



## MAZAGON DOCK SHIPBUILDERS LIMITED

(Formerly known as Mazagon Dock Ltd.)

**CIN: U35100MH1934GOI002079**

(A Government of India Undertaking)

Dockyard Road, Mazgaon, Mumbai 400010, India.

Certified – ISO 9001:2008 for Shipbuilding Division

Website: [www.mazagondock.in](http://www.mazagondock.in)

### EXPRESSION OF INTEREST

Department	: SB-Design-Contracts & Marketing
E-mail ID	: <a href="mailto:krajeev@mazdock.com">krajeev@mazdock.com</a>
Phone no.	: 022 – 23763069/70.
Fax	: 022 – 2373 8159.
EOI no.	: MDL/MKTG/OFFLOADING NEW BUILD
EOI date	: 14 Jan 2020
EOI closing date & time	: 04 Feb 2020 at 15:00 Hrs.
EOI opening date & time	: 04 Feb 2020 at 15:30 Hrs ONWARDS.

### CALL FOR EXPRESSION OF INTEREST FOR PARTICIPATION IN TURNKEY OFFLOADING OF NEW BUILD

#### 1. Introduction

- Mazagon Dock Shipbuilders Limited (MDL) is a premier Shipbuilding Yard in India, located in Mumbai, under the Administrative control of Department of Defence Production, Ministry of Defence, Government of India.
- MDL is in the path of expanding its operations and is participating in a number of competitive bids for securing orders for New Construction both in Commercial and Defence Sectors. Further MDL is working its way ahead to secure Export Orders.
- An EOI is invited from firms who are technically competent and have proven track record of constructing and successfully delivered vessels for a fixed term of **Three (03)** years.
- The qualified firms of this EOI shall be short listed accordingly and a Non-Disclosure Agreement (NDA) shall be signed between MDL and each of these parties regarding the confidentiality of Techno Commercial Aspects. Other

terms and conditions as may be required shall be detailed in the MoU which shall be signed between MDL and the shortlisted firms of this EOI.

2. **Working Models:** The following working models are envisaged in this Eoi:

Sr No	Working Model	Geo Location	Manpower	Marine Infra	Machinery	Consumable	Material
1	Sub-Contracting Model	MDL	Firm	Firm/MDL	Firm	MDL/Firm. This will be clearly indicated in the Tender.	
2	Outsourcing Model	Firm's Premises	Firm	Firm	Firm		
3	Mixed Model	MDL/ Firm's Premises	MDL/Firm	Firm/MDL	Firm		

- a) **Sub-Contracting Model:** MDL having studied the Scope of Work (SoW) of the RFP/Tender shall evaluate and ascertain the list of activities to be carried out by MDL and work which can be sub contracted. This may include procurement of Material on partial or complete basis by the sub-contractor and Labour for construction of the vessel at MDL's yard/facility or any of yard/facility decided by MDL. The portion of work which shall be undertaken by MDL and portion of work which shall be sub-contracted will be clearly stated in the tender.
- b) **Outsourcing Model:** In this model, the vessel shall be constructed on turnkey basis from shortlisted/qualified firms at their own premises/facility under this Eoi. The vessel constructed shall be delivered to MDL within the time period as agreed.
- c) **Mixed Model:** In this model the work will be partially carried out at MDL and partially at the Firm's premises.

In all the above cases, the material and consumables required for said work shall be either arranged by the Firm or will be supplied by MDL as Free Issue Material(FIM). This shall be clearly indicated by MDL in the SoW of the Tender which will be issued to the shortlisted firms through Limited Tender Enquiry(LTE).

3. **Operational Strategy:-**

- a) MDL on receipt of RFP/Tender from prospective customers/Owners shall select the best possible modus operandi from the above working models and float a Limited Tender Enquiry (LTE) for Request for Quotation (RFQ) from the shortlisted/ qualified firms under this EOI with sufficient time for quoting for the RFQ.

