

Cover Page



REQUEST FOR PROPOSAL
BY
MINISTRY OF DEFENCE
GOVERNMENT OF INDIA
FOR PROCUREMENT OF
(With details of Project/Equipment)

This document is the property of Government of India/Ministry of Defence.
The contents of this RFP must not be disclosed to unauthorised persons and
must be used only for the purpose of submission of Bids.

This document contains ____ pages including cover page and Appendices.

(Schedule I to Chapter II)
(Refers to Para 45 of Chapter II)

(THIS RFP PROVIDES A STANDARDISED FORMAT FOR GUIDELINES. IT MAY BE VARIED DEPENDING ON USER REQUIREMENTS, TYPE/COMPLEXITY OF EQUIPMENT/MACHINERY/TEST EQUIPMENT AND OPERATIONAL IMPERATIVES. SHQ MAY ALTER IT AS PER THEIR SERVICE REQUIREMENTS)

Tele: _____
E-mail: _____

File No: _____

Technical Manager
(_____)
New Delhi-110011
(Date)

To

REQUEST FOR TECHNICAL AND COMMERCIAL PROPOSAL FOR
(GENERIC NOMENCLATURE OF EQUIPMENT)
CATEGORY: (AS PER AON)

Dear Sir/Madam,

1. The Ministry of Defence, Government of India, intends to procure _____ (generic nomenclature of equipment and quantity) and seeks participation in the procurement process from prospective Bidders subject to requirements in succeeding paragraphs.

Synopsis

2. **Broad Description of Equipment/System.**

The details of the equipment/system along with its usage and basic composition may be included in the Para to enable understanding of the Bidder about the procurement.

(For Illustration: An integrated Fire Fighting Training Facility comprising of Fire Training Area, class room, change room and office space is required to be installed at Lonavla to provide basic training in firefighting to approximately 3500 trainees per year.)

3. The salient aspects and timelines of the procurement are tabulated below. In case of any variation in the details furnished below or other Annexures with that mentioned in the RFP, information furnished in the main body of the RFP at referred Paragraph is to be followed.

Ser No.	Description	Details	Reference Para of RFP
(a)	Equipment/System required		
(b)	Quantity Required		

(c)	Categorisation of Procurement		
(d)	Minimum IC Content required		
(e)	Place(s) of Delivery		
(f)	Warranty Period		
(g)	CAMC Period, if any		
(h)	Offsets required, if any		
(j)	IPBG Amount		
(k)	Last date for submission of Pre-bid queries		
(l)	Date and time for Pre-bid meeting		
(m)	Last date and time for Bid Submission		

4. **Special features of RFP.**

Special requirements of RFP like integration with other systems, linking of Trials with completion of delivery, infrastructure augmentation etc. are to be specified to draw the attention of bidders on critical aspects of the RFP.

(For Illustration: The equipment to be supplied is to be interfaced with the CMS of the platform for which interfaces are to be designed by the Bidder. The Interface Protocols will be provided by the Buyer. Interfacing and proving the system will be responsibility of the Bidder.)

5. This Request for Proposal (RFP) consists of following four parts:-

Ser No.	Description	Page No.
(a)	Part I – General Requirements	
(b)	Part II - Technical Requirements	
(c)	Part III – Commercial Requirements	
(d)	Part IV – Bid Evaluation and Acceptance Criteria	

6. The Government of India invites responses to this request only from Original Equipment Manufacturers (OEM) or Authorised Vendors or Government Sponsored Export Agencies (applicable in the case of countries where domestic laws do not permit direct export by OEM) subject to the condition that in cases where the same equipment is offered by more than one of the aforementioned parties, preference would be given to the OEM.

7. The end user of the equipment is the Indian Armed Forces.

8. This RFP is being issued with no financial commitment; and the Ministry of Defence reserves the right to withdraw the RFP and change or vary any part thereof or foreclose the procurement case at any stage. The Government of India also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

9. This RFP is non-transferable.

10. In addition to various Appendices and their Annexures, attached with this RFP, reference to various paragraphs of DPP-2020 has been made in the RFP. The DPP-2020 is an open domain document that is available at GoI, MoD website www.mod.nic.in.

11. Please acknowledge receipt.

Yours faithfully
O/o TM (LS/M&S/Air)

INDEX

	<u>Description</u>	<u>Reference</u>	<u>Page No</u>
	Disclaimer		
	Part I of RFP – General Requirements		
	Part II of RFP – Technical requirements		
	Part III of RFP – Commercial Requirements		
	Part IV of RFP – Bid Evaluation and Acceptance Criteria		
Appendix A	Operational Characteristics and Features	Part II	
	Annexure I Undertaking to comply with Essential Parameters ‘B’		
Appendix B	Compliance Table		
Appendix C	Warranty Clause	Part I	
Appendix D	Terms and Conditions of Offsets		
	Annexure I Undertaking to comply with Offset obligations		
	Annexure II Format for submitting Technical Offset offer		
	Annexure III Format for submitting Commercial Offset offer		
Appendix E	Information Proforma		
Appendix F	Transfer of Technology (ToT) (for SKD/CKD/IM KIT BASED)		
	Annexure I Specimen format for providing delivery schedule		
	Annexure II Documentation details to be provided by OEM		
	Annexure III Specimen format for providing Price information		
Appendix G	Guidelines and Conditions for Establishing Maintenance & Infrastructure with an Indian Firm		
Appendix H	Preliminary Project report (PPR)	Part II	
Appendix J	Certificate: Malicious Code		
Appendix K	Repair and Maintenance Philosophy		
	Annexure I Manufacture’s Recommended list of Spares		
	Annexure II List of SMT/STEx, Jigs, Fixture and Infrastructure		
	Annexure III Technical Literature		
	Annexure IV Training Aggregates		
Appendix L	Trial Methodology		
Appendix M	Commercial Clauses	Part III	
	Annexure I Guidelines for protecting ERV in contracts		
	Annexure II Indemnity Bonds for Performance-cum Warranty		
	Annexure III Format for extension of Delivery Period/Performance Notice		
	Annexure IV Delivery Schedule and Stages of Payment		

Disclaimer

1. This RFP is neither an agreement and nor an offer by the MoD to the prospective Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in submitting their proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by the MoD in relation to the Project. This RFP document and any assumptions, assessments and statements made herein do not purport to contain all the information that each Bidder may require. The Bidder shall bear all its costs associated with or relating to the preparation and submission of proposal pursuant to this RFP. Where necessary, MoD reserves the right to amend or supplement the information, assessment or assumptions contained in this RFP. The MoD reserves the right to withdraw the RFP or foreclose the procurement case at any stage. The issuance of this RFP does not imply that the MoD is bound to shortlist a Bidder for the Project. The MoD also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

PART I – GENERAL REQUIREMENTS

1. This part consists of the general requirement of the Goods (also referred as equipment/systems/deliverables) and Services, hereafter collectively referred as 'Deliverables', the numbers required, the time frame for deliveries, conditions of usage and maintenance, requirement for training, Engineering Support Package (ESP), Offset obligations and warranty/guarantee conditions, etc. It includes procedure and last date and time for submission of bids.

Non-Disclosure

2. The Bidding documents including this RFP and all attached documents, provided by the MoD, are and shall remain or becomes the property of the MoD and are transmitted to the Bidders solely for the purpose of preparation and the submission of a proposal in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their proposal. The provisions of this Para shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders, and the MoD will not return to the Bidders any proposal, document or any information provided along therewith (except unopened Commercial Bid and IPBG, as relevant).

3. Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the MoD in relation to or matters arising out of, or concerning the Bidding Process. The MoD will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. MoD may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or MoD or as may be required by law or in connection with any legal process.

4. **Confidentiality of Information.** No party shall disclose any information to any 'Third Party' concerning the matters under this RFP generally. In particular, any information identified as 'Proprietary' in nature by the disclosing party shall be kept strictly confidential by the receiving party and shall not be disclosed to any third party without the prior written consent of the original disclosing party. This clause shall apply to the sub-contractors, consultants, advisors or the employees engaged by a party with equal force.

5. **Classified RFPs.** In case of issue of a classified RFP and/or documents as part of procurement process, applicable provisions will be as follows:-

(a) All the relevant precautions and procedures for handling the RFP/document/Information have to be followed that are applicable to the relevant level of security classification, as per extant government orders on the subject. A Non-Disclosure Agreement would have to be signed by all Bidders in accordance with the format placed at Appendix Q. The Non-Disclosure Agreement would have to

be signed by the Bidder and forwarded along with the acknowledgement of receipt of the RFP.

(b) **‘Restricted Information’ Categories under ‘Official Secrets’ under Section 5 of the Official Secrets Act, 1923.** Any contravention to the above mentioned provisions by any Bidder, sub-contractors, consultants, advisors or the employees of a contractor, will make them liable for penal consequences under the above said legislation.

Business Eligibility

6(a). **Undertaking by Bidders.** The Bidder will submit an undertaking that they are currently not banned / debarred / suspended from doing business dealings with Government of India / any other government organisation and that there is no enquiry going on by MoD/ any other government agencies against them. In case of ever having been banned / debarred / suspended from doing business dealings with MoD/any other government organization, in the past, the Bidder will furnish details of such ban / debarment alongwith copy of government letter under which this ban / debarment / suspension was lifted / revoked. The Bidder shall also declare that their sub-contractor(s)/supplier(s)/technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s)/supplier(s)/ technology partner(s) of the Bidder are Suspended or Debarred by Ministry of Defence, the Bidder shall indicate the same with justification for participation of such sub-contractor(s)/supplier(s)/ technology partner(s) in the procurement case.

6(b). Subsequent to submission of bids if any sub-contractor(s)/supplier(s)/technology partner(s) of the Bidder is Suspended or Debarred by Ministry of Defence, the Bidder shall intimate the Ministry of Defence regarding Suspension or Debarment of its sub-contractor(s)/ supplier(s)/technology partner(s) within two weeks of such order being made public.

7. **Pre-Qualification Criteria {for multi-vendor cases in Buy (Indian-IDDM), Buy (Indian) and Buy & Make (Indian) cases.** The detailed Pre-Qualification criteria for the Bidders for participation in the instant procurement case are placed at Appendix R to this RFP. All Bidders are to submit details as per the criteria along with the Technical Bids. These would be evaluated by the TEC.

To be specified in accordance with the Vendor qualification criteria promulgated by Acquisition Wing vide MoD ID No 4(3)/D(Acq)/16-Pt.IV dated 18/09/2019 or as updated on <http://mod.gov.in>.

8. **Indigenous Content.** For the purposes of this RFP and the acquisition contract (if any) signed by the Ministry of Defence with a successful Bidder, indigenous content shall be as defined under **Para 7 to 15 of Chapter I** and **Para 1 of Appendix B to Chapter I of DPP 2020**. In addition, reporting requirements for prime (main) Bidders (and for sub-contractors/suppliers/technology partners reporting to higher stages/tiers) shall be as prescribed under **Para 4 to 12 of Appendix B to Chapter I of DPP 2020** **(or as approved by AoN according authority)**. The right to audit Bidder/ sub-contractors/suppliers/technology partners shall vest in the Ministry of Defence as prescribed under **Para 11 and 12**; and aspects of delivery, certification, payments, withholding of payments and imposition of penalties shall be as prescribed under **Para 13 to 17** thereof. Furthermore, Bidders in ‘Buy (Indian IDDM)’, ‘Buy (Indian)’, ‘Buy and Make (Indian)’, ‘Buy & Make’(if applicable),

Buy (Global-Manufacture in India) and Buy (Global) (for Indian vendors) will be required to submit their indigenisation plan in respect of indigenous content as stipulated in **Para 6 of Appendix B to Chapter I** and **Para 50** of Chapter II of DPP 2020. The DPP-2020 is available at MoD, GoI website (www.mod.nic.in) for reference and free download.

9. **Year of Production**. Deliverables (equipment/system/other deliverables) supplied under the contract should be of latest manufacture, conform to the current production standard and should have 100% of the defined life (on case to case basis) at the time of delivery. Deviations if any should be clearly brought out by the Bidder in the Technical Proposal.

10. **Delivery Schedule**. The delivery schedule of equipment and services along with the relevant payment stages is specified at Annexure IV to Appendix L.

(The acceptable range of delivery schedule of the equipment & services along with the requirement of STW/Commissioning without installation (scenario 1 & 2 of flowchart at Annexure _ to Appendix _ to Chapter II), installation, STW and commissioning (scenario 3 of flowchart) and installation, STW, integration trials and commissioning (scenario 4 to 6 of flowchart) must be indicated clearly in the RFP. Option for the supplier to indicate earliest delivery schedule earlier than that specified must be given only in unavoidable cases with due regards to its induction schedule and financial implications/budgetary constraints).

Realistic assessment of various timelines including likely delays in the availability of associated infra/ system/ platform for installation/ integration and STW, commissioning and final acceptance is to be made and the delivery schedule is to be evolved suitably to minimise avoidable storage for extended periods.

Various scenarios and relevant flow chart for arriving at appropriate delivery schedule is placed at Annexure _ to Appendix _ to Chapter II of DPP. It is recommended that the scenario applicable for the present case be identified from the flowchart and associated write-up before formulating the delivery schedule, preservations requirements and warranty conditions.

11. Once the contract is concluded and the delivery schedule is established, the supplier shall adhere to it and ensure continuity of supply of deliverables and their components under the contract.

12. **Preservation**. The deliverables supplied are to be preserved for _____ (months/years) post-delivery/JRI/installation (to be as per delivery schedule at Para 10). In case, JRI necessitates unpacking to the extent that the preserved life of the deliverables is affected, Bidder is to undertake re-packing to restore the preserved life to the specified period at his own cost. In cases of any delay in STW/installation/integration trials/commissioning and if preservation period expires during the storage prior installation/post installation and prior trials (as applicable), the deliverables are to be re-preserved by the Bidder against payment of de-preservation/re-preservation charges by the Buyer. To facilitate this, the cost of in-storage/in-situ de-preservation/re-preservation, as applicable, is to be indicated in the Price Bid. This cost quoted by the Bidders at SI (J) of Price bid format would be counted towards determination of L1 and will be paid on actuals. In cases of requirement of installation and trials, the warranty will commence from the date of commissioning/acceptance. In cases

where the delay is not attributable to the Bidder, payment terms for the stage related to installation and commissioning will be in accordance with Appendix M.

Note: Applicable Scenarios and flowchart are given at Annexure _ to Appendix _ to Chapter II of DPP-2020

13. **Warranty.** The deliverables supplied shall carry a warranty for ___months/years/operational hours **(not to be left blank)**. Commencement of warranty will be from the date of acceptance post JRI or from date of installation and commissioning, as at Para 12 above **(as applicable on case to case basis)**. Warranty Clause is given at **Appendix C** to this RFP.

Note: The warranty requirements shall be specified based on the delivery schedules and any dependencies in acceptance of the equipment on external factors like availability of relevant platforms/associated equipment etc. Flow chart placed at Annexure_ to Appendix _ to Chapter II of DPP gives various scenarios and resultant formulations to aid in arriving at warranty requirements for inclusion in RFP.

14. **Offset (If applicable)**. Offset obligation shall be discharged by the Bidder in accordance with provisions of DPP 2020. The Bidder has to undertake Offset contracts amounting to ___% or (as approved by the DAC) of the value of 'Buy' portion of the Contract amount. The technical offer should include a written undertaking to this effect. Failure to discharge this undertaking at any stage will result in disqualification of the Bidder from further participation in the evaluation process and the offer will be treated as null and void. The terms and conditions of Offset are given at **Appendix D** to this RFP.

(The procedure for implementation of the offset obligation is placed at Appendix D to Chapter II of DPP 2020).

15. **In Service Life/Shelf Life.** The In Service/Shelf Life of the deliverables **(as applicable)** shall be stipulated in the offer. In case of shelf life the relevant storage conditions should be clearly specified. The Bidder is required to give details of reliability model, reliability prediction and its validation by designer/manufacturer to ensure reliability of stores throughout Service/shelf life. The efficacy of reliability model/prediction/validation would be verified during technical and environmental evaluation as indicated in Para 45 of this RFP.

16. **Product Support.** The Bidder would be bound by a condition in the contract that he is in a position to provide product support in terms of maintenance, materials and spares for a minimum period of ____years. Even after the said mandatory period, the Bidder would be bound to give at least two years notice to the Government of India prior to closing the production line so as to enable a Life Time Buy of all spares before closure of the said production line. This, however, shall not restrict the Buyer from directly sourcing sub-equipment/sub-assembly and spares from their respective OEMs/sub-vendors on completion of warranty. In case the sub-equipment/sub-assembly/parts require tuning/calibration/integration by the Bidder prior replacement, the same is to be undertaken by the Seller at fair and reasonable cost.

17. **Obsolescence Management.** An actionable obsolescence management plan is to be proposed by the Bidder, the terms of which would be negotiated during CNC. The

mutually agreed solution would form an integral part of the contract. All upgrades and modifications carried out on the equipment during the next ____ years or during its life cycle (as per requirement) must be intimated to the SHQ. The mechanism for intimation of obsolescence would be finalised during the CNC negotiations and included in the Contract.

