



Mazagon Dock Shipbuilders Limited, Mumbai

Tender Enquiry Form (TEF)

TENDER NO.	GM(M)/SK/ARC/FCAW/2024-25
TENDER DATE निविदा दिनांक:	17.01.2024
TENDER CLOSING DATE & TIME निविदा समाप्त दिनांक:	07.02.2024 @1400 hrs
TENDER OPENING DATE & TIME निविदा खुलनेकी दिनांक:	07.02.2024 @1500 hrs

Mazagon Dock Shipbuilders Limited, invites offer in two bid system i.e. Part-I (Techno Commercial Bid) and Part-II (Price Bid) from Indian bidders through online bidding via MDL e-procurement portal (<https://eprocuremdl.nic.in>) for the supply of **FCAW electrodes E71T-1C, 1.2mm on Annual Rate Contract Basis (ARC)**

The Tender Enquiry can be downloaded from our website: <https://eprocuremdl.nic.in> / <https://mazagondock.in> / (Path: Tenders>>Shipbuilding-Material Purchase>>SB-MP Notifications) & is also available on Central Public Procurement Portal and Govt. e-Market place.

Bids submitted on our e-procurement portal <http://eprocuremdl.nic.in> only will be accepted. Bids submitted in any other form other than online submission will not be accepted.

Integrity Pact shall be duly filled & signed on each page by the authorized representative of the bidder and submit/upload along with the Part-I bid, failing which the bid shall be categorically rejected.

1. Description & Scope of Supply / Work: Details of Quantities (FCAW electrodes E71T-1C, 1.2mm)

S. No.	Description & Specification of Material	Approximate Qty. (Kg)
1	FCAW Electrode, E71T-1C, 1.2mm	1,00,000

The additional specifications/requirement are:

- The FCAW electrode shall conform to specification IACS Grade 2Y, of radiographic quality of diameter 1.2mm in a hermetically sealed vacuum packing.
- ABS approval of the quoted electrode shall be submitted.
- If ABS approval of quoted electrode is not available, then all the test mentioned as per IACS rules shall be conducted and NABL test certificates of the same has to be submitted. The preparation of the test coupon and conduct of test shall be witnessed by ABS surveyor during first delivery of the contract and batch approval clearance shall be provided. For subsequent deliveries of the contract witnessing of tests and batch clearance certificate is at the discretion of ABS. **(Cost/charges for ABS surveyor's work/job and inspection charges is in supplier's scope).**
- Tolerance:** - Dimensional tolerance limits of Electrodes shall be as per IACS class rules.
- Packaging:**
 - The electrodes shall be suitably packed to protect them from damage during shipment and storage under normal conditions.
 - The net weight of each standard package shall be between 12.5 Kgs to 15 Kgs.



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- iii. Each package shall be suitably marked with Suppliers Name, trade designation, classification, size, net weight, quantity of electrodes, batch number with date and other necessary information.
- f. It shall be ensured that the quality of material is consistently maintained as per the specifications and the supplies are made with requisite batch certificate with proper correlation of our order number, batch number.
- g. If the bidders find discrepancies in, tender conditions/specifications/drawings or other documents, or have any doubts as to the meaning or intent or any part thereof, they should inform MDL within 7 days from the date of publishing of tender on NIC website.

Note:

- a. MDL retain right to enhance the quantity to the extent of 50 % than the original / contracted quantity on Rate Contract within the validity period of contract as indicated above at same terms and conditions and shall be binding on the supplier.
- b. The quantities indicated above are our approximate requirement, however progressive orders will be placed on as and when required basis in a phased manner. MDL is not bound to order entire quantity as indicated during the tenure of the contract.
- c. Quantity indicated against each progressive order placed on you periodically / progressively as per our requirement must be completed in full within delivery period indicated in the order. Failure to effect supply within the delivery period will render the progressive order to be cancelled without notice and material will be procured from elsewhere at your risk and cost.

2. Pre-Qualification Criteria:

(a) Technical Pre-Qualification Criteria:

- 1. Supplier Shall be an OEM or an authorized dealer of OEM. In case of supplier, the bidder shall submit valid OEM authorization certificate for participation in tender along with bid documents.
- 2. The OEM or Authorized Dealer of OEM shall submit document to confirm experience for supply of Electrodes. The OEM or Authorized Dealer of OEM should have supplied similar FCAW electrodes (Any IACS approved FCAW electrodes) during the last three years ending 31st December 2023 and shall submit Purchase orders of the same along with proof of execution. One of the following documents may be considered as valid proof for execution of purchase order:
 - a) Contract copy along with Invoice(s) with self-certification by the bidder that service/supplies against the invoices have been executed.
 - b) Contract copy along with Execution certificate by client with contract value.
 - c) Contract copy along with any other document in support of contract execution like Third Party Inspection release note with Delivery challan with purchaser stamp.
- 3. The bidder shall submit valid approval certificate of quoted product from any one of the IACS (International Association of Classification Societies) member along with bid documents.

(b) Commercial Pre-Qualification Criteria:

- i. The average annual financial turnover of 'The bidder' during the last three years, ending 31st March 2022 should be at least INR 57,00,000/- (Rupees Seven Lacs) as per the annual report (audited balance sheet and profit and loss account) of the relevant period, duly authenticated by a Chartered Accountant/Cost Accountant in India
- ii. Bidders Shop and establishment registration certificate or registration certificate from registrar of firms or certificate of incorporation from Registrar of Companies (Not required for permanent registered vendors with MDL)



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Note:

- a) Start-ups shall be given 100% relaxation in prior turnover and prior experience subject to meeting of quality and technical specifications. Supplier to submit valid Start-ups certificate as recognized by Department of Industrial Policy and Promotion (DIPP).
- b) MSEs shall be given 100% relaxation of prior turnover. However, MSEs vendor shall meet prior experience criteria.
- c) Applicability to 'Make in India':
Bidders (manufacturer or principal of authorized representative) who have a valid/approved on going 'Make in India' agreement/program and who while meeting all other criteria above, except for any or more of sub-criteria in Experience and Past Performance above, would also be considered to be qualified provided:
 - (i) their foreign 'Make-in-India' associates meet all the criteria above without exemption, and
 - (ii) the Bidder submits appropriate documentary proof for a valid/approved on going 'Make in India' agreement/program.
 - (iii) the bidder (manufacturer or principal of authorized representative) furnishes along with the bid a legally enforceable undertaking jointly executed by himself and such foreign Manufacturer for satisfactory manufacture, Supply (and erection, commissioning if applicable) and performance of 'The Product' offered including all warranty obligations as per the general and special conditions of contract.
- d) Authorized Representatives:
Bids of bidders quoting as authorized representative of a principal manufacturer would also be considered to be qualified, provided:
 - (i) their principal manufacturer meets all the criteria above without exemption, and
 - (ii) the principal manufacturer furnishes a legally enforceable tender-specific authorization in the prescribed form assuring full guarantee and warranty obligations and all contractual obligation as per the tender terms and conditions; and
 - (iii) the bidder himself should have been associated, as authorized representative of the same or other Principal Manufacturer for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years.
- e) Joint Ventures and Holding Companies:
Credentials of the partners of Joint ventures cannot (repeat cannot) be clubbed for the purpose of compliance of PQC in supply of Goods/Equipment, and each partner must comply with all the PQC criteria independently.
However, for the purpose of qualifying the Financial Standing Criteria, the Financial Standing credentials of a Holding Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership.
- f) The work executed by the contractors for their in-house or capital use shall not be considered for the purpose of bidders' experience of completion of similar works.
- g) Bidders shall upload / submit supporting documentary evidence in support of the Pre-Qualification Criteria. MDL has a right to verify / cause verification of authenticity of the said documents whenever felt necessary.

3. Earnest Money Deposit (EMD) / Bid Security:

- (a) EMD applicable for this tender is INR 3,80,000.00 (Rupees three Lacs Eighty Thousand only).
- (b) In case of Indigenous bidders, EMD shall be submitted by way of NEFT / Demand Draft / Pay order / Bank Guarantee / Insurance Security Bond / e-Bank Guarantee in favour of Mazagon Dock Shipbuilders Limited, Mumbai from the list of Banks approved by SBI / Canara Bank published on MDL website. Crossed DD / Pay Order issued by Co-operative banks however may be considered to be accepted and the bid would be considered accordingly.



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Bidders shall advise their banker to send EMD directly to commercial department to dispense with additional step of verification of authenticity of signatories.

- (c) The Bank Guarantee shall be kept valid for 4 more weeks beyond the validity of the offer.
- (d) No change/modification in the text of the prescribed format of the BG is permissible.
- (e) Bidders should mention EMD details on MDL e-procurement portal.
- (f) In case of online remittance of EMD amount, scanned image as per format, duly filled, shall be uploaded in Part-I Techno-commercial bid. Further, the bidder should specifically mention the details of company name as well as nature of remittance, tender number etc. in the text/narration fields of Bank's NEFT remittance in order to identify the same.
- (g) EMD can also be remitted online through MDL website: <https://www.mazagondock.in/OnlinePayment.aspx>.
Or one can find Online payment tab on MDL website home page as under:
 - Go to www.mazagondock.in
 - Click on Online payment tab available on home page.
 - 4 option viz. Career, Tender, Security, Scrap/ Disposal will be available.
 - Click on the Tender tab and make the payment online using Debit cards, Credit Cards, Net banking, BHIM/ UPI etc. after filling the required details.
- (h) Bids received without EMD will be categorical rejected other than exempted categories. Following bidders shall be exempted from submission of EMD.
 - (i) State & Central Government of India Departments & Public Sector Undertakings.
 - (ii) Firms registered with MDL. To qualify for EMD exemption, firms should necessarily submit valid copy of the Registration Certificate issued by MDL, for the items for which the offer is being submitted. Firms in the process of obtaining MDL registration will not be considered for EMD exemption.
 - (iii) Micro and Small Enterprises who are manufacturer of offered product and give specific confirmation to this effect at the time of bid submission and whose credentials are validated online through Udyam Registration (as validated by Government from time to time) and through uploaded supporting documents.
 - (iv) Firms registered with NSIC under its "Single Point Registration Scheme". (Exemption will apply only to items/services for which they are registered. To qualify for EMD exemption, firms should necessarily submit valid copy of the Registration Certificate along with the list of items / services for which they are registered, as issued by NSIC, in Part-I offer / bid. Firms in the process of obtaining NSIC registration will not be considered for EMD exemption.
 - (v) Start-ups as recognized by Department of Industrial Policy and Promotion (DIPP).
 - (vi) Common/Deemed DPSU registered vendors qualify for EMD exemption. Such firms shall submit valid copy of the registration certificate issued by DPSUs (other than MDL) for the items / services for which the offer is being submitted in Part-I offer/bid. Firms in process of obtaining registration in other DPSUs will not be considered for EMD exemption.
 - (vii) Green Channel Status vendors qualify for EMD exemption. Such firms shall submit valid copy of the Green channel certificate issued by MoD for the items for which the offer is being submitted in Part-I offer/bid. Firms in process of obtaining this certificate will not be considered for EMD exemption.

Note: Bidder shall submit/upload the supporting documentary evidence along with Part I bid for claiming EMD exemption.

- (i) The original of the scanned copy of EMD (BG) should reach to the HOD(C)/ Dealing Commercial Executive, Mazagon Dock Shipbuilders Ltd., Dockyard Road, Mazagaon, Mumbai-400010 within seven (7) days from the Tender closing date, in an envelope superscribing the Tender no., Tender date, Tender closing date, Purchase Officer's name & brief description of the goods/ services tendered.
- (j) EMD will be returned/refunded to the technically rejected bidders after price bid opening and remaining bidders after placement of order.
- (k) In the event of cancellation of tender, the EMD will be refunded / returned to all the bidders.
- (l) EMD (other than BG, Insurance Security Bond, e-Bank Guarantee form) of successful bidders may be converted into performance security based on specific request from Bidder. However,



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the successful bidder shall be responsible for the submission of balance performance security if any within the given timelines.

- (m) The returned / refunded EMD shall be interest free.

4. Validity Period of Offer:

- (a) Bid / Offer shall have the validity period of 90 days after the deadline date for bid submission.
- (b) Technically accepted bidder shall be given opportunity to accept validity as per the tender in case of shorter validity quoted by him. Non acceptance there after shall be rejected by MDL as non-responsive.
- (c) In case the day up to which the bids are to remain valid falls on/ subsequently declared a holiday or closed day for MDL, the bid validity shall automatically be deemed to be extended up to the next working day.
- (d) If the bidder does not accept the request of MDL for extension of validity, the bid security will not be forfeited. A bidder agreeing to the request will not be required or permitted to modify his bid, but will be required to extend the validity of his bid security.
- (e) In case techno-commercially accepted bidder/s does not agree to extend the offer validity, the offers of all techno-commercially accepted bidder/s including the bidder who has not agreed to extend their offer validity shall be opened and proceed further with valid bids.

5. **Period of Rate Contract:** Rate Contract period shall be One Year from the date of placement of rate contract subject to meeting all the requirements including quantity, quality and timely deliveries to the satisfaction of MDL, with a provision to extend the period of contract by further three (03) Months on the same rates, terms and Conditions at MDL's discretion.

6. **Delivery Period:** On placement of rate contract, progressive confirmatory orders shall be placed by MDL. Material to be delivered within 04 weeks from date of placement of confirmatory order. Part Supply part payment is acceptable. In view of urgency, delivery period for the first lot/confirmatory order shall be within 2 weeks from date of placement of confirmatory order.

7. **Submission of Offer in Two Bid System:** Offer must be submitted in two parts as follows:

- a) **Part I (Techno Commercial Bid):** The bidder shall ensure following are essentially submitted in the Part-I bid as applicable:
- (i) Technical & Commercial offer.
 - (ii) Integrity Pact (IP) duly filled & signed on each page.
 - (iii) Earnest Money Deposit (EMD) if applicable.
 - (iv) Pre-qualification documents.
 - (v) Valid MSME Udyam Certificate, MDL Registration Certificate as applicable.
 - (vi) GST Registration Certificate
 - (vii) Acceptance of Tender terms (TEF) & General Condition of Contract (GCC).
 - (viii) Declaration of Local Content, preference for MSE Order 2012 / PPP Order 2017 for purchase preference.
 - (ix) Compliance Certificate w.r.t. Land Border Clause
 - (x) Unique GeM Seller ID.
 - (xi) Blank rate sheet indicating quoted/not quoted against each line item, tax percentage, type of taxes and FE content. (without indicating price)
 - (xii) Bank details for payment by RTGS/NEFT in the format enclosed.
 - (xiii) Compliance Matrix/Deviation form
 - (xiv) Undertaking about conflict of interest.
 - (xv) Additional documents as applicable to this tender.

Note: In any case, prices are not to be mentioned in Part-I bid.

- b) **Part-II (Price Bid):** Prices for each of the listed items has to be uploaded strictly in the prescribed format provided in the e-procurement portal. A standard BOQ (Rate Sheet) format has been provided with the tender document to be filled by all the bidders. Bidders are requested to note that they should necessarily submit their financial bids in the format provided and no other format is acceptable. Bidders are required to download the BoQ file,



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open it and complete the white colored (unprotected) cells with their respective financial quotes and other details (such as name of the bidder etc.). No other cells should be changed. Once the details have been completed, the bidder should save it and submit it online, without changing the filename. If the BoQ file is found to be modified by the bidder, the bid will be rejected.

Note:

- (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) If a firm quotes NIL charges/rates against any line item, the bid shall be treated as unresponsive and will not be considered.