- b) MDL shall evaluate technical as well as price offers received against the above LTE and select the price of the Technically Qualified L1 Bidder for onward quoting to the prospective customer.
- c) In all the above cases the technically acceptable lowest bidder shall be intimated and MDL shall ensure that the price of the other bidders will be kept confidential and not disclosed till the time of submission of the bid for the particular project/tender to prospective customer.
- d) In the event of MDL obtaining the contract from prospective customers, MDL will offload the respective SoW to the selected Technically Qualified L1 Bidder for undertaking the work. MDL reserves right to hold technical and /or price negotiations with the Technically Qualified L1 Bidder if required during the bidding stage prior to submission of bid to prospective customers or prior to award of work to the Technically Qualified L1 Bidder.
- e) In the event of prospective customer deleting or modifying the SoW, the same shall be intimated by MDL to the Technically Qualified L1 Bidder associated with the respective RFP/Tender. Allocation of any additional work arising during the course of turnkey new build shall be made at the discretion of MDL.
- f) All terms and conditions which are part of EOI shall be applicable to each tender enquiry for offloading work. Other terms and conditions as may be required shall be detailed in the MoU which shall be signed between MDL and all the qualified and shortlisted firms of this EOI.

#### **4. Pre-Qualification Criteria**

The bidder shall submit the Self-Evaluation form along with supporting documents as per the format placed at Annexure-1

##### **a) Technical qualification:-**

The bidder shall submit the following as a part of technical qualification.

- i. Bidders Company Profile.
- ii. List of infrastructure/equipment's held by them along with details of their manufacturing facilities.
- iii. Details and personnel (Project Management Team) with designation, qualification and experience to determine their capabilities.
- iv. Bidder shall not be under a declaration of ineligibility issued by Govt. of India / State govt. / Public Sector Undertakings etc.

- b) **Commercial qualification:-** The bidder shall submit the following as a part of commercial qualification.
- i. Bidders Registration Certificates as:-
    - (a) Shop & Establishment registration certificate.
    - (b) Factory License.
    - (c) Certificate of Incorporation / Partnership deed as applicable.
    - (d) Registration certificate from local bodies for conducting business.
  - ii. The Bidder shall enclose with its Proposal, certificate issued by Chartered Accountant with their seal and signature, stating the firms net worth & turnover during the past three years. Certificate shall be as per the format placed at **Annexure-3**.

The relevant evaluation criteria shall be as follows:-

**Defence vessel:**

SL N O	CATEGORY	TECHNICAL				FINANCIAL		
		EXPERIENCE/ TRACK RECORD	WORKING MODEL	INFRASTRUCTURE	HUMAN RESOURCES	AVERAGE ANNUAL TURNOVER	WORKING CAPITAL	
1	DEFENCE VESSELS	CATEGORY A1 Weapon Intensive Warships (DESTROYER/ FRIGATES/etc)	<ul style="list-style-type: none"> <li>• Shall be a single firm with past experience of minimum 05 years (as on 31st Mar 2019) in undertaking hull fabrication /outfitting/block construction of Defence vessels</li> </ul>	SUB- CONTRACTING	<ul style="list-style-type: none"> <li>• Material handling capacity</li> <li>• hull/superstructure fabrication capability</li> <li>• ISO 9001:2005 or higher</li> </ul>	Shall have a team comprising of following trades: <ul style="list-style-type: none"> <li>• Engineers (Relevant Field)</li> <li>• Designer/ Draftsman</li> <li>• Estimators/ Planners</li> <li>• Supervisors</li> <li>• Qc Inspectors</li> <li>• Highly Skilled Labour (Class Certified)</li> <li>• Skilled Labour</li> <li>• Unskilled Labour</li> </ul>	<b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.30 Cr for the last three years ending on 31 Mar 2019 <b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.9 Cr for the last three years ending on 31 Mar 2019	Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.
				OUTSOURCING*	<ul style="list-style-type: none"> <li>• Infrastructure: shipyard/ berth/slipway</li> <li>• lifting capacity</li> <li>• material handling capacity</li> <li>• hull/superstructure fabrication capability</li> <li>• ISO 9001:2005 or higher</li> </ul>			
2		CATEGORY A2 Weapon Intensive Warships (CORVETTES/MISSILE VESSELS/etc)		SUB- CONTRACTING	<ul style="list-style-type: none"> <li>• Material handling capacity</li> <li>• hull/superstructure fabrication capability</li> <li>• ISO 9001:2005 or higher</li> </ul>		<b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.23 Cr for the last three years ending on 31 Mar 2019 <b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.7 Cr for the last three years ending on 31 Mar 2019	Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.
				OUTSOURCING*	<ul style="list-style-type: none"> <li>• Infrastructure: shipyard/ berth/slipway</li> <li>• lifting capacity</li> <li>• material handling capacity</li> <li>• hull/superstructure fabrication capability</li> <li>• ISO 9001:2005 or higher</li> </ul>			

