial should be completed within the stipulated period from the date of receipt of material.
- 19.7 Evaluation of Performance: The trial shall be monitored by a Committee constituted for the purpose by the concerned Direct Reporting Officer (ORO) to the Directorin- Charge / Director / Head of Unit.
- 19.8 The firms who successfully develop an item shall be encouraged with the placement of repeat order as per Para 5.5 and such firms are then to be dealt with under the relevant IPSS for the future.
- 19.9 In case IPSS are prepared and issued on Vendor Development, the procedure laid down therein would be followed.

20.0. CLOSURE OF CONTRACT

- 20.1 All contracts where jobs have been completed in all respects including period of warranty / guarantee after its completion / commissioning, Final Acceptance Certificate should be issued within one month thereafter.
- 20.2 Operating Authority shall process the final bill of the contractor as per the check-list to be designed by each Plant / Unit for closure of the contract for submission to the Finance Department, along with the Final Acceptance Certificate.
- 20.3 The final bill of the party shall be checked and passed by Finance Department and shall be released to the contractor as per laid down procedure to be developed by Plants / Units.

21.0. PRICE DISCOVERY THROUGH REVERSE AUCTION (RA)

Standard Procedure for Reverse Auction (RA) issued by CMMG and amendments made thereto, if any, shall be followed.

22.0. BANNING OF SUPPLIERS/ CONTRACTORS

In case of default, bad performance, fraud, deception and misconduct, etc. by any Supplier / Contractor / Vendor, action may be taken as per the instructions issued by SAIL from time to time w.r.t "Guidelines on Banning of Business Dealings." Summary details of banned Suppliers / Contractors with reasons and period of banning shall be uploaded by the respective Plant/ Unit on SAIL Tender Website.

23.0. PROCEDURE FOR SMALL VALUE PURCHASES OF MATERIALS

23.1 SCOPE:

- a. This procedure shall apply to indents of low value (above Rs.25,000/- and below Rs. 5,00,000/). For indent value up to Rs.25,000/-, procurement through imprest (up to Rs.25,000/-) or by any other mode like GeM (Direct Purchase on GeM) may be done, if possible.

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- b. The same item shall not be procured more than twice in a year by an Individual Department and its cumulative value shall be less than Rs. 5,00,000/- per year. A certificate to this effect shall be given by the Head of the Indenting Department.
 - c. Items valued as above, may be clubbed into one indent having the same set of Vendors. However, the total indent Value **shall be less than** Rs. 5,00,000/-.
 - d. Emergency purchase shall not be covered under this procedure.
 - e. For procurement of new items, necessary approval shall be taken as per DOP of the Plants / Units

23.2 PROCEDURAL STEPS:

23.2.1 Raising of indent

- a) Indents are to be raised based on availability of items in stores, dues-in, safety stock level and consumption pattern of the Department within the allocated Budget.
- b) Re-appropriation of the Budget allocated to a particular Department for procurement of small value items shall not be done.

23.2.2 Estimated Value

Estimate should be realistic with adjustment for variations in the prices of various elements including market conditions.

23.2.3 Issue of Tender Enquiry

- a) LTE shall be sent to minimum 3 vendors. All registered vendors should be included. It should include the last supplier unless there is a satisfactory recorded reason to exclude them on performance basis. This shall be approved as per normal DOP. Dealers / Traders having required GST Registration can also be considered.
- b) Tender Enquiry should mention that the following shall apply and no deviation would be accepted:
 - i. Specifications must be accepted by the Tenderer. Offers not conforming to tendered specifications shall be summarily rejected.
 - ii. Prices must remain firm during currency of the contract.
 - iii. To the extent possible, materials are to be dispatched in one consignment.
 - iv. Orders shall be placed on single source.
- c) In case of LTE to 2 firms, clearance of concerned HOD of the Indenting Department for indent and approval of Next Higher Authority as per DOP in MM for issue of enquiry is to be obtained.
- d) Indents for single tender (non-proprietary) will be cleared by Head of Works / MM / Project / Medical / Finance in their respective areas and approval for issue of enquiry shall be obtained from HOMM.

