

Important Instructions to Tenders
Source Development Open Tenders| CHAPTER-I
ELIGIBILITY FOR OPEN TENDERS W.E.F 15.03.2016

- 1.1. Suppliers who are already established for this item are **NOT** eligible to participate.
- 1.2. Firms who are having existing outstanding order for this item are also **NOT** eligible to participate.
- 1.2 (a) The open tender for developing new sources will be in two bid system, however in the technical bid, only those companies will be short listed which have the capacity for making/ developing the said item - in terms of machineries, capital, etc.
- 1.3. The firms who themselves have infrastructure / facilities for manufacturing of such items and Dealers/ Traders/ Stockist/ Authorized agents etc who can supply the item as per TE conditions also can be considered.

1.4. Eligibility Criteria:

The purpose of this criteria is to ensure that the tenderer possesses the necessary technical & commercial capability to supply the item in case of manufacturers and relevant documents in case of suppliers. The participating firms should forward all necessary documents during bid submission.

1.5. Commercial Eligibility: As per “Open tender criteria” .

1.6. Applicant firms must have both technical as well as commercial eligibility to qualify for bidding.

CHAPTER-II
CONTRACTUAL TERMS OF TENDER

2.1 Technical Requirements of item

Technical requirement of the items are as per drawings/specifications of the item being forwarded along with Tender documents and uploaded on website. In case of any doubt/clarification on drawing/specifications of item please contact Standard Cell/OFMK at Phone No. 040-2328-3433.

2.2 Inspection Details

Inspection of items supplied / offered for inspection will normally be done as per following details: -

- a. Inspection Authority - General Manager OFMK
- b. Inspection Officer - Divisional / Group Officer of QA(MI) section of OFMK or any other officer as nominated by Inspection Authority
- c. Inspection & Testing will be carried out by the inspector(s) as deputed by Inspection Officer.
- d. Place of inspection will normally be at OFMK. Inspection at firm's premises or any other place can also be done as decided by the Inspection Officer.
- e. **Inspection Method:** As per inspection procedure or parameters mentioned in the drawing/specifications and/or as specified in Quality Assurance Instructions (QAI) or as decided by Inspection Officer. Inspection officer will be the final authority in this matter. **All costs towards making arrangements for conduction of the tests will be borne by supplier.**
Please Contact QA (MI) section of OFMK at Phone No: 040 2328 3450/3727
- f. In case samples of raw materials or finished products are to be approved by OFMK before bulk supply. The firm shall intimate OFMK well in advance with specific attention to Inspection Officer (with a separate copy to purchase officer) about the readiness for sample drawl/sample/inspection/bulk inspection with relevant details as given below.
 1. Supply Order No. and Date.
 2. Date of readiness of material.
 3. item description and item code as per Supply Order.
 4. Quantity being tendered with pre-inspection report.
 5. Quantity within delivery schedule or not. (If not firm should take DP extension from Purchase Officers and submit the copy of the DP amendment letter/quote the reference to the Inspection Officer.)

2.3 Commercial Conditions of the contract. (Firms must indicate their clear acceptance or otherwise against each condition)

2.3.1 Performance Security Deposit:

Performance Security deposit of 10% of the order value has to be deposited by the firm within 30 days of issue of Supply order by OFMK. The deposit can be submitted in the form of DD or Bank Guarantee (Divisible) issued by a Public Sector Bank or a private sector Bank authorized to conduct Government Business and valid up to completion of contract including 60 days beyond guarantee period. OFMK will be free to encash / forfeit the security deposit in case we feel that supplier has not carried out any obligation under the supply order. The Bank Guarantee is to be given in enclosed format only.

2.3.2 Liquidated Damages:

In the event of delayed delivery of stores by the supplier the purchase is entitled to recover LD @ 0.5% per week or part thereof of the cost of stores delayed to compensate for the delay in use of stores subject to a maximum of 10% of total cost of delayed supplies. The total cost includes taxes and duties.

2.3.3 Fall Clause:

In case it is noted that during currency of order against this tender another order for same item is placed on your firm by any other Govt. Agency at a lower rate then that lower rate will be applicable to this order as well from the date of placement of such order having lower rate.

2.3.4 Option Clause:

"The purchaser retains the right to place orders for additional quantity up to a maximum of 50% of the originally contracted quantity at the same rate and terms of contract". The purchaser may operate the option clause within original DP. Option clause after original DP may be exercised with the consent of Supplier. The supplier will be bound to accept the Option Clause at same rate and terms as of original order.