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

9. Bid Rejection Criteria:

- (a) **Categorical rejection criteria:** The following conditions / deviations are non-negotiable and therefore any bid falling under these conditions / deviations shall be summarily rejected. Bidders to note that they shall not be provided any opportunity to rectify these conditions / deviations post Part-I bid opening:
 - (i) Bids received after tender closing date and time.
 - (ii) Bids received other than through e-portal
 - (iii) Bidders who are debarred under PPP MII order 2017, GeM, CPPP including Tender holiday issued by MDL.
 - (iv) Bids received without Integrity Pact duly filled & signed by the bidder on each page.
 - (v) Bids received without EMD (other than those who are exempted from payment of EMD).
- (b) **Liable rejection criteria:** Non-compliance/non-acceptance to any of the terms and conditions of the tender other than clause mentioned under loading criteria shall render the bid liable for rejection;
 - (i) Bidders are required to submit the shortfall documents / clarifications within the duration / date stipulated by MDL failing which their bids will be liable for rejection.
 - (ii) Bidder to note that the shortfall information/documents will be sought only in case of historical documents which pre-existed at the time of the tender opening i.e. submitted along with original bid and which have not undergone change since then.
 - (iii) Non submission of Unique GeM Seller ID

10. Performance Security (PS):

- (a) On placement of Contract, Performance Security for an amount equal to 5% of contract value (excluding taxes, duties) payable in Indian Rupees shall be submitted by the firm.
- (b) Performance Security is to be furnished within 25 days after notification of the award of contract and it should remain valid for a period of 60 (sixty) days beyond the date of completion of all contractual obligations of the supplier, including warranty obligations.
- (c) Performance security may be furnished in the form of NEFT / Demand Draft / Pay order / Bank Guarantee / Insurance Security Bond / e-Bank Guarantee in favour of Mazagon Dock Shipbuilders Limited, Mumbai from the list of Banks approved by SBI / Canara Bank published on MDL website.
- (d) PS can also be remitted online through MDL website: <https://www.mazagondock.in/OnlinePayment.aspx>.
Or
one can find Online payment tab on MDL website home page as under:
 - Go to www.mazagondock.in
 - Click on Online payment tab available on home page.
 - 4 option viz. Career, Tender, Security, Scrap/ Disposal will be available.



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- Click on the Tender tab and make the payment online using Debit cards, Credit Cards, Net banking, BHIM/ UPI etc. after filling the required details.
- (e) Further, the bidder should specifically mention the details of company name as well as nature of remittance, order number etc. in the text/narration fields of Bank's NEFT remittance in order to identify the same. The duly filled & signed copy of annexure is to be submitted to respective dealing commercial executives.
- (f) In cases where the supplier / contractor has not submitted the PS and already commenced supply / services, equivalent amount shall be withheld from his bills if any. In such case, interest shall be recovered for the period starting from 26th day of transmission / notification of order/contract by any mode and amount involved at the relevant rate of interest. For Indian suppliers, the interest will be SBI BPLR plus 2%.
- (g) PSBG shall be valid for validity period of PSBG plus four weeks for settlement of claim.
- (h) The performance security will be forfeited and credited to MDL's account in the event of a breach of contract by the contractor.
- (i) PSBG will be refunded to the contractor without interest, after he duly performs and completes the contract in all respects but not later than 60(sixty) days of completion of all such obligations including the warranty under the contract.
- (j) Where the duration of contract is very long and banks are unwilling to issue BGs for long duration, rolling bank guarantee towards performance security can be submitted where it will be valid for at least one year with claim period of three months within which the same can be extended for further period by amendment.
- (k) Performance security on reducing balance can be accepted when the contract period extends beyond one year. This will be effective on completion of one year and thereafter on six monthly / yearly basis.
- (l) No exemption can be granted to any unit including MSME, SSI units and MDL Registered Supplier.
- (m) In case of failure to submit performance security deposit by the supplier within 25 days of transmission / notification of order by any mode, the EMD will be forfeited (if available) and MDL reserves the right to cancel the order and invoke the risk purchase clause.
- (n) In the event of defects due to poor workmanship leading to non-performance of the Equipment/Item and bidder failure to attend the Guarantee/Warranty defects within 45 days from date of intimation or as agreed during TNC the performance security shall be forfeited.
- (o) If it is established that the contractor has failed to comply with the Guarantee/Warranty obligations, the PSBG will be encashed by MDL. MDL's decision in this regard shall be final and binding on the Supplier / Contractor.

11. Warranty/Guarantee:

The material supplied shall be guaranteed for minimum 12 months from the date of receipt and acceptance of material by MDL. The supplier cannot absolve their responsibility for warranty of material even though it is inspected & approved by inspection authorities. If the defects are not remedied within a reasonable / stipulated time, MDL may proceed to rectify the defects at the supplier's risk & cost, but without prejudice to MDL rights under the contract. The supplier will have to replace rejected / bad material during guarantee period at no extra cost to MDL.

12. Pricing:

- i) Prices quoted by bidder shall remain firm and fixed during the currency of the contract and not subject to variation on any account
- ii) Bidders shall quote for delivery of the items to the following destination including charges towards inland transportation, insurance, unloading charges and other local costs incidental to the delivery of the Goods/Services.

Delivery Address: Mazagon Dock Shipbuilders Limited, Common Stock Store, Mazagon Dock Shipbuilders Ltd, Dockyard Road, Mumbai-400010.

- 13. Tie Breaker:** When multiple vendors quote same price for particular item(s)/services under such situation, following action in given sequence shall be done: (a) In case of divisible, 50-50 qty to be given to each. (b) In case of non-divisible, supplementary bid asking for discount to be obtained. (c)



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In case of both divisible or non-divisible, lottery option to be exercised after above options are not conclusive.

14. Taxes & Duties:

- (a) Bidders must clearly mention the applicable Taxes & Duties in the rate sheet enclosed in the tender. The item-wise rates (i.e. Basic + Packing, Forwarding, Freight & Insurance & Unloading) quoted in the Rate sheet should exclude Taxes, Cess & Duties. Bidder should indicate GST rates as applicable separately under each of the head in the same rate sheet, which will be paid extra based on tax invoice to the extent applicable.
- (b) Supplier / Contractor will not be entitled to any increase in rate of taxes occurring during the period of extended delivery completion schedule if there is delay in supplies / completion attributed to him. However, if there is a decrease in taxes, the same must be passed on to MDL.
- (c) Wherever all-inclusive prices are quoted by the Bidders without bifurcation of tax elements, no escalation can be considered in respect of any variations in statutory levies arising subsequently because of the absence of the required base figures in the purchase order / contract.
- (d) Income tax applicable on cost of services rendered in India in relation to the contract, shall be payable by Bidders.
- (e) TDS (GST) shall be carried out as per the existing Laws and Acts.
- (f) **Goods and Services Tax (GST):**
 - (i) The prevailing rate of GST is to be indicated in blank rate sheet in Part-I.
 - (ii) For MDL's GST number, please visit our website. MDL's GST Number is 27AAACM8029J1ZA.
 - (iii) Bidder shall mention MDL GSTIN while invoicing and avoid any data entry error on GST portal.
 - (iv) Bidders shall mandatorily mention their GST number in their offer.
 - (v) Bidders shall mention the HSN (Harmonised System of Nomenclature) code for the quoted items and services in their offer. These codes must be in accordance with GST law and responsibility of specifying correct HSN codes for goods &/or services is that on the bidder. MDL shall not be responsible for any error in HSN no. specified by vendor. However, if any penalty is levied on MDL or any loss of ITC to MDL occurs or any delay in availing ITC by MDL occurs due to such error, vendor shall reimburse such loss after intimation by MDL or the amount shall be recovered from any outstanding payments to the vendor.
 - (vi) If the bidder is registered under GST, the GST registration number (15 digit GSTIN) issued by Govt shall be mandatorily provided by the Bidder. Bidder having multiple business verticals within state / at multiple states with separate GST registration numbers shall forward GSTIN of only that vertical which is involved in supply of goods and/or services.
 - (vii) Bidder must mention HSN numbers in invoices as reflected in the order. These codes must be in accordance with GST law.
 - (viii) If bidder is registered under GST, Bidder shall ensure timely submission of invoice and file all applicable returns under GST Law in the stipulated time & any losses of ITC to MDL arising due to delay in submission of invoice or delay in filing will be recovered from their invoice wherever MDL is eligible to avail tax credit. Any default towards payments of tax and / or uploading of monthly returns by supplier / contractor, MDL retains right to withhold payments towards tax portion until the same is corrected & complied by the supplier/ contractor with the requirement of GST along with satisfactory evidence.
 - (ix) Original invoice to be submitted to Bill Receipt Centre at MDL gate and a copy of the invoice to be submitted to the respective stores.
 - (x) If the GST rating of supplier / contractor on GST portal/ Govt. website is found to be negative/ blacklisted, the MDL reserves the right to reject the offer of such bidders. Similarly, on post placement of the contract/order, MDL shall reimburse GST to the vendor only after he makes the payment of GST and fulfils all requirements as per GST law for successful GST along with penalties/interest, if any, incurred by MDL.



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- (xi) In case, MDL is unable to avail ITC, supplier/contractor at their own cost shall rectify the shortcoming in the returns to be filed immediately thereafter. Further, if the ITC is delayed / denied to MDL / reversed subsequently as per GST Laws due to non / delayed receipt of goods and / or services and / or tax invoice or expiry of timelines prescribed in GST Laws for availing ITC, non-payment of taxes or non-filing of returns or any other reason not attributable to MDL, supplier /contractor shall pay any loss of amount along with interest and penalty on MDL under GST Laws for the number of days the ITC was delayed. If the short coming is not rectified by supplier/contractor and MDL ends up in reversal of credits and / or payments, supplier /contractor is fully liable for making good all the loss incurred by MDL. MDL reserves right to recover any interest, penalty or loss from any amount due to supplier /contractor or otherwise.
- (xii) If bidder is registered under GST, Suppliers shall be responsible for the financial and non-financial consequences in case of non-compliance of GST provisions/requirements/timelines on their part.

15. Payment Terms:

- (a) No Advance payment.
- (b) Payment shall be made as per actual quantity received and accepted. 100% Payment shall be made within 15 days of receipt/completion of material/services subject to acceptance of material/services and as reduced by any deductibles (example: Performance Security etc.) and / or the amount leviable towards liquidated damages, if any plus 100% taxes, duties etc. as applicable.
- (c) Part payment against part supply shall be made.
- (d) Bidders shall furnish all the necessary details like name of the bank / branch, branch code No, bank account no in their technical bid as per the RTGS/NEFT/ECS format provided with the tender enquiry
- (e) The bills to be addressed to DGM (C-MP) and should be forwarded / submitted to Invoice Receipts Section located at South Yard Gate, opposite to Reception Centre, Mazagon Dock Shipbuilders Ltd, Dockyard Road, Mumbai: - 400010.
- (f) Invoice become payable only after receipt & acceptance of the material by MDL. MDL shall not be responsible for delay in payment because of errors in invoice with regard to HSN number, missing/incorrect PO no and its line item number or Incorrect Item Description etc. Vendors are advised to ensure correctness of invoices in line with the PO. Each invoice shall have reference of MDL PO No. and respective PO line item.

16. Payment Mode & Documents:

- (a) All the payments to indigenous bidders due shall be made through Real Time Gross Settlement (RTGS) / National Electronic Fund Transfer (NEFT) by MDL.
- (b) **Documents for Payments:**
 - (i) Suppliers invoice.
 - (ii) PO copy with amendments if any
 - (iii) GRN cum Inspection Report.
 - (iv) Confirmation of receipt and verification of Bank Guarantee as applicable.
- (c) **Alternate MSME vendor payment through TReDS:**
 - i) In order to address the financial needs of MSME firms, GoI has introduced a platform for facilitating the financing of trade receivables of MSMEs from buyers, through multiple financiers which is termed as Trade Receivables Discounting System (TReDS). At TReDS, auctioning of invoices at competitive & transparent environment is done by financiers based on Buyer's credit profile.
 - ii) MDL is registered on the "Invoicemart" TReDS platform and M1xchange of M/s Mynd Solutions Pvt. Ltd.
 - iii) MSME bidders desirous to receive payments through TReDS platform may avail the facility if they are already registered on
 - a) "Invoicemart" TReDS platform or by registering on it.Contact details at "Invoicemart" TReDS platform are as below:



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022 6235 7373 and a new mail id service@invoicemart.com.

b) "M1xchange" TReDS platform or by registering on it.

Contact details at "M1xchange" TReDS platform are as below:

+919920455374 Ms Ashwathi Jayandran email id:

ashwathi.jayandran@m1xchange.com

+91 8839915724 Ms Priyanka Shah email id prinyaka.shah@m1xchange.com

- (d) **E Invoice:** Bidder, whose aggregate turnover in any preceding financial year from FY 2017-18 onwards, exceeds INR 5 crore as per GST Act or as applicable from time to time, will have to submit an e- Invoice with a Quick Response (QR) code and Invoice Registration No.(IRN). Wherever GST is applicable, payment will be released against e-Invoice, or Invoice accompanied with Vendor's Self Declaration that " We do not fall under the category of registered persons notified under Rule 48(4) of the Central GST Rules, 2017 and we are not required to comply with e-Invoicing provisions under GST Act, as our aggregate turnover in any preceding financial year from 2017-18 onwards has not exceeded Rs. 5 Crores as per GST act".

17. Mode of Dispatch: Bidder shall indicate mode of dispatch in their offer (i.e. Road/Rail/Air/Sea).

18. Consignee:

- (a) Material to be delivered at: Mazagon Dock Shipbuilders Limited, Common Stock Store, Mazagon Dock Shipbuilders Ltd, Dockyard Road, Mumbai-400010.
- (b) The Successful bidder/s shall arrange dispatch of goods by appropriate mode of transport as per the order to MDL's Dockyard Road Mumbai-400010, on working days (Monday to Friday) between 8.00 hrs to 15.30 hrs (Lunch Time 11.30 to 12.00 hrs). In case truck/tempo reaches our yard beyond above time the same may be retained over night at your risk & cost.
- (c) In order to avoid inconvenience during the delivery of material, it is advisable for supplier to depute their representative in their own interest to coordinate the activities between the transporter, and MDL stores.
- (d) Following document should be submitted along with material:
- PO copy & subsequent amendments issued to it, if any.
 - Inspection Release Note (IRN) issued by nominated inspection authority, if applicable.
 - Delivery Challans clearly indicating MDL Purchase Order No, Inspection Note details if applicable
 - Packing List co-relating the items in the inspection report if applicable.
 - Copy of Guarantee Certificate on supplier's letter head, Preservation Certificate etc. as applicable
 - E-Way bill (if applicable) details are to be submitted during the delivery of the items.
 - ABS approval of the quoted electrode shall be submitted.
Or If ABS approval of quoted electrode is not available, then all the tests mentioned as per IACS rules shall be conducted and NABL test certificates of the same has to be submitted.
- Test certificates from NABL approved Lab of the batch supplied

19. Inspection:

- (a) **Receipt Inspection:** MDL shall carry out necessary inspection of the items on receipt of item at MDL stores. Any objection raised by MDL Inspection Team against quality of materials or workmanship shall be satisfactorily corrected by the Contractor at his expense including replacement as may be required within shortest possible time within 30 days. Items damaged during transit shall also be rectified/replaced by the Contractor within shortest possible time. Goods accepted by the purchaser at the initial and final inspections, in terms of the contract, shall in no way dilute the purchaser's right to reject them later, if found deficient in terms of



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the warranty clause of the contract. All additional cost towards replacement against defective items shall be borne by the supplier

20. Loading Criteria:

Deviations sought by the bidder shall be loaded on the bidder/s quoted prices during price evaluation by MDL for ranking of bids to judge L1, as under.

- (a) Varied payment terms quoted by indigenous bidders as compared to the terms stated in the Tender document shall be normalized by adopting the Benchmark Prime Lending Rate of State Bank of India plus 2% thereon on the amount (s) at variation and / or for the period (in no. of days) at variation.

21. Ranking of Bids: Tender line items are separable and divisible in nature.

- (a) Techno-Commercially Qualified Lowest Bidder on item wise basis will be considered for processing of placement of order/contract
- (b) Ranking of bids shall be done by considering following factors:
 - (i) The comparison of the responsive tenders shall be on total outgo on Least Cost Net of Credit Basis (LCNC), for the procurement to be paid to the supplier or service provider, including all elements of costs, duties, levies, freight, insurance etc. excluding GST (where ITC is available). Therefore, it shall be on the basis of CIF/ FOR destination basis, duly delivered, commissioned, as the case may be.
 - (ii) The applicable loading towards deviations shall be loaded for ranking purpose.
- (c) Discount given, if any, by the bidders, after the last date for submission of the bids but before opening of the price bids, will not be considered for determining the ranking of bids but will be considered after the said bidder is adjudged as L1.
- (d) On-line ranking visible to the bidders after opening Part-II price bid is without loading parameters. However, the L1 bidder will be evaluated offline by applying all applicable loading parameters as per tender and clarifications during techno-commercial scrutiny / TNC meeting.
- (e) Loading/Ranking will be done on original submitted bid at the time of closing of tender. However, in case MDL invites supplementary price bid from technically qualified bidders, then same will also be considered while ranking of bids.
- (f) In case of any discrepancy in the Blank Rate Schedule Format and actual On-Line Price Bid after opening of the price bids, the details mentioned in the On-Line Price Bids shall prevail over the details in blank rate schedule format.

