

Section-II

INSTRUCTION TO BIDDERS (ITB)

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INSTRUCTION TO BIDDERS (ITB)

Preamble

This section (Section-II) of the Bidding Documents provides the information necessary for bidders to prepare responsive bids, in accordance with the requirements of the Employer. It also provides information on bid submission, opening and evaluation and on contract award. This Section (Section II) contains provisions that are to be used unchanged unless Section III (BDS), which consists of provisions that supplement, amend, or specify in detail, information or requirements included in Section II and that are specific to each procurement, states otherwise. If there is a conflict between the provisions of Section - II & Section - III, the provisions of Section - III shall prevail.

However, provisions governing the performance of the Contractor, payments under the contract or matters affecting the risks, rights and obligations of the parties under the contract are not included in this section but instead under Section - IV: General Conditions of Contract and/or Section - V: Special Conditions of Contract.

Bidders may note that the Employer has uploaded its 'Works & Procurement Policy and Procedure' (Vol.-I & II) alongwith its Modification/Amendment on Capacity and Capability Assessment - regarding new parties undertaking to POWERGRID's website and in this regard, attention of the Bidder is drawn to Clause IFB 3.3, Section -I of the Bidding Documents. Those Bidders who wish to peruse the same may visit **www.powergridindia.com**. However, it shall be noted that no other party, including the Bidder/Contractor, shall derive any right from this 'Works & Procurement Policy and Procedure' documents or have any claim on the Employer on the basis of the same. The respective rights of the Employer and Bidders/Contractors shall be governed by the Bidding Documents/Contracts signed between the Employer and the Contractor for the respective package(s). The provisions of Bidding Documents shall always prevail over that of 'Works & Procurement Policy and Procedure' documents in case of contradiction.

Further in all matters arising out of the provisions of this Section - II and the Section-III of the Bidding Documents, the laws of the Union of India shall be the governing laws and courts of New Delhi shall have exclusive jurisdiction.

A. Introduction**1. Source of Funds**

- 1.1 The Owner named in the **BDS** intends to use domestic funding (Owner's Internal Resources/Domestic Borrowings/Bonds) for this Project.

All eligible payments under the contract for the package for which this Invitation for Bids is issued shall be made by the Employer named in the **BDS**.

2. Eligible Bidders

- 2.1 This Invitation for Bids, issued by the Employer is open to all firms including company(ies), Government owned Enterprises registered and incorporated in India as per Companies Act, 1956, barring Government Department as well as foreign bidders/MNCs not registered and incorporated in India and those bidders with whom business is banned by the Employer.

- 2.2 A Bidder shall not have a conflict of interest. All Bidders found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if :

- (a) they have a controlling partner in common; or
- (b) they receive or have received any direct or indirect subsidy from any of them; or
- (c) they have the same legal representative for purposes of this bid; or
- (d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another Bidder, or influence the decisions of the Employer regarding this bidding process; or
- (e) a Bidder submits more than one bid in this bidding process, either individually or as a partner in a joint venture, except for alternative offers permitted under ITB Clause 9.3. This will result in the disqualification of all such bids. However, this does not limit the participation of a Bidder as a subcontractor in another bid, or of a firm as a subcontractor in more than one bid; or
- (f) a Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the Plant and Installation Services that are the subject of the bid.
- (g) A Bidder or any of its affiliates has been hired (or is proposed to be hired) by the Employer as Project Manager for the contract.

2.3 The Bidder, directly or indirectly shall not be a dependent agency of the Employer.

2.4 In case a prequalification process has been conducted prior to the bidding process, this bidding is open only to prequalified Bidders.

3. Eligible Plant, Equipment, and Services

3.1 For the purposes of these Bidding Documents, the words “facilities,” “plant and equipment,” “installation services,” etc., shall be construed in accordance with the respective definitions given to them in the General Conditions of Contract.

3.2 All plant and equipment to be supplied and installed and services carried out under the contract shall have their origin in any country barring those countries against whom sanction for conducting business is imposed by Government of India and barring those firms with whom business is banned by the Employer.

3.3 For purposes of this clause, “origin” means the place where the plant and equipment or component parts thereof are mined, grown, or produced. Plant and equipment are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components.

3.4 The origin of the plant, equipment, and services is distinct from the nationality of the Bidder.

4. Cost of Bidding

4.1 The Bidder shall bear all costs associated with the preparation and submission of its bid including post-bid discussions, technical and other presentations etc., and the Employer will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

B. The Bidding Documents

5. Content of Bidding Documents

5.1 The facilities required, bidding procedures, contract terms and technical requirements are prescribed in the Bidding Documents. The Bidding Documents comprise of the following and shall include amendments, if any, thereto:

VOLUME – I: Conditions of Contract
Section I Invitation for Bids (IFB)

- Section II Instructions to Bidders (ITB)
- Section III Bid Data Sheet (BDS)
- Section IV General Conditions of Contract (GCC)
- Section V Special Conditions of Contract (SCC)
- Section VI Sample Forms and Procedures (FP)
 - 1. Bid Form & Price Schedule
 - 1.1 Bid Form
 - 1.2 Price Schedule
 - 2. Bid Security Form
 - 3. Form of Notification by the Employer to the Bank
 - 4. Form of 'Notification of Award of Contract'
 - 4(a) Form of 'Notification of Award of Contract' for Supply of Plant and equipment
 - 4(b) Form of 'Notification of Award of Contract' for Installation of Plant and equipment
 - 5. Form of Contract Agreement
 - 5.1 Appendix-1: Terms and Procedures of Payment
 - 5.2 Appendix-2: Price Adjustment
 - 5.3 Appendix-3: Insurance Requirements
 - 5.4 Appendix-4: Time Schedule
 - 5.5 Appendix-5: List of Approved Subcontractors
 - 5.6 Appendix-6: Scope of Works and Supply by the Employer
 - 5.7 Appendix-7: List of Document for Approval or Review
 - 5.8 Appendix-8(a): Guarantees, Liquidated Damages for Non-Performance
 - Appendix-8(b): Functional Guarantees
 - 5.9 Appendix-9: Contract Co-ordination Procedure
 - 5.10 Appendix-10: Break-up of Contract Price for On-Account Payment Purpose
 - 5.11 Integrity Pact
 - 6. Performance Security Form
 - 7. Bank Guarantee Form for Advance Payment
 - 8. Form of Taking Over Certificate
 - 9. Form of Indemnity Bond to be executed by the Contractor for the Equipment handed over in one lot by Employer for performance of its contract.
 - 10. Form of Indemnity Bond to be executed by the Contractor for the Equipment handed over in installments by Employer for performance of its contract.
 - 11. Form of Authorisation Letter
 - 12. Form of Trust Receipt for Plant, Equipment and Materials received
 - 13. Form of Extension of Bank Guarantee
 - 14. Form of Power of Attorney for Joint Venture
 - 15. Form of Joint Venture Agreement
 - 16. Format for Evidence of Access to or Availability of Credit/ Facilities

17. Form of Operational Acceptance
18. Form of Safety Plan to be submitted by the Contractor within sixty days of award of contract

Volume-II: Technical Specification

Volume-III: Bid Form, Price Schedules & Technical Data Sheets

5.2 The Bidder is expected to examine all instructions, forms, terms, specifications and other information in the Bidding Documents. Failure to furnish all information required by the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk and may result in rejection of its bid.