18. **Training of Crew and Maintenance Personnel.** A training package for training of operators, operator trainers and maintenance personnel to undertake operation and maintenance of equipment, along with tools and test jigs training would be required to be carried out in English language. This training shall be designed to give the operators necessary knowledge and skills to operate & maintain equipment (level 1 to 4 or 'O' / 'I' / 'D'). The syllabus will be defined by the Bidder in consultation with the Buyer at the time of MET. The maintenance training will be imparted to the satisfaction of the Buyer and Bidder will ensure that the training content and period will be to impart working proficiency up to the required level. All training requirements such as training aids, projection system, complete equipment with accessories / optionals, technical literature, spares, test equipment / test set up, charts, training handouts, power point presentations, Computer Based Training (CBT), Documentation, Simulators etc will be catered by the Bidder.

19. The Bidder would provide the following training to the personnel of the Buyer based on agreed terms of contract details of total training duration, number of trainee, batch size, place of training etc to be included as applicable :-

(a) **Operator Training.** Operator training for ____ duration (in working days) , ____ strength in ____ batch(es) are to be provided both at Bidder/Buyer premises to be indicated.

(b) **Repair and Maintenance Course.** Maintenance training for ____ duration (in working days), ____ strength in ____ batch(es) at Bidder/Buyer premises is to be undertaken both for Field and Base level repairs.

(c) The above training should meet the needs of repair & maintenance of the complete equipment, SMTs/STEs, test set up, assemblies/sub-assemblies as per the stipulated repair philosophy.

SHQ to give broad details of the training sought. The training details may include Duration, Batch Size, Location, Syllabus etc. Also, division of responsibility between BUYER and Bidder is to be specified in respect of training infrastructure requirement and stay/transportation arrangements, if training is done at OEM Premises.

20. **Government Regulations.** It may be confirmed that there are no Government restrictions or limitations in the country of the Bidder or countries from which subcomponents are being procured and/or for the export of any part of the deliverables being supplied.

21. It may be further confirmed that all national and international obligations relevant to transfer of conventional arms of the country of the supplier or countries from which parts and components are being procured, have been taken into account for the duration of the contract. Accordingly, thereafter there would be no review, revocation or suppression of Defence export licence and other related clearance issues to the supplier for the contract that could

impinge on the continuity of supply of items and their parts or components under the contract.

22. **Agents.** (Applicable in case of foreign vendors only) The Bidder is required to disclose full details of any such person, party, firm or institution engaged by them for marketing of their equipment in India, either on a country specific basis or as a part of a global or regional arrangement. These details should include the scope of work and responsibilities that have been entrusted with the said party in India. If there is non-involvement of any such party then the same also be communicated in the offers specifically. The information is to be submitted as per the format placed at **Appendix E** to this RFP. Without prejudice to the obligations of the Bidder as contained in various parts of this document, appointment of an Agent by Bidders will be subjected to the following conditions:-

- (a) Details of all Agents will be disclosed at the time of submission of offers and within two weeks of engagement of an Agent at any subsequent stage of procurement.
- (b) The Bidder is required to disclose termination of the agreement with the Agent, within two weeks of the agreement having been terminated.
- (c) MoD reserves the right to inform the Bidder at any stage that the Agent so engaged is not acceptable whereupon it would be incumbent on the Bidder either to interact with MoD directly or engage another Agent. The decision of MoD on rejection of the Agent shall be final and be effective immediately.
- (d) All payments made to the Agent 12 months prior to bid submission would be disclosed at the time of bid submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.
- (e) The Agent will not be engaged to manipulate or in any way to recommend to any functionaries of the Govt of India, whether officially or unofficially, the award of the contract to the Bidder or to indulge in corrupt and unethical practices.
- (f) The contract with the Agent will not be a conditional contract wherein payment made or penalty levied is based, directly or indirectly, on success or failure of the award of the contract.
- (g) On demand, the Bidder shall provide necessary information/inspection of the relevant financial documents/information, including a copy of the contract(s) and details of payment terms between the Bidder and the Agent engaged by him.

23. **Patent Rights.** The Bidder should confirm that there are no infringements of any Patent Rights in accordance with the laws prevailing in their respective countries.

24. In the subject RFP, the Bidder is required to sign and submit Pre Contract Integrity Pact (PCIP) given at Annexure I to Appendix O to this RFP and shall also deposit Rs _____ Crores/Lakhs (as applicable) as Integrity Pact Bank Guarantee (IPBG) through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IP and IPBG' at the time of submission of Technical and commercial offers. The Beneficiary Bank Details for furnishing IPBG are as follows:-

(IFSC Code - SBIN0000691)
State Bank of India
New Delhi Main Branch
C Block, 11 Parliament Street
New Delhi, Pin: 110001

(An Integrity Pact would be signed between MoD and the bidders for schemes exceeding Rs 20 Crores, irrespective of the value of the commercial bids submitted by bidders).

25. **Transfer of Technology (ToT) (If applicable)**. The Govt of India, Ministry of Defence is desirous of design/development, manufacture, repair, overhaul *(as applicable)* of **(generic name of equipment)** under ToT. Aspects of ToT which are to be fulfilled by the Bidder are given at **Appendix F** to this RFP. Govt reserves the right to negotiate ToT terms subsequently but the availability of ToT would be a pre-condition for any further procurements.

Note:

The ToT outcomes of the project and the methodology for assessing the delivery of ToT outcomes shall be clearly brought out in this section giving the details of the scope & depth of the technology which is required and whose range could cover technology for design/development and manufacture of systems, sub-systems, assemblies, components, materials, etc, by Indian ToT partner as well as for repair, overhaul, production from CKD/SKD kits and production from raw material and components level. Aspects which are to be included in the RFP in case production from CKD/SKD/IM kits are given at Appendix F to Schedule I. Care should be taken to spell out the selection criteria clearly. The nominated Production Agency (PA) for the receipt of technology or DRDO (in case PA is to be selected by Foreign Bidder as per Para 20 of Chapter II of DPP) will be closely associated in the preparation of RFP. Reference is to be made to the 'Legal Framework in ToT Agreements' as promulgated by DDP.

26. **Transfer of Technology for Maintenance Infrastructure (As applicable)**. The Govt of India, Ministry of Defence is desirous that the depot level maintenance (third line) and the life time support for the *(generic name of the equipment)* be carried out through an Indian private/public firm. The Bidder is required to select an Indian entity which would be responsible for providing base/depot level repairs (third line) and the requisite spares for the entire life cycle of the equipment. For this purpose the Bidder is required to set up maintenance infrastructure and facilities for third line repairs in India at the premises of the selected Indian firm as per the terms and conditions laid down in **Appendix G** to this RFP.

27. **Fall Clause**. If the equipment being offered by the Bidder has been supplied/contracted with any organisation, public/private in India, the details of the same may be furnished in the technical as well as commercial offers. The Bidders are required to give a written undertaking that they have not supplied/is not supplying the similar systems or subsystems at a price lower than that offered in the present bid to any other Ministry/Department of the Government of India and if the similar system has been supplied at a lower price, then the details regarding the cost, time of supply and quantities be included as part of the commercial offer. In case of non-disclosure, if it is found at any stage that the similar system or subsystem was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, will be applicable to the

present case and with due allowance for elapsed time, the difference in the cost would be refunded to the Buyer, if the contract has already been concluded.

Bid Timelines

28. Any queries/clarifications to this RFP may be sent to this office by ____ (date). A copy of the same may also be sent to:-

(Address of the User Directorate)

(Replies to queries received from Bidders up to the pre-bid meeting would be sent by SHQs to the office of TMs within two weeks of Pre-bid meeting and TMs should send the response to Bidders within one week thereafter).

29. **Pre-Bid Meeting.** A pre-bid meeting will be held at ____hrs on ____ (date) at ____ (venue) to answer any queries or clarify doubts regarding submission of proposals. The vendor or his authorised representative is requested to attend. Necessary details may be sent a week in advance to ____ **(user directorate)**, to facilitate obtaining of security clearance.

30. **Submission of Bids.** The Technical and Commercial Proposals alongwith IP and IPBG should be sealed separately in three separate envelopes clearly indicating Commercial/Technical/IP and IPBG and then put in one envelope and sealed **(all the envelopes should clearly state the letter No of RFP and the name of equipment and Bidder name)** and submitted to the undersigned at the following address by ____ hours on ____ :-

**O/o Technical Manager (Land Systems)
Room No 30, D-II Wing
Sena Bhawan
New Delhi-110011
Fax No: 23792414**

As applicable

31. The Technical Offer will be opened at ____hrs on at the same venue as indicated at Para 30 above. The Bidder or his authorised representative is welcome to be present at the opening of the proposals. Necessary details may be sent a week in advance to facilitate obtaining of security clearance.

PART II – TECHNICAL REQUIREMENTS

32. The second part of the RFP incorporates the aspects of SQRs describing the technical parameters of the proposed equipment, and the environmental parameters for functioning. The operational characteristics and features that should be met by the equipment are elucidated at **Appendix A** to this RFP and the Compliance Table at **Appendix B** to this RFP. The Bidder would be required to offer the equipment for field evaluation on a “No Cost No Commitment” basis.

(For cases where Para 61 of Chapter II is invoked for low value items being purchased in large quantities, appropriate clause may be inserted from the guidelines issued by Acquisition Wing.)

33. **Operational Characteristics and Features.** The broad operational characteristics [including Essential Parameters ‘A’ and ‘B’ (if applicable) and Enhanced Performance Parameters along with respective Credit Scores (if applicable)] and features that are to be met by the equipment are elucidated at **Appendix A** to this RFP. Essential Parameters ‘B’ would be tested and validated within ____ (days/weeks/months) of signing of the contract.

Except in cases where Bidder(s) claim that the equipment fielded by them for FET can meet Essential Parameters ‘B’ and such Bidders are willing to get their equipment trial evaluated for Essential Parameters ‘B’ at FET stage wherein trials on Essential Parameters ‘B’ will be conducted as per Para 31 above (a written undertaking in this regard will be given by such Bidder(s) to SHQ prior to date of commencement of FET.

34. **Technical Offer.** The Technical Offer must enable detailed understanding of the functioning and characteristics of the equipment as a whole and each sub system independently. It must include the performance parameters as listed at **Appendix A** to this RFP and any other information pertaining to the technical specifications of the equipment considered important/ relevant by the Bidder. The technical proposal should also include maintenance schedules to achieve maximum life and expected life of each assembly/subassembly (or Line Replaceable Unit (LRU)/Shop Replaceable Unit (SRU)), storage conditions/environment condition recommended and the resultant guaranteed in-service/shelf life. The range and depth of spares included in the proposal should be supported by necessary reliability and prediction model. These would be verified by the TEC during technical evaluation of the bids and further evaluated during FET. Any Bidder found to be providing lesser ESP/MRLS in terms of range and depth will have to make good the deficiency at no extra cost. The revised list of MRLS to this effect is to be submitted prior Staff Evaluation.

35. If there is any associated optional equipment on offer that should also be indicated separately along with the benefit that are likely to accrue by procuring such optional equipment. Should the Bidder be contemplating any upgrades or modifications to the equipment being offered, the details regarding these should also be included in the Technical Proposal.

36. **Technical Details.**

(a) The technical details should be factual, comprehensive and include specifications of the offered system/equipment against broad requirements listed in **Appendix A** to

this RFP. In cases where a Bidder claims to have equipment meeting the EPP, details of the same will be provided in the technical bid. EPP details not provided in technical bids, will not be allowed to be claimed subsequently.

(b) Insufficient or incomplete details may lead to rejection of the offer. Mere indication of compliance may be construed as incomplete information unless system's specific technical details are available in the offer. A format of the compliance table for the technical parameters and other conditions of RFP is attached as **Appendix B** to this RFP.

37. The technical offer should have a separate detachable compliance table as per format given at **Appendix B** to this RFP stating specific answers to all the parameters as listed at **Appendix A** to this RFP. It is mandatory to append answers to all the parameters listed in **Appendix A** to this RFP. Four copies of the Technical Proposal should be submitted (along with one soft copy), however only one copy of the commercial proposal is required.

38. **Submission of Project Report (where applicable).**

For cases involving large scale integration with other systems or civil infrastructure or ToT, requirement of preliminary/detailed Project Report may be included in RFP as given below.

(a) **Preliminary Project Report (PPR).** A PPR must be submitted along with the Technical Offer. The PPR should indicate the methodology adopted by the Bidder to execute the program and meet the delivery schedule laid down in the RFP. The PPR has to be submitted in the format placed at Appendix H. The PPR should broadly cover the following aspects:-

- (i) Project overview.
- (ii) Definitions of key milestones based on indicative list of milestones and broad range of timelines specified at Para 56.
- (iii) Broad plan for execution of the Project as per delivery schedule indicated at Para 10.
- (iv) Lifetime product support plan.
- (v) Plan for meeting the Indigenous Content (IC) stipulated in the RFP.
- (vi) Project organization structure as applicable.
- (vii) In case of ToTs for licensed production and MToT, information sought at Para 24, 25 and 39 (Appendix F and G), Indian sub-contractor for ToT and/or manufacturing and the methodology for setting up manufacturing infrastructure shall be part of PPR.

(b) **Detailed Project Report (DPR).** Post contract, the L1 Bidder will submit a DPR covering the key aspects highlighted in the PPR and detailed project implementation plan for 'Make' portion with the proposed Indian Production Agency for 'Buy and Make' cases and proposed ToT partner for Buy and Make (Indian) cases by dates indicated at Delivery Schedule and Stages of Payment (Annexure IV to Appendix L).

39. **Para Applicable Only for M-ToT Cases.** The detailed scope of maintenance infrastructure and conditions are elaborated at **Appendix G** to this RFP. A separate proposal for third level maintenance and life cycle product support should be submitted along with the technical proposal. The proposal should clearly lay down the maintenance approach that has been worked out in coordination with the selected Indian entity. It should give compliance or otherwise to the conditions that have been elaborated at **Appendix G** to this RFP for establishing the maintenance infrastructure. The spares, repairs and services support required from vendor for ToT to Indian entity would be implemented under long term contract. The proposal for Maintenance Transfer of Technology (MToT) shall also include Active Obsolescence Management through life cycle support of the equipment including upgradation of system/subsystem/components on completion of its fair service life.

40. **Malicious Code Certificate.** The Bidder is required to submit a ‘**Malicious Code Certificate**’ (*only for Electronic items and Software*) along with the Technical Proposal. The format is placed at **Appendix J** to this RFP.

41. **Field Evaluation.** The Bidder is requested to confirm his willingness to provide the equipment for trial evaluation in India on "No Cost No Commitment" basis when so requested. The Buyer, at his own expense, will depute its representatives for the Field Evaluation trials (FETs). If any part of the FETs are conducted in the Buyer's facilities, the Bidder shall depute his personnel and equipment at his own expenses and bear the cost of all expenses of trials other than the cost of ranges, platform or facilities which the Buyer may choose to provide free of cost. [In case payment is required by Buyer for providing ranges, platform or facilities, Buyer is to indicate the required amount in the RFP].

*(The details/scope of the trials, if other than NCNC in India including cases under **Para 61** of Chapter II of DPP 2020, are to be included in RFP as per the AoN accorded by the SCAPCHC/DAC/DPB).*

42. **Repair and Maintenance (ESP/AMC/CMC/LCSC/PBL (as required)).** After induction, the equipment/system would be repaired and maintained as per the repair and maintenance philosophy at **Appendix K** to this RFP. The information on Engineering Support Package that is required to be provided is enclosed at **Annexure I to IV** to **Appendix K** to this RFP. The details of AMC/CMC/LCSC/PBL proposals, if sought, must also be submitted separately by the Bidder with technical aspects being included in the technical offer and commercial aspects being included in the commercial offer.

In case the Repair and Maintenance of equipment is through Life Cycle Support Contracts as specified at Para 20-23 of Appendix K, the Bidder would have to submit the complete Spare Parts list of equipment (not limited to MRLS) along with complete Repairable Parts list (in softcopy) in the Technical offer. The complete Spare Parts Price Lists, Repairs Price Lists and Man day Rates of Specialists would have to be submitted in the Commercial offer. Negotiations for Long Term Rate Contracts (5-8years) for Spares, Repairs and Man day rates of Specialists would be conducted concurrently with the (L1) Bidder.

1. In case equipment is already in usage, the spare parts requirement must be specific based on the consumption pattern, rather than being based on MRLS.

2. In case consumables are required to be supplied by the Bidder during warranty phase, the

same may be included in the Para.

3. If post warranty AMC/CMC/PBL is also being sought from the OEM, the level of AMC/CMC/PBL required (with spares/without spares/repair rate contract) must be clearly indicated.