2.3.5 Arbitration Clause: (for Indian Suppliers): -

ARBITRATION CLAUSE for Suppliers (OTHER THAN PUBLIC ENTERPRISES/ GOVT.DEPARTMENTS):

- (a) All the disputes and differences arising out of or in any way touching or concerning this agreement (except those for which specific provision has been made therein) shall be referred to Sole Arbitrator to be appointed by Director General Ordnance Factories, Government of India. The Arbitrator so appointed shall be a Government servant who had not dealt with the matters to which this agreement relates and in course of his duties had not expressed views on all or any of the matter in disputes or differences. for the time being or a Govt. Servant appointed by him the appointee shall not be Govt. Servant who had dealt with the matters to which this agreement relates and that in the course of his duties as Govt. Servant he had not expressed views on all or any of the matter in dispute or difference. The Award of the Sole Arbitrator shall be final and binding on the parties.
- (b) The Arbitration shall be as per Arbitration Act 1996 or any statutory modification thereof.
- (c) The venue of Arbitration shall be O R D N A N C E FACTORY MEDAK YEDDUMAILARAM-502 205

ARBITRATION CLAUSE: FOR PUBLIC ENTERPRISES/GOVT DEPARTMENTS suppliers:

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contract, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Govt. of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the disputes, provided however; any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/ Additional Secretary, when so authorized by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator. (Ref- Min. of HI & PE OM No. 1(24)/ 2005-DPE (PMA) dt. 22/1/04)

For Foreign Suppliers:

- (a) All disputes of differences arising out of or in connection with the present Contract, including the cases connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.
- (b) Any dispute, disagreement or any question arising out of or relating to the Contract or relating to the construction or performances (except as to any matters the decision or determination whereof is provided for by these conditions) which cannot be settled amicably shall within 60 days or such longer period as may be mutually agreed upon from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question still exists will be referred to the Arbitration Tribunal consisting of three Arbitrators.
- (c) Within 60 (Sixty) days of the receipt of the notice, one Arbitrator shall be nominated in writing by the SELLER and one Arbitrator shall be nominated in writing by the BUYER.
- (d) The third Arbitrator, who shall not be citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties, shall be nominated by mutual consent of the parties within 90 (Ninety) days of the receipt of the notice mentioned above failing which the third Arbitrator may be nominated by the President of the International Chamber of Commerce at the request of either party but the said nomination would be after consultation with both the parties and shall preclude any citizen or domicile of any country as mentioned above from being so nominated. The Arbitrator nominated under this clause 4 shall not be regarded nor would act as Umpire.
- (e) The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.
- (f) The Arbitration proceedings shall be conducted in India in English language under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.
- (g) The decision of the majority of the Arbitrators shall be final and binding on the parties to this contract.
- (h) Each party shall bear its own cost of preparing and presenting its case. The cost of Arbitration including the fees and expenses of the third Arbitrator shall be shared equally by the SELLER and the BUYER.
- (i) In the event of a vacancy caused in the office of any of the Arbitrators, the party which nominated such Arbitrator shall be entitled to nominate another in his place and the Arbitration proceedings shall continue from the stage they were left by the retiring Arbitrator.
- (j) In the event of one of the parties failing to nominate its Arbitrator within 60 (Sixty) days as a b o v e or if any of the parties does not nominate another Arbitrator within 60 (Sixty) days of t h e place of Arbitrator falling vacant, then the other party shall be entitled after due notice of at least 30 (Thirty) days to request the President of the International Chamber of Commerce to nominate another Arbitrator as above.
- (k) If the office of the third Arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

- (l) The parties shall continue to perform their respective obligations under this contract during the pendency of the Arbitration Proceedings except in so far as such obligations are the subject matter of the said Arbitration Proceedings.

2.3.6 Penalty for use of undue influence:

The seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the buyer or otherwise in procuring the contract or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or dis-favour to any person in relation to the contract or any other contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offense by the seller or anyone employed by him or acting on his behalf, as defined in chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act

1947 or any other Act enacted for the prevention of corruption shall entitle the buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking has been committed shall be final and binding on the seller.

The seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the buyer or otherwise in procuring the contract or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or dis-favour to any person in relation to the contract or any other contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offense by the seller or anyone employed by him or acting on his behalf, as defined in chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act

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Giving or offering of any gift, bribe or inducement or any attempt to any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence the decision of the buyer directly or indirectly or any attempt to influence any officer/employee of the buyer for showing any favor in relation to this or any other contract, shall render the seller to such liability/penalty as the buyer may deem proper, including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the buyer.