23.2.4 Opening of offers

Wherever less than X+2 offers are received, the case shall be processed with approval of Next Higher Authority (NHA).

23.2.5 Placement of Order

- a) In case of procurement of multiple items in an indent, the overall lot L1 Landed Cost Net of Input Tax Credit (LCNITC) shall be considered for placement of order even if the items are non-matching.
- b) In case L1 Price exceeds approved range of % deviations. the same, if required, be considered with approval of Next Higher Authority than the original approving authority as per DOP of MM, provided the prices are considered reasonable as per the prevailing market trend.

c) In case L1 offer is not considered reasonable, MM Department may correspond directly with the party to bring it in approved range with the approval of Next Higher Authority. In case the prices still remain outside approved range of % deviation the same may be considered for placement of order with the approval of Next Higher Authority, if prices are considered reasonable as per prevailing market trend, failing which re-tendering may be resorted to with the approval of Next Higher Authority.

d) In case L1 backs out, re-tendering should be resorted to in a transparent and fair manner without considering the backed out tenderer.

The tenderer shall be kept under hold without issue of tender enquiries up to next six months including hold on participation in open tenders with the approval of concerned HoD.

e) To the extent possible, supply against the orders under this procedure should be completed in one lot within the scheduled delivery period.

23.3 Pre-dispatch inspection shall not be applicable unless otherwise specified & materials shall be accepted against Test Certificate/ Guarantee Certificate (GC)/ Warranty Certificate (WC).

24.0. PROCEDURE FOR SMALL VALUE JOB/SERVICE CONTRACTS

24.1 SCOPE:

- a) This procedure shall apply only to indents of low value (above Rs.25,000/- and below Rs. 5,00,000/-). services / job contracts. For indent value up to Rs.25,000/-, procurement through imprest or by any other mode like GeM (Direct Purchase on GeM) may be done, if possible.
- b) The same job/ service will not be contracted out more than twice a year by an individual department and its cumulative value shall be less than Rs. 5,00,000/- per year. A certificate to this effect shall be given by the Head of the Indenting Department. However screening shall have to be done as per Clause 3.2.
- c) Emergency job/service contracts shall not be covered under this procedure.

24.2 PROCEDURAL STEPS:

24.2.1 Raising of Indents

Re-appropriation of the Budget allocated to a particular Department for small value contract shall not be done.

24.2.2 Estimated Value

Estimate should be realistic with adjustment for variations in the prices of various elements including labour rates, wages, etc.

24.2.3 Issue of Tender Enquiry

- a) LTE shall be sent to minimum 3 contractors. All registered contractors should be included. It should include the last contractor unless there is satisfactory recorded reason to exclude them. This shall be approved as per normal DOP.
- b) In case technical terms/ specifications are frozen, Single Part Quotation may also be called.
- c) Tender Enquiry should mention that the following shall apply and no deviation would be accepted:
 - i) Tender terms/specifications must be accepted by the tenderer. Offers not conforming to tendered specification, terms & conditions, shall be summarily rejected.
 - ii) Prices must remain firm during the currency of the contract.
 - iii) Job shall be awarded to one contractor.

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- d) In case of LTE to 2 firms, clearance of concerned HOD of Indenting Department for indent and approval of Next Higher Authority as per DOP for issue of enquiry is to be obtained.

24.2.4 Opening of Offers

Wherever less than three (3) offers are received, the case shall be processed with approval of Next Higher Authority.

24.2.5 Placement of Order

- a) Order shall be placed on overall L1 tenderer.
- b) In case L1 Price exceeds approved range of % deviations, the same, if required, be considered with approval of Next Higher Authority than the original approving authority as per DOP, provided the prices are considered reasonable as per the prevailing market trend.
- c) In case L1 offer is not considered reasonable, Contract Cell/ Contracting Department may correspond directly with the party to bring it to approved range with the approval of Next Higher Authority. In case the prices still remain outside approved range of % deviation, the same may be considered for placement of order with the approval of Next Higher Authority, if prices are considered reasonable as per prevailing market trend, failing which re-tendering may be resorted to with the approval of Next Higher Authority.
- d) In case L1 backs out, re-tendering should be resorted to in a transparent and fair manner without considering the backed out tenderer.