5.3 Scope of Work is given in Volume-II of Bidding Documents titled "Technical Specifications".

6. Clarification of Bidding Documents; and Pre-Bid Meeting

6.1 A prospective Bidder requiring any clarification of the Bidding Documents may notify the Employer in writing or by cable (hereinafter, the term cable is deemed to include Electronic Data Interchange (EDI) or telefax) at the Employer's mailing address indicated in the **BDS**. Similarly, if a Bidder feels that any important provision in the documents, such as those listed in ITB Sub-Clause 22.3.1, will be unacceptable, such an issue should be raised as above. The Employer will respond in writing to any request for clarification or modification of the Bidding Documents that it receives no later than twenty-eight (28) days prior to the original deadline for submission of bids prescribed by the Employer. The Employer shall not be obliged to respond to any request for clarification received later than the above period. Further, the mere request for clarification from the Bidders shall not be a ground for seeking extension in the deadline for submission of bids. Written copies of the Employer's response (including an explanation of the query but not identification of its source) will be sent to all prospective bidders that have received the Bidding Documents.

6.2 The Bidder is advised to visit and examine the site where the facilities are to be installed and its surroundings and obtain for itself on its own responsibility and cost all information that may be necessary for preparing the bid and entering into a contract for supply and installation of the facilities. The costs of visiting the site shall be at the Bidder's own expense.

6.3 The Bidder and any of its personnel or agents will be granted permission by the Employer to enter upon its premises and lands for the purpose of such inspection, but only upon the express condition that the Bidder, its personnel and agents will release and indemnify the Employer and its personnel and agents from and against all liability in respect thereof and will be responsible

for death or personal injury, loss of or damage to property and any other loss, damage, costs and expenses incurred as a result of the inspection.

- 6.4 The Bidder's designated representative(s) is/are invited to attend a pre-bid meeting, which, if convened, will take place at the venue and time stipulated in the **BDS**. The purpose of the meeting will be to clarify any issues regarding the Bidding Documents in general and the Technical Specifications in particular. The Bidder is requested, as far as possible, to submit any question in writing, to reach the Employer not later than one week before the meeting. It may not be practicable at the meeting to answer questions received late, but questions and responses will be transmitted as indicated hereafter. Minutes of the meeting, including the text of the questions raised (without identifying name of the bidders) and the responses given, together with any responses prepared after the meeting, will be transmitted without delay to all purchasers of the Bidding Documents. Any modification of the Bidding Documents listed in ITB Sub-Clause 5.1, which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to ITB Clause 7 and not through the minutes of the pre-bid meeting.

Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.

7. Amendment of Bidding Documents

- 7.1 At any time prior to the deadline for submission of bids, the Employer may, for any reason, whether at its own initiative, or in response to a clarification requested by a prospective Bidder, amend the Bidding Documents.
- 7.2 The amendment will be notified in writing or by cable to all prospective bidders who have purchased the Bidding Documents and will be binding on them. Bidders are required to immediately acknowledge receipt of any such amendment, and it will be assumed that the information contained therein will have been taken into account by the Bidder in its bid.
- 7.3 In order to afford reasonable time to the prospective Bidders to take the amendment into account in preparing their bid, the Employer may, at its discretion, extend the deadline for the submission of bids, in such cases, the Employer will notify all bidders in writing of the extended deadline.

C. Preparation of Bids

8. Language of Bid

- 8.1 The bid prepared by the Bidder and all correspondence and documents exchanged by the Bidder and the Employer related to the bid shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in another language, as long as such literature is

accompanied by English translation of its pertinent passages, in which case, for purposes of interpretation of the bid, the English translation shall govern.

9. Documents Comprising the Bid

9.1 The bid shall be submitted by the Bidder under “Single Stage - Two Envelope” procedure of bidding. Under this procedure, the bid submitted by the Bidder in two envelopes - First Envelope (also referred to as Techno - Commercial Part) and Second Envelope (also referred to as Price Part) shall comprise of the following documents:

First Envelope :

- (a) Bid Form (First Envelope) duly completed and signed by the Bidder, together with all Attachments (available in Volume-III). All Attachments have been identified in ITB Sub-Clause 9.3 below.
- (b) Technical Data Sheets (available in Volume-III), if any, duly completed by the Bidder.

Second Envelope :

- (a) Bid Form (Second Envelope) together with Price Schedules (available in Volume-III), duly completed and signed by the Bidder.

9.2 Bidders shall note that, if permitted according to the **BDS**, they are entitled to submit an alternative bid within the scope specified in the Technical Specification. In such cases, bidders shall submit full details and justifications, etc., in Attachment 7 to the bid as indicated in ITB Sub-Clause 9.3 (g) below.

9.3 Each Bidder shall submit with its Techno - Commercial Part (First Envelope) the following attachments:

- (a) Attachment 1: Bid Security (If required)

A bid security in sealed separate envelope shall be furnished in accordance with ITB Clause 13 & ITB Clause 16.

- (b) Attachment 2: Power of Attorney

A power of attorney, duly notarized, indicating that the person(s) signing the bid has(ve) the authority to sign the bid and thus that the bid is binding upon the Bidder during full period of its validity, in accordance with ITB Clause 14.

- (c) Attachment 3: Bidder’s Eligibility and Qualifications

In the absence of prequalification, documentary evidence establishing that the Bidder is eligible to bid in accordance with ITB Clause 2 and is qualified to perform the contract in accordance with **Annexure - A (BDS)**, if its bid is accepted.

The documentary evidence of the Bidder's eligibility to bid shall establish to the Employer's satisfaction that the Bidder, at the time of submission of its bid, is eligible as defined in ITB Clause 2.

The documentary evidence of the Bidder's qualifications to perform the contract, if its bid is accepted, shall establish to the Employer's satisfaction that the Bidder has the financial, technical, production, procurement, shipping, installation and other capabilities necessary to perform the contract, and, in particular, meets the experience and other criteria outlined in the Qualification Requirement for the Bidders in Annexure - A (BDS) and shall also include:

The complete annual reports together with Audited statement of accounts of the company for last five years of its own (separate) immediately preceding the date of submission of bid.

[**Note I.** In the event the Bidder is not able to furnish the above information of its own (i.e., separate), being a subsidiary company and its accounts are being consolidated with its Group/ Holding/ Parent company, the Bidder should submit the audited balance sheet, income statement, other information pertaining to it only (not of its Group/Holding/Parent company) duly certified by any one of the authority [(i) Statutory Auditor of the Bidder/(ii) Company Secretary of the Bidder a (iii) A certified Public Accountant] certifying that such information/documents are based on the audited accounts as the case may be.

Note II. Similarly, if the Bidder happens to be a Group/Holding/ Parent company, the Bidder should submit the above documents/information of its own (i.e., exclusive of its subsidiaries) duly certified by any one of the authority mentioned in Note I above certifying that these information/documents are based on audited accounts, as the case may be.]

Unless otherwise mentioned in **BDS**, bids submitted by a joint venture of two or more firms as partners, if allowed as per stipulated Qualification Requirements in Annexure-A (BDS), shall comply with the following requirements:

- (i) The bid shall include all the information required for Attachment 3 as described above for each joint venture partner.
- (ii) The bid shall be signed so as to be legally binding on all partners.