2.3.7 Agents/ Agency Commission:

The seller confirms and declares to the buyers that the seller is the original manufacturer of the stores 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 recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the contract 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, the seller will be liable to refund that amount to the buyer. The seller also be debarred from entering into any supply contract with the Government of India 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 is liable to refund all payments made by the buyer in terms of the contract along with interest at the rate of 2% per annum above the rate. The buyer will also have the right to recover any such amount from any contracts concluded earlier with the Government of India.

2.3.8 Access to the books of Accounts:

In case it is found to the satisfaction of the buyer that the seller has engaged an Agent or paid commission or influenced any person to obtain the contract as described in clauses relating to Agents/agency commission and penalty for use of undue influence, the seller, on a specific request of the buyer shall provide necessary information/inspection of the relevant financial document/information.

The manufacturers will provide free access to the inspection team to their works of manufacturing units.

2.3.9 Integrity Pact:

An "Integrity pact" would be signed between purchasing agency of MOD and the bidder for purchases exceeding Rs. 05 Crores. This is a binding agreement between the agency and bidders for specific contracts in which the agency promises that it will not accept bribes during the procurement process and bidders promise that they will not offer bribes. Under the IP, the bidders for specific services or contracts agree with the procurement agency or office to carry out the procurement in a specific manner. The essential elements of the IP are as follows: -

- a) A pact (contract) between the Government of India (Ministry of Defence) (the authority or the "principal") and those companies submitting a tender for the specific activity (the "bidder").
- b) An undertaking by the principal that its officials will not demand or accept any bribes, gifts etc., with appropriate disciplinary or criminal sanctions in case of violations.
- c) A statement by each bidder that it has not paid, and will not pay, any bribes.
- d) An undertaking by each bidder to disclose all payments made in connection with the contract in question to anybody (including agents and other middlemen as well as family members etc., of officials); the disclosure would be made either at the time of tender submission or upon demand of the principal, especially when a suspicion of a violation by the bidder emerges.
- e) The explicit acceptance by each bidder that the no-bribery commitment and the disclosure obligation as well as the attendant sanctions remain in force for the winning bidder until the contract has been fully executed.
- f) Undertaking on behalf of a bidding company will be made "In the name and on behalf of the company's chief executive officer".

The following set of sanctions shall be enforced for any violation by a bidder of its commitments or undertakings: -

- i. Denial or loss contracts
- ii. Forfeiture of the bid security and performance bond
- iii. Liability for damages to the principal and the competing bidders and
- iv. Debarment of the violator by the principal for an appropriate period of time.

Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behavior and compliance programme for the implementation of the code of conduct throughout the company.

2.3.10 Payment Terms:

100% Payment will be made in 30 days after receipt and acceptance of the material at Ordnance Factory Medak and receipt of firm's bills with all other necessary documentation.

2.3.11 FOR, Transportation and Delivery

- a) In case of Indian suppliers, the Bidder has to mention the transportation charges up to Ordnance Factory Medak separately which is included in evaluation of the bids. In case firm has separately not made any mention of freight charges it will be deemed that the rates quoted include freight charges up to place of delivery, i.e. Ordnance Factory Medak, Yeddumailaram.
- b) Time will be the essence of contract and the delivery period (including staggered delivery periods – if any) mentioned in order must be maintained by supplier. The order shall become liable for cancellation after expiry of delivery period and supplier must obtain extension to same from purchaser to avoid cancellation. However, the purchaser retains right not to give any such extension and in such an event the order (or part of order-in case of staggered deliveries) will be cancelled at risk and cost of supplier. Items delivered after DP and without obtaining valid D.P. extension will be totally at risk and cost of supplier only and OFMK reserves the right to refuse taking delivery of these or not to make any payment for the same if D.P. is not extended.
- c) The purchaser will not make any transit insurance and supplier will be responsible for consignment until the entire consignment arrives in good condition at OFMK.

2.3.12 Guarantee / Warrantee:

The stores supplied against this supply order shall be deemed to have been warranted against defective workmanship and material by the Contractor for a period of 12 months from the date of receipt of the stores at the consignee's end. If, during this period any of the stores is found so defective the same shall be replaced by the contractor free of charge at the consignee's end immediately.