Note: The ESP/AMC/CMC/LCSC/PBL to be sought needs careful deliberation as it will impact not only the operational availability and life of the equipment but also the overall Life Cycle Cost. The maintenance philosophy (by own resources/AMC/CMC/LCSC/PBL) is to be evolved and the requirement of spares/tools/documents/training shall be clearly spelt out based on the usage, operational criticality, nearest availability of shore/field support and past experience of similar equipment. The flow chart placed at Annexure _ to Appendix _ to Chapter II of DPP-20 gives various scenarios and resultant formulations to aid in arriving at the requirements.

43. **Spares.** The spares requirement will be as per **Appendix K** to this RFP. The spares are required to be categorized in four categories as follows:-

- (a) Manufactured by Bidder as OEM and can be sourced as per Part No.
- (b) Bought out items and customized by the OEM for the specific purpose and such customization would require OEM intervention.
- (c) Bought out from other OEMs/Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part No./Identification No. as given by OEM/Third Party and directly utilised.
- (d) General Engineering items/COTs which can be sourced by stating the relevant standards and item description.

Note. The OEM Part No. /Identification No. of items in addition to bidder assigned part number are also required to be given.

44. The Buyer would have the option to amend the MRLS proposed by the Bidder within_____years of the expiry of the warranty period. The Bidders would either 'Buy Back' the spares rendered surplus or exchange them on cost to cost basis with the spares as required by the Buyer. The said spares would be purchased/replaced by the Bidder, based on the prices negotiated in the contract. The 'Buy Back' clause would not be applicable for additional spares included by the Buyer in MRLS during FET and SE stage, as brought out at Para 34 of RFP.

In case there is a requirement of Online Inventory Management System and/or Active Technology Obsolescence Management, the clauses are to be included as enumerated below.

45. **Online Inventory Management System (OIMS).** To leverage information technology and ensure expeditious order placement as well as timely product support, the Bidders is required to provide an Online Inventory Management System (OIMS), as per mutually agreed format, to place Purchase/Repair Orders (as applicable) online. The OIMS shall also provide feature to track the delivery status of the items. Further the OIMS should provide dashboard for intimation on obsolescence and offer of lifetime buy along with

provision for user to interact with the OEM for technical assistance etc. The detailed scope and features of OIMS shall be finalised during the negotiations on LCSC.

46. **Active Technology Obsolescence Management.** Bidder is to indicate the methodology on how the Bidder intends to undertake Active Obsolescence Management through life cycle of equipment which would include upgradation of system/ subsystem/ units on completion of its fair service life. The Bidder/OEM as applicable shall also intimate Buyer on likely technology obsolescence of various sub-assemblies/units/modules of equipment through an Annual Bulletin. In case of impending obsolescence of components, bulletin should specify either alternate item or option for life-time buy as under:-

(a) The Bidder/OEM as applicable will notify the Buyer not less than three years before the closure of its production line about the intention to close production of equipment for provision of purchasing spare parts, before closure of the said production line.

(b) Three years prior to completion of design/service life of equipment, the Bidder/OEM as applicable will submit techno-commercial proposal for upgradation of equipment, wherever applicable, to mitigate technology obsolescence and for ensuring product support for next 15 years.

Evaluation of Technical Offers

47. The Technical Offer submitted by the Bidder will be evaluated by a Technical Evaluation Committee (TEC) to confirm that the equipment being offered meets the Essential Parameters and Enhanced Performance Parameters (EPP) (where applicable) as elaborated at **Appendix A**. For cases where Essential Parameters 'B' are involved, TEC will confirm that the Bidder has submitted the undertaking to this effect (Refer **Para 10.2** of Chapter II of DPP-20) as per the format given at **Annexure to Appendix A** to this RFP. For cases where ToT for license production/maintenance infrastructure is sought, the TEC will examine the compliance of the Bidder as per the stated requirements of RFP. Thereafter, the Bidder of the short listed equipment would be asked to provide the equipment (___Nos) for trial evaluation as per trial methodology given at **Appendix L** to this RFP, in India at 'No Cost No Commitment' basis and for trials under **Para 61** of Chapter II of DPP 2020, as per guidelines issued by Acquisition Wing.

Note: *The above Para to be modified as per requirement of individual case. The details/scope of the trials, if other than NCNC trials in India to be included as per the decisions during AoN by the DAC/DPB/SCAPCHC.*

Field Evaluation Trials

48. For an equipment to be introduced in service, it is mandatory that it successfully clears all stipulated tests/trials/evaluations as per RFP. The trial evaluation process comprises of the following phases. (SHQ may amend this paragraph as per the requirement of the proposal) :-

(a) **User Evaluation Trials.** These will involve functional testing by user of the equipment in various specified conditions as per requirement and may be done in more than one phase.

In case trials are to be conducted at Buyer's premises or onboard Buyer's platform/vessel, clear demarcation of responsibilities between Buyer and Bidder towards conduct of Trials in terms of transportation, POLs, consumables and other requirements, on case to case basis, needs to be specified.

(b) **Technical Trials.** Technical trials will be conducted by QA agency to assess conformance to the quality requirements/standards/specifications. Equipment/assemblies/sub-assemblies will be subjected to environmental tests wherever applicable. Towards this, Bidder will submit the technical documentation and draft ATP as part of technical bid or one month before commencement of FET. As far as possible, physical evaluation will only be carried out of critical parameters and other parameters will be evaluated based on vendor certification duly supported by certification by NABL accredited laboratories/internationally recognised laboratories.

(c) **Maintainability Evaluation Trial (MET).** MET to address maintenance, repair and spares support aspects of acquisition, wherever feasible, will be undertaken through the OEM documentation. Actual stripping of the equipment to establish adequacy of maintenance tools, test equipment and spares utilisation will ideally be undertaken, where considered necessary by the Buyer.

(d) **EMI/EMC Evaluation.** This will consist of either review of reports of EMI/EMC tests already conducted as part of qualification testing from authorised labs or physical conduct of tests to ascertain compatibility.

(e) Secrecy Grading. **(if applicable)**

Note: Validation Trials. The principle to be adopted during finalizing the Validation trials and Production stage QA & acceptance trials is that they should be sufficient and just. Any over specification of trials will add to delays and cost whereas any under specification will result in substandard equipment availability.

Induction trials are usually done on prototype set during design & development or equipment being inducted for first time in service. These are done only on one set i.e. first of type/ prototype. If the same is not possible for reasons beyond control, a subsequent set may be used for validation. Where ab-initio design & development is involved then these are to be part of validation process of design. These are not necessary to be done for already in – service/ bulk orders/ repeat orders or on all sets of the equipment unless specifically needed and included in SQRs/AoN. The Induction trials may consist of User trials/FET, Technical & Environmental Evaluation, Maintainability Evaluation Trial, EMI/EMC Evaluation and Secrecy grading depending on the SQRs. The Flow Chart for arriving at necessary details is placed at Annexure __ to Appendix _ to Chapter II of DPP.

49. Cases involving Essential Parameters 'B' (specified at Appendix A) would be trial evaluated after the signing of the contract as provided in **Para 10.2** of Chapter II of DPP 2020. However, Trials for Essential Parameters 'B', may be conducted at the FET stage, if any Bidder(s) claims that the equipment fielded by them for FET can meet Essential

Parameters 'B' and such Bidders are willing to get their equipment trial evaluated for Essential Parameters 'B' at FET stage (a written undertaking in this regard will be given by such Bidder(s) to SHQ prior to date of commencement of FET).

Note: Cases involving equipment that need to undergo secrecy grading must incorporate details that the Bidders need to provide as part of the technical offer. These details can be sought by SHQ based on a Proforma to be given by HQ DRDO.

50. Commercial offers will be opened only of Bidders whose equipment is short-listed, after technical trials and evaluation and who have also submitted the offset offers (if applicable) and these have been accepted technically. In other words, the equipment would be required to be trial evaluated and found suitable prior to commencement of any commercial negotiations. (If trials are not proposed then the words 'trials and' may be deleted).

Quality Assurance Plan & Acceptance Test Procedure

51. Bidder is to submit Draft ATP along with the Technical bid or at least one month before commencement of FET. Based on the draft ATP, QAP will be finalised by the Buyer's QA agency with Bidder during technical trials (QA & Environmental Trials). In cases where no FET are to be conducted, ATP will be finalised at the CNC stage. QAP including the ATP shall be included in the contract at the time of finalisation with successful bidder. ATP will lay down the tests to be carried out during PDI and JRI. It shall be ensured that there are no repetition of QA tests in PDI and JRI. JRI would normally be restricted to quantitative checks only, except where check proof is required to be carried out. QA of equipment will be carried out as per finalised QAP in the contract. For technical trials by QA agencies, the vendor will arrange for requisite test facilities at OEM premises/accredited laboratories for establishing conformance. The successful Bidder would also be required to provide those test facilities at OEM premises/accredited laboratories for quality assurance, which are not available with QA agencies. Details of the same will be intimated to the Bidder during finalisation of QAP in Technical trials.

QA agencies shall mention the broad Quality Assurance Plan (QAP) in RFP, which will include quantity of samples for destructive tests e.g., firing of missiles, ammunition, electronic assemblies/sub-assemblies etc, to assure quality and reliability of the equipment. In case the Pre Dispatch Inspection (PDI)/Joint Receipt Inspection (JRI) are planned to be conducted by authorised Third Party Inspection (TPI) Agencies, the same will be spelt out in the QAP and the details included in the finalised ATP. In case the procurement is being done for more than one service, the QA of the lead service will be responsible for all QA aspects for the entire case, to include PDI and JRI for the entire quantities.

Note: *Production Stage QA & Acceptance.* The requirements of Production stage QA & Acceptance trials are to be indicated in the RFP based on the type/origin of equipment, SQRs and categorisation. The complexity of manufacturing and end use of equipment are also to be kept in mind while specifying the QA requirements and Acceptance procedures respectively. The production stage QA may involve verification of internal QC reports and random surveillance/sampling for Raw Material, In-process, Assembly level, ESS for electronic components and FATs/HATs/SATs/OPs Checks. The flow chart placed at Annexure

...to Appendix _ to Chapter II of DPP gives the various scenarios and resultant formulations to aid in arriving at the requirements.

Marking and Packaging

52. **Marking of Deliverables.** The Bidder shall ensure that each deliverable is marked clearly and indelibly, as follows:-

(a) In accordance with the requirements specified in the RFP or if no such requirement is specified, with the indicated codification number or alternative reference number specified.

(b) Ensure that any marking method used does not have a detrimental effect on the strength, serviceability or corrosion resistance of the deliverables.

(c) Where the deliverables have a limited shelf life, with the cure date/date of manufacture or expiry date expressed as months and years.

53. Where it is not possible to mark a deliverable with the required particulars, these should be included on the package in which the deliverable is packed.

54. The Bidder shall pack or have packed the deliverables:-

(a) In accordance with DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.

This standard is for packaging of non-explosives only. Not to be referred in case of ordnance stores. For explosives/ordnance stores, refer to relevant JSS/Standards.

(b) To ensure that each deliverable may be transported in an undamaged and serviceable condition.

55. The Bidder shall ensure that each package containing the deliverable is labeled to include:-

(a) The name and address of the consigner and consignee including

(i) The delivery destination/address if not of the consignee

(ii) Transit destination/address (for aggregation/disaggregation, onward shipment etc)

(b) The description and quantity of the deliverables.

(c) The full part number in accordance with codification details or as per ____.

(d) The makers part, catalogue, serial, batch number, as appropriate.

(e) The contract number.

- (f) Any statutory hazard markings and any handling markings including the mass of any package which exceeds 3 kgs.
- (g) The Packaging Label (military J, N or P, special H, commercial A, C etc) (specify reference to DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.)

Note 1: Packages to be used for defence material shall be designed to an appropriate Military Packaging Level. The Packaging Level as per DEFSTAN 81-041 Part 1 needs to be defined in RFP based on the type of stores, storage, handling and transportation requirements. Commercial Packaging may be either Trade Package or Export Trade Package where Code A or C is used respectively. For special requirements Code H is used. In Military Level Packaging Code P, N & J are used based on storage and distribution requirements. The details of the conditions applicable for goods deliverables being inducted needs to be clearly identified and compared to the conditions of each code as defined in DEFSTAN 81-041 Part 1, to arrive at correct packaging level.

Note 2: The requirements of Packing/ Storage/ Preservation/ De-Preservation/ Re-Preservation are to be indicated in the RFP based on the delivery schedules of various components of a complex system or integration requirements and availability of other systems. The flow chart placed at Annexure ...to Appendix _ to Chapter II of DPP gives the various scenarios and resultant formulations to aid in arriving at the requirements.

56. **Monitoring of Project Based on Contractual Milestones/DPR (as applicable).**

After placement of order, the progress of the project will be monitored by the Buyer for compliance with various activities towards achieving contractual milestones/DPR involving delivery/installation/ integration/trials etc. The contractual milestones will be integral part of the contract. In case the project does not proceed as per the indicated timelines for various contractual milestone(s), the Buyer will have the right to invoke Termination of the project. The indicative list of Contractual Milestones and broad range of timelines (earliest and latest time for completion) for the project are as follows (to be used for preparation of PPR and DPR):-

Sl	Milestone	Timeline (To+Weeks)	Remarks

57. The Bidder is to indicate the proposed timelines for the above milestones in the Technical Bid. On conclusion of the Contract, these milestones will be monitored by the Buyer.

58. The Project Monitoring Meeting is to be organized at _____ months interval. The Bidder shall attend the progress monitoring meetings through its suitably qualified representatives and shall submit progress reports to the Buyer.

PART III - COMMERCIAL REQUIREMENTS

59. The third part of the RFP consists of the commercial clauses and Standard clauses of contract. The bidders are required to give confirmation of their acceptance of these clauses.

Commercial Bid

60. The Bidder is requested to take into consideration the **Commercial Clauses and Payment Terms** given at **Appendix M** to this RFP while formulating the Commercial Offers. The bidders are required to quote their price in Price bid format given in **Appendix N** to this RFP.

Note: The payment terms and stages shall be specified based on the delivery schedules and any dependencies in acceptance of the equipment on external factors like availability of relevant platforms/associated equipment etc. Clauses to safeguard BUYER and Bidder interests in the event of unforeseen events not attributable to them may be included. The payment terms may have provisions for payment against suitable bank guarantees in case of inordinate delay in acceptance of equipment due to external factors. However, these should not include performance/acceptance failures of equipment. Flow chart placed at Annexure__ to Appendix _ to Chapter II of DPP gives various scenarios and resultant formulations to aid in arriving at payment terms for inclusion in Appendix M to RFP.

61. Commercial offers will be opened only of the Bidder whose equipment is short-listed, after technical trials and staff evaluation. The Commercial Offer must be firm and fixed and should be valid for at least 18 months from the date of submission of offer.

(period may be amended, if required).

Commercial Bid Opening

62. The Commercial Offers will be opened by a committee and if Bidder desires he may depute his representative, duly authorised in writing, to be present at the time of opening of the offers.

63. The date, time and venue fixed for this purpose will be intimated separately after the evaluations are completed.

64. The committee will determine the lowest bidder (L1). In cases where EPP are involved, L1 would be decided based on the credit scores earned by the Bidder. The Buyer Furnished/Buyer Nominated equipment/system/components (BFE/BNE) to be procured from a single source, if any, would not be included in determination of L1. However, the interfacing cost of these with other equipment/system/components will be included. In case one of the BFE/BNE equipment/system/component supplier is also a bidder then he has to provide the complete data required for interfacing to all other Bidders through BUYER/directly under a undertaking of sufficiency and correctness.

Note: EPP parameters and respective credit scores for each should be given in the RFP

This provision would be applicable only in multi-vendor cases. For such cases the aspects of advance/stage payments if any and all requisite details for the Bidder to formulate a comprehensive commercial proposal be indicated upfront in the RFP so that selection of LI is facilitated.

Additional Aspects

65. **Standard Conditions of RFP.** The Government of India desires that all actions regarding procurement of any equipment are totally transparent and carried out as per established procedures. The bidder is required to accept our standard conditions furnished at Appendix O to this RFP regarding Agents, penalty for use of undue influence and Integrity Pact, access to books of accounts, arbitration and clauses related to Law. These conditions along with other clauses of the Contract form the Standard Contract Document (as at **Chapter VI** of DPP 2020) indicates the general conditions of contract that would be the guideline for all acquisitions. The draft contract would be prepared as per these guidelines.

66. **Option Clause** *(as applicable)*. The format of option clause is placed at **Appendix P** to this RFP.

PART IV: BID EVALUATION AND ACCEPTANCE CRITERIA

67. A list of documents/details to be submitted along with the bids is placed at Appendix R as a reference to help in completeness of bid and meeting the procurement process schedule.

68. The bids shall be unconditional and unqualified. Any condition or qualification or any other stipulation contained in the bid shall render the bid liable to rejection as a non-responsive bid.