- (iii) One of the partners responsible for performing a key component of the contract shall be designated as leader; this authorization shall be evidenced by submitting with the bid a power of attorney signed by legally authorized signatories as per Form-14 of Section-VI.
- (iv) The leader shall be authorized to incur liabilities and receive instructions for and on behalf of any and all partners of the joint venture, and the entire execution of the contract, including payment, shall be done exclusively with the leader, provided otherwise requested by the joint venture and agreed between the Employer and the leader.
- (v) All partners of the joint venture shall be liable jointly and severally for the execution of the contract in accordance with the contract terms.
- (vi) A copy of the agreement entered into by the joint venture partners shall be submitted with the bid as per Form-15 of Section-VI, including interalia delineation of responsibilities and obligations of each partners appended thereto, notwithstanding the joint and several liability.
- (vii) The joint venture agreement should indicate precisely the responsibility of all members of JV in respect of planning, design, manufacturing, supply, installation, commissioning and training. All members of JV should have active participation in execution during the currency of the contract. This should not be varied/modified subsequently without prior approval of the Employer; and

In order for a joint venture to qualify, each of its partners or combination of partners must meet the minimum criteria listed in the Qualification Requirement for the Bidder in enclosed **Annexure-A (BDS)** for an individual Bidder for the component of the contract they are designated to perform. Failure to comply with this requirement will result in rejection of the joint venture bid.

A firm can be a partner in only one joint venture; bids submitted by joint ventures or consortia including the same firm as partner will be rejected.

In the case of a Bidder who offers to supply and/or install plant and equipment under the contract that the Bidder did not manufacture or otherwise produce and/or install, the Bidder shall (i) have the financial and other capabilities necessary to perform the contract; (ii) have been duly authorized by the manufacturer or producer of the related plant and equipment or component as per proforma in attachment 8 to supply and/or install that item in the Employer's country; and (iii) be responsible for ensuring that the manufacturer or producer complies with the requirements of ITB Sub-Clause 3.2 and meets the minimum criteria listed for an individual Bidder for that item.

(d) Attachment 4: Eligibility and Conformity of the Facilities

Documentary evidence established in accordance with ITB Clause 3 that the facilities offered by the Bidder in its bid or in any alternative bid (if permitted pursuant to ITB Sub-Clause 9.2) are eligible and conform to the Bidding Documents.

The documentary evidence of the eligibility of the facilities shall consist of a statement on the country of origin of the plant and equipment offered, which shall be confirmed by a certificate of origin issued at the time of shipment.

The documentary evidence of the conformity of the facilities to the Bidding Documents may be in the form of literature, drawings and data, and shall furnish:

- (i) a detailed description of the essential technical and performance characteristics of the facilities;
- (ii) a list giving full particulars, including available sources, of all spare parts, special tools, etc., necessary for the proper and continuing functioning of the facilities for a period of Fifteen (15) years following completion of facilities in accordance with provisions of contract; and
- (iii) a commentary on the Employer's Technical Specifications and adequate evidence demonstrating the substantial responsiveness of the facilities to those specifications. Bidders shall note that standards for workmanship, materials and equipment designated by the Employer in the Bidding Documents are intended to be descriptive (establishing standards of quality and performance) only and not restrictive. The Bidder may substitute alternative standards, brand names and/or catalog numbers in its bid, provided that it demonstrates to the Employer's satisfaction that the substitutions are substantially equivalent or superior to the standards designated in the Technical Specifications.
- (iv) All details regarding after sale service support offered.
- (v) All details regarding proposed training for Employer's personnel.
- (vi) Detailed answers to all the Questions in the Questionnaire, if prescribed in the Bidding Document.
- (vii) Details establishing the responsiveness of the offer in accordance with Technical Specification, Volume-II.

(e) Attachment 5: Subcontractors Proposed by the Bidder

The Bidder shall include in its bid details of all major items of supply or services that it proposes to purchase or sublet, and shall give details of the name and nationality of the proposed Subcontractor, including vendors, for each of those items. Bidders are free to list more than one Subcontractor against each item of the facilities. Their participation

should be confirmed with a letter of intent between the parties, as needed, in Attachment 8. Quoted rates and prices will be deemed to apply to whichever Subcontractor is appointed, and no adjustment of the rates and prices will be permitted.

The Bidder shall be responsible for ensuring that any Subcontractor proposed complies with the requirements of ITB Clause 2, and that any plant, equipment or services to be provided by the Subcontractor comply with the requirements of ITB Clause 3 and Qualification Requirement for the Bidder, enclosed as **Annexure-A(BDS)** and Qualification Requirement for subcontractors or Sub-vendors given in Technical Specification, Volume-II.

The Employer reserves the right to delete any proposed Subcontractor from the list prior to award of contract, and after discussion between the Employer and the Contractor, the corresponding Appendix to the form of Contract Agreement shall be completed, listing the approved Subcontractors for each item concerned.

(f) Attachment 6: Deviations

In order to facilitate evaluation of bids, deviations, if any, from the terms and conditions or Technical Specifications shall be listed in Attachment 6 to the bid. The Bidder is required to provide the cost of withdrawal for such deviations. However, the attention of the bidders is drawn to the provisions of ITB Sub-Clause 22.3 regarding the rejection of bids that are not substantially responsive to the requirements of the Bidding Documents.

Bidder's attention is also drawn to the provisions of ITB Sub-Clause 22.3.1.

(g) Attachment 7: Alternative Bids

- (i) Bid with alternative time schedule is not acceptable.
- (ii) Except as provided under subparagraph (iii) below, bidders wishing to offer technical alternatives to the requirements of the Bidding Documents must first price the Employer's design of the facilities as described in the Bidding Documents, and shall further provide all information necessary for a complete evaluation of the alternatives by the Employer, including drawings, design calculations, technical specifications, breakdown of prices, proposed installation methodology and other relevant details. Only the technical alternatives, if any, of the lowest evaluated Bidder conforming to the basic technical requirements shall be considered by the Employer.
- (iii) When bidders are permitted pursuant to ITB Sub-Clause 9.2 to submit alternative technical solutions for specified parts of the

facilities, such parts shall be described in Technical Specifications and Drawings. Technical alternatives that comply with the performance and technical criteria specified for the facilities shall be considered by the Employer on their own merits, pursuant to ITB Sub-Clause 24.2.

- (h) Attachment 8: Manufacturer's Authorisation Form
- (i) Attachment 9: Work Completion Schedule.
- (j) Attachment 10: Guarantee Declaration.
- (k) Attachment 11: Information regarding ex-employees of Employer in Bidder's firm.
- (l) Attachment 12: Price Adjustment Data
- (n) Attachment 14: Integrity Pact

The Bidder shall complete the accompanying Integrity Pact, which shall be applicable for bidding as well as contract execution, duly signed on each page by the person signing the bid and shall be returned by the Bidder in two (2) originals alongwith the Techno - Commercial Part in a separate envelope, duly superscripted with 'Integrity Pact'. The Bidder shall submit the Integrity Pact on a non judicial stamp paper of Rs. 100/-

If the Bidder is a partnership firm or a consortium, the Integrity Pact shall be signed by all the partners or consortium members.

Bidder's failure to submit the Integrity Pact duly signed alongwith the Bid shall lead to outright rejection of the Bid.

- (o) Attachment 15: Information for E-payment, PF details and declaration regarding Micro/Small & Medium Enterprises
- (p) Attachment 16: Additional Information
 - (i) Certificate from their Banker(s) (as per prescribed formats in Form 16, Section-VI: Sample Forms and Procedures) indicating various fund based/non fund based limits sanctioned to the Bidder and the extent of utilization as on date. Such certificate should have been issued not earlier than three months prior to the date of bid opening. Wherever necessary the Employer may make queries with the Bidders' Bankers.

(ii) Detailed information on any litigation or arbitration arising out of contracts completed or under execution by it over the last five years. A consistent history of awards involving litigation against the Bidder or any partner of JV may result in rejection of Bid.

(iii) Any other information which the Bidder intends to furnish.

(q) Attachment 17: Declaration

10. Bid Form and Price Schedules

10.1 The Bidder shall complete the Bid Form(s) and the appropriate Price Schedules furnished in the Bidding Documents as indicated therein, following the requirements of ITB Clauses 11 and 12.