The tenderer shall be kept under hold without issue of tender enquiries up to next six months including hold on participation in open tenders with the approval of concerned HoD.

25.0. GENERAL

- 25.1** The employees associated with award/execution of contracts and purchase of items shall also ensure that:

- a) relevant provision of SAIL CDA Rules, 1977 are complied with,
- b) while dealing with relations, the relative shall be as defined in the Companies Act, 2013.

- 25.2** Tender enquiry format should have a clause making it compulsory for a bidder to declare whether:

- a) the Proprietor / Partner / Director of the firm/ company has any relationship within the meaning of Section 2(77) of the Companies Act 2013 with any of the employee working in the Plants / Units concerned or Director of SAIL including its subsidiaries and if so, give the details.
- b) the person or team representing the firm is also representing any other firm participating against the tender and if so, give the details thereon.
- c) Non-disclosure/ Incorrect disclosure of both the above details factually by a firm either on its own while submitting its offer or upon enquiry at the option of SAIL during the scrutiny of its offer may invite penal action against the firm, which may include rejection of the offer, suspension of business dealings or both.

Standard format shall be used for declarations as per Para 6.16.4.

- 25.3** In all cases of procurement of goods or services, for better transparency and accountability, electronic mode of communication shall be used. Physical tendering shall be resorted to with the approval of HOMM, only in cases which are not found feasible to be processed on ERP/ SRM, EPS, GeM or any other web-based system and only with the recorded reasons.

- 25.4** The procuring entity shall maintain and retain audit trails, records and documents generated or received during its procurement proceedings, in chronological order. The files will be stored in an identified place and retrievable for scrutiny whenever needed without wastage of time.

FORMAT FOR UNDERTAKING TO BE UPLOADED/ SUBMITTED BY THE AUTHORIZED SIGNATORY OF THE BIDDER ON ITS LETTERHEAD ALONG WITH THE TENDER DOCUMENTS

I (Name and Designation) duly authorized to sign the bid for and on behalf of M/s(herein after called the bidder) for the purpose of Tender No..... of (Plant/Unit SAIL, Place), do hereby solemnly affirm and state, on the behalf of the bidder including its constituents, as under:

I/We have read the contents of the above mentioned tender carefully and understand that my/ our offer will be evaluated based on the documents/ credentials submitted along with the offer and same shall be binding upon me/us. I/We undertake and warrant that in relation to the aforesaid tender, our bid was developed genuinely, independently and made with the intention to accept the Contract, if awarded.

1. **BID SECURING DECLARATION:**

I/ We agree that if I/We withdraw or modify our Bid during the period of validity, or if I/ We are awarded the contract and I/ We fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, I/We will be liable to be suspended for a period of six months from being eligible to submit bids against all future tenders of Plant/Unit _____ SAIL, Place _____

2. **UNDERTAKING FOR NON-COLLUSIVE TENDERING:**

I/We undertake and warrant that our bid was not prepared with any agreement, arrangement, communication, understanding, promise of undertaking with any person (including any other bidder or competitor) regarding i) prices; ii) methods, factors or formulas used to calculate prices; iii) an intention or decision to submit a bid; iv) an intention or decision to withdraw a bid; v) the submission of bid that does not conform with the requirements of the tender; vi) the quality, quantity, specifications or delivery particulars of the products or services to which this tender relates; and vii) the terms of the bid, and we also undertake that we will not, prior to the award of the Contract, enter into or engage in any of the foregoing.

3. **SUB-CONTRACTING, WHEREVER APPLICABLE:**

Disclosure in case of Job/ Project Contracts: I/We warrant that we have duly disclosed and will continue to disclose all intended sub-contracting arrangements relating to the Tender that we are required to disclose, including those which are entered into after the Contract is awarded.

4. **AUTHENTICITY OF DOCUMENTS SUBMITTED FOR BID EVALUATION:**

I/We declare that the information and documents submitted along with the tender documents by me/ us are complete and correct and I/we are fully responsible for the authenticity and correctness of the submitted information and documents. I/We declare and certify that I/we have not made any misleading or false representation anywhere in the tender submitted including the annexures thereto.