22. Public Procurement Policy (Preference to Make in India) Order 2017: The Government of India has issued revised Public Procurement (Preference to Make in India) order 2017 on 16th Sep' 2020 as part of its policy to encourage "Make in India" and promote manufacturing and production of goods and services in India with a view to enhancing income and employment. Subject to the provisions of this order and to any specific instructions issued by Nodal Ministry or in pursuance of this order, Purchase Preference shall be given to local suppliers in all the procurements undertaken by MDL in the manner specified below:

- (a) **Aspects of 'Preference to Make in India':** The following terminology / definitions used in the policy is enumerated below and applicable to the tender:
 - (i) "Local content" means the amount of value added in India which shall be the total value of item (goods, services or works or their combination) under procurement (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value in percent. Different definition of Local Content may be specified by the Nodal Ministry for items assigned to them, which will prevail over above.
Note: The local content can be increased by vendors through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them.
 - (ii) Class-I Local Supplier: means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content of 50%.



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- (iii) Class-II Local Supplier: means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content of 20% but less than that prescribed for “Class-I local supplier”.
- (iv) Non-Local Supplier: means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for “Class-II local supplier” under this order.
- (v) “L1” means the lowest tender or lowest bid or lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.
- (vi) “Margin of Purchase Preference” means the maximum extent to which the price quoted by a “Class-I Local Supplier” may be above the L1 for the purpose of purchase preference. The margin of purchase preference shall be 20% which is to be indicated in tender.

Note:

- i. Procedure for determination of L1 price for the purpose of deciding eligibility for Purchase Preference shall be stipulated in the tender.
- ii. Price/s of all Class I local supplier/s in a tender is more than 20% of L1’s price no purchase preference shall be applicable.

(b) Eligibility Criteria to bid:

Class I and Class II local Supplier are eligible to bid for this tender (Non-Local Supplier shall be categorically rejected)

Minimum local content: The “local content” requirement to categorize a supplier as “Class-I local supplier” is minimum 50%. For “Class-II local supplier”, the “local content” requirement is minimum 20%.

(c) Purchase Preference(PP):

- i. Purchase preference shall be given to only “Class-I Local Supplier” (Class II Local Supplier are not eligible for purchase preference) in procurements undertaken in the manner specified in the succeeding sub-paras:
- ii. The Class-I local suppliers, under PPP-MII Order, participating in any government tender, may or may not be MSEs, as defined under the MSME Act. Similarly, MSEs participating in any government tender, may or may not be Class-I local suppliers. Suppliers may be categorised in following four broad categories for consideration or applicability of purchase preference:

Category	Terminology
Supplier is both MSE & Class-I local supplier.	"MSE Class-I local supplier"
Supplier is MSE but not Class-I local supplier.	"MSE but non-Class-I local supplier"
Supplier is not MSE but is Class-I local supplier.	"Non-MSE but Class-I local supplier"
Supplier is neither MSE nor Class-I local.	"Non-MSE non-Class-I local supplier"

- iii. In the procurement covered by para above (Para 3(a) of PPP-MII Order, 2017) for which Nodal Ministry has notified sufficient local capacity and competition, only Class-I local suppliers are eligible to bid irrespective of purchase value. Hence, Class-II local suppliers or Non-local suppliers, including MSEs which are Class-II local suppliers/ Non-local suppliers, are not eligible to bid. Purchase preference shall be accorded as under:
 - a. L-1 is "MSE Class-I local supplier": 100% of the tendered quantity shall be awarded to L-1.
 - b. L-1 is "Non-MSE but Class-I local supplier"(Divisible in nature): Purchase preference shall be given to MSEs as per PPP-MSE Order. Balance quantity be awarded to the L-1 bidder.
 - c. L-1 is "Non-MSE but Class-I local supplier" (Non-Divisible in nature): Purchase preference shall be given to lowest quoting MSE Class-I local supplier as per PPP-MSE Order. If lowest quoting MSE Class-I local supplier does not accept the L-1 rates, the next higher eligible MSE Class-I local supplier is to be given purchase



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preference and so on. 100% of the tendered quantity shall be awarded to MSE Class-I local supplier accepting L-1 rates. If MSE Class-I local suppliers do not accept L-1 rates, then contract shall be awarded to L-1

- iv. In the procurement of goods and services reserved exclusively for procurement from MSEs as per PPP-MSE Order, non-MSEs are not eligible to bid for these items and Purchase preference shall be accorded as under:
- L-1 is "MSE Class-I local supplier": 100% of the tendered quantity shall be awarded to L-1
 - L-1 is "MSE non-Class-I local supplier"(Divisible in nature): Purchase preference shall be given to MSE Class-I local supplier as per PPP-MII Order. Balance quantity be awarded to L-1 bidder.
 - L-1 is "MSE non-Class-I local supplier" (Non-Divisible in nature): First opportunity shall be given to lowest quoting "MSE Class-I local supplier" for matching L-1 bidder as per PPP-MII Order for 100% of the tendered quantity and if lowest quoting "MSE Class-I local supplier" does not accept the L-1 rates, the next higher eligible "MSE Class-I local supplier" is to be given purchase preference and so on. If all "MSE Class-I local suppliers" decline to accept the L-1 rates, then contract shall be awarded to L-1 for 100% of the tendered quantity.
- v. In the procurement of goods or services which are **divisible** in nature (Para 3A(b) of PPP-MII Order), both MSEs as well as Class-I local suppliers are eligible for purchase preference and the Purchase preference shall be accorded as under:
- L-1 is "MSE Class-I local supplier": 100% of the tendered quantity shall be awarded to L-1
 - L-1 is "Non-MSE but Class-I local supplier": Purchase preference shall be given to MSEs, if eligible, as per PPP-MSE Order. Balance quantity be awarded to L-1 bidder.
 - L-1 is "MSE but non-Class-I local supplier": Purchase preference shall be given to Class-I local suppliers, if eligible, as per PPP-MII Order. Balance quantity be awarded to L-1 bidder.

L-1 is "Non-MSE non-Class-I local supplier": Firstly, Purchase preference shall be given to MSEs as per PPP-MSE Order. Thereafter, purchase preference is to be given to Class-I local suppliers for "50% of the tendered quantity minus quantity allotted to MSEs above" as per PPP- MII Order. For the balance quantity, contract be awarded to L-1 bidder.

- vi. In the procurement of goods, services which are covered by para above and which are **not divisible** in nature, and in procurement of services where the bid is evaluated on price alone (Items covered under Para 3A(c) of PPP-MII Order, 2017) and both MSEs as well as Class-I local suppliers are eligible for purchase preference Purchase preference shall be accorded as under:
- L-1 is "MSE Class-I local supplier": Contract shall be awarded to L-1.
 - L-1 is not "MSE Class-I local supplier " but the "MSE Class-I local supplier" falls within 15% margin of purchase preference. Purchase preference shall be given to lowest quoting "MSE Class-I local supplier". If lowest quoting "MSE Class-I local supplier" does not accept the L-1 rates, the next higher "MSE Class-I local supplier" falling within 15% margin of purchase preference is to be given purchase preference and so on. If all "MSE Class-I local supplier" do not accept L-1 rates, then Para 24.3.4.5(iii) shall be followed.
 - If conditions mentioned in sub paras 24.3.4.5(i) and 24.3.4.5 (ii) above are not met i.e. L1 is not "MSE Class-I local supplier" and "MSE Class-I local supplier" is not eligible to take benefit of purchase preference as per PPP-MSE Order or all "MSE Class-I local supplier" do not accept L-1 rates, the contract is to be awarded / purchase preference to be given in different possible scenarios as under:
 - L-1 is "MSE but non-Class-I local supplier" or "Non-MSE but Class-I local supplier": Contract be awarded to L-1.



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- ii. L-1 is "Non-MSE non-Class-I local supplier": Firstly, purchase preference shall be given to eligible MSE as per PPP-MSE Order. If MSEs not eligible or does not accept then purchase preference to be given to eligible Class- I Local supplier as per PPP-MII Order. If Class-I Local supplier is also not eligible or does not accept then contract be awarded to L-1.
 - vii. Non-local suppliers, including MSEs falling in the category of Non-local suppliers, shall be eligible to bid only against Global Tender Enquiry.
 - viii. Parallel Contracts: In case of parallel contracts tender also Purchase Preference to MSE & Class I Suppliers shall be applicable and shall be accorded in accordance with para 3B Order Public Procurement (preference to Make in India) Order 2017 dtd 16.09.2020 or amended thereon.
- (d) **Declaration/Verification of Local content:**
- (i) Participating bidders to indicate the percentage of local content (i.e. value added in India) along with the details of location/s where the local value addition is made, in their bids, item wise or tender wise. The indicated local content percentage shall decide categorization of the vendors as "Class-I Local Supplier" / "Class-II Local Supplier" / "Non-local Supplier". All bidders should declare that the item and service offered meets the minimum local content & indicate its percentage in their offer which shall meet or excel required local content specified in tender. This declaration is necessary even if Custom Duty Exemption and / or ERV (if applicable) are not being sought. Certification as under is to be submitted mandatorily in technical Offer-Part-I bid.
Self-certification by Chief Financial Officer or Other legally responsible person nominated in writing by the Chief Executive or Senior Member / Person with Management Responsibility of Corporation / Partnership / Individual. However, in cases of procurement for value in excess of Rs. 10 Crores, the bidders shall provide a certificate from statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of supplier other than companies) giving the percentage of local content.
 - (ii) Bidders to be noted that once the declaration / certification is committed at tender submission stage, the same cannot be altered subsequently at technical negotiation stage or after award of contract otherwise would be treated / considered as false declaration by bidder and necessary action shall be initiated as per tender clause '**Debarment of bidders / suppliers**' of the said Order for debarment.
 - (iii) Declared Local Content shall be the basis for categorization of the vendors and tender evaluation. However, MDL reserves the right to undertake detailed examination of declared local content and may call vendor to submit relevant documents.
 - (iv) In cases where MDL received the complaint from any vendor or person, along with the fees prescribed below, verification of Declared Local Content shall be carried out by seeking additional info as deemed necessary and the bidders (including unsuccessful bidders) against the tender shall be obliged to furnish the necessary documents. Failing to do so, the vendor may invite penal action as per the provisions of the Order. If MDL possess the capability, then it shall perform the verification. However, if in the opinion of MDL matter needs to be dealt at higher level, then the complaint shall be referred to Nodal Ministry and their fees / expenses / charges applicable as per the Nodal Ministry, if any, shall be borne by the complainant. MDL is authorized to prescribe fees for handling complaints under revised PPP MII 2017 Order. The fees for filing a complaint under the order shall be Rs. 10,000/- per case. The complaint shall be filed to the Chairman, Public Grievance Cell. The fee shall be deposited by complainant in MDL's Account by NEFT.
 - (v) On scrutiny of offer, if all the bidders participating in the tender happen to have either not submitted the declaration certificate or not declared / specified the local content percentage in the declaration certificate or specified local content lower than the minimum local content requirement as per the tender, the subject tender shall be cancelled & matter shall be taken up with Ministry, by the user department, as per the procedure indicated at above Purchase Preference Para or as amended by MoD / DPIIT / DoE.



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- (vi) On opening of the price bids, if it is identified that there is difference in local content declaration made & local content percentage as per price quoted is now not meeting (i.e. lesser than) the specified tender requirement (i.e. only on the quoted price without any loading) then such bidder shall be disqualified and shall not be considered for ranking purpose. The bid would be treated / considered as given false declaration and necessary action for debarment shall be initiated.
- (vii) The Local Content Declaration shall be uploaded along with the Part-I bid.
- (e) **PPP MSE Order 2012:**
Bidder has to indicate his choice for Purchase Preference under PPP MSE Order 2012 or Purchase preference under PPP MII Order 2017 which will not be permitted to be changed once bid is opened.
Purchase Preference under PPP MSE Order 2012 shall prevail over Purchase preference under PPP MII Order 2017.
- (f) **Price negotiation & contract placement:**
- (i) MDL has right to negotiate with L1 bidders on the quoted prices. However, it shall be ensured that Local Content percentage as declared by the vendor is maintained or increased but not reduced.
- (ii) After the contract is awarded and the supplies are completed, the supplier shall provide a "Local content certificate" (in the format provided at the time of PO placement) declaring the actual Local content percentage achieved while executing the contract. In case of failure to provide Local Content Certificate for the executed order within reasonable time, the issue be referred for debarment.
- Note:** In cases of procurement for value in excess of Rs. 10 Crores, the supplier shall provide a Local Content certificate (in the format provided at the time of PO placement) from statutory auditor or cost auditor of the company (in case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of supplier other than companies) giving the percentage of local content.
- (iii) Supplier shall be intimated that the supporting documentation towards realization of committed Local Content as per the contract / order terms & conditions shall be maintained for a period of seven years from the date of completion of the contract for audit purpose. Nodal Ministry may constitute committees with internal & external experts for independent verification of self-declarations and auditor's / accountant's certificates on random basis and in the case of complaints.
- Note:** The Actual Local Content Certificate as above, shall be mandatorily submitted by the successful bidder post execution of PO.
- (g) **Debarment of bidders / suppliers:**
- (i) False declaration will be in breach of Code of Integrity under Rule 175(1)(i)(h) of GFR 2017 for which a bidder or its successors can be debarred for up to 2 years as per Rule 151(iii) of GFR 2017 along with such other actions as may be permissible under law.
- (ii) A supplier who has been debarred by any procuring entity for violation of said Order shall not be eligible for preference under said Order for procurement by any other procuring entity for the duration of debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in such a manner that ongoing procurements are not disrupted.
- (h) **Reciprocity Clause:** Entities of countries which have been identified by the nodal Ministry/ Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.



23. Purchase Preference to Micro and Small Enterprises(MSEs):

Micro and Small Enterprises (MSEs) registered under Udyam Registration or as directed by government are eligible to avail the benefits under the policy. This Policy is meant for procurement of only goods produced and services rendered by MSEs. Traders/Distributors/Sole Agents/Works Contract are excluded from the purview of the policy. MDL has right to place order on MSE Manufacturer and MSE Service Provider meeting following criteria:

- (a) In tender, participating Micro and Small Enterprises (MSE) quoting price within price band of L1+15 (fifteen) per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25 (twenty-five) per cent of total tendered value. The 25(twenty-five) per cent quantity is to be distributed proportionately among these bidders, in case there are more than one MSEs within such price band.
- (b) Within this 25% (Twenty Five Percent) quantity, a purchase preference of four (4) per cent is reserved for MSEs owned by Scheduled Caste (SC)/ Scheduled Tribe (ST) entrepreneurs and three (3) percent is reserved for MSEs owned by women entrepreneur (if they participate in the tender process and match the L1 price).However, in event of failure of such MSEs to participate in tender process or meet tender requirements and L1 price, four percent sub-target for procurement earmarked for MSEs owned by SC/ST entrepreneurs and three (3) percent earmarked to women entrepreneur will be met from other MSEs. . MSEs would be treated as owned by SC/ ST entrepreneurs:
 - (i) In case of proprietary MSE, proprietor(s) shall be SC /ST;
 - (ii) In case of partnership MSE, the SC/ ST partners shall be holding at least 51% (fifty-one percent) shares in the unit;
 - (iii) In case of Private Limited Companies, at least 51% (fifty-one percent) share shall be held by SC/ ST promoters.
- (c) In case of tender item cannot be split or divided, etc. the MSE quoting a price within the band L1+15% may be awarded for full/ complete supply of total tendered value to MSE provided they match L-1 price.

24. Integrity Pact (IP) (Applicable if quoted price is more than 02 crore): The Integrity pact essentially envisages the agreement between prospective vendors / bidders & buyers committing the person/officials of both the parties not to exercise any corrupt influence on any aspects of the contract. Only those vendors/bidders who enter into such an integrity pact with the buyer would be competent to participate in the bid. Therefore, non-acceptance and non-submission of IP by the vendors/bidders shall be categorically rejected and no further communication in this regard will be entertained by MDL. The format of integrity Pact is enclosed with tender documents. IP shall be submitted on plain paper.