69. The bid and all communications in relation to or concerning the bidding documents shall be in English language.

70. **Evaluation and Acceptance Process.**

(a) **Evaluation of Technical Proposals.** The technical proposals forwarded by the Bidders will be evaluated by a Technical Evaluation Committee (TEC). The TEC will examine the extent of variations/differences, if any, in the technical characteristics of the equipment offered by various Bidders with reference to the QRs and prepare a “Compliance Statement” for shortlisting the Bidders. The shortlisted Bidders shall be asked to send the desired units of the equipment/weapon system to India for Field Evaluation in varying climatic, altitude and terrain conditions. Field Evaluation would be conducted for Essential Parameters-A and EPP. A staff evaluation will be carried out, which will give out the compliance of the demonstrated performance of the equipment vis-à-vis the requirements. The compliance would be determined only on the basis of the parameters specified in the RFP. The staff evaluation will analyse the field evaluation results and shortlist the equipment recommended for introduction into service.

***Note:** Essential Parameters-B, when tested after signing of contract, will be evaluated as per the terms of the contract. The tests for Essential Parameters-B would also validate that there is no adverse effect on any of the Essential Parameters-A.*

(b) **Evaluation of Commercial Bid.** The Commercial bids of only those bidders will be opened, whose technical bids have been cleared by TEC; equipment has been shortlisted after Field Evaluation(Trials)/Technical Trials and Staff Evaluation; and whose offset offers have been accepted technically, wherever applicable. Comparison of bids would be done on the basis of Evaluation criteria given in **Appendix M** to this RFP. The L-1 bidder would be determined by Contract Negotiation Committee (CNC) on the basis of **Appendix N** to this RFP. If EPP is applicable, L1 determination would be as per Para 10.3.1 of Chapter II. Only L-1 bidder would be invited for negotiations by CNC.

(c) **Contract Conclusion/Placement of Order** *(as applicable)*. The successful conclusion of CNC will be followed by contract conclusion/placement of order.

Appendix A to Schedule I to Chapter II
(Refers to Para 1(b), 29, 32,
33, 36 (a) & 37 of Schedule I)

OPERATIONAL CHARACTERISTICS AND FEATURES

1. This information would be different for various equipment. As such only the guide lines for formulating this Appendix have been stated here. The information provided here flows from the SQR and must contain the following:

(a) The purpose for which this equipment is needed or in broad outlines the capabilities that are needed. For example, in the case of WLR;

“The WLR should be able to provide accurate location of enemy guns, mortars and rocket launchers (in all types of terrain) to enable own fire delivery means to engage them effectively. In addition it should also provide location of own shell burst to enable correction of fire.”

(b) **Technical Parameters.** All technical parameters listed in the SQR in terms of size, weight, performance, operating environment, power, torque, preservation, utility life, storage, shelf life etc, should be specified. These Parameters may be divided into Essential Parameters-A, Essential Parameters-B (if applicable) and Enhanced Performance Parameters (if applicable) along with respective credit scores.

(c) **Additional Features.** If any, should also be explained.

2. Based on above guide lines, this Appendix should be formulated very carefully for each type of equipment.

Note:

(i) *For repeat order cases the reference of the earlier contract/supply order should be given.*

(ii) *The specifications/parameters of the equipment given here should be as per the approved GSQR/DPR/OR and no changes/amendments be done there to.*

Annexure to Appendix A to Schedule I
(Refers to Para 32 of Schedule I)

UNDERTAKING TO COMPLY WITH ESSENTIAL PARAMETERS-‘B’

1. The Bidder _____ (Name of the Company) hereby
- (a) Undertakes to develop and meet all the requirements of Essential Parameters B as given at Appendix ____ of RFP for the procurement case of _____ issued on _____.
- (b) Undertakes to produce the equipment for trials of Essential Parameters ‘B’ within the specified time frame as stipulated in the contract.
- (c) Accepts that failure to meet the Essential Parameters B after signing of the contract and within the stipulated time frame, will lead to forfeiture of all bank guarantees (Performance Bank Guarantee, Additional Bank Guarantee and Advance Bank Guarantee) and attract other penal provisions as may be prescribed by the Govt.

Note: Failure to submit the undertaking along with the Technical Bid shall render the bid invalid and will be rejected.

Appendix B to Schedule I to Chapter II
(Refers to Para 1(b), 36 (b) & 37
of Schedule I)

COMPLIANCE TABLE

For _____ (Equipment name)

Ser No	Requirement as per the RFP	Compliance/ Partial Compliance	Indicate references of Paras/Sub Paras of the Main Technical Document
Technical Parameters as per Appendix A			
	Essential Parameters 'A'		
	Essential Parameters 'B' (if applicable)		
	Enhanced Performance Parameters (if applicable)		
Commercial Parameters as per RFP			
	Performance-cum-Warranty Bond as per Para ___ of RFP		
	Advance Bank Guarantee Bond as per Para ___ of RFP		
	Integrity Pact Bank Guarantee as per Para ___ of RFP (indicate amount of IPBG)		

Appendix C to Schedule I to Chapter II
(Refers to Para 13 of Schedule I)

WARRANTY CLAUSE

(To be amended as per requirement and no blanks to be left)

1. The **SELLER** warrants that the goods/services supplied under this contract conform to technical specifications prescribed and shall perform according to the said Technical Specifications.
2. The **SELLER** warrants for a period of ____ months/years/operational hours from the date of acceptance of stores by Joint Receipt Inspection or date of installation and commissioning whichever is later/earlier (as applicable on case to case basis), that the goods/stores/services supplied under this contract and each component used in the manufacture thereof shall be free from all types of defects/failures (including latent and patent defects).
3. If within the period of warranty, the goods/services are reported by the **BUYER** to have failed to perform as per the specifications, the **SELLER** shall either replace or rectify the same free of charge, maximum within ____ days of notification of such defect by the **BUYER** provided that the goods are used and maintained by the **BUYER** as per instructions contained in the Operating Manual. Warranty of the equipment would be extended by such duration of **downtime**. Record of the down time would be maintained by user in log book. Spares **and all consumables** required for warranty repairs shall be provided free of cost by **SELLER**. The **SELLER** also warrants that the special oils and lubricants required for the warranty repair of the equipment shall be provided by the **SELLER** himself. **All activities including diagnosis, rectification, calibration, transportation etc, required for making equipment serviceable and available would be the SELLER's responsibility.** The **SELLER** also undertakes to diagnose, test, adjust, calibrate and repair/replace the goods/equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty period, at the cost mutually agreed to between the **BUYER** and the **SELLER**. The **SELLER** shall intimate the assignable cause of the failures.
4. **SELLER** hereby warrants that necessary service and repair backup during the warranty period, including routine maintenance beyond Unit Level (delete if CAMC/AMC is not part of the contract), shall be provided by the **SELLER** and he will ensure that the **cumulative downtime period for the equipment does not exceed ____ of the warranty period.**
5. If a particular equipment/goods fails frequently and/or, the cumulative down time exceeds ____% of the warranty period **or a common defect is noticed in more than ____% of the quantity of goods with respect to a particular item/component/sub-component, that complete item/equipment shall be replaced free of cost by the SELLER** within a stipulated period of ____ days of receipt of the notification from the **BUYER** duly modified/upgraded through design improvement in all equipment supplied/yet to be supplied and ESP supplied/yet to be supplied.
6. **SELLER shall associate technical personnel of maintenance agency and QA of**

BUYER during warranty repair and shall provide complete details of defect, reasons and remedial actions for averting recurrence of such defects.

7. In case the complete delivery of the Engineering Support Package is delayed beyond the period stipulated in this contract, then the **SELLER** undertakes that the warranty period for the goods/stores shall be extended to that extent.

8. The SELLER warrants that the goods supplied will conform to the Temperature and Humidity conditions as mentioned at Appendix A to RFP.

Note: Wherever applicable the clause related to MTBF related warranties may be added as part of this Appendix).

Appendix D to Schedule I to Chapter II
(Refers to Para 14 of Schedule I)

TERMS AND CONDITIONS OF OFFSETS

1. The Procedure for implementing Offset provision given at Appendix D and relevant Annexures to Chapter II of DPP (available at www.mod.nic.in) will be followed. Terms and conditions for submission of technical and commercial offset offer are given in succeeding paras.

2. **Submission of Written Undertaking to Meet the Offset Obligation.** You are required to give a written undertaking to the effect that you will meet the offset obligation as laid down in the RFP. This undertaking in the format at **Annexure I** will be included in the envelope containing your technical offer which is to be submitted by _____ (specify the date). This undertaking is binding on you and that failure at any stage, on your part to meet the offset obligation specified in the RFP will disqualify you from any further participation in the contract and render your offer as null and void.

3. **Submission of Technical and Commercial Offset Offers.**

(a) The Technical and Commercial offset offers would have to be submitted by _____ (**12 weeks** from the date of submission of the technical and commercial offers of the main proposal). **Exact date as calculated and given in the RFP or intimated later by the Technical Managers will be binding.** These offset offers would have to be submitted together in two separate sealed covers to the Technical Manager at the following address:-

(b) The technical offset offer would contain details of the products, services and investment proposals indicating relative percentages, proposed Indian partners for offset investment and other relevant information in the format given at Annexure II. Details of Banked offset credits as discharged offset obligations will also be indicated. The commercial values of the offset proposals are not to be indicated in this technical offset offer.

(c) The Commercial Offset Offer, format in **Annexure III**, will contain the detailed offer specifying the absolute amount of the offset with a breakup of the details, phasing, Indian partner and banked credits as discharged obligations.

(d) The model formats at **Annexure II and Annexure III** may be amended by the vendor without however deviating from the mandatory offset requirements prescribed.

Annexure I to Appendix D
(Refers to Para 2 of Appendix D)

UNDERTAKING TO COMPLY WITH OFFSET OBLIGATIONS

1. The Bidder _____(name of the company) hereby
 - (a) Undertakes to fulfil the offset obligation as laid down in the Request For Proposals.
 - (b) Undertakes to ensure timely adherence to fulfilment of offset obligations.
 - (c) Accepts that any failure on the part of the Company to meet offset obligations will render disqualification from any further participation in the contract and render ibid offer as null and void.
 - (d) Undertakes to furnish technical details of offset obligations indicating products and services and corresponding Indian Industry partner(s) for the same when so required to by Ministry of Defence, Government of India, after being found to satisfy the SQRs.
 - (e) Undertakes to translate the detailed technical offset offer given at Para (iv) above into a business implementation plan now furnishing complete commercial details of investments, products and services, Indian Industry partners, amount, phases and time plan for the same in the form of a commercial offset offer as and when so required to by MoD, GoI.

Annexure II to Appendix D
(Refers to Para 3(b) of Appendix D)

FORMAT FOR SUBMITTING TECHNICAL OFFSET OFFER

1. The Bidder ----- hereby offers the following offsets in compliance with the technical offset obligations in the RFP.

S. No.	Eligible Offset Products /Services Being Offered	Avenue for discharge (quote sub Para of 3.1 of Appendix D to Chapter II)	Multiplier applicable (quote applicable Para)	Percentage of Total Offsets	IOP/ Agency for discharge	Time Frame for Discharge of Offsets	Whether Related to Main Equipment Being Supplied (Yes/No)	Remarks
(a)								
(b)								
(c)								

Note: Vendor to provide following along with technical offset offer:-

- (i) Undertaking that IOP is an eligible offset partner as per applicable guidelines.
- (ii) Company profile of IOP/agency.
- (iii) Details with quantities of the proposed offset.
- (iv) Letter of IOP/agency confirming acceptance of the offset project in case of direct purchase or investment.
- (v) In case banked offsets are planned to be utilised, their details certified by DOMW.
- (vi) List of Tier-1 sub-contractors, if any, through whom offset obligations are proposed to be discharged, with percentage of discharge.
- (vii) Proposals for Technology Acquisition by DRDO under Para 3.1(f) of Appendix D to Chapter II should be submitted separately in the format at Annexure IX to Appendix D to Chapter II.****

Annexure III to Appendix D
(Refers to Para 3(c) of Appendix D)

FORMAT FOR SUBMITTING COMMERCIAL OFFSET OFFER

1. The Bidder ----- hereby offers the following offsets in compliance with the technical offset obligations in the RFP.

S. No	Eligible Offset Products /Services Offered	Avenue for Discharge (quote sub Para of 3.1) (Appendix D to Chapter II)	Multiplier applicable (quote applicable Para)	Percentage of Total Offset	IOP/ Agency for discharge	Time Frame for Discharge of Offsets	Whether Related to Main Equipment Being Supplied (Yes/No)	Remarks
(a)								
(b)								
(c)								

Note : Vendor to provide following along with commercial offset offer:-

- (i) Undertaking that IOP is an eligible offset partner as per applicable guidelines.
- (ii) Company profile of IOP/agency.
- (iii) Details with values of the proposed offset, including details of Tier-1 sub-contractors, if any.
- (iv) Letter of IOP/agency confirming acceptance of the offset project in case of direct purchase or investment.
- (v) In case banked offsets are planned to be utilised, their details certified by DOMW.
- (vi) Value of investment “in kind” supported by documentary evidence.
- (vii) Details of the business model for proposals relating to Para 3.1(c) and (d) of the offset guidelines at Appendix D to Chapter II should be indicated, as applicable.

2. This annexure will also be used by the vendor to submit proposals for banking of offsets (**Para 2** of Annexure VII of Appendix D to Chapter II). In such cases Note (v) above will not be applicable.

Appendix E to Schedule I to Chapter II
(Refers to Para 21 of Schedule I)

INFORMATION PROFORMA
Engagement of Agent by Foreign Vendor
(Separate sheets to be filled in case of multiple Agents)

1. Procurement Case.....

2. Has the vendor engaged/proposes to engage any Agent
[Yes/No] :

3. If Yes, Details of Engaged Agent:

Name of the Firm/Individual

.....

Address

.....

Registration No

4. Date of Engagement

5. Period of Engagement

6. Scope of Work and Responsibilities

.....

7. Payment Details :-

Payments made in last 12 months

Brief Terms of Payment.....

.....

8. Any other details

.....

9. Declaration. It is certified that the above information is true. Any change in the information, including termination of an Agent, will be intimated within two weeks of occurrence. Details of further payments will be intimated annually.

Place:

Date:

(Authorised signatory)

Vendor Name and Address

Appendix F to Schedule I to Chapter II
(Refers to Para 33 of Chapter II and Para 24
of Schedule I)

***(THIS PAPER LAYS OUT GENERAL GUIDELINES. MAY BE AMENDED IN
CONSULTATION WITH PRODUCTION AGENCY AND OTHER AGENCIES
INVOLVED TO MAKE IT EQUIPMENT SPECIFIC)***

TRANSFER OF TECHNOLOGY (TOT) (FOR SKD/CKD/IM KIT BASED)

1. **Preamble.**

(a) ToT shall be provided to the designated Production Agency(s) (to be decided prior to issue of RFP). The key technologies for ToT should be identified prior to issue of RFP jointly by the designated production agency, Defence Research and Development Organisation and Ministry of Defence.

(b) Technology used shall be current, State-of-the-art as used in the contemporary systems. Critical technology aspects having bearing on ToT evaluation need to be specified on a case to case basis.

(c) The ToT shall be comprehensive, covering all aspects of design, manufacturing know-how and detailed technical information which will enable the Production Agency to manufacture, assemble, integrate, test, install and commission, use, repair, overhaul, support and maintain the license product from SKD/CKD/IM Kit. Design data shall include the details that are needed to give design disposition during production on deviation/concession; modify/upgrade the license product and substitute parts and systems of the license product as required by the certifying agency and the production agency.

(d) The OEM is required to provide the latest version of Configuration Control Document which will provide detailed breakdown of the product structure in terms of lower level subsystems/assemblies/sub-assemblies/modules/detail parts/PCBs/wiring diagrams etc with their latest modification status. All updates during the term of the Agreement should be provided as and when issued free of cost. Consolidated list of updates during the year should be provided during the first quarter of the subsequent year.

(e) Vendor should submit an undertaking that he would provide and support complete ToT for phased manufacture to the buyer or his authorised Indian Organisation for the System and its sub-systems, modules, assemblies and detailed parts/components. Support will be provided for a minimum period of 20 years on long term basis after the last unit is produced under the present proposal.

(f) The vendor should provide total support and facilitate ToT of the sub-systems from his sub-vendors/OEMs if desired by the buyer.

(g) (To be included on as required basis) Vendor should submit an undertaking not

to exceed* budgetary price for the Transfer of Technology covering the following parameters:-

- (i) License fee.
- (ii) Documentation.
- (iii) Technical Assistance.
- (iv) Training.
- (v) Materials.
- (vi) Spares.
- (vii) Tooling.
- (viii) Special Tools.
- (ix) Standard tools.
- (x) Ground Support & Test Equipment.
- (xi) Programme Management.
- (xii) Special Infrastructure facilities deemed necessary to support the operations.