2.3.13 RISK AND EXPENSE PURCHASE:

Risk and Expense purchase may be undertaken by the purchaser in the event of the supplier failing to supply the goods/services on order within the stipulated period and where extension of delivery period is not approved. Whenever risk purchase is resorted to, the supplier is liable to pay the additional amount spent by the Government, if any, in procuring the said contracted goods/ services through a fresh contract, i.e. the defaulting supplier has to bear the excess cost incurred as compared with the amount contracted with him.

2.3.14 SAMPLES:

In case samples of raw materials or finished products are to be approved by OFMK before bulk supply. The firm shall intimate well in advance addressed to GM/OFMK with specific intimation to Purchase Officer and QA Officer the readiness of material to draw sample /samples with relevant details as given below:

- a) Supply Order No and Date.
- b) Date of readiness of material.
- c) Item description and item code as per Supply Order.
- d) Quantity being tendered with pre-inspection report.
- e) Quantity within delivery schedule or not. If not firm should take DP extension from Purchase Officer and submit the copy of the DP amendment letter/quote the reference to the Inspection Officer.

2.3.15 NOTICES:

Any notice required or permitted by the Supply Order will be written in the English language and may be delivered personally or may be sent by FAX or registered pre-paid mail/airmail, addressed to the last known address of the party to whom it is sent.

2.3.16 TRANSFER AND SUB-LETTING:

The Seller has no right to give, bargain, sell, assign or sublet or otherwise dispose of the Supply Order or any part thereof, as well as to give or to let a third party take benefit or advantage of the present Supply Order or any part thereof.

2.3.17 PATENTS AND OTHER INDUSTRIAL PROPERTY RIGHTS:

The prices stated in the present Supply Order shall be deemed to include all amounts payable for the use of patents, copyrights, registered charges, trademarks and payments for any other industrial property rights. The Seller shall indemnify the Buyer against all claims from a third party at any time on account of the infringement 120 of any or all the rights mentioned in the previous paragraphs, whether such claims arise in respect of manufacture or use. The Seller shall be responsible for the completion of the supplies including spares, tools, technical literature and training aggregates irrespective of the fact of infringement of the supplies, irrespective of the fact of infringement of any or all the rights mentioned above.

2.3.18 Amendments:

No provision of present Supply Order shall be changed or modified in any way (including this provision) either in whole or in part except by an instrument in writing made after the date of this Supply Order and signed on behalf of both the parties and which expressly states to amend the present Supply Order.

2.3.19 Packing and Marking:

The following Packing and Marking clause will form part of the contract placed on successful Bidder:

- a. The Seller shall provide packing and preservation of the equipment and spares/goods contracted so as to ensure their safety against damage in the conditions of land, sea and air transportation, transshipment, storage and weather hazards during transportation, subject to proper cargo handling. The Seller shall ensure that the stores are packed in containers, which are made sufficiently strong, and with seasoned wood. The packing cases should have hooks for lifting by crane/fork lift truck. Tags with proper marking shall be fastened to the special equipment, which cannot be packed.
- b. The packing of the equipment and spares/goods shall conform to the requirements of specifications & standards in force in the territory of the seller's country.
- c. Each spare, tool and accessory shall be packed in separate cartons. A label in English shall be pasted on the carton indicating the under mentioned details of the item contained in the carton. A tag in English with said information shall also be attached to six samples of the item. If quantity contracted is less than six then tag shall be affixed to complete quantity contracted of the item. The cartons shall then be packed in packing cases as required.
 - i. Part Number:
 - ii. Nomenclature:
 - iii. Contract annex number:
 - iv. Annex serial number:
 - v. Quantity contracted:
- d. One copy of the packing list in English shall be inserted in each cargo package, and the full set of the packing lists shall be placed in Case No.1 painted in a yellow colour.

- e. The Seller shall mark each package with indelible paint in the English language as follows: - i. EXPORT
 ii. Contract No. -----
 iii. Consignee -----
 iv. Port / airport of destination ----- v. Ultimate consignee ----- vi. SELLER -----
 ----- vii. Package No. -----
 viii. Gross/net weight : ----- ix. Overall dimensions/volume : -----
 x. The Seller's marking.
- f. If necessary, each package shall be marked with warning inscriptions: <Top>, "Do not turn over", category of cargo etc.
- g. Should any special equipment be returned to the Seller by the Buyer, the latter shall provide normal packing, which protects the equipment and spares/goods from the damage of deterioration during transportation by land, air or sea. In this case the Buyer shall finalize the marking with the Seller.h. Suppliers have to incorporate the firm's monogram/identification mark on the components to be supplied to OFMK. In case of very small item the monogram may be put on the packets in which the components are to be supplied.