The 'Integrity pact' dully filled as per enclosed format to be submitted along with the offer. Bidders to ensure that each page of Integrity pact shall be duly signed by the bidder. Non-submission of Integrity Pact by the bidders duly filled and signed on each page along with Part-I bid shall be categorical rejected. The original IP shall reach MDL within 7 days of Tender Opening date.

Independent External Monitors (IEM): The following Independent External Monitors (IEMs) will have the power to access the entire project document and examine any complaints received by him. In case of any change in IEMs it will be informed accordingly.

For any administrative enquires and clarification on tender, bidders shall contact Commercial Dealing Executive. In case of issues related to Integrity Pact (IP) please contact Independent External Monitor (IEM) whose details are as below:

- i) Mr. P V Rao
Email id: pasupuletirao@yahoo.co.in

25. Freak Low Bid:

- (a) If the quoted L-1 rate is less than Cost Estimate / NLPP by more than 40% w.r.t. Cost Estimate / NLPP and if the quoted L-1 rate is less than L2 by more than 30% w.r.t. L2 then such quote will be treated as freak low quote.



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(b) In case of freak low quote, meeting may be held with L-1 bidder to ascertain whether the quoted prices are “workable”. The proper justification shall be given by the bidder.

26. Option Clause: MDL retains the right to place orders for an additional quantity up to 50% of the originally contracted quantity at the same rate and terms & conditions of the contract, during the currency of the contract.

MDL retains the right to increase/decrease the ordered quantity by up to 50 % at the same rate and terms & conditions of the contract, at any time during the currency of the contract (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period).

27. Progress Monitoring & Review Mechanism: On placement of Order/ Contract a kick off meeting is to be held in MDL to chalk out the sequence and priority of the activities and the deliverables in line with the prevailing construction status of the ship. In this meeting, a progress monitoring team shall be constituted comprising vendor’s representative engineer, MDL’s executives (one each from Planning, Design and Ship Manager). This team shall carry out periodic reviews (initially quarterly followed by monthly reviews) to decide and chalk out the detailed sequence and priority of the completion of work and deliverables. The vendor would have to adhere to the recommendations and decisions of the said team while executing the work.

In case the performance of the Suppliers / Service Provider is found to be unsatisfactory in the opinion of Project Superintendent / Project Manager/ HoD of user and if the supplier/service Provider cannot be relied upon for immediate improvement to cover the backlog, warning letter will be issued by commercial executive to supplier/service provider immediately to improve his performance within reasonable time with a caution that some of his work will be withdrawn.

28. Hindrance Register: Wherever submission, approvals and clearances are required, hindrances, if any, with date of occurrences and removal shall be noted in the Hindrance Register. The Hindrance Register shall document reasons for the delay vis-à-vis the mutually agreed schedule. All hindrances such as delay in MDL Inputs (Drawings/Material/Documents/Services/ Inspection call), delay by TPI/Inspection Agency/Customer(Navy), delay on account of specialist services, non-performance by the contractor, delinquency by the vendor, force majeure or any other relevant reason shall be recorded. The Hindrance Register shall be signed by the reps. of both MDL as well as Contractor. Executive in the rank of Chief Manager and above shall be the nodal executive of the User Department. Site-In-Charge of the supplier or their authorised signatories are only authorised to sign the hindrance register. In case the contractor has a different opinion for hindrance and a dispute arises, then the matter shall be referred to the next higher authority. the decision of the next higher authority in case of dispute in respect of hindrances during the course of executing an order/contract shall be final and binding on the contractor. In case of delay in removing the hindrance, the contractor may reduce manpower deployed on the work. Under no circumstances, contractor should be paid for idle manpower.

29. Public Grievance Cell: A public grievance cell headed by Shri R. R. Kumar, ED (EY) has been set up in the company. Members of public having complaints or grievances are advised to contact above Authorities in his office at 3rd Floor, West Block, Mazagon Dock Shipbuilders Ltd or send their complaints / grievances to him in writing for redressal. Telephone No. is 022-23762106 (MDL).

30. Working/Supply on MDL Holidays: Intimation for working/Supply on Saturday / Sunday / holidays if required, should be submitted 2 working days prior to the date of holiday indicating names of personnel to Personnel Department and Security through concerned Department.

31. Breach of Obligation: In case of breach of any obligation mentioned under, the bidder shall be disqualified / debarred from the bidding process for a period of one year from the date of notification;

- i) Bidder has withdrawn / modified / amended / impaired / derogated from the tender during the period of bid validity.
- ii) Bidder fails or refuses to execute the contract upon notification of acceptance of bid by MDL during the period of bid validity.



32. Land Border:

- a) Bidder shall comply orders issued by ministry of Finance department of expenditure Vide OM 6/18/2019- PPD dated 23 July 2020 & 24 July 2020 and OM No F.7/10/2021/-PPD(1) dated 23.02.2023.
The Orders stipulate mandatory registration with competent authority and seeking certificate of compliance with this Order from the bidder from a country which shares a land border with India in the tender process. Exclusions from these restrictions have also been enlisted in the Order. The Competent authority for the purpose of registration under this Order shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT).
- b) b) This clause is applicable for bidders from a country which shares a land border with India” for the purpose of this Order means: -
- i) An entity incorporated, established or registered in such a country; or
 - ii) A subsidiary of an entity incorporated, established or registered in such a country; or
 - iii) An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - iv) An entity whose beneficial owner is situated in such a country; or
 - v) An Indian (or other) agent of such an entity; or
 - vi) A natural person who is a citizen of such a country; or
 - vii) A consortium or joint venture where any member of the consortium or joint venture falls under any of the above
- c) Registration shall not be applicable for the bidders from those country to which the Government of India has extended Line of credit or in which the government of India is engaged in development project.

33. Right to Reject any or all Bids:

MDL reserves its right to accept or reject any or all Bids, abandon/ cancel the Tender process, and issue another tender for the same or similar Goods/Services at any time before the award of the contract. It would have no liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for such action(s).

34. Variation of Quantities at the Time of Award: At the time of awarding the contract, the quantity to be procured must be re-judged based on the current data, since the ground situation may have very well changed. The tendered quantity can be increased or decreased by 25 (twenty-five) per cent for ordering, if so warranted.

35. Conflict of Interest among Bidders/ Agents: A bidder shall not have conflict of interest with other bidders. Such conflict of interest can lead to anti-competitive practices to the detriment of MDL's interests. The bidder 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:

- (i) they have controlling partner (s) in common; or
- (ii) they receive or have received any direct or indirect subsidy/ financial stake from any of them; or
- (iii) they have the same legal representative/agent for purposes of this bid; or
- (iv) they have 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
- (v) Bidder participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/ sub-assembly/ Assemblies from one bidding manufacturer in more than one bid.
- (vi) Either Manufacturer or his only one authorized dealer/agent fulfilling the governing criteria (clause under pre-qualification criteria) can quote against this tender. In case offer is received from both Manufacturer and authorized dealer/agent, only bid from Manufacturer shall be considered for further processing and the bid of dealer/agent shall be rejected. One Manufacturer can authorize only one dealer in case manufacturer is not quoting/submitting



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their bid. In case of bids are received from more than one authorized dealer/agent of same manufacturer, their bids will be rejected.

- (vii) In case of a holding company having more than one independently manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/ common business/ management units in same/ similar line of business.

Note: The bidders shall submit the undertaking for above para (Conflict of Interest among Bidders/ Agents) along with Part I bid.

- 36. Contacting MDL during the evaluation:** From the time of bid submission to awarding the contract, no bidder shall contact MDL on any matter relating to the submitted bid. If a Bidder needs to contact MDL for any reason relating to this tender and/ or its bid, it should do so only in writing or electronically. Any effort by a Bidder to influence MDL during the processing of bids, evaluation, bid comparison or award decisions shall be construed as a violation of the Code of Integrity, and bid shall be liable to be rejected as nonresponsive in addition to other punitive actions for violation of Code of Integrity as per the Tender Document.

37. Cartel Formation/Pool Rates

It is possible that sometimes a group of bidders quote the same rate against a tender. Such pool/cartel formation is against the basic principle of competitive bidding and defeats the very purpose of an open and competitive tendering system. Such and similar tactics to avoid/control true competition in a tender leading to "Appreciable Adverse Effect on Competition" (AAEC) have been declared as an offence under the Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007. In case of evidence of cartel formation, detailed cost analysis may be done by associating experts if necessary. Besides, suitable administrative actions can be resorted to, such as rejecting the offers, reporting the matter to trade associations, the Competition Commission or NSIC, etc., and requesting them, inter-alia, to take suitable strong actions against such firms. Purchaser may also debar the tenderers indulging in cartel formation/collusive bidding/bid rigging for a period of two years from participation in the tenders of the Purchaser.

38. Registration on Government E-Marketplace (GeM) Portal:

Bidders shall mandatorily obtain the unique GeM Seller ID and submit the same to MDL. Requirement of unique GeM Seller ID is applicable only where the total amount of bid is more than INR 25 Lakhs (inclusive of taxes etc.). Non-submission of Unique GeM Seller ID is under rejection criteria. The unique GeM seller ID shall form part of the purchase order.

- 39. Corrigendum to Tender Document:** Before the deadline for submitting bids, MDL may update, amend, modify, or supplement the information, assessment or assumptions contained in the Tender Document by issuing a corrigendum. The corrigendum shall be published in the same manner as the original Tender Document. Without any liability or obligation, the Portal may send intimation of such corrigendum to bidders who have downloaded the document under their login. However, the bidders' responsibility is to check the website(s) for any corrigendum. Any corrigendum thus issued shall be considered a part of the Tender Document. To give reasonable time to the prospective bidders to take such corrigendum into account in preparing their bids, MDL may suitably extend the deadline for the bid submission, as necessary. After MDL makes such modifications, any Bidder who has submitted his bid in response to the original invitation shall have the opportunity to either withdraw his bid or re-submit his bid superseding the original bid within the extended time of submission.

40. Additional Instructions:

- (a) Bidder shall abide to all tender terms & conditions including General Conditions of Contract (GCC).
- (b) The bidder shall also abide to all statutory requirements, Official Secret Act 1923, Security and Safety Rules as per references, which are part of this tender. If contractors' employees are not adhering to the health, safety and environment norms and the contractors not equipping their employees with suitable safety gears, will be viewed seriously. For non-



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adherence to above will be levied as per extant guidelines of Security and Safety Rules prevailing time to time, to the contractor without prejudice to other rights to enforce the safety requirements.

- (c) MDL shall not be bound by any printed conditions or provisions in the sellers bid forms or acknowledgement of contract, invoices, packing list and any other documents which purport to impose any conditions at variance with the tender terms / final negotiated & accepted terms.
- (d) In case of improper on-line filling or non-submission of Acceptance formats for Tender Enquiry Form (TEF), GCC, it shall be presumed that all our tender terms & conditions are acceptable to the bidder.
- (e) Wherever the clauses in tender document (Part A) are getting repeated in GCC, then in such cases bidders are requested to refer the clauses in the tender doc (Part A) and offer their comments/acceptance, accordingly.

41. E-Portal and E-Tender Guidance:

- a) **Submission of bids against e-Tenders:** The bidder is required to quote online on the e-Procurement website www.eprocuremdl.nic.in by the deadline, by submitting the Techno-commercial Bid & Price Bid in Electronic format only. The prices/quotes & a few declarations shall have to be entered/uploaded by the bidder online in the Tender's entry forms & other bid documents' scanned/soft copies shall have to be uploaded as part of the bid. All bids should be digitally signed using DSC (as explained below).
- b) To participate in e-Tender (s), every bidder must register themselves on the ASP's website (*registration is free of cost*) & must possess a legally valid Class-IIB or above Digital Signature Certificate (DSC) as per IT Act-2000, using which they can sign their electronic bids. The DSC can be procured from any Certifying Authority (CA) authorized by Controller of Certifying Authorities (CCA) of Govt. of India.
- c) National Informatics Centre (NIC) have been appointed by MDL as the Application Service Provider (ASP).
- d) Online User Manual is available on the website for the guidance of users & for participating in the e-Procurement/ e-Tendering, the bidder must ensure having the requisite (IT) infrastructure at their office premises.
- e) For any further details of e tendering & digital signatures, please contact 0120- 4200462, 0120-4001002, 8826246593, eproc-support@gov.in.
- f) Problems in hardware/software, internet connectivity, system configurations, Browser setting etc., for whatsoever reason shall not be considered for extension of tender closing date and time.
- g) MDL will not be responsible for an error in downloading of tender documents from web by the bidders. The version appearing on MDL website will be considered final and authentic.

42. Contact Details for Queries: All bidders are requested to get their queries, if any, clarified in advance (i.e. 7 days in advance to tender closing date) to avoid last minute delay. In case of any clarifications regarding tender, bidders are requested to contact the following executives.

Department	Name of Executives	Contact No	Email
Technical	Mr. Ankur Bhushan (CM-Welding)	022-23763270	abhushan@mazdock.com
	Mr. Walter Mundu, DGM	022-23763210	wmundu@mazdock.com
Commercial	Mr. Sanjay Kumar CM(C-MP)	022-23763248	kumarsanjay@mazdock.com
	Mr. Rajesh S. Paulastye, DGM(Materials-Special Procurement)	022-23763252	rspaulastye@mazdock.com

43. We look forward to receive your most competitive and reasonable offer against this tender.

Yours faithfully,
Sanjay Kumar, CM(C-MP)

For MAZAGON DOCK SHIPBUILDERS LIMITED



Enclosures: -

Enclosure-1	TSP (Not applicable)
Enclosure-2	General Conditions of Contracts (GCC)
Enclosure-3	EMD Bank Guarantee Format
Enclosure-4	Integrity Pact(IP)Format
Enclosure-5	Compliance Certificate w.r.t. Land Border Clause
Enclosure-6	Performance Security (PS) Bank Guarantee Format
Enclosure-7	RTGS/NEFT – Mandate Authorization Form
Enclosure-8	Details for remittance towards EMD/PS
Enclosure-9	Official Secret Act 1923
Enclosure 10	Format for Local Content Declaration
Enclosure 11	Undertaking For Conflict Of Interest
Enclosure 12	Undertaking for not debarred



GENERAL CONDITIONS OF CONTRACT (GCC) FOR GOODS AND SERVICES

The word 'Purchaser' refers to MAZAGON DOCK SHIPBUILDERS LIMITED, (MDL), a Company within the meaning of Companies Act, 2013 and it includes its successors or assignees.

The word 'Bidder' (including the term 'tenderer', 'consultant' 'vendor' or 'service provider' in certain contexts) means any legal entity such as firm(s) of Proprietorship / Partnership Firm / Limited Liability Partnership / Private Limited / Limited company / Society registered under Society's Act / Statutory Bodies/ Consortium/ Joint Venture etc. participating in a procurement process.

The word 'Owner' means the person or authority with whom Mazagon Dock Shipbuilders Limited (Purchaser) has contracted to carry out work in relation to which orders are placed by the Purchaser on the Bidder/Supplier/Contractor under this contract for supply or manufacture of certain items and would include Department of Defence Production, Ministry of Defence, Government of India, the Indian Navy, the Coast Guard and any other specified authority.

Unless otherwise indicated specifically by the bidder / contractor in his bid, it shall be construed as his acceptance of all the conditions mentioned in this GCC.

1. TENETS OF INTERPRETATION (Applicable for Goods and Services)

Unless where the context requires otherwise, throughout the contract:

- (a) The heading of these conditions shall not affect the interpretation or construction thereof.
- (b) Writing or written includes matter either whole or in part, in digital communications, manuscript, typewritten, lithographed, cyclostyled, photographed, or printed under or over signature or seal or digitally acceptable authentication, as the case may be.
- (c) Words in the singular include the plural and vice-versa.
- (d) Words importing the masculine gender shall be taken to include other genders, and words importing persons shall include any company or association or body of individuals, whether incorporated or not.
- (e) Terms and expression not herein defined shall have the meanings assigned to them in the Contract Act, 1872 (as amended) or the Sale of Goods Act, 1930 (as amended) or the General Clauses Act, 1897 (as amended) or of INCOTERMS, (current edition published by the International Chamber of Commerce, Paris) as the case may be.
- (f) Any reference to 'Goods' shall be deemed to include the incidental Works/ Services also.
- (g) Any generic reference to GCC shall also imply a reference to TEF as well.
- (h) In case of conflict, provisions of TEF shall prevail over those in GCC.
- (i) Any reference to 'Contract' shall be deemed to include all other documents (inter-alia GCC, TEF).
- (j) Any reference to any legal Act, Government Policies or orders shall be deemed to include all amendments to such instruments, from time to time, till date.
- (k) Fall Clause shall be expressly applicable in the case of Rate Contract.