****Note:** Above 'not to exceed' budgetary quotes are to be provided for both Licensed production and Repair/Overhaul separately. Vendor may note that this 'not to exceed' budgetary price will be used for commercial evaluation. Vendor selected after technical & commercial evaluation will enter into detailed contractual negotiations on various aspects of the Transfer of Technology to the buyer or his authorised Indian organisation based on the "Not to exceed" budgetary quotes.*

(h) It is likely that some of the assemblies/sub-assemblies/modules/PCBs used in the realisation of higher level assemblies/sub-systems and systems are manufactured by the OEM's vendors/sub-contractors either based on Engineering documentation provided by the OEM or developed by the OEM's vendors/sub-contractors based on procurement specifications provided by the OEM. Further, as a result of multiplicity of technologies involved and for reasons for price competitiveness arising due to economies of scale, some of the items used in the manufacture of licensed product may be bought out by the OEM from vendors as 'fully finished' against the procurement specifications provided by him.

(j) Although, not desirable, some of the components/process specifically developed by the OEMs for use in the manufacture of licensed product may be classified by them as 'Proprietary' and not included within the scope of ToT offered to the Production Agency.

(k) To bring in a fair comparison between the ToT offered by various OEMs as also to have a fair assessment of the depth of technology being transferred, OEMs are required to identify each item (system/sub-system/assembly/sub-assembly/module/detail parts/PCB etc) in the product structure under the following categories, as may be applicable and provide information on the relative price for each of the items in the product structure as percentage of product cost:-

(i) **Category -1.** Items, for which complete ToT, i.e., Engineering and Manufacturing documentation to enable the Production Agency carryout fabrication, assembly and test of the item from CKD/IM Kit level as the case may be, is being provided by the OEM, may be classified under the head “CToT”.

(ii) **Category -2.** Items which are manufactured by the OEM’s Subcontractors based on engineering documentation provided by the OEM and these Engineering Documentation are being provided by the OEM to the Production Agency, may also be classified under the head “CToT”.

(iii) **Category -3.**

(aa) Items in respect of which development and manufacture by the OEM has been subcontracted to its vendors/sub-contractors based on only the procurement specifications provided by him and the OEM is not in a position to provide any additional technical information to the Production Agency except the procurement drawings/specifications provided by him to his vendors/sub-contractors, may be classified under the head Single Vendor “Subcontract”. For the purpose of evaluating the depth of ToT, it will be presumed that the ToT in respect of these items for indigenous manufacture is not provided. OEM shall ensure authorisation to its vendors/sub-contractors to supply items, manufactured against OEM’s specifications to the Production Agency against its purchase orders.

(ab) However in such case, the OEM in collaboration with his vendor/subcontractor, is required to provide the Production Agency, maintenance Documentation, the recommended list of spares for repair and overhaul as may be applicable and maintenance training at the vendor’s/subcontractor’s premises, then such vendor items are may be classified under the head ‘Limited ToT for maintenance support’, i.e, “M-ToT”.

(iv) **Category-4.**

(aa) Items including catalogue/standard items sourced by the OEM against his procurement specifications as ‘Fully Finished’, may be classified as “Bought Out”. Evidently ToT for such items for indigenous manufacture will not be available and the OEM will be able to provide only the procurement drawings/specifications, sources of supply. OEM has to ensure the availability of such items or its equivalents during the life cycle of the product. However, in respect of

some of the selected items in this category, if the OEM, in collaboration with his vendor, is able to provide the Production Agency documentation for maintenance, recommended list of spares for repair and overhaul as may be applicable and maintenance training in the vendor's premises, then such items may also be classified under the head 'limited ToT for maintenance support' i.e. "M-ToT".

(ab) OEM shall ensure periodical review of obsolescence, study of the Bill of Items (BOIs) and provide a retrieval scheme for a minimum period of 15/20 years from the production of last unit under the present proposal.

(v) **Category -5.** Some of the items for which the ownership of Design and Manufacturing Documentation is available with the OEM, but the OEM is not willing to transfer the technology to the Production Agency may be classified under the head 'Proprietary' items. The list of such items shall be far and few and generally restricted to components/processes specifically developed by the OEM for the licensed product. No item in the product structure which is critical either from the technology point of view or from the point of view of significant value addition or which constitutes a significant relative percentage of the product cost (say > 10%), will be acceptable under the head "Proprietary items". Further, at any stage during the life cycle of the Product, if the OEM intends to discontinue the production of Proprietary items, the complete technical documentation in respect of these items available with the OEM or his subcontractors will be passed on to the Production Agency to enable indigenous manufacture or establish alternative routes of meeting the requirement. Also, a base price for such items with an escalation formula for future supplies shall be given for slab quantities by OEM.

(l) The OEMs have to ensure that the depth of Technology being transferred shall enable the Production Agency achieve value addition commensurate with a minimum 30% of the relative cost of the licensed Product through indigenous manufacture in case of CKD kit based ToT and a minimum of 60% of the relative cost of the licensed product through indigenous manufacture in case of IM Kit based ToT (Percentage of indigenous value addition may vary based on the product).

(m) No single sub-system/assembly/sub-assembly, which constitutes more than 10% of the cost of Licensed product, shall be without ToT option to the Production Agency. In case, such a sub-system/assembly belongs to the 'bought out' category, then the OEM as a prime bidder of the licensed product shall bid in consortium with the concerned vendors with separate ToT proposal for which items included in the bid directly from the relevant vendor. The bid for supplied/ToT in such a case shall be evaluated as an integrated composite proposal.

(n) OEM shall assist the production agency and take the lead to obtain maintenance related ToT to the maximum extent possible in respect of items covered under category 3 and 4, from his vendor/sub-contractors.

2. Evaluation of ToT

For CKD Kit based ToT

(a) The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

(b) In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:-

- | | | | |
|-------|--|---|---|
| (i) | Relative Percentage of cost of Category 1 items (individual & composite) | } | Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30% |
| (ii) | Relative Percentage of cost of Category 2 items (individual & composite) | | |
| (iii) | Relative Percentage of cost of Category 3 items (individual & composite) | } | Not more than 25% |
| (iv) | Relative Percentage of cost of Category 4 items (individual & composite) | | |
| (v) | Relative Percentage of cost of Category 5 items (individual & composite) | } | Not more than 15% |

(c) Total %age of (i) to (v) should be 100%.

(d) Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT minus CKD Kit cost being higher than the minimum specified 30% during the IM Phase will only be considered further for commercial evaluation. (minimum specified percentage may vary based on the product).

For IM Kit based ToT

(a) The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

(b) In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:

- | | | | |
|------|--|---|---|
| (i) | Relative Percentage of cost of Category 1 items (individual & composite) | } | Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30% |
| (ii) | Relative Percentage of cost of Category 2 items (individual & composite) | | |

- (iii) Relative Percentage of cost of Category 3 items (individual & composite)
 - (iv) Relative Percentage of cost of Category 4 items (individual & composite)
 - (v) Relative Percentage of cost of Category 5 items (individual & composite)
- } Not more than 25%
- } Not more than 15%

(c) Total % age of (i) to (v) should be 100%.

(d) Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT being higher than the minimum specified 60% during the IM Phase will only be considered further for commercial evaluation. (Minimum specified percentage may vary based on the product).

3. **Phased Manufacturing Programme.**

(a) Based on the phased ToT absorption planned by production agency, quantity_____ will be supplied as Fully Finished during Phase-0, quantity _____ as SKD Kit during Phase1, quantity _____ as CKD Kit during Phase-2 and quantity as IM Kit during Phase3, as the case may be. Illustrative phase definitions are given below:

(i) **Phase-0.** Shall be based on supply of Fully Formed and tested product by the OEM.

(ii) **Phase-1.** Shall be based on supply of Semi Knocked Down (SKD) Kits provided by the OEM. The Semi Knocked Down Kit will consist of subsystems, assemblies, sub- assemblies, modules etc assembled and tested by the OEM and/or his vendors/sub- contractors. The Production Agency will perform the final level assembly and testing of the product.

(iii) **Phase-2.** Shall be based on supply of Completely Knocked Down (CKD) Kits provided by the OEM in the form of unassembled Bill of Materials. CKD Kit may include certain components/sub-assemblies commercially available “Off The Shelf” (COTS) from multiple vendors as fully finished items. Production Agency will carry out assembly and test of individual PCBs/Modules/Subassemblies/Assemblies /Sub-systems etc from component level and then carry out final assembly and testing of the product.

(iv) **Phase-3.** Shall be based on supply of proprietary items (IM Kit) by the OEM. Production Agency will perform procurement of all the components/raw materials and carry out complete fabrication, assembly and testing of the product from raw-materials/component stage through various stages of manufacture. (Phase 3 applicable only for IM Kit based ToT).

(b) The time frame for completion of supplies by the OEM for various phases of

manufacturing is provided at **Annexure 1**. Conformance of the vendor to the time schedule provided in **Annexure 1** will be one of the important Evaluation Criteria and the bids of OEM's not meeting the time schedules are liable to be rejected.

(c) OEM shall provide complete configuration of SKD, CKD and IM Kits, as the case may be, to the Production Agency to realise the Fully Finished Product. CKD Kits required to meet the spares requirement may be furnished separately. The OEM shall also provide estimated man- hours required for various stages of fabrication, assembly and test to realise the Licensed Product from SKD Kit during Phase-1, CKD kit during Phase-2 and IM kit during Phase-3. Based on experience in his plant supplier shall also provide "Production Mortality" of SKD/CKD/IM kit parts required for realisation of final finished product.

(d) OEM shall permit the production agency to sub contract components/assemblies to sub-contractors of Production Agency. ToT shall be such that the production agency is able to procure components/sub-assemblies/test equipment directly from OEM's Sub-contractors/ Vendors.

4. **Itemised Price List (IPL)**. The OEM shall provide Itemised parts list in the Technical Bid and itemised price list (IPL) totaling to end product unit cost in Commercial Bid. Man- hours required during various phases of manufacture to realise the fully finished product shall also be provided. The prices of components, fabricated parts, standard items, bought out items, proprietary items as may be relevant shall be provided for various phases of manufacturing programme. The list shall include the source of supply of components, standard items, BOIs and the ToT shall include authorisation to production agency to procure these items directly from the sources without going through OEM. (While this information may be possible for less complex products, it may not be possible if the itemised price list is very voluminous, e.g., aircraft to be manufactured under ToT. Therefore this Para of the draft procedure may have to be suitably modified on a case to case basis).

5. **Supply of Documentation**.

(a) The ToT Documentation to be provided by the OEM shall be in English language and include documentation under the following heads:- (In case of procurement from Russian or other foreign vendors, they may be asked to quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor).

- (i) Engineering documentation
- (ii) Software documentation and Firm ware support manual for embedded software including source code.
- (iii) Manufacturing documentation.
- (iv) Test documentation.
- (v) Technical Manuals.
- (vi) General documentation including Company standards, National and

International standards and specifications

- (vii) Additional documentation for repairs centre.
 - (viii) Illustrated parts catalogue.
 - (ix) Design data- stress, fatigue, performance, qualification, environmental test, life (calendar/total/overhaul), where applicable.
 - (x) Source identification for BOIs and subcontracted items; standard parts, consumables etc.
 - (xi) Spares parts lists and price catalogue for Operator (O), Intermediate (I) and Depot (D) level maintenances.
 - (xii) Recertification/requalification test plan, series test, special category test due to change in venue of manufacture, where applicable.
 - (xiii) “Red band” units, calibration stands where applicable.
 - (xiv) Quality procedures, plans, ESS, Special tests during production other than ATP.
 - (xv) Data on reliability-FMECA, MTBF, MTBO, MTBUR, MTBR.
- (b) The details/definition of Documentation to be provided by the OEM under the above heads is enclosed at **Annexure II**.
- (c) The OEM is required to furnish ‘Compliance Statement’ in respect of each type of detailed documentation requirement listed at **Annexure II**. Non-compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse bearing in the evaluation of ToT proposal.
- (d) The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub contractors for the purpose of manufacturing, assembly and testing of the licensed product in their plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the Production Agency for manufacturing, assembling, testing, installation and commissioning, maintenance and overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant Military (MIL) Specifications or as mutually agreed with the User’s Certification Agency.
- (e) Documentation as detailed in **Annexure II** to enable the Production Agency procure, manufacture, operate and maintain the SMTs, STEs, Tools, Jigs and Fixtures required for the FF/SKD/CKD/IM kits manufacturing phase, shall be provided. Wherever software is used, details of the software as per documentation listed at Annexure II including Source Code and Firmware Support Manual shall be provided.

(f) The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

6. **Product Upgrades.** Technical data including relevant Documentation update in respect of any modifications/improvements/upgrades undertaken by the OEM in the licensed product during the entire life cycle of the product/license Agreement shall be provided to the Production Agency at no additional cost during the entire life- cycle of the product.

7. **Training**

(a) As part of ToT, Industrial Training required by the Production Agency to realise the Fully Finished Product from SKD, CKD and IM kits, as the case may be, during various manufacturing phases and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of design, manufacture, software, installation and commissioning, system integration and checkout and component level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

(b) All aspects of software are to be comprehensively covered during the software training module with a view to enable Production Agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

(c) Industrial Training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

(d) OEM shall provide complete details of Industrial Training programme, which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Production Agency.

(e) Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Production Agency subject to overall training schedule. Operation and Maintenance training for end user shall also be provided.

(f) Details of Industrial and User Training Programme recommended by the OEM shall be provided as an annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the production agency and at user locations. Long term training of production agencies at the design departments of OEMs shall also be included to give a complete exposure to them on design practices of OEM. This will help in design liaison support including upgrade Modifications/Troubleshooting/Concessions during the entire life cycle of the product.

8. **Technical Assistance.** As part of ToT, OEM shall provide requisite technical assistance to the production agency during the phased manufacturing programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an annexure to the technical proposal. The total technical assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

9. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs).**

(a) OEM shall provide complete technical data of the SMTs and STEs used in the production, assembly, test and maintenance of product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours and cost details are to be provided.

(b) Details of special category test (recertification, production series testing) along with test Rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code and Firmware Support Manual for embedded software shall be provided.

(c) OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

10. **Consumables.** List of consumables required for the manufacture/maintenance of product along with cost, source details and life data shall be provided.

11. **Special Technologies/Processes.** The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery/running cost etc vis-à-vis specific components/assemblies.

12. **Product Support.** OEM shall ensure that the product support including supply of spares and management of obsolescence for a minimum of 20 years from the time the last unit is produced under the present proposal, shall be available to the production agency/its customer. OEM shall also provide a proposal for transferring the complete product support to the production agency in a phased manner.

13. **Commercial Proposal.** The commercial proposal should be submitted in a separate sealed cover.

14. **Transfer of Technology (ToT).** OEM shall provide commercial offer for providing complete Know-How and documentation for the manufacturing of product from SKD, CKD Kits and IM phase, as the case may be, Industrial Training and Technical Assistance and the required rights, licenses and authorisation to manufacture, use and sell the product. For the Industrial Training and Technical Assistance phase, man week rate for providing training/technical assistance in OEM's own plant(s) or in India may be separately provided.

15. **Supplies**

(a) **FF, SKD, CKD and IM Kits.** OEM shall provide itemised price list for

supply of FF, SKD, CKD and IM Kits, as the case may be, inclusive of the production mortality used by the OEM during manufacture of product in its plants. Itemised price break-up up to component level is to be provided at the time of signing of the Technical Collaboration Agreement (TCA).

(b) **SMTs, STEs, Tools, Jigs and Fixtures.** OEM shall also provide complete list with itemised prices for SMTs, STEs, Tools, Jigs and Fixtures required for the SKD, CKD and IM manufacturing phase, as the case may be. In case of Tools, Jigs & Fixtures where large quantities are involved, category-wise prices may be provided. OEM shall also provide prices for 'O' level, 'I' level and 'D' level maintenance facilities of PRODUCT by the User/Customer.

(c) **Bought Out/Outsourced/Subcontracted Items.** OEM shall provide the complete list of items, which are bought out/outsourced/subcontracted for use in the manufacture of PRODUCT along with itemised prices and details of the sources for procurement. Authorisation for direct procurement by the production agency from these sources shall be given so that no development cost or NRE charges are incurred. In case where suggested sources decline to supply the components/materials, OEM shall take responsibility for supply of same or suggest alternate sources for the procurement of suitable equivalent components/materials during the term of the agreement.

(d) **Life-Cycle Cost.** OEM shall provide the estimated LIFE-CYCLE COST of the product and the basis thereof. Factors such as operational hours/year, MTBF, requirement of maintenance spares, mandatory replacements during preventive maintenance schedules etc may be considered for arriving at life cycle cost.

(e) **Spares.** The OEM shall provide itemised price list of spares required as per three levels of maintenance of PRODUCT as follows:-

(i) **'O' level:** _____ set per _____ {product} (total _____ {product} sets) at field units:

(ii) **'I' level:** _____ set each for a group of _____ {product} (_____ sets for _____ {product}) at Intermediate level of maintenance; and

(iii) **'D' level:** _____ set for _____ {product} at Depot level maintenance.