SL NO	CATEGORY	TECHNICAL				FINANCIAL	
		EXPERIENCE/ TRACK RECORD	WORKING MODEL	INFRASTRUCTURE	HUMAN RESOURCES	AVERAGE ANNUAL TURNOVER	WORKING CAPITAL
3	<b>CATEGORY B</b> Low Weapon Intensive Warships (LCU/OPV/ASW/MPV/etc)		SUB- CONTRACTING	<ul style="list-style-type: none"> <li>Material handling capacity</li> <li>hull/superstructure fabrication capability</li> <li>ISO 9001:2005 or higher</li> </ul>		<p><b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.18Cr for the last three years ending on 31 Mar 2019.</p> <p><b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.5 Cr for the last three years ending on 31 Mar 2019</p>	<p>Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.</p>
			OUTSOURCING*	<ul style="list-style-type: none"> <li>Infrastructure: shipyard/ berth/slipway</li> <li>lifting capacity</li> <li>material handling capacity</li> <li>hull/superstructure fabrication capability</li> <li>ISO 9001:2005 or higher</li> </ul>			
4	<b>CATEGORY C</b> Aux Ships & Support Vessels (SURVEY VESSELS/TRAINING VESSELS/ MISC LARGE SUPPORT VESSELS)		SUB- CONTRACTING	<ul style="list-style-type: none"> <li>Material handling capacity</li> <li>hull/superstructure fabrication capability</li> <li>ISO 9001:2005 or higher</li> </ul>		<p><b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.11 Cr for the last three years ending on 31 Mar 2019.</p> <p><b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.3 Cr for the last three years ending on 31 Mar 2019</p>	<p>Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.</p>
			OUTSOURCING*	<ul style="list-style-type: none"> <li>Infrastructure: shipyard/ berth/slipway</li> <li>lifting capacity</li> <li>material handling capacity</li> <li>hull/superstructure fabrication capability</li> <li>ISO 9001:2005 or higher</li> </ul>			

SL NO	CATEGORY	TECHNICAL				FINANCIAL	
		EXPERIENCE/ TRACK RECORD	WORKING MODEL	INFRASTRUCTURE	HUMAN RESOURCES	AVERAGE ANNUAL TURNOVER	WORKING CAPITAL
5	CATEGORY D Minor Naval Combatant incl FPV/ IB & Support Yardcrafts		SUB- CONTRACTING	<ul style="list-style-type: none"> <li>Material handling capacity</li> <li>hull/superstructure fabrication capability</li> <li>ISO 9001:2005 or higher</li> </ul>		<p><b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.5 Cr for the last three years ending on 31 Mar 2019.</p> <p><b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.1 Cr for the last three years ending on 31 Mar 2019</p>	<p>Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks.</p> <p>Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.</p>
		OUTSOURCING*	<ul style="list-style-type: none"> <li>Infrastructure: shipyard/ berth/slipway</li> <li>lifting capacity</li> <li>material handling capacity</li> </ul>				
		MIXED	<ul style="list-style-type: none"> <li>hull/superstructure fabrication capability</li> <li>ISO 9001:2005 or higher</li> </ul>				

**OUTSOURCING\*** = Block level fabrication and hull outfitting will be handled by the Firm at their facility. All the weapons and major equipments installation will be catered by MDL. This is applicable only for Defence vessels.