2. LANGUAGE OF CONTRACT (Applicable for Goods and Services)

Unless otherwise stipulated in TEF, the contract shall be written in the Official Language or English. All correspondence and other contract documents, which the parties exchange, shall also be written/ translated accordingly in that language. For purposes of interpretation of the contract, the English documents/ translation shall prevail.

3. GOVERNING LAWS AND JURISDICTION (Applicable for Goods and Services)

3.1 Governing Laws and Jurisdiction

- (i) This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Laws of India for the time being in force.
- (ii) Irrespective of the place of delivery, or the place of performance or the place of payments under the contract, the contract shall be deemed to have been made at the place from which the Purchase Order/Contract/Letter of Intent has been issued. The courts of such a place shall alone have jurisdiction to decide any dispute arising out or in respect of the contract.



3.2 Changes in Laws and Regulations

Unless otherwise stipulated in the contract, if after the last deadline for the bid submission (Techno-commercial), any law, regulation, ordinance, order or bye-law having the force of law is enacted, promulgated, abrogated, or changed in India (which shall be deemed to include any change in interpretation or application by the competent authorities) that subsequently affects the Delivery Date and/ or the contract Price, then such Delivery Date and/ or Contract Price shall be correspondingly increased or decreased, to the extent that the contractor has thereby been affected in the performance of any of its obligations under the contract. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable.

4. CONFIDENTIALITY, SECRECY AND IPR RIGHTS (Applicable for Goods and Services)

(a) IPR Rights

All deliverables, outputs, plans, drawings, specifications, designs, reports, and other documents and software submitted by the contractor under this Contract shall become and remain the property of MDL and subject to laws of copyright and must not be shared with third parties or reproduced, whether in whole or part, without MDL's prior written consent. The contractor shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to MDL, together with a detailed inventory thereof. The contractor may retain a copy of such documents and software but shall not use it for any commercial purpose.

(b) Confidentiality

All documents, drawings, samples, data, associated correspondence or other information furnished by or on behalf of MDL to the contractor, in connection with the contract, whether such information has been furnished before, during or following completion or termination of the contract, are confidential and shall remain the property of MDL and shall not, without the prior written consent of MDL neither be divulged by the contractor to any third party, nor be used by him for any purpose other than the design, procurement, or other services and work required for the performance of this Contract. If advised by MDL, all copies of all such information in original shall be returned on completion of the contractor's performance and obligations under this contract.

(c) Secrecy

If the Contract declares the subject matter of this Contract as coming under the Official Secrets Act, 1923 or if the contract is marked as "Secret", the contractor shall take all reasonable steps necessary to ensure that all persons employed in any connection with the contract, have acknowledged their responsibilities and penalties for violations under the Official Secrets Act and any regulations framed thereunder.

(d) Obligations of the contractor

- (i) Without MDL's prior written consent, the contractor shall not use the information mentioned above except for the sole purpose of performing this contract.
- (ii) The contractor shall treat and mark all information as confidential (or Secret – as the case may be) and shall not, without the written consent of MDL, divulge to any person other than the person(s) employed by the contractor in the performance of the contract. Further, any such disclosure to any such employed person shall be made in confidence and only so far as necessary for such performance for this contract.
- (iii) Notwithstanding the above, the contractor may furnish to its holding company or its Subcontractor(s) such documents, data, and other information it receives from MDL to the extent required for performing the contract. In this event, the contractor shall obtain from such holding company/ Subcontractor(s) an undertaking of confidentiality (or secrecy – as the case may be) similar to that imposed on the contractor under the above clauses.
- (iv) The obligation of the contractor under sub-clauses above, however, shall not apply to information that:



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- (aa) The contractor needs to share with the institution(s) participating in the financing of the contract;
- (ab) now or hereafter is or enters the public domain through no fault of Contractor;
- (ac) can be proven to have been possessed by the contractor at the time of disclosure and which was not previously obtained, directly or indirectly, from MDL; or
- (ad) otherwise lawfully becomes available to the contractor from a third party that has no obligation of confidentiality.
- (v) The above provisions shall not in any way modify any undertaking of confidentiality (or Secrecy – as the case may be) given by the contractor before the date of the contract in respect of the contract/ the Tender Document or any part thereof.
- (vi) The provisions of this clause shall survive completion or termination for whatever reason of the contract.

5. **PERMITS, APPROVALS AND LICENSES** (Applicable for Goods and Services)

Whenever the supply of Goods and incidental Services requires that the contractor obtain permits, approvals, and licenses from local public authorities, it shall be the contractor's sole responsibility to obtain these and keep these current and valid. Such requirements may include but not be restricted to export licence or environmental clearance if required. If requested by the contractor, MDL shall make its best effort to assist the contractor in complying with such requirements in a timely and expeditious manner, without any dilution of the Contractor's responsibility in this regard.

6. **TRANSFER OF TITLE OF GOODS** (Applicable for Goods)

- (i) Unless otherwise stated in the contract, notwithstanding any inspection and approval by the Inspecting Officer on the contractor's premises, or any payments made to the contractor, property in the Goods (and resultant rights and liabilities) shall not pass on to MDL until the Goods have been received, inspected, and accepted by the consignee. The Goods and every constituent part thereof, whether in the possession or control of the contractor, his agents or servants or a carrier, or the joint possession of the contractor, his agents or servants and MDL, his agents, or servants, shall remain in every respect at the risk of the contractor, until their actual delivery to a person stipulated in the contract, as the interim consignee for despatch to the consignee. The Contractor shall be responsible for all loss, destruction, damage, or deterioration of or to the Goods from any cause whatsoever while the Goods after approval by the Inspecting Officer are awaiting despatch or delivery or are in the course of transit from the contractor to the consignee or interim consignee, as the case may be. The Contractor shall alone be entitled and responsible for making claims against any carrier in respect of non-delivery, short delivery, mis-delivery, loss, destruction, damage, or deterioration of the Goods entrusted to such carrier by the contractor for transmission to the consignee or the interim consignee as the case may be.
- (ii) Provided that where, under the terms of the contract, the Goods are required to be delivered to an interim consignee for despatch to the consignee, the Goods shall be at MDL's risk after their delivery to the interim consignee.

7. **EXTENSION OF DELIVERY PERIOD** (Applicable for Goods)

- (i) If at any time during the currency of the contract, the contractor encounters conditions hindering timely delivery of the Goods and performance of incidental Works/ Services, he shall promptly inform MDL in writing about the same and its likely duration. He must make a request to MDL for an extension of the delivery schedule. On receiving the contractor's communication, MDL shall examine the situation and, at its discretion, may agree to extend the delivery schedule, with or without liquidated damages and with and without denial clause by issuing an amendment to the contract.
- (ii) **Conditions for Extension of Delivery Period**
When the period of delivery is extended due to unexcused delay (Note: please ensure that unexcused delay is defined. Otherwise replace "unexcused delay" with the "delays attributable") by the contractor, the amendment extending the delivery period shall, inter alia, be subject to the following conditions:



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- a. Liquidated Damages
MDL shall recover from the contractor, under the provisions of this clause, liquidated damages on the Goods and incidental Works/ Services, which the contractor has failed to deliver within the delivery period stipulated in the contract.
- b. Denial Clause
 - (aa) No increases in price on account of any statutory increase in or fresh Imposition of GST, customs duty or on account of any other taxes/ duty/ cess/ levy), leviable in respect of the Goods and incidental Works/ Services stipulated in the said contract which takes place after the original delivery date, shall be admissible on such of the said Goods, as are delivered after the said date; and
 - (ab) Notwithstanding any stipulation in the contract for an increase in price on any other ground, including price variation clause or foreign exchange rate variation, or any other variation clause, no such increase after the original delivery date shall be admissible on such goods delivered after the said date.
 - (ac) Nevertheless, MDL shall be entitled to the benefit of any decrease in price on account of reduction in or remission of GST, customs duty or on account of any other Tax or duty or any other ground as stipulated in the price variation clause or foreign exchange rate variation or any other variation clause which takes place after the expiry of the original delivery date.

(iii) **Liquidated damages**

If the contractor fails to deliver any or all of the Goods or fails to perform the incidental Works/ Services (e.g. installation, commissioning or operator training) within the time frame(s) incorporated in the contract, MDL shall, without prejudice to other rights and remedies available to MDL under the contract, deduct from the contract price, as agreed liquidated damages, but not as a penalty, a sum equivalent to the 0.5 % percent (excluding taxes) of the delivered price of the delayed Goods and/ or incidental Works/ Services for each week of delay or part thereof until actual delivery or performance, subject to a maximum deduction of the 5% of the delayed Goods' or incidental Works/ Services' contract price(s). Besides liquidated damages during such a delay, the denial clause shall also apply. Any failure or delay by any sub-contractor, though their employment may have been sanctioned shall not be admitted as a ground for any extension of time or for exempting the contractor from liability for any such loss or damage as aforesaid.

8. **DEFAULTS, BREACHES & TERMINATION OF CONTRACT** (Applicable for Goods and Services)

Termination due to Breach, Default, and Insolvency

(a) Defaults and Breach of Contract

In case the contractor undergoes insolvency or receivership; neglects or defaults, or expresses inability or disinclination to honour his obligations relating to the performance of the contract or ethical standards or any other obligation that substantively affects MDL's rights and benefits under the contract, it shall be treated as a breach of Contract. Such defaults shall include inter-alia:

(i) Default in Performance and Obligations

If the contractor fails to deliver any or all of the Goods or fails to perform any other contractual obligations (including Code of Integrity or obligation to maintain eligibility and Qualifications based on which contract was awarded) within the period stipulated in the contract or within any extension thereof granted by MDL.

(ii) Insolvency

If the contractor is wound up or ceases to otherwise trade or is unable to pay its debts as and when they fall due or is otherwise subject to any insolvency procedure.

(iii) If a receiver or similar official is appointed overall or any of the assets of the contractor or a petition is presented for its winding up or it entered into a composition with its creditors;



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- (b) Notice for Default
As soon as a breach of contract is noticed, a show-cause 'Notice of Default' shall be issued to the contractor, giving two weeks' notice, reserving the right to invoke contractual remedies. After such a show-cause notice, all payments to the contractor would be temporarily withheld to safeguard needed recoveries that may become due on invoking contractual remedies.
- (c) Terminations for Default
- (i) Notice for Termination for Default: In the event of unsatisfactory resolution of 'Notice of Default' within two weeks of its issue as per sub-clause above, MDL if so decided, shall by written Notice of Termination for Default sent to the contractor, terminate the contract in whole or in part, without compensation to the contractor.
 - (ii) Such termination shall not prejudice or affect the rights and remedies, including under sub-clause below, which have accrued and/ or shall accrue to MDL after that.
 - (iii) Unless otherwise instructed by MDL, the contractor shall continue to perform the contract to the extent not terminated. All warranty obligations, if any, shall continue to survive despite the termination.
- (d) Contractual Remedies for Breaches/Defaults or Termination for Default
If there is an unsatisfactory resolution within this period, MDL shall take one; or more of the following contractual remedies.
- (i) Temporary withhold payments due to the contractor till recoveries due to invocation of other contractual remedies are complete.
 - (ii) Call back any loaned property or advances of payment, if any, with the levy of interest at the prevailing rate (MIBID - Mumbai Interbank Bid Rate).
 - (iii) Recover liquidated damages and invoke denial clause for delays.
 - (iv) Encash and/ or Forfeit performance or other contractual securities.
 - (v) Prefer claims against insurances, if any.
 - (vi) Terminate contract for default, fully or partially including its right for Risk-and-Cost Procurement as per following sub-clause.
 - (vii) Risk and Cost Procurement
In addition to termination for default, MDL shall be entitled, and it shall be lawful on his part, to procure Goods same to those terminated, with such terms and conditions and in such manner as it deems fit at the "Risk and Cost" of the contractor. Such 'Risk and Cost Procurement' must be initiated (viz. AIP/PR/Tender) within six months from the termination of Contract. The Contractor shall be liable for any loss which MDL may sustain on that account provided the procurement, or, if there is an agreement to procure, such agreement is made. The Contractor shall not be entitled to any gain on such procurement, and the manner and method of such procurement shall be in the entire discretion of MDL. (Note: deleted being contrary to law). (Note: No contractor would give security after the termination of the contract)
Note: Regarding the Goods which are not readily available in the market and where procurement difficulties are experienced, the period for making risk procurement shall be nine months instead of six months provided above.
 - (viii) Initiate legal proceedings in a for the recovery of the losses and damages, not addressable by the above means.

9. **CLOSURE OF CONTRACT** (Applicable for Goods and Services)

The contract shall stand closed upon successful performance of all obligations by the firm, including completion of warranty obligations and final payment. If no claim is received within 03 years from last supplies/services, then no claim shall be entertained thereafter.

10. **COMMUNICATION AND LANGUAGE FOR DOCUMENTATION** (Applicable for Goods and Services)

Any letter, facsimile message, e-mail intimation or notice sent to the Bidder/Supplier/ Contractor at the last known address mentioned in the offer / order shall be deemed to be valid communication for the purpose of the order/contract. Unless stated otherwise by the purchaser, Language for



communication and all documentation shall be same, which the Purchaser has used, in the tender enquiry.

11. **PRESERVATION AND MAINTENANCE** (Applicable for Goods)
Should any material require any preservation till its final installation/fitment, the detailed procedure (Long term and short term) for the same as also the time of interval after which the state of preservation needs to be reviewed is to be stated by the Bidder/Supplier/Contractor.
Further the de-preservation prior to the material/equipment being commissioned and the maintenance procedure together with its periodicity is also to be indicated by the Bidder / Supplier / Contractor.
12. **FREIGHT AND INSURANCE.** (Applicable for Goods)
 - (a) For Indigenous Bidders
Bidder shall quote for 'Door Delivery to Purchaser,' all charges towards door delivery viz. transport, Insurance charges etc. shall be borne by the Bidder / Supplier / Contractor.
 - (b) For Foreign Bidders
For overseas bidders, bidder shall agree for supplying the goods on CIF/CIP, Incoterm basis. The Bidder / Supplier / Contractor shall immediately on despatch of the items, inform all relevant details of despatch such as Order Number, Bill of Lading/AWB Number marked as Freight Paid, Insurance policy/document, number of packages, value of consignment, invoice number etc. as per contractual terms.
13. **DEMURRAGE** (Applicable for Goods)
Storage, and Demurrage, fines etc. charges will be payable by the Bidder / Supplier / Contractor for all shipments in case of improper documentation, wrong declarations, error in weight measurements, packing list, invoice, late receipt of documents etc. i.e. for reasons which are not attributable to the purchaser.
14. **CANCELLATION OF TENDER** (Applicable for Goods and Services)
The Purchaser reserves the right to cancel/withdraw the tender in toto or part and or award the contract / order in full or part without assigning any reason whatsoever and without thereby incurring any liability to the affected Bidder or Bidders or any obligations to inform the affected Bidder or Bidders of the grounds for MDL action.
15. **PURCHASER'S PROPERTY**(Applicable for Goods and Services)
All property (such as materials, drawings, documents etc.) issued by the Purchaser or any other individual or firm on behalf of the Purchaser in connection with the contract shall remain confidential, being the property of the Purchaser and the Bidder/Supplier/Contractor shall undertake to return all such property so issued and will be responsible for any or all loss thereof and damage thereto resulting from whatever causes and shall reimburse the Purchaser the full amount of loss and damage.
On completion of work in any compartment / location of the purchaser's premises, the Bidder/Supplier/Contractor must ensure that the place is left in a reasonably clean state and all scrap is transferred to nearby scrap-bins.
16. **REJECTION OF MATERIALS** (Applicable for Goods)
If the Goods, or any portion thereof of the equipment found defective / rejected, the Supplier / Contractor shall collect the same from MDL's Stores, all incidental charges being borne by him (inclusive of Custom duty, if payable), within 30 days from the date of intimation to the Supplier / Contractor of such rejection. If not collected within 30 days, MDL shall recover storage charges @ 1 % per month maximum up to 5% of cost of rejected items. MDL reserves the right to dispose off the rejected items at the end of a total period of six months in any manner to the best advantage to MDL and recover consequential damages maximum up to order value.
17. **RECOVERY-ADJUSTMENT PROVISIONS** (Applicable for Goods and Services)



Payment made under one order shall not be assigned or adjusted to any other order except to the extent agreed upon in writing by the Purchaser. During the currency of the contract, if any sum of money is payable by the Bidder / Supplier / Contractor the same shall be deducted from any sum then due or thereafter may become due to the Bidder / Supplier / Contractor under the contract or any other contract with the Purchaser.