2.3.20 ALL OTHER TERMS AND CONDITIONS OF THE CONTRACT WILL BE AS PER FORM DGS&D 68 (REVISED) AND OFB PROCUREMENT MANUAL 2010.

CHAPTER-III
Instructions to Tenders

Type of bidding: Two Bid System through E-Procurement Portal (www.ofbeproc.gov.in)

3.1 Earnest Money Deposit (EMD):

Bidders are required to furnish EMD along with their bids for the amount mentioned in publication of the tender. The EMD may be submitted in the form of Fixed Deposit Receipt; DD or Bank Guarantee from any of Public Sector Banks or a private sector Bank authorized to conduct Government Business in favor of "General Manager Ordnance Factory, Medak".

EMD is normally required to remain valid for a period of 45 days beyond final bid validity period.

If the firm is registered with DGQA/NSIC/any Ordnance Factories or any organization under Ministry Of Defence, then the firm may avail exemption from paying EMD. To avail this exemption firm has to attach the concerned valid registration certificate without fail along with technical bid. Firm also has to fill relevant details in the EMD field of OFB e-procurement portal.

Exemption from submission of EMD.

If the firm is not meeting above criteria for exemption of EMD, then the firm has to submit the EMD amount in the form of DD in favor of The General Manager, Ordnance Factory Medak, Yeddumailaram -502205 Dist. Medak, Telangana State from any Public Sector Bank or a private sector Bank authorized to conduct Government business.

Valid exemption document(s) or EMD amount in the form of DD must be sent in an envelope marked "**EMD Documents AGAINST O.T.E. No- OFMK/ TM/V-----**". **Tender Opening Date: -----**

-----" by registered post or delivered by hand to OFMK and should reach OFMK on or before

2 PM of Tender Opening Date (Technical Bid). The envelope must be addressed to The General Manager, Ordnance Factory Medak, Post: Yeddumailaram, Dist. Medak-502 205. If delivered by hand they should be put in the Tender Box kept in the Tender room of Ordnance Factory Medak. Care should be taken to put the envelope in the box marked as '**TM**' only. Other boxes in the tender room are meant for tenders floated by other departments of OFMK. Envelope dropped in the wrong box may not be opened and firm only shall be responsible for same. Copy of EMD exemption documents / scanned copy of DD should be forwarded to mail id tank.ofmk@ofb.gov.in also. Additionally, the firm should enter the details of the DD in the EMD field of OFB e-procurement portal. In case of non-availability of EMD or valid exemption document(s) on technical bid opening date, the technical bid of firm will **NOT** be opened.

3.2 Validity

The offer should be valid for **180 days** from the date of opening of tenders.

3.3 Instructions for submission of bids for E-Procurement cases.

- 3.4.1 The procurement cases processed through E-Procurement system will be processed via two websites viz. www.tenders.gov.in & <https://ofbeproc.gov.in>.
- 3.4.2 The notification of tender will be given in newspapers as well.
- 3.4.3 The specifications / drawings / bid forms / techno commercial terms and conditions etc. of tender will be uploaded on www.tenders.gov.in while the firms must submit the bids on <https://ofbeproc.gov.in>
- 3.4.4 For participating in this E-Procurement system, the vendors should have class-III Digital signature issued by agencies authorised for same. The details of same are available at <http://www.cca.gov.in>
- 3.4.5 After obtaining digital certificates as above the firms must upload all relevant data of their firm in the OFB e-procurement portal and request OFMK for enrolment. Please note that enrolment with OFMK is must for bidding against OFMK tenders.
- 3.4.6 OFMK shall scrutinise the uploaded data of the firm, verify the details if and as required and accord enrolment approval in the OFB e-portal as applicable.
- 3.4.7 After enrolment by OFMK, the firm can view the details of NIT in E-proc website. After viewing the NIT details, if the firm wants to bid against the e-tender, firm must submit cost of tender documents (see clause 3.5 below) so as to reach OFMK **before last date of receipt of same indicated in e-proc website.**