11. Bid Prices

11.1 Unless otherwise specified in the Technical Specifications, bidders shall quote for the entire facilities on a "single responsibility" basis such that the total bid price covers all the Contractor's obligations mentioned in or to be reasonably inferred from the Bidding Documents in respect of the design, manufacture, including procurement and subcontracting (if any), delivery, construction, installation and completion of the facilities including supply of mandatory spares (if any). This includes all requirements under the Contractor's responsibilities for testing, precommissioning and commissioning of the facilities and, where so required by the Bidding Documents, the acquisition of all permits, approvals and licenses, etc.; the operation, maintenance and training services and such other items and services as may be specified in the Bidding Documents, all in accordance with the requirements of the General Conditions of Contract. Items against which no price is entered by the Bidder will not be paid for by the Employer when executed and shall be deemed to be covered by the prices for other items.

11.2 Bidders are required to quote the price for the commercial, contractual and technical obligations outlined in the Bidding Documents. If a Bidder wishes to make a deviation, such deviation shall be listed in Attachment 6 of its bid. The Bidder is required to provide the cost of withdrawal for such deviations.

11.3 Bidders shall give a breakdown of the prices in the manner and detail called for in the Price Schedules. Where no Price Schedules are included in the Bidding Documents, Bidders shall present their prices in the following manner:

Separate numbered Schedules shall be used for each of the following elements. The total amount from each Schedule 1 to 5 shall be summarized in

a grand summary of Price Proposal (Schedule 6) giving the total bid price(s) to be entered in the Bid Form.

Schedule 1 Plant and Equipment (including mandatory Spares) to be supplied including Type Test Charges

Schedule 2 Local Transportation, Insurance and other incidental services applicable for supply of Plant & Equipment

Schedule 3 Installation Services and Maintenance

Schedule 4 Charges for Training to be imparted

Schedule 5 Taxes and Duties not included in Schedule 1 to 4

Schedule 6 Grand Summary (Schedule Nos. 1 to 5)

Schedule 7 Break-up of Type Test Charges

Bidders shall note that the plant and equipment included in Schedule No. 1 above exclude materials used for civil, building and other construction works. All such materials shall be included and priced under Schedule No. 3, Installation Services.

11.3.1 The bid price for (i) the items for which quantities have been indicated as lumpsum or lot or set and/or (ii) where the quantities are to be estimated by the Bidder shall remain constant unless there is change made in the Scope of Work by Employer. The quantities and unit prices (i) subsequently arrived while approving the Bill of Quantities (BOQ) /Billing breakup of lumpsum quantities/lot/Set and/or (ii) estimated by the bidder shall be for on account payment purpose only. In case additional quantities, over and above the quantities BOQ/billing breakup and /or estimated by the bidder, are required for successful completion of the scope of work as per Technical Specification, the Bidder shall execute additional quantities of these items for which no additional payment shall be made over and above the lumpsum bid price. In case quantities of these items supplied at site are in excess of that required for successful completion of scope of work, such additional quantities shall be the property of the bidders and they shall be allowed to take back the same from the site for which no deduction from the lumpsum bid price shall be made. Further, in case actual requirement of quantities for successful completion of scope of work is less than the quantities identified in the approved BOQ /billing breakup and/or estimated by the bidder, the lumpsum bid price shall remain unchanged and no deduction shall be made from the lumpsum price due to such reduction of quantities.

11.3.2 It shall be the responsibility of the bidders to pay all statutory taxes, duties and levies to the concerned authorities for such surplus material, which

would otherwise have been, lawfully payable. The bidders shall submit an indemnity bond to keep Employer harmless from any liability, before release of such material to the bidder by Employer.

11.3.3 Set/Lot/Lumpsum shall be governed as per the requirement of the corresponding item description read in conjunction with relevant provisions of Technical Specifications.

11.4 In the schedules, Bidder shall give the required details and a break down of their price as follows:

- (a) Plant and equipment including mandatory spares manufactured or fabricated, shall be quoted on an EXW (ex-factory, ex-works, ex-warehouse or off-the-self, as applicable) basis and Type Test Charges (including the Type Test to be conducted abroad in case of an Indian Bidder), shall also be quoted in Schedule 1.

In respect of direct transaction between the Employer and the Contractor, EXW price shall be inclusive of all cost as well as duties and taxes (viz., customs duties & levies, duties, sales tax/VAT etc.) paid or payable on components, raw materials and any other items used for their consumption incorporated or to be incorporated in the Plant & Equipment.

Sales tax/VAT, excise duty, local tax and other levies for equipment/items under direct transaction including octroi/entry tax as applicable for destination site/state shall not be included in the EXW price but shall be indicated wherever applicable in respective column of Schedule 5.

Whenever EXW price is quoted exclusive of excise duty and/or VAT, then the due credit under the CENVAT (Central Value Added Tax)/VAT scheme as per the relevant Government policies wherever applicable shall be taken into account by the Bidder while quoting bid price.

In respect of bought-out finished items, which shall be dispatched directly from the sub-vendor's works to the Employer's site (sale-in-transit), EXW price shall be inclusive of all cost as well as duties and tax (viz., custom duties & levies, duties, sales tax/VAT etc.) paid or payable. While quoting the EXW price, inclusive of excise duty and/or VAT, the due credit under the CENVAT (Central Value Added Tax)/VAT scheme as per the relevant Government policies wherever applicable shall be taken into account by the Bidder.

Further, Bidders offering (i) imported Equipments/items as 'Off the Shelf' or dispatched directly from the Indian Port of disembarkation and/or (ii) bought-out finished Equipments/items as 'Off the Self' items

or dispatched directly from the Bidder's works, the price of such Equipments/items shall be inclusive of all cost as well as duties and tax (viz., customs duties & levies, duties, sales tax/VAT etc.) paid or payable.

However, octroi/entry tax as applicable for destination site/state shall not be included in the EXW price but shall be indicated separately in respective column of Schedule 5.

Requisite Sales Tax Declaration forms for all the equipments/items to be supplied from within India shall be furnished by the Employer.

- (b) Local transportation, insurance and other Services incidental to delivery of the Plant and Equipment including mandatory spares to be supplied shall be quoted separately in Schedule 2.
- (c) Installation Charges shall be quoted separately (Schedule 3) and shall include rates and prices for all labour, Contractor's equipment, temporary works, materials, consumables and all matters and things of whatsoever nature, provision of operations and maintenance manuals, etc. wherever identified in the Bidding Documents as necessary for the proper execution of all installation services except those priced in other Schedules.
- (d) The break-up of Training Charges shall be furnished separately in Schedule-4 for the training. Similarly, the break-up of Type test charges shall be furnished separately in Schedule 7.
- (e) The bidder shall include the Sales Tax/VAT on Works Contract, Turnover Tax or any other similar taxes under the Sales Tax/VAT Act for services to be performed, as applicable in their quoted bid price and Employer would not bear any liability on this account. Employer on behalf of the Owner shall, however, deduct such taxes at source as per the rules and issue Tax Deducted at Source (TDS) Certificate to the bidder.
- (f) The Bidder shall include Service Tax and surcharge/cess etc. on it as applicable in their quoted bid price and Employer would not bear any liability whatsoever on this account. Employer (or the Employer on behalf of the Owner) shall, however, deduct such tax at source as per the rules and issue necessary Certificate to the Contractor.
- (g) The Bidder shall include insurance charges in its bid prices as per insurance requirement mentioned in Section - IV: General Conditions of Contract (GCC) and Appendix-3: Insurance Requirements to Form of Contract Agreement as contained in Section VI: Sample Forms and Procedures (FORMS) of the Bidding Documents. Bidder shall further note that the Employer shall not be liable to make any payment/

reimbursement to the Contractor whatsoever for insurance of Contractor's Plant and Machinery.