16. **Payment Terms.** OEM shall provide the terms of payment for all supplies including ToT forming part of its commercial proposal. Specimen Format for Providing Prices is at **Annexure III**. (needs to be formulated by the OEM for specific products based on identified milestones).

17. **Delivery Schedule.** OEM shall provide complete schedule for transfer of documentation, providing of Industrial Training and Technical Assistance, supply FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs, STEs, Tools, Jigs and Fixtures to match the overall delivery requirement for manufacture and supply of FF product by the Production Agency. The Documentation for a specific phase shall be provided one month prior to the commencement of training for that phase to enable the trainees study

documentation prior to the training. Specimen format for providing delivery schedule is at **Annexure I**.

18. **Liquidated Damages.** OEM shall undertake to complete its obligations in accordance with the contractual delivery schedule. For delay in delivery of FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs and STEs and delays in the implementation of PMP caused by or attributable to the OEM, the Production agency shall be entitled to claim liquidated damages.

19. **Warranty.**

(a) **Documentation.** OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for manufacturing, assembling, integrating and testing of the product and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the License Agreement.

(b) **Material/Equipment/Kit Supply.** Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 24 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to production Agency.

(c) All supplied software should be verified & validated by OEM for use of the designated Production Agency.

20. **Infringement.** OEM shall indemnify and protect at its own cost, the production agency in respect of cost/claims/legal claims/liabilities arising from third party claim with regard to the existence of any patent or intellectual & industrial property right of any such parties in India or from other countries.

21. **Performance Guarantee.** OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

22. **Validity.** The proposal will be kept valid for acceptance for a minimum period of 18 months from the date of submission.

23. **Technical Collaboration Agreement (TCA).** After the CNC is concluded, the OEM shall enter into a detailed Technical Collaboration Agreement (TCA) with Production Agency incorporating mutually agreed terms and conditions.

24. **Offsets.** The vendor should agree to provide an offset as per the details given in the RFP.

25. **Global Rights.** OEM shall clearly indicate the extent of global rights of sales, which they would be willing to offer to the Indian production agency.

Annexure I to Appendix F
(Refer to Para 3(b) of Appendix F)

SPECIMEN FORMAT FOR PROVIDING DELIVERY SCHEDULE

Sl. No.	Description	Qty	Month after effective date	Remarks
1.	Documentation Transfer in lots for each phase*			
2.	Training including Final assembly of SKD/CKD/IMs to FF for each phase			
3.	Operation and maintenance course training			
4.	Test equipment delivery			
5.	First system FAT and Delivery			
6.	Spare Parts delivery (“O” level spares)			
7.	Spare Parts delivery (“T” level spares)			
8.	Spare Parts delivery (“D” level spares)			
9.	Test equipment delivery for SKD and CKDs			
10.	SKD Kits delivery (____kits per month)			
11.	CKD Kits delivery (____kits per month)			
12.	IM Kits delivery (**(____kits per month)			

* Documentation for each phase shall be supplied one month prior to start of training of that phase.

** Applicable for IM Kit based ToT.

Annexure II to Appendix F
(Refers to Para 5(b), (c) & (e) of
Appendix F)

DOCUMENTATION DETAILS TO BE PROVIDED BY OEM

1.	<u>Engineering Documentation</u>
(a)	Structure Breakdown list
(b)	Part List.
(c)	Part Electrical Lists.
(d)	Part Drawings.
(e)	Assembly drawings.
(f)	Cable looking diagram including its part list, connectors and end preparation details.
(g)	Configuration Control Document.
(h)	Stress Reports (static/fatigue), performance reports, type test Schedule/records, type test certificate.
(j)	For Coils and Transformer: winding details, mechanical drawing, purchased parts specification, details of special processes, moulding tools etc.
(k)	Drawings of castings/forgings with material details, vendor information, heat treatment details.
(l)	Details of vendor items specifically developed by the OEM for the Licensed Product.
(m)	For PCB Cards: Schematics, general assembly drawings, assembly instructions, SMD location processing files including CAE/CAM files.
(n)	Engineering change proposals covering details of modifications.
(o)	Wiring List and details including schematics of sub-assembly/modules/drawers/racks.
(p)	List of components where trace-ability records are important.
(q)	Details of environment tests carried out on equipment and its sub-systems.
(r)	With respect to FPGAs the following details are required: ACTEL or SRAM (depending on the manufacture) design files and the complete schematic with i/o details- in the form of a timing diagram of .sim files.

(s)	* Bill of materials and Ordering Specifications with Vendors addresses including OEMs specifying MIL grade details.
(t)	*Details of non-MIL grade components and their screening procedures.
(u)	*Full technical details of ASICS and Hybrid Micro-circuits including manufacturing documents.
(v)	*Full technical details of proprietary items, if any (including manufacturing documents).
(w)	*Material data sheets-chemical composition/mechanical-properties -for all metallic/non- metallic materials/consumables.
2.	<u>Software Documentation.</u> (As per IEEE 12207/MIL-STD-498/DO178B)
(a)	Software Requirement Specification.
(b)	Interface design document.
(c)	Software change proposals.
(d)	Firmware support manual for embedded software.
(e)	Software environment/tools including third party proc elements.
(f)	Software test procedure.
(g)	Software User Manual.
(h)	Software installation procedure including user settings of pass words, site specific data and any customisation code/key or encryption.
(j)	IV & V details (independent verification & validation).
3.	<u>Manufacturing Documentation.</u>
(a)	Details of B/FPGA programming and testing with co-ordinate detail for placement. Programming file (fuse file in the standard format), programming platform configuration-tools and associated version control document, verification document with check sum details.
(b)	Process Sheets including details of special processes and finishes as may be applicable.
(c)	Complete set of drawings for tooling, jigs and fixtures as may be applicable.
(d)	Photographs of wiring harness/bundling level.
(e)	List of shop consumables with details of specifications; source of procurements, data on shelf life.

(f)	Assembly tree/sequence, assembly process sheets including assembly settings and checks, assessments to be made, matching subassemblies, markings.
(g)	Any special manufacturing facilities to be set up indicating plant and machinery, test equipment and their vendor details and cost.
(h)	Estimated man-hour requirements for assembly and testing at sub-system level.
(j)	Inspection stages, quality plan, details of inspection equipment, gauges with sources of supply, etc.
(k)	Calibration procedures for inspection equipment, gauges, heat treatment & process equipment (furnace/baths).
(l)	*Operation Sequence Sheets.
(m)	* Programme for Production (e.g. NC Tapes/S/W as applicable).
4.	<u>Test Documentation.</u>
(a)	Factory Test specification, procedure and acceptance test specification, procedure for PCBs, modules and equipment with detailed instructions on test set up, user of test and/or simulation equipment and software, execution of test with recording of results.
(b)	Complete set of drawings for manufacture of test jigs including ATE fixtures, programmes as applicable.
(c)	Complete set of drawings for special to test equipment. This will include manufacturing details as well as software documents.
(d)	Special category test details (recertification, production series testing, quality assurance testing).
(e)	'Red band' units, calibration procedures for test rigs/equipment.
5.	<u>Technical Manuals.</u>
(a)	User handbook detailing operational use of equipment.
(b)	Installation and commissioning manual
(c)	Technical description of PCB, Modules, drawers, racks, etc., with details of block diagram, schematic general assembly drawing, timing details, PROM etc. schematic general assembly drawing, timing details, PROM etc.
(d)	Maintenance Manual covering.
(e)	Permissible worn-out dimension limits, acceptance test procedure and

Acceptance limits of overhauled product.
(f) Repair/salvage schemes, mandatory replacement parts.
(g) Periodic maintenance.
(h) Trouble shooting and fault diagnosis manual. Testing and repair procedure for faulty PCBs up to component level and peripheral equipment received from the customer.
(j) Structural breakdown list for complete equipment.
(k) Recommended Spares List, site supply and depot stocking.
(l) The Maintenance Manual shall cover the product for which the file of drawings/documents is given as well as all vendor items which are part of Licensed Product.
(m) Overhauling manuals including details, tests, adjustment, calibration tuning etc., for all levels of equipment.
6. <u>General Documentation (including Standards and Specifications).</u>
(a) Standard inspection method (inward goods in-process and final acceptance).
(b) Process standards/procedures.
(c) Workmanship standards/procedures.
(d) Quality standards/procedures including incoming inspection procedures, quality manuals.
(e) General procedures as may be applicable.
(f) Qualified Vendor Lists as may be applicable.
(g) Standard tools, jigs and fixtures as may be applicable.
(h) Company standards.
(j) ISO 9001 certification of OEM, vendors & subcontractors/ISO 14000 certification.
(k) Material/component and product standards including general fasteners and consumables.
7. <u>Additional Documentation.</u> Repair center documents including details of Test Instruments, jigs, fixtures etc., for the End User.
8. Documentation shall be provided in the form of hard copy, in microfilm/microfisch and magnetic media, including that required for making copies of technical manuals as specified

by the customer. Documentation shall be provided in English Language.

* Applicable for IM Kit based ToT.

Annexure III to Appendix F
(Refers to Para 16 of Appendix F)

SPECIMEN FORMATS FOR PROVIDING PRICE INFORMATION

ToT			
<u>S No.</u>	<u>Item</u>	<u>Price</u>	<u>Remarks</u>
1	Know-how and documentation	USD_____	<p>Payment shall be subject to deduction of taxes in India as per Double Taxation Avoidance Agreement in accordance with the following schedule (depending on the product, various stages of payments should be included without indicating the quantum of payment) :-</p> <p>1. Stage 1.--</p> <p>2 .Stage 2.--</p> <p>3. Stage 3.--</p>
2	<u>Training.</u> (a) Industrial Training covering all aspects for ToT at OEM's facility.	USD *Instructor man day/week rate	
	(i) FF Phase ___working days/week		Upto ___trainees Max.
	(ii) SKD Phase ___working days/week		Upto ___trainees Max.
	(iii) CKD Phase ___working days/week		Upto ___trainees Max.
	(iv) IM Phase ___working days/week#		Upto ___trainees Max.
	(v) Training on design liaison, design practices, design disposition on concessions/ deviation.		Upto ___trainees Max.
	(b) Operational/Field Maintenance Training		
	(i) ___ working days/week in ___and		Upto ___trainees and ___ Customer trainees Max.

	(ii) ___ working days/week in India		Upto ___ trainees and ___ Customer trainees Max.
3	Technical Assistance in OEM's Plant to be availed as required	USD _____ * (Man day/ week rate)	Maximum No. of man weeks ___ spread over No. of mission
		TOTAL	

* Minimum mandatory Training and Technical Assistance, which can be provided at no additional cost to be indicated.

Applicable for IM Kit based ToT.

<u>COST OF FE, SKD, CKD AND IM KITS, AS THE CASE MAY BE, SPARES AND SMTs/STEs</u>					
<u>S. No</u>	<u>Item</u>	<u>Unit Price in USD</u>	<u>Qty</u>	<u>Total Price in USD</u>	<u>Remarks</u>
1.	_____ -System				
	(a) Fully Finished System				
	(b) SKD Kits				
	(c) CKD Kits				
	(d) IM Kits#				
2.	<u>Spares.</u>				
	(a) 'O' Level				
	(b) 'I' Level				
	(c) 'D' Level				
3.	<u>SMTs/STEs.*</u>				
	(a) Test Jigs/Software for 'O' level maintenance				
	(b) Test Jigs/ Software for 'I' level maintenance				
	(c) Test Jigs/Software for 'D' level maintenance				
	(d) Test Jigs and software for manufacture under ToT				
	* Excluding Standard Test Equipment				

	TOTAL				
<u>Itemised SKD Kit Price</u>					
<u>Part No</u>	<u>Description</u>	<u>Qty</u>	<u>Price in USD</u>		
<u>Itemised CKD Kit Price</u>					
<u>Part No</u>	<u>Description</u>	<u>Qty</u>	<u>Price in USD</u>		

<u>LIST OF SPECIAL MAINTENANCE TOOLS (SMTs) AND SPECIAL TEST EQUIPMENT (STEs)</u>						
<u>Part no.</u>	<u>Description</u>	<u>Model</u>	<u>Mfr.</u>	<u>Qty</u>	<u>Price In usd</u>	<u>Remarks</u>
(a) SMTs and STEs required for Maintenance						
(b) ToT Test Equipment						
<u>LIST OF SINGLE SOURCE VENDOR ASSEMBLIES/ COMPONENTS AND PROPRIETARY ITEMS</u>						

<u>Components</u>	<u>P/N</u>	<u>Price in USD</u>	<u>Vendor</u>
(a) SMTs and STEs required for Maintenance			
(b) ToT Test Equipment			

SPARES.

(a) **'O' Level Spares Parts Lists (Set Per)**

<u>No.</u>	<u>Item Description</u>	<u>Qty. per set</u>	<u>Item Price in USD</u>	<u>Total Price in USD</u>
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	Total			

(b) **'I' Level Spares Parts Lists (Set Per)**

<u>No.</u>	<u>Item Description</u>	<u>Qty. per set</u>	<u>Item Price in USD</u>	<u>Total Price in USD</u>
	Total			

(c) **'D' Level Spares Parts Lists (Set Per)**

<u>No.</u>	<u>Item Description</u>	<u>Qty. per set</u>	<u>Item Price in USD</u>	<u>Total Price in USD</u>
	Total			

Appendix G to Schedule I to Chapter II
(Refers to Para 25 and 39 of Schedule I)

**GUIDELINES AND CONDITIONS FOR ESTABLISHING MAINTENANCE
INFRASTRUCTURE WITH AN INDIAN FIRM**

***Note:** These guidelines and conditions are indicative. These may vary as per the type of service/equipment and the intended requirements. SHQ concerned may amend these as per their requirement. No blanks to be left.*

1. The Govt of India, Ministry of Defence is desirous that the depot level maintenance (third line) and the life time support for the _____ (**generic name of the equipment**) be carried out through an Indian private/public firm. (These firms would normally be DPSUs/OFB/Army Base Workshops/Naval dockyards/Naval Aircraft Yards/Base Repair Depots of Air Force or any other firm as recommended by SCAPCHC and approved by DPB/DAC).

2. **Scope of Maintenance.** It is desired that the Indian entity selected should be able to accomplish the following towards providing maintenance support for the life cycle of the equipment:

(a) Carry out depot level repairs to include repair of major assemblies, sub assemblies and of the equipment.

(b) Provision of spares for the unit level, field level and intermediate level repairs for the entire life cycle of the equipment. The scope of these repairs is elaborated subsequently. You are required to take into consideration these aspects while preparation of your maintenance plans. Initially the spares would be in the form of MRLS for a period of ____ years. The provision of spares subsequently would be through the identified Indian entity through a separate contract.

3. **Maintenance Infrastructure.** To enable the Indian entity to provide life time maintenance support in terms of spares and depot level, it is essential that the facilities, as given in the subsequent paras, are established/available in India at the premises of the selected Indian entity.

***Note:** The following is just for the guidelines and would vary on case to case basis. The SHQ will have to work out the exact details prior to issuing out the RFP.*

4. **General.**

(a) ToT shall be provided to the designated Maintenance Agency for “D” level maintenance of aircraft including:-

(i) Airframe

(ii) Engines

(iii) Accessories (Equipments)

- (b) Full ToT for the following systems for overhaul and repair is mandatory:
- (i) Air Frame including metallic and composite structures, empennage,
 - (ii) Canopy, Radome, Special process, Casting & Forgings
 - (iii) Flight Control Systems including FBW hardware and software
 - (iv) Landing Gear system including all castings and forgings
 - (v) Electrical and Avionics systems including Cockpit display systems
 - (vi) Instruments, Communication and Navigation equipment, Power generation and distribution systems.
 - (vii) Power Plant System including FADEC, Engine accessories, Turbine, NGV and compressor blades
 - (viii) Hydraulic System including pumps, servo actuators along with its spool & sleeve
 - (ix) Wheels and brakes system
 - (x) Fuel System including in flight refuelling
 - (xi) Environment system including OBOX, Pneumatic system
 - (xii) Ejection Seat
 - (xiii) Weapon Systems Integration, hardware and software.
- (c) The ToT shall be for “D” level maintenance to cover Airframe, Engines, Avionics and other aggregates. It shall be comprehensive and shall cover all aspects of maintenance up to the lowest level which will enable the Maintenance Agency to, repair, overhaul, support and maintain the license product. ToT shall include the details that are needed to give disposition during the maintenance on deviation/concession; modify/upgrade the license product and substitute parts and systems of the license product as required by the certifying agency and the maintenance agency.
- (d) The OEM is required to provide the latest version of configuration control document which will provide detailed breakdown of the product structure in terms of lower level subsystems/assemblies/sub-assemblies/modules/detail parts/PCBs/wiring diagrams etc with their latest modification status.
- (e) Vendor should submit an undertaking that he would provide & support complete ToT for maintenance to the buyer or his authorised Indian Organisation for the System and its subsystems, modules, assemblies and detailed parts/components.
- (f) Vendor should submit an agreement that the buyer or his authorised Indian

organisation reserves the right to approach directly the OEMs of the Sub- Systems for similar ToT agreements and that as a Main Contractor he will be the nodal agency to provide total support and facilitate such ToT agreements.