**Commercial Vessels:**

SL NO	CATEGORY	TECHNICAL				FINANCIAL	
		EXPERIENCE/ TRACK RECORD	WORKING MODEL	INFRASTRUCTURE	HUMAN RESOURCES	AVERAGE ANNUAL TURNOVER	WORKING CAPITAL
1	<b>CATEGORY X</b>  Commercial Vessels (TANKER/CONTAINER/BULKER/etc)	<ul style="list-style-type: none"> <li>• Shall be a single firm with past experience of minimum 07 years (as on 31st Mar 2019) in undertaking construction of TANKERS/ CONTAINER/ BULKER/ etc).</li> <li>• shall have built and handover similar types of vessels after successful completion of trials to ship-owners in the last 07 years.</li> </ul>		SUB-CONTRACT: <ul style="list-style-type: none"> <li>• Material handling capacity</li> <li>• hull/superstructure fabrication capability</li> <li>• ISO 9001:2005 or higher</li> </ul>		<b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.21Cr for the last three years ending on 31 Mar 2019. <b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.21Cr for the last three years ending on 31 Mar 2019	Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.
2	<b>CATEGORY Y</b>  Support Vessels & Yardcrafts (OSV/MSV/TUGS/BARGE/etc)	<ul style="list-style-type: none"> <li>• Shall be a single firm with past experience of minimum 03 years (as on 31st Mar 2019) in undertaking construction of Support vessels &amp; yardcrafts such as OSV/TUGS/ BARGE/ MSV/ etc.</li> <li>• Shall have fabrication experience of steel and/or aluminium.</li> <li>• shall have built and handover similar types of vessels after successful completion of trials to ship-owners in the last 05 years.</li> </ul>	SUB-CONTRACTING/ OUTSOURCING/ MIXED MODEL	OUTSOURCING/MIXED <ul style="list-style-type: none"> <li>• Infrastructure: shipyard/ berth/slipway</li> <li>• lifting capacity</li> <li>• material handling capacity</li> <li>• hull/superstructure fabrication capability</li> <li>• ISO 9001:2005 or higher</li> </ul>	Shall have a team comprising of following trades: <ul style="list-style-type: none"> <li>• Engineers (Relevant Field)</li> <li>• Designer/ Draftsman</li> <li>• Estimators/ Planners</li> <li>• Supervisors</li> <li>• Qc Inspectors</li> <li>• Highly Skilled Labour (Class Certified)</li> <li>• Skilled Labour</li> <li>• Unskilled Labour</li> </ul>	<b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.11 Cr for the last three years ending on 31 Mar 2019. <b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.11 Cr for the last three years ending on 31 Mar 2019	Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.
3	<b>CATEGORY Z</b>  Floating Marine Structures (OFFSHORE/CASSION GATE/etc)	<ul style="list-style-type: none"> <li>• Shall be a single firm with past experience of minimum 03 years (as on 31st Mar 2019) in undertaking construction of dry dock gates/ offshore structures/etc.</li> <li>• shall have built and handover similar types of marine structures after successful completion of trials to ship-owners in the last 05 years.</li> </ul>				<b>OUTSOURCING/MIXED:</b> Shall have Avg Annual turnover of Rs.7Cr for the last three years ending on 31 Mar 2019. <b>SUBCONTRACTING:</b> Shall have Avg Annual turnover of Rs.7 Cr for the last three years ending on 31 Mar 2019	Shall demonstrate access to unutilised line of credit / overdraft facility/ cash credit facility from its consortium of banks. Alternatively or complementarily should demonstrate liquid asset in form of cash/ marketable securities in its balance sheet.



5. **Execution Plan & Methodology**:- Bidder to submit execution plan & methodology of undertaking partial offloading with timelines.