18. **INDEMNIFICATION** (Applicable for Goods and Services)
The Bidder / Supplier / Contractor, his employees, licences, agents or Sub-Supplier / Sub-contractor, while on site of the Purchaser for the purpose of this contract, indemnifies the Purchaser against direct damage and/or injury to the property and/or the person of the Purchaser or that of Purchaser's employees, agents, Sub-Contractors / Suppliers occurring and to the extent caused by the negligence of the Bidder / Supplier / Contractor, his employees, licensees, agents or Sub-contractor by making good such damages to the property, or compensating personal injury and the total liability for such damages or injury shall be as mutually discussed and agreed to.
19. **TRANSFER OF SUPPLIERS / CONTRACTOR'S RIGHTS** (Applicable for Goods and Services)
The Bidder / Supplier / Contractor shall not either wholly or partly sell, transfer, assign or otherwise dispose of the rights, liabilities and obligations under the contract between him and the Purchaser without prior consent of the Purchaser in writing.
20. **SUBCONTRACT AND RIGHT OF PURCHASER** (Applicable for Goods and Services)
The Bidder / Supplier / Contractor under no circumstances undertake or subcontract any work / contract from or to any other Sub-contractor without prior written approval of the Competent Authority of Purchaser. In the event it is found that such practice has been indulged in, the contract is liable to be terminated without notice and the Bidder / Supplier / Contractor is debarred all from future tender enquiries / work orders. However, in no circumstances a contractor is permitted to subcontract any part of the contract to the bidders who had quoted for the concerned tender.
21. **PATENT RIGHTS** (Applicable for Goods and Services)
The Bidder / Supplier / Contractor shall hold harmless and keep the Purchaser indemnified against all claims arising as a result of infringement of any patent / copy rights on account of manufacture, sale or use of articles covered by the order.
22. **AGENTS/AGENCY COMMISSION** (Applicable for Goods and Services)
The seller confirms and declares to the buyer that the seller is the original manufacturer or authorized distributor/stockiest of original manufacturer of the goods referred to in this contract and has not engaged any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way to recommended to the Buyer or any of its functionaries, whether officially or unofficially, to the award of the Contract / Purchase order to the Seller; nor has any amount been paid, promised or intended to be paid to any such individual or firm in respect of any such intercession, facilitation or recommendation.
The Seller agrees that if it is established at any time to the satisfaction of the Buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that the Seller has engaged any such individual/firm, and paid or intended to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this Contract / Purchase order, the Seller will be liable to refund that amount to the Buyer. The seller will also be debarred from participation in any RFQ/Tender for new projects/program with Buyer for a minimum period of five years.
The buyer will also have a right to consider cancellation of the Contract either wholly or in part, without any entitlement or compensation to the Seller who shall in such event be liable to refund all payments made by the buyer in terms of the Contract along with interest at the rate of 2% per annum or 6% whichever is higher above LIBOR (London Inter Bank Offer Rate) (for foreign vendors) and base rate of SBI plus 2% (for Indian Vendors).
The Buyer will also have the right to recover any such amount from any contracts concluded earlier with Buyer.



23. **USE OF UNDUE INFLUENCE / CORRUPT PRACTICES** (Applicable for Goods and Services) The Bidder / Supplier / Contractor undertakes that he has not used corrupt practices or used any undue influence which is not admissible as per Indian law to obtain contract/order or in doing any business with the purchaser.
If found that Bidder / Supplier / Contractor is involved in such wrong practices, then Purchaser is entitled to cancel the contract/s and all or any other contracts and then to recover from the Bidder / Supplier / Contractor the amounts of any loss arising from such contracts' cancellation, including but not limited to imposition of penal damages, forfeiture of Performance security, encashment of the Bank Guarantee and refund of the amounts paid by the Purchaser.
24. **IMMUNITY OF GOVERNMENT OF INDIA CLAUSE** (Applicable for Goods and Services)
It is expressly understood and agreed by and between M/s. (Bidder / Supplier / Contractor) and Mazagon Dock Shipbuilders Limited, Dockyard Road, Mumbai - 400 010 (MDL) is entering into this Agreement solely on its own behalf and not on the behalf of any person or entity. In particular, it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that MDL is an independent legal entity with power and authority to enter into contracts solely in its own behalf under the applicable of Laws of India and general principles of Contract Law. The (Bidder / Supplier / Contractor) expressly agrees, acknowledges and understands that MDL is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions and commissions, breaches or other wrongs arising out of the contract. Accordingly, (Bidder / Supplier / Contractor) hereby expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Government of India arising out of this contract and covenants not to sue Government of India in any manner, claim, cause of action or thing whatsoever arising of or under this Agreement.
25. **EXPORT LICENCE** (Applicable for Goods and Services)
The export licenses that may be required for delivery of the various items/equipment to MDL shall be arranged by the Bidder / Supplier / Contractor from the concerned authorities in their country without any time and cost implications on the Purchaser.
26. **BANNED OR DE-LISTED CONTRACTORS / SUPPLIERS** (Applicable for Goods and Services)
The Bidder / Supplier / Contractor declares that they being Proprietors / Directors / Partners have not been any time individually or collectively blacklisted or banned or de-listed by any Government or quasi Government agencies or PSUs. If a bidder's entities as stated above have been blacklisted or banned or de-listed by any Government or quasi Government agencies or PSUs, this fact must be clearly stated and it may not necessarily be a cause for disqualifying him.
27. **DUTY OF PERSONNEL OF SUPPLIER/CONTRACTOR** (Applicable for Goods and Services)
MDL being a Defence Public Sector Undertaking, Bidder / Supplier / Contractor undertakes that their personnel deployed in connection with the entrusted work will not indulge in any activities other than the duties assigned to them.
28. **DISPUTE RESOLUTION MECHANISM AND ARBITRATION** (Applicable for Goods and Services)
- (a) Dispute resolution mechanism(DRM)
- (i) Any dispute/differences between the parties arising out of and in connection with the contract shall be settled amicably by mutual negotiations at HoS/HoD level.
- (ii) In case of non-settlement by (i) above, if at any time, before, during or after the contract period any unsettled claim, dispute or difference arose between the parties, upon or in relation to or in connection with or in any way touching or concerning this tender/agreement/order/contract, the same shall be referred to the concerned Functional Director.
The Functional Director shall then nominate an Executive of the rank of General Manager whom he thinks fit and competent or a Committee of Executives who/which shall then scrutinise the claims/disputes that have been referred to the concerned



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functional Director and make efforts for amicable settlements by mutual discussions/negotiations.

- (iii) In case no amicable settlement is arrived by (ii) above within a period of three months, then the contractor shall approach Public Grievance Cell and address the disputes as per the provisions made under the relevant clause of the contract.
- (iv) In case the issues/disputes do not get settled within a period of six months from the date of submission of the dispute to the Grievance Cell, then the contractor may invoke Arbitration Clause of the contract.

(b) **Arbitration (Applicable for Goods and Services)**

Unresolved disputes/differences, if any, shall then be settled by Arbitration. The Arbitration proceedings shall be conducted at Mumbai, India, in English Language, under the Arbitration and Conciliation Act, 1996 as amended from time to time and the rules thereunder.

MDL prefers to have arbitration through Institutes such as Indian Council of Arbitration (ICA)/ICA-DR, Mumbai Centre for International Arbitration, International Chamber of Commerce (ICC), Singapore International Arbitration Centre (SIAC) with the mutual consent of the parties.

In case of unresolved difference/dispute between the Purchaser and Supplier, being Central Public Sector Enterprises/Central Govt. departments, the disputes shall be resolved firstly through mutual discussion or through the empowered agencies of the Govt. or through arbitration by reference by either party to the department of Public Enterprises, as per extant guidelines. If disputes/differences remain unresolved/unexecuted, the same shall be referred first to the Cabinet Secretariat and then, if necessary to the PMO.

Any changes to arbitration clause must be vetted by HOD (Legal) before incorporation in contract/PO.

29. **JURISDICTION OF COURTS (Applicable for Goods and Services)**

All contracts shall be deemed to have been wholly made in Mumbai and all claims there under are payable in Mumbai City and it is the distinct condition of the order that no suit or action for the purpose of enforcing any claim in respect of the order shall be instituted in any Court other than that situated in Mumbai City, Maharashtra State, India i.e. courts in Mumbai shall alone have jurisdiction to decide upon any dispute arising out of or in respect of the contract.

30. **SAFETY (Applicable for Goods & Services)**

The Contractor / Bidder must observe all safety precautions in connection with the work to be performed by him, his agents or labourers. In the event of any accident happening in our yard resulting in loss of lives or otherwise damaging any part of the property, the contractor shall be required to make good the loss to the Company and shall be responsible for all consequences that follow from the loss and / or injuries to the persons involved in such accidents. The standard of safety to be observed in the Company shall be decided by the Executive-in-Charge Safety, or any Executive appointed for the purpose before the commencement of work in the yard. It will be essential for contractor to ascertain the standard precautions which contractor is required to observe in discharging his work as per the standards prevalent in MDL. The decision of MDL in matters concerning Safety shall be final and binding on the contractor.

The Contractor / Bidder shall be required to provide his workmen with Boiler Suits of any suitable colour other than blue or white, with the Name of the Contractor in prominent letters on the boiler suits along with personal protection gears like safety shoes, hand gloves etc. workmen of the Contractor / Bidder must wear throughout their working while in the premises of MDL. Contractor's workmen working without safety gears are to be disallowed for work.

31. **POLICE VERIFICATION OF EMPLOYEES (Applicable for Services)**

Contractor / Bidder shall have to produce and submit to the Chief Security Executive of Purchaser, verification through Mumbai Police of Character and Antecedents of their employees / workers for while working on ships under construction in Purchaser's Yards, for working onboard ships under modernisation / refit / repairs at Mumbai ports / Naval Dockyard. Entry passes will not be issued in the absence of Police Verification Report and employees without Police Verification shall not be



employed by them in Purchaser's Yard / Mumbai ports / Naval Dockyard and any lapse on the part of Contractor / Bidder shall be viewed seriously as per applicable laws of the land. Employment of any Foreign National during the contract period would be permitted with prior permission of Purchaser.

32. FORCE MAJEURE (Applicable for Goods and Services)

If at any time during the execution of the goods / service order, the performance in whole or in part by either Purchaser or and by the Bidder(s) / Supplier(s) / Contractor(s) is / are delayed by any reason of force majeure situations such as acts of civil war, civil commotion, sabotage, hostilities, war, fires, explosions, epidemics, natural calamities like floods, earthquakes, volcanoes, storms, acts of God and laws of respective governments or any other causes beyond the control of either parties, hereinafter referred to as "events", provided notice of the occurrence of such event/s is / are communicated by either party, to the other party within 21 days from the date of occurrence thereof, neither party shall by reason such events be entitled to terminate the contract nor shall either party have any claim for damages against the other in respect of such non-performance and or delay in performance of the contract / order. Executions on either side shall be resumed as soon as practicable after such event has come to an end or ceased to exist and the decision of Purchaser as to whether activities can resume or not, shall be conclusive and final. Occurrence of the events to be certified by Chamber of Commerce / Indian High Commission or Embassies / Government in that Country.

The performance in whole or in part under the captioned tender / contract is prevented or delayed by reason of any such event for a period exceeding sixty days either party may at its option terminate the contract / further processing of the tender. The relative obligations of both the parties remain suspended during the actual period of force majeure.

The Purchaser may extend the delivery schedule as mutually agreed, on receipt of written communication from the Bidder / Supplier / Contractor regarding occurrence of 'Force Majeure' conditions, but not exceeding six months from the scheduled delivery date. If the 'Force Majeure' conditions extend beyond this period, the Purchaser shall have the right to cancel the order without any financial implication to the Purchaser or on terms mutually agreed to.



PROFORMA BANK GUARANTEE FOR BID BOND / EMD

(On Non-Judicial stamp paper of value Rs. 500/-. However, the value of stamp paper to be confirmed from Legal Department, MDL.)

IN CONSIDERATION OF MAZAGON DOCK SHIPBUILDERS LIMITED, a company incorporated under the Companies Act 1956 and having its registered office at Dockyard Road, Mumbai 400010 (hereinafter referred to as the "the Company" which expression shall, unless it be repugnant or contrary to the subject or context thereof, be deemed to mean and include its successors and assigns) having agreed to accept the Earnest Money Deposit (EMD) of Rs------(Rupees-----only) in the form of Bank Guarantee from Messers a partnership firm/sole proprietor business/a company registered under the Companies Act, 1956 having its office at(hereinafter called " the tenderer" which expression shall, unless it be repugnant or contrary to the subject or context thereof, be deemed to mean and include its successors and assigns) for participating in the Tender no.....dated..... (hereinafter called "the tender" which expression shall include any amendments/alterations to "the tender" issued by "the Company") for the supply, delivery at site, installation and commissioning of certain equipment, item/services/civil works etc., We, Bank having office at (hereinafter referred to as "the Bank" which expression shall include its successors and assigns) hereby agree to pay to the Company without any demur on first demand an amount not exceeding Rs..... (Rupees.....only) against any loss or damage, costs, charges and expenses caused to or suffered by the Company by reason of non performance and non-fulfilment or for any breach on the part of the tenderer of any of the terms and conditions of the said tender.

2. We, Bank further agree that the Company shall be sole judge whether the said tenderer has failed to perform or fulfil the said tender in terms thereof or committed breach of any terms and conditions of the tender the extent of loss, damage, cost, charges and expenses suffered or incurred or would be suffered or incurred by the Company on account thereof and we waive in the favour of the Company all the rights and defences to which we as guarantors may be entitled to.

3. We, Bank further agree that the amount demanded by the Company as such shall be final and binding on the Bank as to the Bank 's liability to pay and the amount demanded and the Bank undertake to pay the Company the amount so demanded on first demand and without any demur notwithstanding any dispute raised by the tenderer or any suit or other legal proceedings including arbitration pending before any court, tribunal or arbitrator relating thereto, our liability under this guarantee being absolute and unconditional.

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

5. We, Bank further undertake not to revoke this guarantee during its currency except with the previous consent of the Company in writing.

6. We, Bank also agree that the Bank's liability under this guarantee shall not be affected by any change in the constitution of the tenderer or dissolution or winding up of the business of the tenderer.

7. Notwithstanding anything contained herein above:



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- i) Our liability under this guarantee shall not exceed Rs.....
- ii) This Bank Guarantee shall be valid upto and including; and
- iii) We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before(validity + ---weeks from the date of expiry of this guarantee).

8. This Guarantee shall be governed by Indian laws and the Courts at Mumbai, India shall have the exclusive jurisdiction.

IN WITNESS WHEREOF the Bank has executed this document on this..... day of

For Bank
(by its constituted attorney
or the person authorised to sign)

(Signature of a person authorised
to sign on behalf of "the Bank")



INTEGRITY PACT

Mazagon Dock Shipbuilders Limited (MDL) hereinafter referred to as "The Principal/Buyer"

And.....hereinafter referred to as "The Bidder/ Contractor"

PREAMBLE

	The Principal/Buyer intends to award, under laid down organizational procedures, contract/s forThe Principal/Buyer values full compliance with all relevant laws of the land rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and /or Contractor(s). In order to achieve these goals, the Principal/Buyer will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.
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Section 1 - Commitments of the Principal/Buyer:

(1)	The Principal/Buyer commits itself to take all measures necessary to prevent corruption and to observe the following principles:
	a) No employee of the Principal/Buyer, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
	b) The Principal/Buyer will during the tender process treat all Bidder(s) with equity and reason. The Principal/Buyer will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
	c) The Principal/Buyer will exclude from the process all known prejudiced persons.
	d) The Principal/Buyer undertakes to scrupulously follow the tender containing General Conditions of Contract (GCC) in respect of procurement contracts for goods, services and civil works.
(2)	If the Principal/Buyer obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal/Buyer will inform the Chief Vigilance Officer, MDL and in addition can initiate disciplinary actions.