5. **Documentation.**

(a) The ToT Documentation to be provided by the OEM shall be in English language in Electronic and hardcopy formats and include documentation under the following heads:- (If required vendors may quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor).

- (i) “D” level Maintenance documentation in ATA100/ATA iSpec 2200.
- (ii) Engineering documentation including special process.
- (iii) Software documentation including source code, build environment and utilities.
- (iv) Details of Special tools and Test equipments, Jigs & Fixtures.
- (v) OEM’s Standard Technical Manuals.
- (vi) Illustrated parts catalogue with price list.
- (vii) Source identification for BOIs and subcontracted items; standard parts consumables etc.
- (viii) Mandatory spares replacement lists and price catalogue for O, I and D level maintenance.

(b) The OEM is required to furnish 'Compliance Statement' in respect of each type of Documentation listed above. Non-Compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse bearing in the evaluation of ToT proposal.

(c) The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub contractors for the purpose of maintenance of the licensed product in their Plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the maintenance agency for maintenance/overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant MIL Specs or as mutually agreed with the User’s Certification Agency. All the certification documents generated for obtaining certification in the country of origin to be supplied. Further, vendor should supply such documentation as may be required by the Indian Certification Authorities.

(d) The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

- (e) **Labour Hours.** OEM should indicate their stabilised labour hours and Turnaround time for each 3 levels of maintenance clearly indicating the learning curve adopted.
6. **Special Technologies/Processes.** The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery vis- à-vis specific components/assemblies. For identifying the augmentation needs to plant and machinery available with the production agency, if required vendor specialists shall visit production agency before submission of technical and commercial bid.
7. **Capital Investment.** OEM to provide their assessment of plant and machinery required including floor space required for the 3 levels of maintenance assuming that this project will be handled as an ab-initio green field project.
8. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs).**
- (a) OEM shall provide complete technical data of the SMTs and STEs used in the Maintenance of Product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours are to be provided.
- (b) Details of special category test equipments along with test rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code shall be provided.
- (c) OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.
- (d) OEM shall provide complete technical data of Ground handling and Ground support equipment used in the production assembly, test and maintenance of product. This information shall also include the data for manufacture and maintenance of the same. Details on manufacturing hours are to be provided.
9. **Standard Tooling and General Industrial Requirement.** OEM to provide list/Technical details of standard tooling and general industrial requirement for carrying out “D” maintenance.
10. **Training of Indian Engineers/Technicians.**
- (a) As part of ToT, industrial training required by the production agency to realise the fully finished product from SKD, CKD and IM kits and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of “O”, ‘I and ‘D’ level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.
- (b) All aspects of software including usage of source code, its build environment

and utilities, are to be comprehensively covered during the software training module with a view to enable maintenance agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

(c) Industrial training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

(d) OEM shall provide complete details of industrial training programme which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Maintenance Agency.

(e) Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Maintenance Agency subject to over all training schedule.

(f) Details of industrial and user training programme recommended by the OEM shall be provided as an Annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the Maintenance agency and at user locations.

11. **Technical Assistance.** As part of ToT, OEM shall provide requisite technical assistance to the Maintenance Agency during the maintenance programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an Annexure to the technical proposal. The total Technical Assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

12. **Spare Parts list.** OEM based on their experience may provide the 10 off spares requirement for the 3 levels of maintenance separately. Spares which are to be mandatorily replaced during the 3 levels of maintenance should be identified and highlighted. For standard spares "NATO" codes may be provided against the respective spares.

13. **Raw Materials and Consumables.** OEM to provide list of raw material and consumables required during the 3 levels of maintenance programme.

14. **Delivery Schedule.** OEM shall provide complete schedule for transfer of documentation, providing of Training and Technical Assistance, supply of Spares, SMTs, STEs, Tools, Jigs and Fixtures ordered on OEM to match the overall maintenance programme. The documentation for a specific phase of training shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at Annexure 1.

15. **Life Cycle Cost.** OEM shall provide all the details like Operating cost, Maintenance cost, Overhaul cost, training cost etc per squadron of aircraft, required to estimate the Life cycle cost of the aircraft.

16. **Long Term Product Support.** OEM shall ensure that the product support including supply of spares and management of obsolescence for the life of the product (minimum 30 years from the date of delivery of the last aircraft by the production agency) shall be available to the Maintenance agency/its customer.

17. **Warranty.**

(a) **Documentation.** OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for the 3 levels of maintenance and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the licence agreement.

(b) **Material/Equipment/Kit Supply.** Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 12 calendar months/360 flying hours whichever is later, from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to Production Agency.

18. **Performance Guarantee.** OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

19. **Global Rights.** OEM should clearly indicate the extent of global rights which they would be willing to offer to the Indian production agency.

Appendix H to Schedule I to Chapter II
(Refers to Para 37 of Schedule I)

PRELIMINARY PROJECT REPORT (PPR)

1. This PPR would broadly cover the following aspects: -
 - (a) Project Overview
 - (b) Definition of key milestones based on indicative list of milestones and broad range of timelines specified at Para 56 of RFP.
 - (c) Broad plan for execution of the Project as per delivery schedule indicated at Para 10 of RFP.
 - (d) Lifetime product support plan.
 - (e) Plan for meeting the Indigenous Content (IC) stipulated in the RFP.
 - (f) Standard of Preparation (SoP) of Platform/ equipment/ system.
 - (g) Project organisation structure as applicable.
 - (h) In case of ToTs for licensed production and MToT, information sought at Para 24, 25 and 39 (Appendix F and G), Indian sub-contractor for ToT/ manufacturing and the methodology for setting-up manufacturing infrastructure, shall be part of PPR.

2. **Project Overview.** The '*Project Overview*' should define, organise and interlink the various project elements which are required to be established/ setup by the Bidder and his Indian Production Agency in order to manufacture and deliver the contracted products and services within the RFP specified timeframes.

3. **Definition of Key Milestones.** This Annexure should define the key milestones in the project implementation phase and the criterion for declaring accomplishment of these milestones. The key milestones would include creating necessary infrastructure and setting up of plant and machinery required to be set up at the Indian Production Agency facilities for license manufacture of _____ in India along with training of the Indian Production Agency personnel required for the purpose. These facilities need to be set up during the period commencing from To to To + __ months to ensure delivery of the Indian made ____ from To + ___ months onwards.

4. **Program Schedule.** The '*Program Schedule*' should give **estimated start and end dates** for each event with respect to the award of contract (T₀) thereby creating a **calendar based schedule**.

5. **Methodology for setting up of Manufacture Infrastructure.** The Methodology for setting up of Manufacture Infrastructure at the location of his Indian Production Agency should be brought out in this section covering the infrastructure and facilities required to be created, tooling, manufacturing/ test support equipment, configuration management, production review plan, material procurement chain, training and technical assistance etc. An indicative cost for plant and machinery required for the license manufacture with the requisite value addition also needs to be brought out in this section. The processes to achieve following milestones are to be clearly brought out in this section:-

- (a)
- (b)
- (c)

6. **Indian Production Agency for ToT & Manufacturing.** If the Bidder has to select an Indian Production Agency as per the guidelines laid down in the RFP. The details of the Indian partner with regard to the per-qualification criteria should be provided in the PPR.

7. **Standard of Preparation (SoP).** Standard of Preparation (SoP) of the platform/ equipment/ system being offered must be defined in the PPR. This must include details of operational role-oriented equipment.

8. **Life Time Product Support Plan.** This document should bring out the Bidder's plan to provide product support throughout the Total technical Life (TTL) of the platform/ equipment/ system including obsolescence management plan, mechanism to incorporate various Support Contracts in future for repairs, mechanism to work out cost spares etc. for all future procurements by applying pre-defined escalation methodologies etc.

9. **Project Organisation Structure.** This section should highlight the Bidder's organisation structure for the project implementation and define the specific organisational elements within this structure that would interfere with the GoI, SHQ and other Indian Production Agency during the program execution.

10. **Any Other Issue That the Bidder Finds Relevant.** This section would include any issues that the Bidder finds relevant for the implementation of the 'Make' portion of the program.

Appendix J to Schedule I to Chapter II
(Refers to Para 40 of the Schedule I)

CERTIFICATE: MALICIOUS CODE
(To be rendered on the Company Letter head)

1. This is to certify that the Hardware and the Software being offered, as part of the Contract, does not contain embedded malicious code that would activate procedures to:-

- (a) Inhibit the desired and designed function of the equipment.
- (b) Cause physical damage to the user or equipment during the exploitation.
- (c) Tap information resident or transient in the equipment/networks.

2. The firm will be considered to be in breach of the procurement contract, in case physical damage, loss of information or infringements related to copyright and Intellectual Property Rights (IPRs) are caused due to activation of any such malicious code in embedded software.

(Signed)

Designation/Name/Address of firm

Date:

Place:

Appendix K to Schedule I to Chapter II
(Refers to Para 42 of Schedule I)

REPAIR AND MAINTENANCE PHILOSOPHY

***Note:** The Repair and Maintenance Philosophy is only indicative and pertains to a particular service. SHQ concerned may amend this as per their requirement. No blanks to be left.*

1. **Maintenance Philosophy.** Maintenance of the equipment is structured on three different levels. A level is defined by the means and resources used to carry out a specific maintenance/repair activity and by the environment in which this maintenance/repair is performed. Each level is defined by the type of maintenance actions, personnel, documentation and spares. The Repair philosophy followed by the Services can be categorised into 'O', 'I' & 'D' levels depending upon the technological complexity of the equipment. The levels of maintenance and repairs are as under :-

(a) **'O' Level.** Includes Unit and Field Repairs (1st & 2nd Level).

(i) **Unit Repairs.** These are repairs carried out within the unit holding the equipment with tools generally held within the unit or supplied by the manufacturer with each equipment or as per scaling of 1:10 or any other scaling recommended by the manufacturer as per population held in the unit. These pertain to cleaning, lubrications, minor repairs and replacement of components and minor assemblies including Line Replaceable Units (LRUs) etc, that can be carried out within the unit without any sophisticated tools or test equipment. The manufacturer is required to provide the following for carrying out such repairs :-

(aa) Table of Tools and Equipment (TOTE) with each equipment including operators manual.

(ab) Scaling of Special Maintenance Tools (SMT), Special Test Equipment (STE) and Special Equipment (SE) as required.

(ii) **Field Repairs.** These are repairs carried out at the field/floatilla/station level or equivalent service organisation by technicians specially trained for this purpose and where the required special tools and spares have to be provided additionally for the class of the equipment. These repairs comprise replacement of common Line Replaceable Units (LRUs), sub-modules, other components beyond the holding of units and repairs undertaken beyond a unit level. Normally, a field/station workshop that carries out such repairs looks after a group of units holding the said class of equipment. The manufacturer in addition to the basic unit level SMTs/STEs/SE, is required to provide the following:-

(aa) Quantity and specification of spares up to sub-Module level, other replaceable components that need to be stocked for a specified population and class of the equipment.

(ab) Additional Special Maintenance Tools and Test Equipment that needs to be provided to each such field/floatilla/station work shop. (The total number of such facilities would be stated based on equipment deployment pattern to carry out total costing).

(b) **'I' Level.** Includes 3rd level Intermediate Repairs by Corps Zone workshop/Dockyard/Base Repair Depot or other similar service organisation. These are extensive or special repairs carried out for equipment to reduce the down time and would include component level repairs. This level of repair envisages special diagnosis and repairs of the repairable inventory up to Printed Circuit Board (PCB) level, major assemblies, interface equipment/software and other components beyond the scope of field/floatilla/station level repairs. These repairs are carried out in the designated workshops by technicians specially trained for this purpose and where the required special tools and spares would be provided. The manufacturer is required, among others, to provide the following:-

(i) Quantity and specification of spares up to PCB level that need to be stocked for a population of the equipment.

(ii) Special Maintenance Tools and Test Equipment that has to be provided to each of these workshops. (The total number of such facilities would be stated based on equipment deployment pattern to carryout total costing).

(iii) Oils and lubricants necessary for Servicing.

(iv) All necessary technical literature.

(v) Calibration facilities for test equipment, where applicable.

(c) **'D' Level.** Includes 4th level extensive Base overhauls, Depot level Repairs which are either routine and planned or necessitated due to major repairs/renewal requirements. Post such repairs, detailed trials are conducted usually by the overhauling agency, prior to handing over of the equipment to the unit for operational exploitation. This level of repair defines stripping and rebuilding of equipment in a Base workshop or any other designated workshop. Extensive repairs of components / sub-assemblies and overhaul of the complete equipment is carried out by this facility and due to the complexity requires specific technical knowledge, infrastructure, related documentation, experience and proper quality control. Depending on the population of the equipment, such facilities may be established in the country. For this, the manufacturer is required to provide the following:-

(i) All Special Maintenance Tools, jigs, fixtures and test equipment for carrying out repairs up to component / PCBs/ module level.

(ii) Complete refurbishment / repair of all equipment assemblies/ sub assemblies as per the population expected to be maintained. This level of

repair defines stripping and rebuilding of equipment in a Base workshop/Dockyard/Base Repair Depot.

- (iii) Oils and lubricants necessary for overhaul.
- (iv) All necessary technical literature.
- (v) Calibration facilities for test equipment.

However, all levels may not be applicable to all types of equipment. As such the type of repair facility required for the equipment for which the RFP is being issued should be stated clearly by modifying the succeeding paras.

Manufacturer's Recommended List of Spares (MRLS)

2. Based on the explanation given above, you are requested to provide MRLS to sustain the equipment for a period of ____ years for various levels of repair as per format given at **Annexure I** to this Appendix. You will be required to provide these both with Technical and Commercial proposals. *(In case where the equipment has been in usage, the spares would be sought by SHQ, on the recommended list to be furnished by the maintenance agency, based on the exploitation of the equipment and NOT as per MRLS.*

3. The MRLS will need to be supported by Reliability & Maintainability (R&M) report for the proposed spares along with their Mean Time Between Failure (MTBF). If the complete equipment comprises a number of different sub systems, the MRLS would need to be provided separately for each such sub system. The Bidder is to provide following: -

(a) **'Adequacy' Clause.** The Bidder is to confirm that the range and depth of Accompanied Accessories/ User Replaceable Parts/Expendable, Spares and SMT/STE/Test Jigs being supplied are complete and adequate for carrying out repairs on the equipment up to the specified level. The Bidder shall also commit that any additional items, spares, tools and equipment needed for use, maintenance and repair will be supplied by the Bidder at prices and within a period as specified in the contract, on receipt of notification from the Buyer for the Life-Cycle Support period. The Bidder shall confirm that, if two different prices have been given for the same/similar item, then the lower price quoted will prevail. In case, the quoted accessories has several items viz, Sampling Accessory Kit and add up price of these items is higher than the quoted price of the accessory, then the price would be lowered / adjusted proportionately for the items.

(b) **'Buy Back' Clause.** The Buyer would have the option to amend the Manufacturer's Recommended List of Spares (MRLS) proposed by the Seller within ____ years, post expiry of the warranty period. The Bidder needs to agree to either 'Buy Back' the spares rendered surplus or exchange them on 'cost-to-cost' basis with the spares, as required by the Buyer. The said spares would be purchased / replaced by the Seller, based on the prices negotiated in the contract. The 'Buy Back' clause would not be applicable for additional spares included by the Buyer in MRLS during FET and SE stage, as brought out at Para 34 of RFP.

4. **User Defined List of Spares (UDLS).** Cases where the equipment is already in use with the Service, the initial lot of spares being procured by the Buyer shall be based on User Defined List of Spares (UDLS), predicated on the exploitation of the equipment as well as on the recommended list furnished by the maintenance agency, rather than the MRLS.

5. The spares are required to be categorized in four categories as follows: -

- (a) Manufactured by Bidder as OEM and can be sourced as per Part No.
- (b) Bought out items and customized by the OEM for the specific purpose and such customization would require OEM intervention.
- (c) Bought out from other OEMs/Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part No./Identification No. as given by OEM/Third Party and directly utilised.
- (d) General Engineering items/COTs which can be sourced by stating the relevant standards and item description.

6. While with the commercial proposal, the actual costs of each component/spare will be provided, in the case of Technical Proposal these will be reflected as Low Cost/Medium Cost/High Cost. A guideline for this purpose is as under:

(a)	<u>Low Cost.</u>	Less than 2 % of the unit cost of the equipment/sub system.
(b)	<u>Medium Cost.</u>	2 to 10% of the unit cost of the equipment/sub system.
(c)	<u>High Cost.</u>	Greater than 10 % of the unit cost of equipment/subsystem.

7. If the complete equipment comprises a number of different sub systems, for eg it is coming mounted on a vehicle or is provided with a stand for mounting or is inclusive of a generator or an air conditioner or has a sight, the MRLS must be provided separately for each such sub system.