6. **Integrity Pact**

The bidders shall sign and submit an “Integrity Pact (IP)” to be executed between the bidder and Mazagon Dock Shipbuilders Limited along with the bid as per **Annexure-4**.

7. **Instruction to bidders responding to EOI**:-

- a) MDL reserves the right to modify, expand, restrict, scrap this proposal or reject any Expression of Interest without assigning any reason thereof.
- b) MDL reserves the right to make inquiries with any of the clients listed by the bidders in their previous experience record. Further MDL may ask the firm to make presentation to understand the capability of the firm w.r.t project planning, capability, experience, approach methodology etc.
- c) The interested parties may visit MDL facilities at Mumbai and Nhava to assess the workplace and get first-hand information regarding the infrastructure.
- d) It may be noted that MDL will not reimburse any cost incurred by the bidders towards the preparation and submission of the EOI.
- e) The proposal and all associated correspondence shall be in English.
- f) MDL reserves the right to visit the work facility of bidders to verify the adequate infrastructure facilities. In the absence of adequate infrastructure facilities, the offer submitted is liable for rejection and hence will not be considered for prequalification.

8. **Bid Rejection Criteria**:-MDL may at its sole discretion and at any time during the evaluation of proposal, disqualify any bidder, if they have:

- a) Bids received after due date.
- b) Bidder's failure to furnish sufficient or complete details for evaluation of the bids within the given period.
- c) Incomplete / misleading / false / ambiguous in the proof of eligibility requirements.
- d) Failed to produce clarifications related thereto, when sought.
- e) Bids not meeting qualification criteria.
- f) Submitted more than one proposal.
- g) Declared ineligible by the Government of India / State govt. / Public sector undertaking.
- h) Bids with technical requirements and or terms not acceptable to MDL.
- i) Information relating to the evaluation, clarification and recommendation for pre-qualification shall not be disclosed to bidders or any other persons not officially concerned with such process until the pre-qualification process is completed. Any

effort by the bidder to influence MDL prequalification process may result in rejection of his EOI.

## **9. Pre-bid Meeting**

The bidder or his official representative is advised to attend a Pre-bid meeting which will be convened at MDL, Mumbai-10. The meeting shall be attended by techno-commercially competent senior representative(s) of the bidder duly authorized. Date and time of the pre-bid meeting is 24 Jan 2020 at 10.00 AM at GM(D) Conference Room, 3<sup>rd</sup> Floor, West Block, Mazagon Dock Shipbuilders Ltd.

All bidders are advised to study the bid document thoroughly and come prepared for the meeting. The purpose of the meeting will be to clarify or address doubts / suggestions, modifications, if any on the bid document and to address queries on any issues that may be raised at that stage. Minutes of meeting will be prepared. Any bidder requiring a clarification of the proposal document must notify MDL in writing, at least four (4) days in advance to the pre-bid date in the pre-bid questionnaire format placed at **Annexure-2**. Any request for clarification in writing must be addressed to [krajeev@mazdock.com](mailto:krajeev@mazdock.com) with a copy to [bgeorge@mazdock.com](mailto:bgeorge@mazdock.com). The compilation of all clarifications sought / queries raised during the pre-bid meeting and its replies shall be published on MDL/Govt website.

Any modification of the tender/ call for EOI documents which may become necessary as a result of the pre-bid meeting shall be made by MDL exclusively through the issuance of an addendum or corrigendum in MDL website/ Govt website. At any time before the submission of proposal, MDL may, for any reasons, whether at its own initiative or in response to a clarification requested by a bidder, modify the documents by amendment. The amendment will be notified only on MDL / Govt websites and no separate paper advertisements will be issued. The bidders are requested to keep themselves informed of the development by visiting MDL website [www.mazagondock.in](http://www.mazagondock.in) regularly. Such amendments shall be binding upon them.

Non-attendance at the pre-bid meeting will not be a cause for disqualification. No queries will be entertained after the pre-bid meeting.