3.5 Cost of tender documents (not required if quoted through e-procurement).

All participant firms have to submit mandatorily (non-refundable) Rs.100.00 towards the Cost of tender document in the form of DD in favour of "The General Manager, Ordnance Factory Medak, Yeddumailaram -502205 Dist. Medak , Telengana State" from any Public Sector Bank or a private sector Bank authorized to conduct Government business. Cost of Tender Documents must be sent in a envelope marked "**TENDER FEE AGAINST O.T.E. No-OFMK/ TM/V---**-----". **Tender Opening Date: ----- (Technical Bid)**". The envelope must be addressed to The General Manager, Ordnance Factory Medak, Post: Yeddumailaram, Dist. Medak-502 205, Telengana State. The envelope must be sent by registered post or delivered by hand to OFMK and should reach OFMK on or before 2 PM of Tender Opening Date (Technical Bid). If delivered by hand they should be put in the Tender Box kept in the Tender room of Ordnance Factory Medak. Care should be taken to put the envelope in the box marked as '**TM**' only. Other boxes in the tender room are meant for tenders floated by other departments of OFMK. Envelope dropped in the wrong box may not be opened and firm only shall be responsible for same. scanned copy of DD should be forwarded to mail id tank.ofmk@ofb.gov.in also. In case of non-availability of Tender Fee on technical bid opening date, the technical bid of firm will **NOT** be opened.

3.6 Withdrawal of Offer

Withdrawal of any quotation in full or part after opening the tender within the stipulated date of validity of the offer will render the entire offer invalid and is liable for invite administrative action which may result in withholding future business/dealing with firm/supplier, for resorting to such practices in addition to forfeiture of EMD if any.

3.7 Opening of Tender:

The tender will be received and opened at the office of the purchaser on the date and time specified in Invitation of Tenders. In 2 Bid System Only Technical Bid will be opened on due date of tender opening. The price bids of only those bidders will be opened who are considered to have capacity to make subject item and whose offers are considered acceptable. The price bid will be opened at a later date which will be intimated separately to the bidders concerned.

3.8 Right of acceptance/ non acceptance of offer:

The purchaser reserves right to accept or reject any offer wholly or partly without assigning any reason thereof. The purchaser does not pledge itself to accept the lowest or any other offer and reserves to itself the right of acceptance of the whole or any part of the offer or portion of the quantity offered. In case the tenderer wants different rates for part quantities than it should be mentioned specifically in offer clearly indicating the quantities and rates thereof. In absence of any such stipulation in the offer it will be deemed that the quoted rates are irrespective of ordered quantity. Tenderer is at liberty to tender for the whole or any portion of qty. However, tenderer must note that the offers for less than half the qty on tender are liable to be considered as un-responsive and may not be considered.

3.9 Technical bid:

The tenderer shall carefully check the specifications and drawings and shall satisfy himself of the suitability of the item being offered by him for intended use. Tenderer shall take full responsibility for the efficient and satisfactory functioning of offered item while in use. In case he has any doubts on any technical points, the same should be got clarified beforehand. Submission of bid by firm will be deemed as his confirmation of having understood all technical aspects of item on tender.

The offer should be complete in all respects along with supporting documents and technical literature like catalogue, test charts, list of customers of similar item(s), performance feedback reports from users etc. as required/ applicable.

The tenderer is at liberty to offer alternative offers with any modifications he considers advisable giving full reasons in support thereof. However, it will not be binding on purchaser to accept it in part or full and purchaser will be at full liberty to ignore any such offer.

The offer should conform to technical specification and general conditions of contract. However, deviations, if any, should be clearly brought out by the tenderers. The tenderer should invariably attach with their offer a clause-wise compliance statement against

(I) Technical specification (Chapter 2 [clause 2.1](#))

(II) Commercial conditions of contract (Chapter 2 clause [2.3.1 to 2.3.20](#)) (III) Instruction to Tenderers (Chapter 3 clause [3.1 to 3.15](#))

in format as per Annexure – E stating clearly whether they meet requirement of relevant clause. In case of deviation they must give detailed reasons as to where and how they deviate from same.

Incomplete quotations are liable to be ignored

3.10 Queries / Clarifications :

Queries/Clarifications of all nature, if any that may arise should be referred by the tenderer via written communication (Fax/ mail/ Letter) addressed to following:

THE GENERAL MANAGER ORDNANCE FACTORY YEDDUMAILARAM – 502 205

DIST. MEDAK, TELENGANA STATE.

PH: 040-2328-3721

Attn: JT.GM/TM

3.11 Evaluation of price bids:

- a) Evaluation of price bids submitted by a firm will be considered only when technical bids are accepted.
- b) In case all offers are from indigenous sources, L-1 bidder will be determined by the evaluation and comparison of responsive bids based on prices of the goods offered (Basic Rate) and other charges such as Packing & Forwarding, Freight and Insurance, AMC, etc. as indicated in the price schedule of e portal excluding levies, taxes and duties levied by Central/ State/ Local Govts. such as Excise Duty, VAT, Service Tax, Octroi, Entry Tax, etc. on final product which are to be paid extra as per actuals wherever applicable.
- c) There will be no negotiation if price quoted is considered reasonable.