I/We understand that at any time during process of evaluation of tender or at any time after award of contract, if any information/ document submitted by me/ us are found to be suppressing facts/ forged / false / fabricated / fudged or incorrect, it shall lead to forfeiture of the EMO/SD and

Performance Guarantee, if submitted, besides any other action provided in the contract including banning under the extant Guidelines for Banning of Business Dealings of SAIL and initiating any legal action as deemed fit. Further, I/we and all my/ our constituents understand that my/ our offer shall be summarily rejected.

5. REPRESENTATION OF SINGLE/ MULTIPLE FIRMS BY THE AUTHORIZED PERSON:

I/We hereby declare that I/we are not representing any other firm participating against this tender.

OR

I/We hereby declare that I/we also represent the following firm(s) participating against this tender: -

| S/No. | Name of the firm |
|-------|------------------|
| | |

(Strike-off the portion which is not applicable)

6. RELATIONSHIP WITH ANY EMPLOYEE WORKING IN PLANT / UNIT CONCERNED OR DIRECTORS OF SAIL INCLUDING ITS SUBSIDIARIES:

a) I/We hereby declare that the Proprietor or any Partner of the Company or Director of our company has no relationship (within the meaning of Section-2 (77) of the Companies Act 2013) with any employee working in Plant/Unit SAIL, Place /any of the Directors of SAIL Including its subsidiaries

OR

I/We hereby declare that the following Proprietor/Partner/Director of our company (has relationship (within the meaning of Section-2 (77) of the Companies Act 2013) with following employee working in Plant/Unit SAIL, Place / Directors of SAIL including its subsidiaries:-

| Name of Proprietor/ Partner/ Director of our company | Name of SAIL employee/ Director of SAIL | Type of relationship |
|--|--|----------------------|
| 1. | | |
| 2. | | |

(Strike-off the portion which is not applicable)

b) I/We further declare that if the contract is awarded to me/us, I/we shall inform if any of my/ our relative(s) as defined above, join/joins the Plant / Unit concerned or joins as Director of SAIL including its subsidiaries at any time subsequent to the award and during continuance of the contract.

7. ANTI BRIBERY MANAGEMENT SYSTEM (ABMS) DECLARATION:

I/We undertake that we shall not give or take any financial or non- financial bribe, to or from any one during the tender or during the execution of the contract thereafter and if I/We notice any such incident happening, I/We shall report to SAIL Vigilance .

8. MINIMUM LOCAL CONTENT AS APPLICABLE & LAND BORDER SHARING REQUIREMENTS, IF APPLICABLE

I/ We declare that I/We comply with the provisions of the revised Public Procurement {Preference to Make In India), Order 2017 dated 16.09.2020, as amended from time to time and also comply with the provisions of DoE Order dated 23.07.2020 with respect to the compliance related to land border sharing requirements and subsequent amendments thereto as applicable, on the date of submission of tender and at the time of Placement of Contract.

9. CONFLICT OF INTEREST (IF APPLICABLE):

I/We undertake that we shall not make any improper use of information obtained from the Purchaser with intent to gain unfair advantage in the Tender Process or for personal gain including that of our affiliates and that I/we shall suo-moto proactively declare any conflict of interest (coming under the definition mentioned above - pre-existing or as soon as these arise at any stage) in any Tender Process or execution of the contract. I/We understand that failure to do so shall amount to a violation of the code of integrity.

10. I/We declare that I/We have disclosed any previous transgressions of code of integrity with any entity in any country during the last three years or of being debarred by any other procuring entity in our bid documents. Failure to do so would amount to violation of the code of integrity.

11. I/We undertake that we have read, understood and accepted the General Terms and Conditions of Contract of Purchase (SAIL-PI) or General Terms and Conditions of Contract for Procurement of Services (SAIL S-1), as applicable and shall be binding on us in addition to other terms and conditions mentioned in the tender document.

Seal and Signature of Authorized Signatory