## **10. Submission of proposal against Expression of Interest:-**

Proposal (Original + one soft copy) superscribing the enquiry number, enquiry subject, last date for receipt of EOI and shall be addressed to shall be addressed to 'General Manager (Design), Mazagon Dock Shipbuilders Limited, Dockyard road, Mumbai 400010', with all credentials mentioned above.

11. The contact point for any clarification / correspondence at MDL, Mumbai is:

Address: Mr Rajeev Rathod, DGM(D-C&M)  
MAZAGON DOCK SHIPBUILDERS LIMITED  
Dockyard Road, Mazagaon, Mumbai - 400 010

Tel. : 022 23763069  
Fax : 022 23738159  
E-mail : [krajeev@mazdock.com](mailto:krajeev@mazdock.com)

Yours faithfully,  
For Mazagon Dock Shipbuilders Limited,

Rajeev Rathod  
DGM (D-C&M)

List of annexure:

- a. Annexure – 1 : Technical Capacity Self-Assessment Form
- b. Annexure-2 :Pre-Bid Questionnaire
- c. Annexure-3: Format for Financial Capability
- d. Annexure –4: Format of Integrity Pact

**TECHNICAL CAPACITY SELF-ASSESSMENT FORM**

**Annexure-1**

Name of Organisation:

Date of Establishment:

Ship Build Experience: Years

	CRITERIA\CATEGORY	MATERIALS			DEFENCE VESSELS					COMMERCIAL VESSELS		
		STEEL	ALUMINIUM	FRP	CAT A1	CAT A2	CAT B	CAT C	CAT D	CAT X	CAT Y	CAT Z
<b>1</b>	<b><u>INFRASTRUCTURE</u></b>											
1.1	Dry Dock/Slipway/Ship Lift/Etc											
1.2	Water Frontage/Berthing Facility											
1.3	Bending & Forming Facility											
1.4	Material Handling Facility (Crane/Hydra/EOT/Fork Lift/Etc)											
1.5	Welding Equipment											
1.6	Quality Control (ISO 9001:2008 or later)											
<b>2</b>	<b><u>EXPERIENCE/TRACK RECORD</u></b>											
2.1	Construction of similar vessels with successful completion of trials.											
2.2	Hull Fabrication experience											
<b>3</b>	<b><u>HUMAN RESOURCES</u></b>											
3.1	Engineers											
3.2	Designers/Draughtsman											
3.3	Estimators/Planners											
3.4	Supervisors											
3.5	Qc Inspectors											
3.6	Highly Skilled Labour (Class Certified)											
3.7	Skilled Labour											
3.8	Unskilled Labour											
<b>4</b>	<b><u>WORKING MODEL</u></b>											
4.1	Subcontracting											
4.2	Outsourcing											
4.3	Mixed Model											

**Annexure-2****FORMAT FOR PRE-BID QUESTIONNAIRE**

<b>Sl. No.</b>	<b>Reference Clause</b>	<b>Page No.</b>	<b>Description</b>	<b>Tenderer Suggestion / Query</b>	<b>MDL Reply</b>
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Signature &amp; Seal

**Annexure-3****FORMAT FOR FINANCIAL CAPABILITY**

<b>Sl. No.</b>	<b>Last three Financial Year</b>	<b>Annual Turnover</b>	<b>Profit after Tax</b>	<b>Net worth as at the end of the financial year</b>
1				

To be signed by the Authorized Signatory of the Applicant with Name, Designation, seal and date.

\_\_\_\_\_

**Certificate from Chartered Accountant:**

This is to certify that \_\_\_\_\_ (name of the Applicant) has received the payments shown above against the respective years and that the net worth is as computed.

**Name of the Authorized Signatory representing Auditing firm: Designation:**

**Name of firm (Chartered Accountant): Signature of the Authorized Signatory:  
Seal of Audit firm.**

**Annexure-4****PRE CONTRACT INTEGRITY PACT****General**

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on ....day of the month of ..... , between, Mazagon Dock Shipbuilders Limited (MDL) a company incorporated under the Companies Act 1956 and having its registered office at Dockyard Road, Mumbai 400010 (hereinafter called the "PRINCIPAL", which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First part and M/s.....represented by Shri....., Chief Executive Officer (hereinafter called the "BIDDER/Seller" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the second part.