Section 2 - Commitments of the Bidder(s)/Contractor(s):

(1)	The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
	a) The Bidder(s)/Contractor(s) will not, directly or through any other persons or firm, offer promise or give to any of the Principal/Buyer's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage or any kind whatsoever during the tender process or during the execution of the contract.
	b) The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.



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c)	The Bidder(s)/Contractor(s) will not commit any offence under the relevant Anti-Corruption Laws of India; further the Bidder(s)/Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to other, any information or document provided by the Principal/Buyer as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
d)	The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. All payments made to the Indian Agent/representative have to be in Indian Rupees only. Further details as mentioned in the "Guidelines of Indian Agents of Foreign suppliers" shall be disclosed by the Bidders(s)/Contractor(s). Copy of the "Guidelines on Indian Agents of Foreign Suppliers" as annexed and marked as Annexure-A.
e)	The Bidder(s)/Contractor(s) will when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
f)	The Bidder (s)/Contractor(s), their agents, representatives shall not do such things so as to interfere with the procedures laid down in the Principal/Buyer's tender containing the General Conditions of Contract (GCC) in respect of procurement contracts for goods, services and civil works.
g)	The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
(2)	The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3 - Disqualification from tender process and exclusion from future contracts:

	If the Bidder(s)/Contractor(s) before contract award or during execution of Contract has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility as Bidder(s) in question, the Principal/Buyer is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or to terminate the contract, if already signed for such reason, as per the procedure mentioned in the "Guidelines on Banning of business dealings" Copy of the "Guidelines on Banning of business dealings" is annexed and marked as Annexure-B.
1)	If the Bidder(s)/Contractor(s) has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal/Buyer is entitled also to exclude the Bidder(s)/Contractor(s) from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder(s) and the amount of the damage. The exclusion will be imposed for a minimum of six months and maximum of five years, which may be further extended at the discretion of the Principal/Buyer.
2)	A transgression is considered to have occurred, if the Principal/Buyer after due consideration of the available evidence, concludes that no reasonable doubt is possible.
3)	The Bidder (s) accepts and undertakes to respect and uphold the Principal/Buyer's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the



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	lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining legal advice.
4)	If the Bidder(s)/Contractor(s) can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal/Buyer may revoke the exclusion prematurely.

Section 4 – Sanctions for Violation:

(1)	Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other Act enacted for the prevention of corruption shall entitle the Principal/Buyer to take all or any one of the following actions, wherever required –
a)	To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder (s) would continue.
b)	The Earnest Money Deposit/Security Deposit/Performance Bond shall stand forfeited either fully or partially, as decided by the Principal/Buyer, and the Principal/Buyer shall not be required to assign any reason there for.
c)	To immediately cancel the contract, if already signed, without giving any compensation to the Bidder.
d)	To recover all sums already paid by the Principal/Buyer, in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Base Rate of SBI, and in case of a Bidder from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Bidder from the Buyer in connection with any other contract for any other Defence stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
e)	To en-cash the advance Bank Guarantee and Performance Bond/Warranty bond, if furnished by the Bidder, in order to recover the payments, already made by the Principal/Buyer, along with interest.
f)	To cancel all or any other contracts with the Bidder.
g)	To debar the Bidder from entering into any bid from Principal/Buyer for a minimum period of five years, which may be further extended at the discretion of the Principal/Buyer.
h)	To recover all sums paid in violation of this Pact by Bidder(s) to any middleman or agent or broker with a view to securing the contract.
i)	If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to rescind the contract without payment of any compensation to the Bidder.
	The term 'close relative' for this purpose would mean spouse whether residing with the Principal/Buyer's employee/employees or not, but not include a spouse separated from the Principal/Buyer's employee/employees by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Principal/Buyer's employee/employees, but does not include a child or step child who is no longer in any way dependent upon the Principal/Buyer's employee/employees or of whose custody the Principal/Buyer's employee/employees has been deprived of



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	by or under any law; any other person related, whether by blood or marriage, to the Principal/Buyer's employee/employees or to the Principal/Buyer's employee/employees wife or husband and wholly dependent upon Principal/Buyer's employee/employees.
j)	The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Principal/Buyer, and if he does so, the Principal/Buyer shall be entitled forthwith to rescind the contract and all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Principal/Buyer resulting from such rescission and the Principal/Buyer shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.
k)	In cases where Irrevocable Letters of Credit have been received in respect of any contract signed by the Principal/Buyer with the Bidder, the same shall not be opened.
(2)	The decision of the Principal/Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and binding on the Bidder, however, the same Bidder can approach the Monitor(s) appointed for the purposes of this Pact.

Section 5 - Previous Transgression:

(1)	The Bidder declares that no previous transgressions occurred in the last three years with any other company in any country conforming to the anti-corruption approach or with any other public sector enterprise in India that could justify his exclusion from the tender process.
(2)	If the bidder makes incorrect statement on this subject, he can be disqualified from the tender process or further action can be taken.

Section 6 - Equal treatment of all Bidders/Contractor(s)/Subcontractors:

(1)	The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this integrity Pact, and to submit it to the Principal before contract signing.
2)	The Principal/Buyer will enter into agreements with identical conditions as this one with all bidders, contractors and subcontractors.
(3)	The Principal/Buyer will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 - Criminal charges against violation Bidder(s)/Contractor(s)/ Subcontractor(s):

(1)	If the Principal/Buyer obtains knowledge of conduct of a Bidder, Contractor or subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or subcontractor which constitutes corruption or if the Principal has substantive suspicion in this regard, the Principal/Buyer will inform the same to the Chief Vigilance Officer, MDL.
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Section 8 - Independent External Monitor/Monitors:

(1)	The Principal/Buyer appoints competent and credible independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively whether and to what extent the parties comply with the obligations under this agreement.
(2)	The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairman & Managing Director of the Principal/Buyer.
(3)	The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all project documentation of the Principal/Buyer including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The



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	same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.
(4)	The Principal/Buyer will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations, between the Principal/Buyer and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
(5)	As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal/Buyer and request the Management to discontinue or take corrective action, or to take other relevant action. The Monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action. However, the Monitor shall give an opportunity to the Bidder(s)/Contractor(s) to present its case before making its recommendation to the Principal/Buyer.
(6)	The Monitor will submit a written report to the Chairman & Managing Director of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the Principal/Buyer and, should the occasion arise, submit proposals for correcting problematic situations.
(7)	Monitor shall be entitled to compensation on the same terms as being extended to / provided to Independent Directors on the Board of Principal/Buyer.
(8)	If the Monitor has reported to the Chairman & Managing Director of the Principal, a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India and the Chairman & Managing Director of the Principal/Buyer has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
(9)	The word 'Monitor' would include both singular and plural.

Section 9 - Pact Duration:

	<p>This pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract and for all other Bidders 06 months after the contract has been awarded.</p> <p>If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above unless it is discharged / determined by Chairman & Managing Director of the Principal/Buyer.</p>
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Section 10 - Other provisions:

(1)	This agreement is subject to Indian Law, place of performance and jurisdiction is the Registered Office of the Principal/Buyer, i.e. Mumbai (For MDL). The Arbitration clauses provided in the main tender document/ contract shall not be applicable for any issue/dispute arising under this Integrity pact.
(2)	Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
(3)	If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
(4)	Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.



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Section 11 – Fall Clause: #

“The Bidder undertakes that it has not supplied/is not supplying similar products/ systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the Bidder to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance of elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Principal/Buyer, if the contract has already been concluded.”

For & on behalf of
MAZAGON DOCKSHIPBUILDERS LIMITED

For & on behalf of
Bidder/Contractor

(Office Seal)

(Office Seal)

Place _____

Date _____

Witness 1:
(Name & Address)

Witness 2:
(Name & Address)



Mazagon Dock Shipbuilders Limited, Mumbai

Annexure-A to IP

GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS

1.0	There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with MDL shall apply for registration.	
1.1	An agent shall represent only one Foreign Supplier and not represent two suppliers or quote on their behalf in the same tender.	
	However, either the Indian Agent on behalf of the Foreign Suppliers (also includes foreign manufacturers) or the Foreign Suppliers (also includes foreign manufacturers) directly could bid in a tender, but not both. In cases where an agent participates in a tender on behalf of one manufacturer, shall not quote on behalf of another manufacturer along with the first Manufacturer in a subsequent/parallel tender for the same item.	
1.2	Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/remuneration/salary/ retainer ship being paid by the principal to the agent before the placement of order by MDL.	
1.3	Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.	
2.0	DISCLOSURE OF PARTICULARS OF AGENTS/ REPRESENTATIVES IN INDIA, IF ANY.	
2.1	Tenderers of Foreign nationality shall furnish the following details in their offer:	
	2.1.1	The name and address of the agents/representatives in India, if any and the extent of authorization and authority given to commit the Principals. In case the agent/representative be a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.
	2.1.2	The amount of commission/remuneration included in the quoted price(s) for such agents/representatives in India.
	2.1.3	Confirmation of the Tenderer that the commission/ remuneration if any, payable to his agents/ representatives in India, may be paid by MDL in Indian Rupees only.
2.2	Tenderers of Indian Nationality shall furnish the following details in their offers:	
	2.2.1	The name and address of the foreign principals indicating their nationality as well as their status, i.e, whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/representatives.
	2.2.2	The amount of commission/remuneration included in the price (s) quoted by the Tenderer for himself.
	2.2.3	Confirmation of the foreign principals of the Tenderer that the commission/remuneration, if any, reserved for the Tenderer in the quoted price (s), may be paid by MDL in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items .
2.3	In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission /remuneration, if any payable to the agents/representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.	
2.4	Failure to furnish correct and detailed information as called for in paragraph-2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by MDL. Besides this there would be a penalty of banning business dealings with MDL or damage or payment of a named sum.	



**GUIDELINES ON BANNING OF BUSINESS DEALINGS
CONTENTS**

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10.	Appeal against the Decision of the Competent Authority
11.	Review of the Decision by the Competent Authority
12.	Circulation of the names of Agencies with whom Business Dealings have been banned

1. Introduction

1.1	Mazagon Dock Shipbuilders Limited (MDL), being a Public Sector Enterprise and 'State', within the meaning of Article 12 of Constitution of India, has to ensure preservation of rights enshrined in Chapter III of the Constitution. MDL as also to safeguard its commercial interests. MDL deals with Agencies, who have a very high degree of integrity, commitments and sincerity towards the work undertaken. It is not in the interest of MDL to deal with Agencies who commit deception, fraud or other misconduct in the execution of contracts awarded / orders issued to them. In order to ensure compliance with the constitutional mandate, it is incumbent on MDL to observe principles of natural justice before banning the business dealings with any Agency.
1.2	Since banning of business dealings involves civil consequences for an Agency concerned, it is incumbent that adequate opportunity of hearing is provided and the explanation, if tendered, is considered before passing any order in this regard keeping in view the facts and circumstances of the case.

2. Scope

2.1	MDL reserves its rights to remove from list of approved suppliers / contractors or to ban business dealings if any Agency has been found to have committed misconduct and also to suspend business dealings pending investigation.
2.2	Similarly, in case of sale of material there is a clause to deal with the Agencies / customers / buyers, who indulge in lifting of material in unauthorized manner.
2.3	However, absence of such a clause does not in any way restrict the right of MDL to take action / decision under these guidelines in appropriate cases.
2.4	The procedure of (i) Removal of Agency from the List of approved suppliers / contractors; (ii) Suspension and (iii) Banning of Business Dealing with Agencies, has been laid down in these guidelines.
2.5	These guidelines apply to all the Divisions/Yards of MDL.
2.6	It is clarified that these guidelines do not deal with the decision of the Management not to entertain any particular Agency due to its poor / inadequate performance or for any other reason.
2.7	The banning shall be with prospective effect, i.e., future business dealings.

3. Definitions

In these Guidelines, unless the context otherwise requires:



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i)	'Bidder / Contractor / Supplier / Purchaser / Customer' shall mean and include a public limited company or a private limited company, a firm whether registered or not, an individual, a cooperative society or an association or a group of persons engaged in any commerce, trade, industry, etc. 'Bidder / Contractor / Supplier / Purchaser / Customer' in the context of these guidelines is indicated as 'Agency'.
ii)	'Inter-connected Agency' shall mean two or more companies having any of the following features:
a)	If one is a subsidiary of the other.
b)	If the Director(s), Partner(s), Manager(s) or Representative(s) are common;
c)	If management is common;
d)	If one owns or controls the other in any manner;
iii)	'Competent Authority' and 'Appellate Authority' shall mean the following:
a)	Functional Director shall be the 'Competent Authority' for the purpose of these guidelines. CMD, MDL shall be the 'Appellate Authority'.
b)	CMD, MDL shall have overall power to take suo-moto action on any information available or received by him and pass such order(s) as he may think appropriate, including modifying the order(s) passed by any authority under these guidelines.
iv)	'Investigating Department' shall mean any Department or Unit investigating into the conduct of the Agency and shall include the Vigilance Department, Central Bureau of Investigation, the State Police or any other department set up by the Central or State Government having powers to investigate.
v)	'List of approved Agencies – 'Bidder / Contractors / Suppliers / Purchasers / Customers shall mean and include list of approved / registered Agencies - 'Bidder / Contractors / Suppliers / Purchasers / Customers, etc.

4. Initiation of Banning / Suspension

	Action for banning / suspension business dealings with any Agency should be initiated by the department having business dealings with them after noticing the irregularities or misconduct on their part. Besides the concerned department, Vigilance Department may also be competent to initiate such action.
--	---

5. Suspension of Business Dealings

5.1	If the conduct of any Agency dealing with MDL is under investigation by any department, the Competent Authority may consider whether the allegations under investigation are of a serious nature and whether pending investigation, it would be advisable to continue business dealing with the Agency. If the Competent Authority, after consideration of the matter including the recommendation of the Investigating Department, if any, decides that it would not be in the interest to continue business dealings pending investigation, it may suspend business dealings with the Agency. The order to this effect may indicate a brief of the charges under investigation. If it is decided that inter-connected Agencies would also come within the ambit of the order of suspension, the same should be specifically stated in the order. The order of suspension would operate for a period not more than six months and may be communicated to the Agency as also to the Investigating Department. The Investigating Department may ensure that their investigation is completed and whole process of final order is over within such period.
5.2	The order of suspension shall be communicated to all Commercial Departmental Heads. During the period of suspension, no business dealing may be held with the Agency.
5.3	As far as possible, the existing contract(s) with the Agency may continue unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.
5.4	If the gravity of the misconduct under investigation is very serious and it would not be in the interest of MDL, as a whole, to deal with such an Agency pending investigation, the Competent Authority may order suspension of business dealing with Agency and send his



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	recommendation to Chief Vigilance Officer (CVO), MDL along with the material available, copy of which may be issued to the Agency concerned with intimation to CVO MDL. Such an order would operate for a period of six months from the date of issue.
5.5	If the Agency concerned asks for detailed reasons of suspension, the Agency may be informed that its conduct is under investigation. It is not necessary to enter into correspondence or argument with the Agency at this stage.
5.6	It is not necessary to give any show-cause notice or personal hearing to the Agency before issuing the order of suspension. However, if investigations are not complete in six months' time, the Competent Authority may extend the period of suspension by another three months, during which period the investigations must be completed.
6.	Ground on which Banning of Business Dealings can be initiated
6.1	If the security consideration, including questions of loyalty of the Agency to the State, so warrants;
6.2	If the Director / Owner of the Agency, proprietor or partner of the firm, is convicted by a Court of Law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector enterprises or MDL, during the last five years;
6.3	If there is strong justification for believing that the Directors, Proprietors, Partners, owner of the Agency have been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolations, etc;
6.4	If the Agency continuously refuses to return / refund the dues of MDL without showing adequate reason and this is not due to any reasonable dispute which would attract proceedings in arbitration or Court of Law;
6.5	If the Agency employs a public servant dismissed / removed or employs a person convicted for an offence involving corruption or abetment of such offence;
6.6	If business dealings with the Agency have been banned/blacklisted by Government Agencies/ Statutory bodies, DGQA, Defence Shipyards, DPSUs or with whom commercial transactions have been suspended for sufficient and justifiable reasons.
	If the Agency having same promoters/Directors /Partners as the barred/blacklisted Company as at 6.6 above for the duration for which the barring/ blacklisting of sister concern persists.
6.7	If the Agency has resorted to Corrupt, fraudulent practices including misrepresentation of facts; If the agency who had fraudulently dealt with the Company for pecuniary gains or had connived with dealing officers for mutual benefit.
6.8	If the Agency uses intimidation / threatening or brings undue outside pressure on the MDL or its official in acceptance / performances of the job under the contract;
6.9	If the Agency indulges in repeated and / or deliberate use of delay tactics in complying with contractual stipulations;
6.10	Wilful indulgence by the Agency in supplying sub-standard material irrespective of whether pre-dispatch inspection was carried out by MDL or not;
6.11	Based on the findings of the investigation report of CBI / Police against the Agency for malafide / unlawful acts or improper conduct on his part in matters relating to the MDL or even otherwise;
6.12	Established litigant nature of the Agency to derive undue benefit;
6.13	Continued poor performance of the Agency in several contracts;
6.14	If the Agency misuses the premises or facilities of the MDL, forcefully occupies, tampers or damages the Company's properties including land, water resources, forests / trees, etc. If the Agency who knowingly collude to defeat competition with the aim of deriving undeserved profit or gain from doing business with MDL. (Note: The examples given above are only illustrative and not exhaustive. The Competent