3.12 General Instructions :

- a) Tender documents are not transferable.
- b) Quoted price should be in words and figures. In case of any discrepancy between words and figures, the price in words shall prevail.
- c) Quotations received after due date & time will not be accepted at the E-Portal.
- d) Copy of Latest sales Tax Registration Certificate & TIN No. should be forwarded to mail id **tank.ofmk@ofb.gov.in**.
- e) Bidders must indicate separately the relevant taxes/ Duties likely to be paid in connection with the delivery of completed goods specified in RFP. In absence of this the total cost quoted by the firm in their bids will be taken into account in the ranking of Bids.
- f) If a Bidder is exempted from payment of any Duty/ Tax up to any value of supplies from them, he should clearly state that no such Duty/ Tax will be charged by them up to the limit of exemption which they may have. If any concession is available in regard to rate/ quantum of any Duty/ Tax it should be brought out clearly. In such cases relevant certificate will be issued by the Buyer later to enable the Seller to obtain exemption from Tax Authorities.
- g) Any changes in Levies, Taxes & Duties levied by Central, State, Local Govts. such as Excise Duty, VAT, Service Tax, Octroi/ Entry Tax, etc. on final product upwards as a result of any statutory variation taking place within Contract period shall be allowed reimbursement by the Buyer, to the extent of actual quantum of such Duty/ Tax paid by the Seller.
- h) Similarly in case of downward revision in any such Duty/Tax the actual quantum of reduction of such Duty/ Tax shall be reimbursed to the Buyer by the Seller. All such adjustments shall include all reliefs, exemptions, rebates, concessions, etc. if any obtained by the Seller. Section 64-A of Sales of Goods Act will be relevant in this situation.
- i) Levies, Taxes and Duties levied by Central, State, Local Govts. such as Excise Duty, VAT, Service Tax, Octroi/ Entry Tax, etc. on final product will be paid by the Buyer on actuals based on the relevant documentary evidence. Taxes and Duties on input items will not be paid by the Buyer and they may not be separately indicated in the Bids. Bidders are required to include the same in the pricing of their product.
- j) Conditional offers may not be accepted.
- k) Tender Forms, instructions to Tenders as well as general and special conditions governing the contract should be duly signed by tenderer as taken of acceptance of same and returned along with offer.
- l) Entering discount separately in price bid is discouraged. If any firm intends to offer discount, the same should be added to basic rate and discounted rate must be entered in quotation.
- m) Canvassing by tenderers in any form including unsolicited letters on tenders or post tender corrections shall render their offers liable for summery rejection. Any offer may be rejected by the General Manager, Ordnance Factory Medak at his discretion without assigning any reason thereof to the tenderer.
- n) Quality Plan for tendered item should be put in a envelope conspicuously marked “**QUALITY PLAN AGAINST T.E. No. OFMK/TM/_____**, Dt._____. **Tender Opening Date:** _____”The envelope must be addressed to The General Manager, Ordnance Factory Medak, Post: Yeddumailaram, Dist. Medak-502 205. A Copy of same should be forwarded to mail id **tank.ofmk@ofb.gov.in**.
- o) This tender enquiry is being issued with no financial commitment at this stage and purchaser reserves the right to change or vary any part there of this tender at any stage. Purchaser also reserves the right to withdraw the tender should it be so necessary at any stage.

- p) Purchaser at his sole discretion and without assigning any reason reserves the right to place order either on one or more than one firm in order to have more sources of supplies or if L1 does not have sufficient capacity. In such case, quantity may be divided in L1 & L2 or L1, L2 & L3 subject to L2 and/or L3 matching the L1 rate. The percentage of qty. so divided will normally be in ratio of 60:40 between L1&L2 or 50:30:20 between L1, L2 and L3.

3.13 Evaluation criteria:

Subject to technical acceptability and capacity verification the price bid of the successful firms will be opened.

The evaluation and comparison of responsive bids shall be done on the prices of the goods offered (Basic Rate) and other charges such as Packing & Forwarding, Freight and Insurance, AMC, etc. as indicated in the price schedule of e portal excluding levies, taxes and duties levied by Central/ State/ Local Govts. such as Excise Duty, VAT, Service Tax, Octroi, Entry Tax, etc. on final product which are to be paid extra as per actuals wherever applicable. In case firm has not mentioned clear freight charges separately, it will be deemed that freight up to OFMK is included in basic cost quoted.