WHEREAS the PRINCIPAL proposes to procure material and service for Ship Repair and the BIDDER/Seller is willing to offer/has offered the same and

WHEREAS the BIDDER is a private company / public company / Government undertaking / partnership / registered export agency, constituted in accordance with the relevant law in the matter and the PRINCIPAL is a Government of India PSU performing its functions on behalf of The President of India.

**NOW, THEREFORE,**

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

Enabling the PRINCIPAL to obtain the desired said stores/equipment/item at a competition price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement, and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the PRINCIPAL will commit to prevent corruption, in any form, by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:-

**Commitments of the PRINCIPAL**

1.1 The PRINCIPAL undertakes that no official of the PRINCIPAL, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting on implementation process related to the contract.

- 1.2 The PRINCIPAL will, during the pre-contract stage, treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 1.3 The officials of the PRINCIPAL will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the PRINCIPAL with full and verifiable facts and the same is prima facie found to be correct by the PRINCIPAL, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the PRINCIPAL and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the PRINCIPAL the proceedings under the contract would not be stalled.

### **Commitments of BIDDERS**

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-
  - 3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the PRINCIPAL, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
  - 3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the PRINCIPAL or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract of any other contract with the government for showing or forbearing to show favour or disfavor to any person in relation to the contract of any other contract with the Government.
  - 3.3 BIDDERS of foreign origin shall disclose the name and address of their Indian agents and representatives, if any and Indian BIDDERS shall disclose their foreign principals or associates, if any.
  - 3.4 BIDDERS shall disclose the payments to be made by them to their Indian agents/brokers or any other intermediary, in connection with this bid / contract and the payments have to be in Indian Rupees only.



- 3.5 The BIDDER further confirms and declares to the PRINCIPAL that the BIDDER is the original manufacturer/ integrator/authorized agent of the stores/equipment/items and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the PRINCIPAL or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 3.6 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the PRINCIPAL or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 3.9 The BIDDER shall not use improperly, for purposes of competition or personal gain, pass on to others, any information provided by the PRINCIPAL as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.
- 3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the PRINCIPAL, or alternatively, if any relative of an officer of the PRINCIPAL has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.  
  
The term 'relative' for this purpose would be as defined in section 6 of the Companies Act 1956.
- 3.13 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 or the PRINCIPAL.

#### **4. Previous Transgression**

- 4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify; BIDDER's exclusion from the tender process.
- 4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

#### **5. Earnest Money Deposit**

- 5.1 While submitting commercial bid, the BIDDER shall deposit an amount **NIL** (to be specified in RFP) as Earnest Money as applicable/Security Deposit, with the PRINCIPAL through any of the following instruments:
- (i) Draft of Pay Order in favor of MDL
  - (ii) A confirmed guarantee by an Indian Nationalized Bank, promising payment of the guaranteed sum to the PRINCIPAL on demand within three working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the PRINCIPAL shall be treated as conclusive proof of payment.
  - (iii) Any other mode or through any other instrument (to be specified in the RFP).
- 5.2 The Earnest Money if applicable/Security Deposit shall be valid upto the complete of the contractual obligations to the complete satisfaction of both the BIDDER and the PRINCIPAL, including warranty period.
- 5.3 In case of the successful BIDDER a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provisions of sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the PRINCIPAL to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 5.4 No interest shall be payable by the PRINCIPAL to the BIDDER on Earnest Money/Security Deposit for the period of its currency.