11.4.1 Discount(s)/rebate(s) offered by the bidder shall be indicated as a percentage of price component(s). Bidder shall also indicate in his bid, the price component(s) on which the discount is to be applied.

11.5 The prices shall be in accordance with the following:

Adjustable Price: Prices quoted by the Bidder shall be subject to adjustment during performance of the contract to reflect changes in the cost elements such as labor, material, etc. in accordance with the procedures specified in the corresponding Appendix - 2 to the Form of Contract Agreement. A bid submitted with a fixed price quotation will not be rejected, but the price adjustment will be treated as zero. The price adjustment provision will not be taken into consideration in bid evaluation. Bidders are required to indicate the source of labour & materials indices in Attachment 12.

12. Bid Currencies

12.1 Prices shall be quoted in Indian Rupees Only.

13. Bid Security

13.1 The Bidder shall furnish, as part of its bid, a bid security in the amount and currency as stipulated in the **BDS**. The bid security must be submitted in the form provided in the Bidding Documents.

13.2 The bid security shall, at the bidder's option, be in the form of a crossed bank draft/pay orders/banks certified cheque in favour of Employer as stipulated in **BDS** from a reputed commercial bank or a bank guarantee from a scheduled commercial bank selected by the bidder and located in India. The format of the bank guarantee shall be in accordance with the form of bid security included in the Bidding Documents. Bid security shall remain valid for a period of thirty (30) days beyond the original bid validity period, and beyond any extension subsequently requested under ITB Sub-Clause 14.2.

13.3 Any bid not accompanied by a bid security or an acceptable bid security shall be rejected by the Employer as being nonresponsive, pursuant to ITB Sub-Clause 22.4. The bid security of a joint venture must be in the name of all the partners in the joint venture submitting the bid.

13.4 The bid securities of unsuccessful bidders will be returned as promptly as possible, but not later than twenty-eight (28) days after the expiration of the bid validity period.

13.5 The successful Bidder shall be required to keep its bid security valid for a sufficient period till the performance security(ies) pursuant to ITB Clause 34

are furnished to the satisfaction of the Employer. The bid security of the successful Bidder will be returned when the Bidder has signed the Contract Agreement, pursuant to ITB Clause 33, and has furnished the required performance security, pursuant to ITB Clause 34.

13.6 The bid security may be forfeited

- (a) if the Bidder withdraws its bid during the period of bid validity specified by the Bidder in the Bid Form; or
- (b) In case the Bidder does not withdraw the deviations proposed by him, if any, at the cost of withdrawal stated by him in the bid; or
- (c) If a Bidder does not accept the corrections to arithmetical errors identified during preliminary evaluation of his bid pursuant to ITB Sub-Clause 27.2; or
- (d) If, as per the requirement of Qualification Requirements the Bidder is required to submit a Deed of Joint Undertaking and he fails to submit the same, duly attested by Notary Public of the place(s) of the respective executant(s) or registered with the Indian Embassy/High Commission in that Country, within ten days from the date of intimation of post - bid discussion; or
- (e) in the case of a successful Bidder, if the Bidder fails within the specified time limit
 - (i) to sign the Contract Agreement, in accordance with ITB Clause 33, or
 - (ii) to furnish the required performance security(ies), in accordance with ITB Clause 34 and/or to keep the bid security valid as per the requirement of ITB Sub-Clause 13.5.

13.7 No interest shall be payable by the Employer on the above Bid Security.

14. Period of Validity of Bid

14.1 Bids shall remain valid for the period of six months after the date of opening of Techno - Commercial Part i.e. First Envelope, prescribed by the Employer, pursuant to ITB Sub-Clause 20.1. A bid valid for a shorter period shall be rejected by the Employer as being non-responsive.

14.2 In exceptional circumstance, the Employer may solicit the Bidder's consent to an extension of the bid validity period. The request and responses thereto shall be made in writing or by cable. If a Bidder accepts to prolong the period of validity, the bid security shall also be suitably extended. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request will not be required or permitted to modify its bid.

15. Format and Signing of Bid

- 15.1 The Bidder shall prepare an original and two number of copies of the bid, clearly marking each one as "Original Bid", "Copy No. 1", "Copy No. 2", as appropriate. In the event of any discrepancy between them, the original shall govern.
- 15.2 The original and both the copies of the bid, each consisting of the documents listed in ITB Clause 9, shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the contract. The latter authorization shall be indicated by written power of attorney accompanying the bid and submitted as Attachment 2 to the Bid under ITB Sub-Clause 9.3. All pages of the bid, except for unamended printed literature, shall be initialed by the person or persons signing the bid and shall be serially numbered.
- 15.3 The bid shall contain no alterations, omissions or additions, unless such corrections are initialed by the person or persons signing the bid.
- 15.4 The Bidder shall furnish information as described in the last paragraph of the Bid Form on commissions or gratuities, if any, paid or to be paid to agents relating to this bid, and to contract execution if the Bidder is awarded the contract.

D. Submission of Bids**16. Sealing and Marking of Bids**

- 16.1 The Bidder shall seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as "Original Bid" and "Copy No. [number]" and each containing two inner separately sealed envelopes marked First Envelope (Techno - Commercial Part) and Second Envelope (Price Part), containing the documents mentioned at ITB Clause 9 in the following manner. These envelopes shall then be sealed in an outer envelope.

First Envelope (Techno - Commercial Part) Bid consisting inside the following Packets:

- a) Packet No.-I mentioning on the envelope the following: "Packet No.-I: Integrity Pact (Part of First Envelope Bid)"
- b) Packet No.-II mentioning on the envelope the following: "Packet No.-II: Bid Security (Part of First Envelope Bid)".
- c) Packet No.-III mentioning on the envelope the following: "Packet No.-III: Techno-Commercial Offer (Part of First Envelope Bid)".

Second Envelope (Price) Bid mentioning on the envelope the following: "Second Envelope (Price) Bid".

- 16.2 The inner and outer envelopes shall
- (a) be addressed to the Employer at the address given in the **BDS**, and
 - (b) bear the contract name indicated in the **BDS**, the Invitation for Bids title and number indicated in the **BDS**, and the statement "Do Not Open Before [date]," to be completed with the time and date specified in the **BDS**, pursuant to ITB Sub-Clause 20.1.
- 16.3 Bid Securities and the Integrity Pact in original shall be submitted in separate superscribed envelopes (one for Bid Security and another for Integrity Pact) alongwith First Envelope.

All the inner envelopes shall also indicate the name and address of the Bidder so that the bid can be returned unopened in case it is declared "late."

- 16.4 If the outer envelope is not sealed and marked as required by ITB Sub-Clause 16.2 above, the Employer will assume no responsibility for the bid's misplacement or premature opening. If the outer envelope discloses the Bidder's identity, the Employer will not guarantee the anonymity of the bid submission, but this disclosure will not constitute grounds for bid rejection.

17. Deadline for Submission of Bids

- 17.1 Bids must be received by the Employer at the address specified under ITB Sub-Clause 16.2 no later than the time and date stated in the **BDS**. In the event of the specified date for the submission of bids being declared a holiday for the Employer, the bids will be received upto the appointed time on the next working day. Bids once received by the Employer shall not be returned except otherwise provided in the Bidding Documents.
- 17.2 The Employer may, at its discretion, extend this deadline for submission of bids by amending the Bidding Documents in accordance with ITB Sub-Clause 7.3 for the reasons specified therein at any time prior to opening of bids by the Employer pursuant to ITB Clause 20, in which case all rights and obligations of Employer and bidders will thereafter be subject to the deadline as extended.