3.14 CRATEL PRACTICE:

All the firms should desist from forming cartel as the practice is prohibited under Section 3(3)(a) & (d) of the competition Act 2002.

BANK GUARANTEE FORMAT FOR FURNISHING EMD

Whereas..... (hereinafter called the “tenderer”) has submitted their offer datedfor the supply of..... (hereinafter called the “tender” know all men by these presents that we..... of.....having our registered office at..... (hereinafter called the “bank” are bound unto.....in the sum of..... (hereinafter called the “Purchaser”) for which payment will be truly to be made to the said purchaser, the bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said bank this..... day of.....19.../20....

THE CONDITIONS OF THIS OBLIGATION ARE:

1. If the tenderer withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of the tender.
2. If the tenderer having been notified of the acceptance of his tender by the purchaser during the period of its validity.
 - a) If the tenderer fails to furnish the Performance Security for the due performance of the contract.
 - b) Fails or refuses to execute the contract.

We undertake to pay the purchaser up to the above amount upon receipt of its first written demand, without the purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including 45 days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

.....

(Signature of the Bank)

GUARANTEES & CO-ACCEPTANCES
GUARANTEE BOND

Bank Guarantee No.: Bank Guarantee Amount:
Bank Guarantee cover From:to..... Last date of lodgement of claim:

.....

To,

The Principal Controller of Accounts (Fys)/ The Controller of Accounts (Fys),

.....

1 In consideration of the President of India (herein after called 'the Government') having agreed to exempt

_____ [herein after called 'the said contractor(s)'] from the demand, under the terms and conditions of an Agreement dated _____ made between _____ and

for _____ (herein after called 'the said Agreement') of Security Deposit for the due fulfillment by the said Contractor(s) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee for Rs. _____ (Rupees _____ only) . We referred to (indicate the name of the bank as 'the Bank') at the request of

[contractor(s)] do hereby undertake to pay to the Government an amount not exceeding Rs. _____ against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions in the said Agreement.

2. We _____ (indicate the name of the bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions in the said Agreement or by reason of the contractor(s)' failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(s) / supplier(s) in any suit or preceding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

4. We _____ (indicate the name of the Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and it's claim satisfied or discharged or till _____ Office/ Department/ Ministry of

_____ certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly, discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the _____ we shall be discharged from liability under this guarantee thereafter.

5. We _____ (indicate the name of the Bank) further agree with the Government that the Government 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 Agreement or to extend time

of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor(s)/ supplier(s).

7. We, _____ (indicate the name of the Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

8. Dated the _____ day of _____ for _____ (indicate the name of the Bank).



**GOVERNMENT OF INDIA
MINISTRY OF DEFENCE**



**ORDNANCEFACTORYMEDAK
YEDDUMAILARAM-502 205
Medak Dist.,(A.P)**

**Phone:040-23283240
Fax:08455- 239074
040- 23292950**

COMMERCIAL - ELIGIBILITY CRITERIA FOR FIRMS PARTICIPATING IN OPEN TENDER ENQUIRIES.

(1) The selection of firms will be done based on:

(1.1) The financial strength of the firm. The firms shall submit all the supporting documents to establish the financial

strength viz.

- i) TurnOver Details for last 3 years.
- ii) Balance Sheet for last 3 years.
- iii) Profit & Loss statement for last 3 years.

Evaluation of commercial documents will be as follows:

- a) Average annual financial turnover during the last three years, ending 31 of March of the previous financial year, should be at least 30% of the estimated cost.
 - b) Offers of firms with average turnover of last three years less than 30% of the estimated value of the case will not be considered as commercially eligible.
- (1.2) The nature of business of the firm whether manufacturing or trading. Preference will be given to manufacturers.
- (1.3) The valid registration certificates of the S S I firms registered with NSIC and the registration status with other Government organizations/ PSUs etc. (The firm should submit copies of the same during participation) in case of manufactures and relevant approvals and certificates in case of traders.
- (1.4) The availability of Machineries and Equipment: (Please furnish a list of Machineries & Equipment) in case of manufactures.
- (1.5) The manufactures shall also submit the details about the process by which they will be manufacturing the item. and a detailed quality plan for the tendered item.

General Manager/OFMK reserves the right to verify the documents submitted by the participant firm and carry out

Capacity Verification of the firms to ascertain the capability to manufacture the tendered item.

Only eligible firms will be considered for opening of their price bid(s). However, GM/OFMK is final authority in this regard.