#### **6. Sanctions for Violations**

- 6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the PRINCIPAL to take all or any one of the following actions, wherever required:-

- (i) 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.
- (ii) The Earnest Money Deposit (in pre-contract stage) and/or Security Deposit/Performance Bond (after the contract is signed) shall stand forfeited either fully or partially, as decided by the PRINCIPAL and the PRINCIPAL shall not be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.
- (iv) To recover all sums already paid by the PRINCIPAL, and in the case of an Indian BIDDER with interest thereon at 2% above the prevailing Prime Lending Rate of State Bank of India, while in case of a BIDDER from a country other than India with interest thereon at 2% above the LIBOR (London Inter Bank Offer Rate). If any outstanding payment is due to the BIDDER from the PRINCIPAL in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
- (v) To encash 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, along with interest.
- (vi) To cancel all or any other contracts with the BIDDER. The BIDDER shall be liable to pay compensation for any loss or damage to the PRINCIPAL resulting from such cancellation/recession and the PRINCIPAL shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.
- (vii) To debar the BIDDER from participating in the future bidding processes of MDL for a minimum period as deemed appropriate, which any be further extended at the discretion of the PRINCIPAL.
- (viii) 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.
- (ix) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the PRINCIPAL with the BIDDER, the same shall not be opened.
- (x) Forfeiture of Performance Bond in case of a decision by the PRINCIPAL to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

6.2 The PRINCIPAL will be entitled to take all or any of the actions mentioned at para 6.1(i) to (x) of this pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in chapter IX of the Indian Penal code, 1860 or

Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

- 6.3 The decision of the PRINCIPAL to the effect that a breach of the provisions of this pact has been committed by the BIDDER shall be binding on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes this Pact.

## 7. Fall Clause

- 7.1 The BIDDER undertakes that it has not supplied/is not supplying similar product/systems/items 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/items was supplied by the BIDDER to any other Ministry/Department of the Government of India or PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the PRINCIPAL, if the contract has already been concluded.

## 8. Independent Monitors

- 8.1 The PRINCIPAL has appointed Independent Monitor (hereinafter referred to as Monitor) for this Pact in consultation with the Central Vigilance Commission.

Shri. GS Bhatnagar, E-401, ISCON Habitat Gotri – Sivasi Road, New Alkapuri, Vadodara, 390021 Email: <a href="mailto:gurdevbhatnagar29@yahoo.co.uk">gurdevbhatnagar29@yahoo.co.uk</a> Mob No.: 9810930056	Shri Prabhat Ranjan Acharya, IA&AS(Retd.) Flat No. 501, Ganga Block No. 1, Pocket D-6, Vasant Kunj, New Delhi – 110070 Email: <a href="mailto:prabhatacharya@gmail.com">prabhatacharya@gmail.com</a> Mob No.: 9810400231
---	--

- 8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- 8.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.
- 8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement, including minutes of meetings.
- 8.5 As soon as the Monitor notices, or has reason to believe, a violation of this pact, he will so inform the Authority designated by the PRINCIPAL.
- 8.6 The PRINCIPAL accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unlimited access to his project documentation. The same is

applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

- 8.7 The PRINCIPAL will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.
- 8.8 The Monitor will submit a written report to the designated Authority of PRINCIPAL/Secretary in the Department/ within 8 to 10 weeks from the date of reference or intimation to him by the PRINCIPAL /BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

## **9. Facilitation of Investigation**

In case of any allegation of violation of any provisions of this pact or payment of commission, the PRINCIPAL or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER. The BIDDER shall provide necessary information and documents in English and shall extend all possible help of the purpose of such examination/inspection.

## **10. Law and Place of Jurisdiction**

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the PRINCIPAL.

## **11. Other Legal Actions**

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extent law in force relating to any civil or criminal proceedings.

## **12. Validity**

- 12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the PRINCIPAL and the BIDDER/Seller, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.
- 12.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13. The parties hereby sign this Integrity Pact at.....on.....

**For  
Mazagon Dock Shipbuilders Ltd.**

**For  
Bidder**

Authorised Signatory

Authorised Signatory

Witness

Witness

1.....

1.....

2.....

2.....

\* Provisions of these clauses would need to be amended /deleted in line with the policy of the BUYER in regard to involvement of Indian agents of foreign suppliers.