18. Late Bids

- 18.1 Any bid received by the Employer after the bid submission deadline prescribed by the Employer, pursuant to ITB Clause 17, will be rejected and returned unopened to the Bidder.

19. Modification and Withdrawal of Bids

- 19.1 The Bidder may modify or withdraw its bid after submission, provided that modification or written notice of withdrawal is received by the Employer prior to the deadline prescribed for bid submission.
- 19.2 The Bidder's modifications shall be prepared, sealed, marked and dispatched as follows:
- (a) The Bidders shall provide an original and two number of copies of any modifications to its bid, clearly identified as such, in two inner envelopes duly marked "Bid Modifications Envelope –Original" and "Bid Modifications Envelope –Copies." The inner envelopes shall be sealed in an outer envelope, which shall be duly marked "Bid Modifications."
 - (b) Other provisions concerning the marking and dispatch of bid modifications shall be in accordance with ITB Sub-Clauses 16.2, 16.3 and 16.4.
- 19.3 A Bidder wishing to withdraw its bid shall notify the Employer in writing prior to the deadline prescribed for bid submission. The notice of withdrawal shall
- (a) be addressed to the Employer at the address named in the **BDS**, and
 - (b) bear the contract name, the IFB number, and the words "Bid Withdrawal Notice." Bid withdrawal notices received after the bid submission deadline will be ignored, and the submitted bid will be deemed to be a validly submitted bid.
- 19.4 No bid may be withdrawn in the interval between the bid submission deadline and the expiration of the bid validity period specified in ITB Clause 14. Withdrawal of a bid during this interval may result in the Bidder's forfeiture of its bid security, pursuant to ITB Sub-Clause 13.6.

E. Bid Opening and Evaluation**20. Opening of First Envelope by Employer**

- 20.1 The Employer will open the First Envelope i.e. Techno – Commercial Part in public, including withdrawals and modifications made pursuant to ITB Clause 19, in the presence of bidders' designated representatives who choose to attend, at the time, date, and location stipulated in the **BDS**. The bidders' representatives who are present shall sign a register evidencing their attendance. In the event of the specified date for the submission of bids being declared a holiday for the Employer, the bids will be received upto the appointed time on the next working day.

20.2 Envelopes marked “Withdrawal” shall be opened first and the name of the Bidder shall be read out. Bids for which an acceptable notice of withdrawal has been submitted pursuant to ITB Clause 19 shall be returned unopened.

20.3 For all other Bids, the bidders’ names, deviation having cost of withdrawal, if any, the presence of bid security, Integrity Pact and any such other details as the Employer may consider appropriate, will be announced by the Employer at the opening. Subsequently, all envelopes marked “Modification” shall be opened and the submissions therein read out in appropriate detail. No bid shall be rejected at bid opening except for late bids pursuant to ITB Clause 18 and bid not accompanied by a duly signed Integrity Pact. Such bids shall be returned to the Bidder unopened. However, opening of bid, whether or not accompanied with the bid security, shall not be construed to imply its acceptability which shall be examined in detail pursuant to the provisions contained in this Section-II.

On behalf of Employer, the Integrity Pact will be signed by its representative at the time of Bid Opening. One original of the Integrity Pact will be retained by Employer and the other original will be returned to the representative of the bidders present during bid opening. If the Bidder’s representative is not present during the Bid Opening, the other original shall be sent to the bidder by post/courier.

20.4 The Employer shall prepare minutes of the bid opening in the form of Bid Opening Statement, including the information disclosed to those present in accordance with ITB Sub-Clause 20.3.

20.5 Bids not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances and shall be returned to the Bidder unopened.

21. Clarification of Bids

21.1 During bid evaluation, the Employer may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing, and no change in the price or substance of the bid shall be sought, offered or permitted.

22. Preliminary Examination of First Envelope

22.1 The Employer will examine the bids to determine whether they are complete, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order.

22.2 The Employer may waive any minor informality, nonconformity or irregularity in a bid that does not constitute a material deviation, whether or not identified by the Bidder in Attachment 6 to its bid, and that does not

prejudice or affect the relative ranking of any Bidder as a result of the technical and commercial evaluation, pursuant to ITB Clause 24.

- 22.3 Prior to the detailed evaluation, the Employer will determine whether each bid is of acceptable quality, is complete and is substantially responsive to the Bidding Documents. Any deviations, conditionality or reservation introduced in Attachment-6 and/or in the Bid Form, Technical Data Sheets and covering letter, or in any other part of the bid will be reviewed to conduct a determination of the substantial responsiveness of the bidder's bid. For purposes of this determination, a substantially responsive bid is one that conforms to all the terms, conditions and specifications of the Bidding Documents without material deviations, objections, conditionalities or reservations. A material deviation, objection, conditionality or reservation is one (i) that affects in any substantial way the scope, quality or performance of the contract; (ii) that limits in any substantial way, inconsistent with the Bidding Documents, the Employer's rights or the successful Bidder's obligations under the contract; or (iii) whose rectification would unfairly affect the competitive position of other bidders who are presenting substantially responsive bids.
- 22.3.1 Bids containing deviations from critical provisions relating to GCC Clauses 2.14 (Governing Law), 8 (Terms of Payment), 9.3 (Performance Security), 10 (Taxes and duties), 21.2 (Completion Time Guarantee), 22 (Defect Liability), 23 (Functional Guarantee), 25 (Patent Indemnity), 26 (Limitation of Liability), 38 (Settlement of Disputes), 39 (Arbitration) and Appendix 2 to the Form of Contract Agreement (Price Adjustment) will be considered as non-responsive.
- 22.3.2 Regarding deviations, conditionality or reservations introduced in the bid, which will be reviewed to conduct a determination of substantial responsiveness of the Bidder's bid as stated in ITB Sub-Clause 22.3, the order of precedence of these documents to address contradictions, if any, in the contents of the bid, shall be as follows:
- I. Covering Letter
 - II. Bid Form
 - III. Attachment-6 : Deviations
 - IV. Technical Data Sheet
 - V. Any other part of the bid
- Contents of the document at Sr. No. I above will have overriding precedence over other documents (Sr. No. II to V above). Similarly, contents of document at Sr. No. II above will have overriding precedence over other documents (Sr. No. III to V above), and so on.
- 22.4 If a bid is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by the Bidder by correction of the nonconformity. The Employer's determination of a bid's responsiveness

is to be based on the contents of the bid itself without recourse to extrinsic evidence.

23. Qualification

23.1 The Employer will ascertain to its satisfaction whether Bidders determined having submitted substantially responsive bids are qualified, as per the Qualification Requirement specified in Annexure - A (BDS) to satisfactorily perform the contract. The Employer shall be the sole judge in this regard and the Employer's interpretation of the Qualification Requirement shall be final and binding.

23.2 The determination will take into account the Bidder's financial, technical capabilities including production capabilities, in particular the Bidder's contract work in hand, future commitments & current litigation and past performance. It will be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder in Attachment 3 to the bid, as well as such other information as the Employer deems necessary and appropriate. This shall, however, be subject to assessment that may be carried out, if required, by the Employer as per the provisions of Annexure -A (BDS). The employer shall be the sole judge in this regard.

23.3 The Employer may waive any minor informality, nonconformity or irregularity in a bid that does not constitute a material deviation, affecting the capability of the Bidder to perform the Contract.

23.4 An affirmative determination will be a prerequisite for the Employer to evaluate the Techno - Commercial Part and open the Second Envelope of the Bidder. A negative determination will result in rejection of the Bidder's bid.