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	Authority may decide to ban business dealing for any good and sufficient reason).
7.	Banning of Business Dealings
7.1	Decision to ban business dealings with any Agency would apply throughout the Company.
7.2	There will be a Standing Committee to be appointed by the CMD which may include HOD of respective Commercial Section/Capital Works/OTS, HOD (M), rep of Legal Dept. and OIC (SR&R) for processing the cases of "Banning of Business Dealings". The functions of the committee shall, inter-alia include:
	i) To study the report of the Investigating Agency and decide if a prima-facie case for banning exists, if not, send back the case to the Competent Authority.
	ii) To recommend for issue of show-cause notice to the Agency by the concerned department.
	iii) To examine the reply to show-cause notice and call the Agency for personal hearing, if required.
	iv) To submit final recommendation to the Competent Authority for banning or otherwise.
7.3	If the Competent Authority is prima-facie of view that action for banning business dealings with the Agency is called for, a show-cause notice may be issued to the Agency as per paragraph 9.1 and an enquiry held accordingly.
8	Removal from List of Approved Agencies - Suppliers / Contractors, etc.
8.1	If the Competent Authority decides that the charge against the Agency is of a minor nature, it may issue a show-cause notice as to why the name of the Agency should not be removed from the list of approved Agencies - Suppliers / Contractors, etc.
8.2	The effect of such an order would be that the Agency would not be disqualified from competing in Open Tender Enquiries but LTE may not be given to the Agency concerned.
8.3	Past performance of the Agency may be taken into account while processing for approval of the Competent Authority for awarding the contract.
9.	Show-cause Notice
9.1	In case where the Competent Authority decides that action against an Agency is called for, a show-cause notice has to be issued to the Agency. Statement containing the imputation of misconduct or misbehavior may be appended to the show-cause notice and the Agency should be asked to submit within 15 days a written statement in its defence.
9.2	If the Agency requests for inspection of any relevant document in possession of MDL, necessary facility for inspection of documents may be provided.
9.3	The Competent Authority may consider and pass an appropriate speaking order:
	a) For exonerating the Agency if the charges are not established;
	b) For removing the Agency from the list of approved Suppliers / Contractors, etc.
	c) For banning the business dealing with the Agency.
9.4	If it decides to ban business dealings, the period for which the ban would be operative may be mentioned. The order may also mention that the ban would extend to the interconnected Agencies of the Agency.
10.	Appeal against the Decision of the Competent Authority
10.1	The Agency may file an appeal against the order of the Competent Authority banning business dealing, etc. The appeal shall lie to Appellate Authority. Such an appeal shall be preferred within one month from the date of receipt of the order banning business dealing, etc.
10.2	Appellate Authority would consider the appeal and pass appropriate order which shall



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be communicated to the Agency as well as the Competent Authority.

11. Review of the Decision by the Competent Authority

Any petition / application filed by the Agency concerning the review of the banning order passed originally by Competent Authority under the existing guidelines either before or after filing of appeal before the Appellate Authority or after disposal of appeal by the Appellate Authority, the review petition can be decided by the Appellate Authority upon disclosure of new facts / circumstances or subsequent development necessitating such review. The Competent Authority may refer the same petition to the separate Standing Committee which may be constituted by Appellate Authority for examination and recommendation.

12. Circulation of the names of Agencies with whom Business Dealings have been banned

12.1	Depending upon the gravity of misconduct established, the Competent Authority may direct HOD (Materials)/OIC (SR&R) to circulate the names of Agency with whom business dealings have been banned, to the Government Departments, other Public Sector Enterprises, etc. for such action as they deem appropriate.
12.2	If Government Departments or a Public Sector Enterprise request for more information about the Agency with whom business dealings have been banned, a copy of the report of Inquiring Authority together with a copy of the order of the Competent Authority / Appellate Authority may be supplied.
12.3	If business dealings with any Agency have been banned by the Central or State Government or any other Public Sector Enterprise, MDL may, without any further enquiry or investigation, issue an order banning business dealing with the Agency and its inter-connected Agencies.



Declaration of Compliance of Order (Public Procurement No.4) dtd. 23 Feb 2023 on Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017

This declaration must form part of all tenders & it contains general information and serves as a declaration form for all bidders. (Before completing this declaration, bidders must study the General Conditions, Definitions, Govt Directives applicable in respect of Public Procurement No.4) dtd. 23 Feb2023 on Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017& prescribed tender conditions).

DECLARATION BY AUTHORISED SIGNATORY OF THE FIRM

I, the undersigned, (full names),
do hereby declare, in my capacity as
of M/s(name of bidder entity),
that:

- 1) The facts contained herein are within my own personal knowledge.
- 2) I have read the Order (Public Procurement No.4) dtd 23 Feb 2023 on the subject of Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017 regarding restrictions on procurement from a bidder of a country which shares a land border with India and comply to all the provisions of the Order.
- 3) I certify that M/s(name of bidder entity) is not from such a country and does not have any specified Transfer of Technology (ToT) from such a country / is from such a country or if having specified ToT from such country, has been registered with the Competent Authority (strike out whichever is not applicable). I hereby certify that this SUPPLIER fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority is attached]
- 4) I certify that M/s(name of bidder entity) is not from such a country or, if from such a country, has been registered with the Competent Authority (strike out whichever is not applicable) and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that this bidder fulfills all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]
- 5) I understand that the submission of incorrect data and / or if certificate / declaration given by M/s(name of bidder entity) is found to be false, this would be a ground for immediate termination and further legal action in accordance with law as per Clause 18 of the Public Order on Restrictions under Rule 144 (xi) of the General Financial Rules (GFRs), 2017

AUTHORISED SIGNATURE:

DATE: _____ Seal / Stamp of Bidder



**PROFORMA BANK GUARANTEE FOR PERFORMANCE SECURITY
(ILLUSTRATIVE FORMAT)**

(On Non-Judicial stamp paper of value Rs. 500/-. However, the value of stamp paper to be confirmed from Legal Department, MDL.)

IN CONSIDERATION OF MAZAGON DOCK SHIPBUILDERS LIMITED, a company incorporated under the Companies Act 1956 and having its registered office at Dockyard Road, Mumbai 400010 (hereinafter referred to as the "the Purchaser" which expression shall, unless it be repugnant or contrary to the subject or context thereof, be deemed to mean and include its successors and assigns) having placed an order on Messers a partnership firm/sole proprietor business/a company registered under the Companies Act, 1956 having its office at(hereinafter called " the Contractor/ Supplier" which expression shall, unless it be repugnant or contrary to the subject or context thereof, be deemed to mean and include its successors and assigns) vide order No..... dated..... (hereinafter called "the order" which expression shall include any amendments/alterations to "the order" issued by "the Purchaser") for the supply , delivery at site, installation and commissioning of certain equipment, item/services/civil works etc. as stated in the said Order and the Purchaser having agreed with the Contractor/Supplier to accept a Bank Guarantee in lieu of Performance Security payable under the said order for the fulfillment and performance of the said order, We, Bank having office at (hereinafter referred to as "the Bank" which expression shall include its successors and assigns) hereby agree to pay to the Purchaser without any demur on first demand an amount not exceeding Rs..... (Rupees.....only) being 5% (10% in case of Capital Procurement) of the order value against any loss or damage, costs, charges and expenses caused to or suffered by the Purchaser by reason of non performance and non-fulfillment or for any breach on the part of the Contractor / Supplier of any of the terms and conditions of the said order.

2. We, Bank further agree that the Purchaser shall be sole judge whether the said Contractor/Supplier has failed to perform or fulfil the said order in terms thereof or committed breach of any terms and conditions of the order and the extent of loss, damage, cost, charges and expenses suffered or incurred or would be suffered or incurred by the Purchaser on account thereof and we waive in the favour of the Purchaser all the rights and defences to which we as guarantors may be entitled to.

3. We, Bank further agree that the amount demanded by the Purchaser as such shall be final and binding on the Bank as to the Bank 's liability to pay and the amount demanded and the Bank undertake to pay the Purchaser the amount so demanded on first demand and without any demur notwithstanding any dispute raised by the Contractor/Supplier or any suit or other legal proceedings including arbitration pending before any court, tribunal or arbitrator relating thereto, our liability under this guarantee being absolute and unconditional.

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

5. We, Bank further undertake not to revoke this guarantee during its currency except with the previous consent of the Purchaser in writing.



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6. We, Bank also agree that the Bank's liability under this guarantee shall not be affected by any change in the constitution of the Contractor / Supplier or dissolution or winding up of the business of the contractor/ supplier.

7. Notwithstanding anything contained herein above:

i) Our liability under this guarantee shall not exceed Rs.....

ii) This Bank Guarantee shall be valid upto and including; and

iii) We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before(validity + 4 weeks from the date of expiry of this guarantee).

8. This Guarantee shall be governed by Indian laws and the Courts at Mumbai, India shall have the exclusive jurisdiction.

IN WITNESS WHEREOF the Bank has executed this document on this.....day of

For Bank
(by its constituted attorney)
(Signature of a person authorised
to sign on behalf of "the Bank")



Mazagon Dock Shipbuilders Limited, Mumbai

Enclosure-8

Details for Remittance towards EMD/PS

1. **MDL'S BANK ACCOUNT DETAILS:**

NAME OF BANK A/C HOLDER: **MAZAGON DOCK SHIPBUILDERS LTD**

BANK AND BRANCH : **STATE BANK OF INDIA, COMMERCIAL BRANCH, FORT, MUMBAI-400023**

TYPE OF ACCOUNT : **CURRENT**

BANK ACCOUNT NO : **11079519138**

IFSC CODE : **SBIN0006070**

SWIFT CODE : **SBININBB101**

2. **DETAILS OF REMITTANCE TO MDL'S BANK ACCOUNT:**

(To be filled in by the vendors/firms making remittance of funds in MDL'S Bank Account)

Date of Remittance	Name of Firm	Vendor Code	MDL tender/ PO. Ref No.	Nature of Remittance viz. EMD/PS etc.	Amount Remitted (₹)

Signature of Vendor/Representative

3. **SAP Parked Document No:** _____ **Date:** _____

(To be filled in by MDL's Commercial Executive)

Sr. No.2 and 3 above will be filled in by the Vendor and MDL commercial Executive respectively and the form forwarded to Treasury Section for posting of SAP Document to the respective Bank Account



Official Secret Act 1923
(ILLUSTRATIVE FORMAT)

SECTION 2(B) : "PROHIBITED PLACE"

It is defined as the place of any work of Defence Dockyard and other so belonging or occupied and used for the purpose of building, repairing, making or storing any ammunitions of war.

For the purpose of the above definition, sketch includes any photograph or other mode of representing any place or thing.

SECTION 3 : "PENALTIES FOR SPYING"

If any per unlawfully -

- a) approaches, inspects, passes over or is in the vicinity of any clear place; or
- b) make any sketches intended to be directly or indirectly useful to an enemy ; or
- c) obtains, collects, records or communicates to any other person any secret official code.

Shall be liable for imprisonment of 14 years in case of Defence Installation.

SECTION 4 : "COMMUNICATION WITH FOREIGN AGENTS"

If Any person has been in communication with or attempted to communicate with foreign agents regarding the vital information of any "PROHIBITED PLACE" would be guilty of violating the provisions of this Act.

SECTION 5 : "WRONGFUL COMMUNICATION OF INFORMATION"

If any person having in his possession or control any official document;

- a) Willfully communicates to any person, other than a person, who is authorised to communicate it.
- b) Used the information in his possession for the benefit of any foreign power.
- c) Retain in his possession when he has no power to retain it
- d) Fails to take reasonable care of it.

Shall be guilty of an offence under this Act.

SECTION 6 : "UNAUTHORISED USE OF UNIFORMS"

If any person for the purpose of gaining admission or of assisting any other person to gain admission to a "PROHIBITED PLACE" wears uniforms without lawful authority shall be guilty of offence under this Section.

SECTION 7 : "INTERFERING WITH OFFICERS OF POLICE"

No person in the vicinity of any "PROHIBITED PLACE" shall abstract any Police Officer engaged on guard, sentry or similar duty. If any person move in the provisions of this section, shall be punishable with imprisonment, which may extend up to 3 years.

SECTION 8 : "DUTY OF GIVING INFORMATION"

It shall be duty of every person to give on demand to a superintendent of Police or any other Police Officer not below the rank of Inspector, any information in his power relating to an offence under this Act.

If any person fails to give such information, shall be punishable with imprisonment to 3 years or fine or with both.

SECTION 9 : "INCITEMENT"

Any person who attempts to commit or debate the commission of an offence under this Act shall be punishable with the same punishment and be liable to be proceeded against in the same manner as if he had committed such offence.

SECTION 10 : "PENALTY FOR HARBOURING SPIES"

If any person whom he knows or has reasonable grounds for supposing to be person who is about to commit or who has committed offence under this Act shall be guilty of offence under this Section.

SECTION 11 : "SEARCH WARRANTS"

If a presidency Magistrate, Magistrate First Class or Sub-Divisional magistrate is satisfied with the information that there is reasonable ground for suspecting that an offence under this Act has been or is about to be committed, he may grant search warrant to any Police Officer to enter at any time any premises to force to search premises or the places.



Local Content Declaration by the Bidder

1. We refer (Tender No. _____) , for.....

2. We hereby provide following declaration:
 - (a) The percentage of local content for the subject procurement works to be% and that the goods offered meet the minimum local content requirement for Class –I / Class – II local supplier.
 - (b) Further, the details of the location(s) at which the local value addition is made are as given below:
 - (c) We opt for the Purchase Preference as under:
 - (i) PPP-Make in India
 - (ii) PPP-MSENote: Bidder can opt for either one of the options or both options.

Full Name : _____

Address : _____

Mobile No : _____

Seal of the firm : _____



Undertaking regarding conflict of interest

We do not have any conflict of interest with other bidders. We agree for the following compliance;

1. The bidder found to have a conflict of interest shall be disqualified.
2. A bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if:
 - i. they have controlling partner (s) in common; or
 - ii. they receive or have received any direct or indirect subsidy/ financial stake from any of them; or
 - iii. they have the same legal representative/agent for purposes of this bid; or
 - iv. they have 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
 - v. Bidder participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/ sub-assembly/ Assemblies from one bidding manufacturer in more than one bid.
 - vi. In cases of agents quoting in offshore procurements, on behalf of their principal manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender enquiry. One manufacturer can also authorise only one agent/dealer. There can be only one bid from the following:
 - a) The principal manufacturer directly or through one Indian agent on his behalf; and
 - b) Indian/foreign agent on behalf of only one principal.
 - vii. Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid
 - viii. In case of a holding company having more than one independently manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/ common business/ management units in same/ similar line of business.

SIGNATURE: _____

DATE: _____

Seal / Stamp of Bidder



Ref: GeM Tender No. dated

Undertaking for not debarred

It is confirmed that M/s is not debarred under PPP MII order 2017 or GeM or Central Public Procurement Portal (CPPP) or by MDL.

Date:

Authorized signature with stamp

Place:

Signature valid

Digitally signed by MEHUL R PARMAR
Date: 2024.01.16 19:28:39 IST
Location: PSUs of Ministry of Defence-
DEFPSU