24. Evaluation of Techno - Commercial Part (First Envelope)

24.1 The Employer will carry out a detailed evaluation of the bids of the qualified bidders in order to determine whether the technical aspects are in accordance with the requirements set forth in the Bidding Documents. In order to reach such a determination, the Employer will examine the information supplied by the bidders, pursuant to ITB Clause 9, and other requirements in the Bidding Documents, taking into account the following factors:

- (a) overall completeness and compliance with the Technical Specifications and Drawings; deviations from the Technical Specifications as identified in Attachment 6 to the bid and those deviations not so identified; suitability of the facilities offered in relation to the environmental and climatic conditions prevailing at the site; and quality, function and operation of any process control concept included in the bid. The bid that does not meet minimum acceptable standards of completeness, consistency and detail will be rejected for non-responsiveness.

- (b) achievement of specified performance criteria by the facilities
- (c) compliance with the time schedule called for in the corresponding Appendix to the Form of Contract Agreement and evidenced as needed in a milestone schedule provided in the bid;

Time schedule (program of performance)

The plant and equipment covered by this bidding shall have the 'Taking Over' by the Employer after successful Completion within the period specified in **BDS**. Bidders are required to base their prices on the time schedule given in Appendix 4 to the Form of Contract Agreement (Time Schedule) or, where no time schedule is given in Appendix 4, on the Completion date(s) given above. No credit will be given to earlier completion. Bids offering completion beyond the specified period are liable to be rejected.

- (d) type, quantity and long-term availability of mandatory and recommended spare parts and maintenance services
- (e) any other relevant technical factors that the Employer deems necessary or prudent to take into consideration.
- (f) any deviations to the commercial and contractual provisions stipulated in the Bidding Documents.
- (g) details furnished by the bidder in response to the requirements specified in Volume-II of the Bidding Documents.
- (h) The acceptability of the vendors and subcontractors proposed in Attachment 5 to be used by the Bidder will be evaluated. Should a vendor or subcontractor, for the items other than those covered under Annexure-A (BDS), be determined to be unacceptable, the bid will not be rejected, but the Bidder will be required to substitute an acceptable vendor or subcontractor without any change to the bid price.

24.2 Where alternative technical solutions have been permitted and offered in Attachment 7 to the bid, the Employer will make a similar evaluation of the alternatives, which will be treated in the technical and commercial evaluations as if they were base bids. Where alternatives are not permitted, but have in any event been offered, they shall be ignored.

25. Opening of Second Envelope by Employer

25.1 The Second Envelope i.e., Price Part of only those Bidders shall be opened who are determined as having submitted substantially responsive bids and are ascertained to be qualified to satisfactorily perform the Contract, pursuant to ITB Clause 23 and 24. Such Bidders shall be intimated about the

date and time for opening of Price Part i.e., Second Envelope of the Bids by the Employer. A negative determination of the bids pursuant to ITB Clause 23 and 24, shall be notified by the Employer to such Bidders and the Second Envelope submitted by them shall be returned unopened alongwith the bid security.

- 25.2 The Employer will open Second Envelope i.e., Price Part at the specified time and date in the presence of bidders' designated representatives who choose to attend, at the time, date, and location stipulated in the intimation for opening of Second Envelope. The bidders' representatives who are present shall sign a register evidencing their attendance.
- 25.3 The bidders' names, the Bid Prices, including any alternative Bid Price or any discounts, and any such other details as the Employer may consider appropriate, will be announced by the Employer at the opening. The prices and details as may be read out during the bid opening and recorded in the Bid Opening Statement would not be construed to determine the relative ranking amongst the Bidders, or the successful Bidder, and would not confer any right or claim whatsoever on any Bidder. The successful Bidder (also referred to as the L1 Bidder) shall be determined as per the provisions of this Section - II and considered for award of contract as provided in ITB Clause 30.
- 25.4 The Employer shall prepare minutes of the bid opening, including the information disclosed to those present in accordance with ITB Sub-Clause 25.3.
- 25.5 Bids not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances.

26. Conversion to Single Currency

- 26.1 This shall not be applicable as domestic firms are required to quote the prices in Indian Rupees only.

27. Evaluation of Second Envelope (Price Part)

- 27.1 The Employer will examine the Price Parts (Second Envelopes) to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the bids are generally in order.

The Price Part containing any deviations and omissions from the contractual and commercial conditions and the Technical Specifications which have not been identified in the First Envelope are liable to be rejected.

27.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price, which is obtained by multiplying the unit price and quantity, or between subtotals and the total price, the unit or subtotal price shall prevail, and the total price shall be corrected. However, in case of items quoted without indicating any quantity or the items for which the quantities are to be estimated by the Bidder, the total price quoted against such items shall prevail. If there is a discrepancy between words and figures, the amount in words will prevail. The subtotal, total price or the total bid price, irrespective of the discrepancy between the amount indicated in words or figures shall be rectified in line with the procedure explained above. If the Bidder does not accept the correction of errors, its bid will be rejected and the amount of Bid Security forfeited.

The prices of all such item(s) against which the Bidder has not quoted rates/amount (viz., items left blank or against which '-' is indicated) in the Price Schedules will be deemed to have been included in other item(s).

If the discount(s)/rebate(s) offered by the Bidder is a percentage discount and the price component(s) on which the said discount is not indicated in the bid, the same shall be considered on the total bid price [i.e. proportionately on each price component], in the event of award. However, if lump-sum discount is offered, the same shall be considered in full on the Ex-works price component (by proportionately reducing Ex-works price of individual items), in case of award. Further, Conditional discounts/rebates, if any, offered by the bidder shall not be taken into consideration for evaluation. It shall, however, be considered in case of award.

In respect of taxes, duties and other levies indicated by the Bidder in the Bid, which are reimbursable in line with the provisions of the Bidding Documents, the applicable rate and amount thereof shall be ascertained by the Employer based on which, if required, necessary rectification and arithmetical correction shall be carried out by the Employer. The rate and amount so ascertained by the Employer shall prevail.

The Bidder should ensure that the prices furnished in various price schedules are consistent with each other. In case of any inconsistency in the prices furnished in the specified price schedules to be identified in Bid Form for this purpose, the Employer shall be entitled to consider the highest price for the purpose of evaluation and for the purpose of award of the Contract use the lowest of the prices in these schedules.

27.3 The comparison shall be on the total price in Price Schedule No. 6 Grand Summary (Total of Schedule Nos. 1 to 5).

The comparison shall also include the applicable taxes, duties and other levies, which are reimbursable in line with the provisions of the Bidding Documents.

The Employer's comparison will also include the costs resulting from application of the evaluation procedures described in ITB Sub-Clause 27.4 & 27.5.

27.4 The Employer's evaluation of a bid will take into account, in addition to the bid prices indicated in Price Schedule Nos. 1 through 5 (Second Envelope), the following costs and factors that will be added to each Bidder's bid price in the evaluation using pricing information available to the Employer, in the manner and to the extent indicated in ITB Sub-Clause 27.5 and in the Technical Specifications:

- (a) the cost of all quantifiable deviations and omissions from the contractual and commercial conditions and the Technical Specifications as identified in the evaluation of First Envelope, and other deviations and omissions not so identified;
- (b) the functional guarantees of the facilities offered;

Bidders shall state the functional guarantees (e.g., performance, efficiency, consumption) of the proposed facilities in response to the Technical Specifications. Plant and equipment offered shall have a minimum (or a maximum, as the case may be) level of functional guarantees specified in the Technical Specifications to be considered responsive. Bids offering plant and equipment with functional guarantees less (or more) than the minimum (or maximum) specified shall be rejected.

- (c) the performance of the equipment offered;

Bidder shall state the guaranteed performance or efficiency of the Equipments, named in the **BDS**, in response to the Technical Specifications. Equipment offered shall have a minimum (or a maximum, as the case may be) level of guarantees specified in the Technical Specifications to be considered responsive. Bids offering plant and equipment with guarantees less (or more) than the minimum (or maximum) specified shall be rejected.

- (d) the extra cost of work, services, facilities, etc., required to be provided by the Employer or third parties;
- (e) any other relevant factors listed in **BDS**.

The estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the contract, shall not be taken into account in bid evaluation.

27.5 Pursuant to ITB Sub-Clause 27.4, the following evaluation methods will be followed:

(a) Contractual and commercial deviations

The evaluation shall be based on the evaluated cost of fulfilling the contract in compliance with all commercial, contractual and technical obligations under this Bidding Documents. In arriving at the evaluated cost, towards deviations identified in the evaluation of First Envelope, the cost of withdrawal indicated by the bidder in Attachment-6 of the First Envelope will be used. If such a price is not given, the Employer will make its own assessment of the cost of such a deviation for the purpose of ensuring fair comparison of bids.

(b) Functional Guarantees of the facilities

For the purposes of evaluation, the adjustment specified in the Technical Specifications will be added to the bid price for each drop (or excess) in the responsive functional guarantees offered by the Bidder, below (or above) either a norm of one hundred (100) or the value committed in the responsive bid with the most performing functional guarantees, as specified in the Technical Specifications.

(c) Performance Guarantees of the Equipments

For the purposes of evaluation, the adjustment specified in the **BDS** will be added to the bid price.

(d) Work, services, facilities, etc., to be provided by the Employer

Where bids include the undertaking of work or the provision of services or facilities by the Employer in excess of the provisions allowed for in the Bidding Documents, the Employer shall assess the costs of such additional work, services and/or facilities during the duration of the contract. Such costs shall be added to the bid price for evaluation.

27.6 Any adjustments in price that result from the above procedures shall be added, for purposes of comparative evaluation only, to arrive at an "Evaluated Bid Price." Bid prices quoted by bidders and rectified as per ITB Sub Clause 27.2 shall remain unaltered.

28. Purchase/ Domestic Preference

28.1 Purchase Preference as admissible under the policy of Government of India in vogue will be allowed to Central Public Sector Enterprises in evaluation and comparison of bids.

29. Confidentiality and Contacting the Employer

- 29.1 After the public opening of bids, information relating to the examination, clarification, and evaluation of bids and recommendations concerning awards shall not be disclosed to Bidders or other persons not officially concerned with this process until the publication of contract award. From the time of bid opening to the time of contract award, if any Bidder wishes to contact the Employer on any matter related to its bid, it should do so in writing.
- 29.2 Any effort by a Bidder to influence the Employer in the Employer's bid evaluation, bid comparison or contract award decisions may result in rejection of the Bidder's bid. The Employer shall be the sole judge in this regard.

F. Award of Contract

30. Award Criteria

- 30.1 Subject to ITB Clause 31, the Employer will award the contract to the successful Bidder (also referred to as the L1 Bidder) whose bid has been determined to be substantially responsive and to be the lowest evaluated bid, further provided that the Bidder is determined to be qualified, as per the Qualification Requirement specified in Annexure-A (BDS) to perform the contract satisfactorily.
- 30.2 The Employer may request the Bidder to withdraw any of the deviations listed in the winning bid.

At the time of Award of Contract, if so desired by the Employer, the bidder shall withdraw the deviations listed in Attachment 6 to the First Envelope at the cost of withdrawal stated by him in the bid. In case the bidder does not withdraw the deviations proposed by him, if any, at the cost of withdrawal stated by him in the bid, his bid will be rejected and his bid security forfeited.

Bidder would be required to comply with all other requirements of the Bidding Documents except for those deviations which are accepted by the Employer.

- 30.3 The Employer reserves the right to vary the quantity of any of the spares and/or delete any items of spares altogether at the time of Award of Contract.
- 30.4 The mode of contracting with the successful bidder will be as per stipulation outlined in GCC Sub-Clause 2.1 and briefly indicated below:
- 30.4.1 The award shall be made as follows:

- (i) First Contract: For Ex-Works supply of all equipments and materials (whether in India or abroad) including mandatory spares and Type Tests to be conducted (whether in India or abroad).
- (ii) Second Contract: For providing all services i.e. port handling and custom clearance of imported goods and loading, inland transportation for delivery at site, insurance, unloading, storage, handling at site, installation, Testing and Commissioning including performance testing in respect of all the equipments supplied under the "First Contract", Training to be imparted (whether in India or abroad) and any other services specified in the Contract Documents.

Both contracts will contain a cross fall breach clause specifying that breach of one will constitute breach of the other.

31. Employer's Right to Accept any Bid and to Reject any or all Bids

- 31.1 The Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected Bidder or bidders or any obligation to inform the affected Bidder or bidders of the grounds for the Employer's action.

32. Notification of Award

- 32.1 Prior to the expiration of the period of bid validity, the Employer will notify the successful Bidder in writing, that its bid has been accepted. The notification of award will constitute the formation of the contract.
- 32.2 The Employer shall publish the results on its website, identifying the bid and Specification numbers and the following information: (i) name of each Bidder who submitted a Bid; (ii) bid prices as read out at bid opening; (iii) name and evaluated prices of each Bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning Bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.

The Employer shall promptly respond in writing to any unsuccessful Bidder who, after notification of award in accordance with above, requests in writing the grounds on which its bid was not selected.

- 32.3 Upon the successful Bidder's furnishing of the performance security pursuant to ITB Clause 34, the Employer will promptly discharge the bid securities, pursuant to ITB Sub-Clause 13.4 & 13.5.

33. Signing the Contract Agreement

- 33.1 At the same time as the Employer notifies the successful Bidder that its bid has been accepted, the Employer in consultation with the Bidder will prepare

the Contract Agreement provided in the Bidding Documents, incorporating all agreements between the parties.

- 33.2 The Contract Agreement shall be prepared within twenty-eight (28) days of the Notification of Award and the successful Bidder and the Employer shall sign and date the Contract Agreement immediately thereafter.

34. Performance Security

- 34.1 Within twenty-eight (28) days after receipt of the Notification of Award, the successful Bidder shall furnish the performance security for 10% (Ten percent) of the contract price plus additional performance securities, if any, in line with the requirement of Qualification Requirements, in the amount given in the **BDS** and in the form provided in Section VI, Sample Forms and Procedures, of the Bidding Documents. The performance security of a joint venture shall be in the name of joint venture.

- 34.2 Failure of the successful Bidder to comply with the requirements of ITB Clause 33 or Clause 34 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Employer may make the award to the next lowest evaluated Bidder or call for new bids.

35. Fraud and Corruption

It is the Employer's policy that requires the Bidders, suppliers and contractors and their subcontractors under the contracts to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Employer:

- (a) defines, for the purpose of this provision, the terms set forth below as follows:

- (i) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- (ii) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) "obstructive practice" is

- (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Employer's investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation;

or

 - (bb) acts intended to materially impede the exercise of the Employer's inspection and audit rights.
- (b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
 - (c) will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract; and
 - (d) will have the right to require that the provision be included in Bidding Documents and in contracts, requiring Bidders, suppliers, and contractors and their sub-contractors to permit the Employer to inspect their accounts and records and other documents relating to bid submission and contract performance and to have them audited by auditors appointed by the Employer.

----- End of Section-II (ITB) -----