Special Maintenance Tools / Special Test Equipment and Test Jigs (SMTs/STEs/Test Jigs).

8. SMTs/STEs and Test Jigs are essential tools /Jigs / fixtures that are required to undertake effective engineering support / repairs on the equipment and its systems, based on the repair philosophy as enunciated at Para 3 above. This are to be formulated in a similar manner as explained for MRLS and details are to be included in both Technical and Commercial Proposals. SMTs/STEs/Test Jigs will be provided by the Bidder, as per the list prepared by the Buyer on completion of MET, where applicable. The list of equipment required to be supplied will incorporate Adequacy Clause, as elaborated above.

Technical Documentation.

9. The Bidder will be required to provide the technical literature preferably in IETM (Interactive Electronic Training Manuals) in Level 4 format or higher. The details of

technical literature to be supplied with the system should be listed as per the suggested format at **Annexure III** to this Appendix. This should be provided with both Technical and Commercial Proposals. The cost column may be left blank in the Technical Proposal. An illustrated list of documents which may be submitted by the Seller is as under:-

- (a) User Handbook/Operators Manual in English and Hindi.
- (b) **Technical Manuals.**
 - (i) **Part I.** Tech description, specifications, functioning of various systems.
 - (ii) **Part II.** Inspection/Maintenance tasks repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/Special Test Equipment (STEs).
 - (iii) **Part III.** Procedure for assembly/disassembly, repair up to component level, safety precautions.
 - (iv) **Part IV.** Part list with drawing reference and List of SMTs/STEs Test Bench.
 - (v) Rotable list, norms of consumption, mandatory/ non-mandatory spares list for each system.
- (c) Table of Tools & Equipment (TOTE) & carried spares.
- (d) Complete Equipment Schedule.
- (e) Repair and Servicing schedule.
- (f) Design Specifications.
- (g) Technical Manual on STE with drawing references.
- (h) Condemnation limits.
- (i) Packing specifications /instructions.
- (j) Any additional information suggested by the OEM.

10. **Details of OEMs.** For major / complex equipment, a large number of other OEMs may also be involved in manufacture of various systems/sub systems / support equipment. Details of such OEMs would also have to be intimated by the Seller. The list of OEMs of corresponding equipment would be submitted as per Table below:-

Table - Format for Submitting Details of OEMs

Ser No	Equipment	Part No	OEM	Contact Details	Details of Government License to OEMs

				(Tel/Fax/Email)	

Miscellaneous Aspects (Applicable only when trials are required)

11. In cases where the equipment is required to undergo trials, the equipment will also be put through Maintenance Evaluation Test. Based on this evaluation and in consultation with the supplier, the MRLS may be refined.

12. During user trials it may be brought out that the equipment is acceptable subject to carrying out certain modifications/improvements.

13. **Maintainability Evaluation Trials (MET)**. This is carried with a view to facilitate provisioning of effective engineering support during life cycle of the equipment. This would involve stripping of the equipment and carrying out recommended tests and adjustments and establishing adequacy of maintenance tools, test equipment and technical literature. To facilitate this process the supplier is required to provide the following:

(a) **Technical Literature.**

(i) User Handbook/Operators Manual in English and Hindi.

(ii) Design Specifications.

(iii) **Technical Manuals.**

(aa) **Part I.** Tech description, specifications, functioning of various systems.

(ab) **Part II.** Inspection/Maintenance tasks repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/Special Test Equipment (STE).

(ac) **Part III.** Procedure for assembly/disassembly, repair up to component level and safety precautions.

(ad) **Part IV.** Part list with drawing reference and List of SMTs/STE Test Bench.

(iv) Manufacturers Recommended List of Spares (MRLS).

(v) Illustrated Spare Parts List (ISPL) and along with the prices in the Commercial Offer.

(vi) Technical Manual on STE with drawing reference.

(vii) Complete Equipment Schedule.

(viii) Table of Tools & Equipment (TOTE) & carried spares.

- (ix) Rotable list, norms of consumption, mandatory/non mandatory spares list for each system.
- (x) Interactive Electronic Training Manuals (IETMs) of Class III or IV.
- (b) One set of Gauges
- (c) One set of Special Maintenance Tools (SMTs).
- (d) One set of Special Test Equipment (STEs).
- (e) Servicing Schedule.
- (f) Condemnation limits.
- (g) Permissive repair schedule.
- (h) Packing specifications/instructions.
- (j) Design Specifications.
- (k) Any additional information suggested by the OEM.

14. The following may also be noted:

- (a) The requirement of training and associated equipment must be clearly specified in Part I and details should be placed as per **Annexure IV** to this Appendix.
- (b) The costs for aggregates and training must only be indicated in the commercial proposal.
- (c) **Sufficiency clause** in terms of installation material and spares should also be included (**as suggested by the SHQ**).

Maintenance Contracts *(To be included as applicable)*

15. Maintenance Contracts for providing maintenance support would be covered under Annual or Comprehensive Maintenance Contracts (CMCs) for a period of at least three to five years beyond the warranty period. The AMCs/ CMCs would be provided by the OEM / licensed entity / OEM authorised representative and would commence on completion of warranty period.

Annual Maintenance Contracts (AMC)

16. The Annual Maintenance Contracts include Maintenance and Repair services by the Bidder in order to ensure serviceability of the equipment covered / services desired for pre-determined annual periods. The cost of material spares consumed in execution of these services is provided by the Buyer or paid to the Bidder, in addition to the AMC charges. In the contract the services of the specialist would be costed based on the pre-determined Man-

day rates. Therefore, the rates for Services of Specialists and hiring Special Tools comprising all-inclusive man-day rates at shore, and on operational platform viz, ship at sea, aircraft needs to be submitted. The following AMC clauses will form part of the contract: -

- (a) **Period of AMC.** The Bidder would provide AMC for a period as stipulated in the contract. The AMC services should cover the repair and maintenance of the specified equipment and systems purchased under the present contract. The Buyer Furnished Equipment which is not covered under the purview of the AMC should be separately listed by the Seller.
- (b) **Spares for AMC.** The Spares will be provided by the Buyer and would be supplied through the Spares contracted under the Engineering Support Package mentioned above or the cost of spares paid to the Bidder, in-addition to the AMC charges.
- (c) **Response and Repair Time.** During the AMC period, the Bidder would carry out all necessary servicing/repairs to the equipment/system under AMC at the current location of the equipment. The response time of the Bidder should not exceed ____ (days/weeks/months) from the moment the breakdown intimation is provided by the Buyer. Prior permission of the Buyer would be required in case certain components/sub systems are to be shifted out of location. Maximum repair turnaround time for equipment/system would be ____ (days/weeks/months). However, the spares for other systems should be maintained in a serviceable condition to avoid complete breakdown of the equipment/system.
- (d) **Termination of Contract.** The Buyer may terminate the maintenance contract at any time without assigning any reason after giving a suitable notice as agreed to in the contract. The Bidder will not be entitled to claim any compensation against such termination and, if any payment is due to the Bidder for maintenance services already performed, the same would be paid as per the contract terms.

Comprehensive Maintenance Contracts (CMC)

17. The Comprehensive Maintenance Contracts are to be for ___ years. The scope of CMC, in addition to services of the Specialists, include provisioning of spares, tools and equipment as required for Maintenance and Repair of the equipment. In this arrangement, the OEM will ensure that the down time of the equipment does not exceed ____ (days/weeks/months).

In such cases, Engineering Support Package may be reduced proportionately based on the operational requirements and functional sensitivities such as geographical spread, remote location, poor connectivity, intense threat environment precluding employment of civil support, etc.

18. CMC by means of Comprehensive Maintenance would be provided by the Bidder, which will include all corrective and preventive maintenance of the systems, equipment and machinery in satisfactory working order and 'Planned Preventive Maintenance' (PPM), repairs, servicing, calibration, replacement of defective parts, sub-assemblies, equipment, preservation /de-preservation as applicable.

19. All equipment supplied under the instant contract is to be maintained on site by the Bidder through a CMC (inclusive of spares and labour) post warranty, for ___ years. CMC will ensure performance of the equipment in the range and accuracies as set in equipment Technical Manual. An equipment repair Log book is to be maintained to keep a record of the equipment down time during defect rectification. The scope of work would also involve the following:-

(a) **Preventive Maintenance.** The maintenance of the equipment is to be carried out by the Bidder at the Buyer premises. The equipment will be maintained as per the OEM specified maintenance schedules and equipment manuals. However, the number of visits by the supplier to the customer premises should be at least once a quarter or ____ *(to be specified)*. The preventive maintenance team visiting the unit should be composite and possess sufficient expertise and spares to carry out preventive maintenance activities and resolve any pending unserviceability issues of the equipment.

(b) **Breakdown Maintenance.** In addition to preventive maintenance, the Bidder will also be responsible to undertake breakdown maintenance of the equipment. Defects on the equipment as and when observed, will be intimated to the Seller by telephone/ fax. The Bidder will depute a team for undertaking repairs of the equipment within __ working days from the reporting of the defect, in order to make the equipment operational. The Bidder will need to diagnose, test, adjust, calibrate and repair / replace the goods/equipment during the CMC period. However, defective hard disks, strong devices, if any, of the equipment, will not be returned to the Bidder and would be retained for destruction / safe custody. The downtime of the equipment will commence from the time a defect is reported by the user and the log of the same would be maintained.

(c) **Calibration.** Periodic inspection and calibration services as set forth in the equipment manual shall be provided by the Bidder, to ensure operational availability of the equipment. Requisite certificates may be rendered whenever major repairs/maintenance on equipment is undertaken.

(d) **Spares.** Supply of all parts (spares sourced from the OEM/OEM authorised vendor), including consumables, if any and material required for the optimal performance of the equipment as per the designed specifications mentioned in the equipment manual would be the responsibility of the Bidder.

(e) **Software.** The Bidder will provide support for maintenance of the software(s) during the period of CMC and would include the following:-

(iii) Upgrades, patches, fixes to the OS and the Application software.

(iv) Back-up and restoration of software, as and when required.

(f) **Obsolescence Management.** The obsolescence management for the equipment delivered under the scope of contract would form part of CMC Services. The obsolescence management will include providing “Form, Fit and Function” replacement of any system/sub system rendered obsolete during the period of CMC.

Life Cycle Support Contract (LCSC)

20. In case the Repair and Maintenance of equipment is through Life Cycle Support Contracts, the Bidder would have to submit the complete Spare Parts list of equipment (not limited to MRLS) along with complete Repairable Parts list (in softcopy) in the Technical offer. The complete Spare Parts Price Lists, Repairs Price Lists and Man day Rates of Specialists would have to be submitted in the Commercial offer. Negotiations for Long Term Rate Contracts (5-8years) for Spares, Repairs and Man day rates of Specialists would be conducted concurrently with the (L1) Bidder.

21. The LCSC to be signed with main contract, would be provided by Bidder through the following:-

(a) **Itemised Spare Parts Price Lists (ISPPL)**. ISPPL for all Spares or Line Replaceable Units (LRUs) of the equipment along with their Base price, annual escalation, delivery period and the MTBF (where applicable) be provided, at the time of submission of offer. The ISPPL shall also include details of the source, especially for items which are COTS, bought-out, proprietary, etc. ISPPL shall also indicate interoperability of spares across projects, in case spares/equipment is already inducted in the Indian Armed Forces. The Seller would submit a comprehensive Itemised Spare Parts Price Lists (ISPPL) comprising the following: -

- (i) Complete Part Identification List (PIL) for all Spares or Line Replaceable Units (LRUs), along with corresponding unique part numbers. The list is not to be limited to MRLS (Depot spares) or On-board Spares (spares along with the system) and should comprise entire list of spares of the equipment.
- (ii) Base Price list of each of the spares along with annual escalation at time of submission of the offer.
- (iii) Delivery Period of each spare after receipt of Order.
- (iv) Mean Time Between Failure (MTBF), where applicable.
- (v) Terms and conditions for supply of spares.

Table -Illustrative Format for Submitting Details of Spares

Ser No.	Part No.	Description	Qty/MoQ (where applicable)	Unit Price List (along with annual escalation)	Delivery Period	If Recommended, as MRLS

Note:- The following details be included in the spare parts submission offer:-

- (i) Sourcing of spares wrt COTS and Proprietary.
- (ii) Interoperability of spares across projects, in case the part/system/sub-system,

etc. is already inducted in some other equipment currently in service with the Indian Armed Forces, or has been contracted for supply to the Indian Armed Forces.

(b) **Repairable Items Price Lists (RIPL).** RIPL would comprise of all repairable sub systems/ blocks and units. Wherever applicable, source of components required for repairs of units should also be specified. RIPL will also indicate reparability of these in India. The Bidder should submit the RIPL comprising the following:-

- (i) Complete catalogue of repairable spares (at LRU level), along with their Part numbers. Source of components required for repairs of units should also be specified, wherever applicable.
- (ii) Base Price list for repairs clearly indicating repairs that can be undertaken in India and at OEM premises. RIPL will comprise of all repairable sub systems/ blocks and units.
- (iii) Terms and conditions for undertaking repairs be specified.
- (i) Delivery Period after receipt of order must be mentioned.
- (ii) For imported equipment, the impetus is to undertake repairs in India. Repair list in such cases should clearly segregate the list of items that can be repaired in India and those that have to be undertaken to the OEM premises.

Table - Illustrative Format for Submitting Details of Repairable Spares

Ser No.	Part No.	Description	Repairs to be Undertaken		Unit Qty	Price Lists (along with annual escalation)	Delivery period
			In India	OEM premise			

Note: - The following aspects to be ensured:-

- (i) *Repair costs to be all-inclusive (collection/delivery ex-Depot).*
- (ii) *Warranty post repairs will be as specified in the contract document.*

(c) **Man-Day Rates for Services/Special Tools.** Man-day Rates for Services/Special Tools of Specialists (where applicable) should be specified corresponding to the categorisation of specialists, e.g. Designers, Engineers and Technicians, as applicable. Man-day Rates for hiring Special Tools, where applicable will also be provided.

22. **Online Inventory Management System (OIMS).** (Applicable for all cases beyond Rs 300 Crores. Optional for delegated power cases) To leverage information technology and ensure expeditious order placement as well as timely product support, the Bidder, shall be required to provide an Online Inventory Management System (OIMS), as per mutually agreed format, to place Purchase/Repair Orders (as applicable) online. The OIMS shall also provide feature to track the delivery status of the items. Further the OIMS should provide dashboard for intimation on obsolescence and offer of lifetime buy along with provision for user to interact with the OEM for technical assistance etc. The detailed scope and features of OIMS shall be finalised during the negotiations on LCSC. The OIMS may be decided on case to case basis.

23. **Active Technology Obsolescence Management.** Bidder will indicate the methodology on how the Bidder intends to undertake Active Obsolescence Management through life cycle of equipment which would include upgradation of system/ subsystem/ units on completion of its fair service life. The Bidder/OEM (as applicable) shall also intimate Buyer on likely technology obsolescence of various sub-assemblies/units/modules of equipment through an Annual Bulletin. In case of impending obsolescence of components, bulletin should specify either alternate item or option for life-time buy as under:-

(a) The Bidder/OEM (as applicable) will notify the Buyer not less than three years before the closure of its production line about the intention to close production of equipment for provision of purchasing spare parts, before closure of the said production line.

(b) Three years prior to completion of design/service life of equipment, the Bidder/OEM (as applicable) will submit techno-commercial proposal for upgradation of equipment, wherever applicable, to mitigate technology obsolescence and for ensuring product support for next 15 years.

Performance Based Logistics (PBL)

24. For certain equipment /platforms, the life cycle support could also be provided through implementation of the Performance Based Logistics (PBL). The PBL is a Supply Chain concept for optimising the availability of spares and services support to meet the pre-determined level of operational availability. The criteria for the PBL supply chain is based on approved Performance Metrics. The Bidder or the contracted Vendor would implement the desired Supply Chain Management system for meeting the operational performance level. The Bidder shall provide overall logistics support and perform tasks, functions and responsibilities to support the equipment as a PBL package.

25. The PBL package is inter-alia based upon the following aspects :-

- (a) Type and number of Equipment.
- (b) PBL Duration
- (c) Desired Exploitation Rate per equipment per year.
- (d) Desired average and overall equipment availability.

- (e) Maximum acceptable downtime.
- (f) Acceptable MTBF and time for repairs.
- (g) Mode and timelines for replenishment of Spares

26. **Equipment Delivery & Base Opening Plan.** The PBL package would be designed based on the equipment deliveries and the number of bases where equipment will be deployed.

27. **Performance Metrics.** The performance metrics are measurable performance indicators. Bidder/Buyer agree on, what is a successful outcome of the metric and mutually agree on performance of each metric. Both, the level of required outcome and, the related key metric need to be spelt clearly. This is necessary to manage performance and consequent remuneration, which can be an incentive in case of exceedance in performance, and penalty, in case there is short fall in desired outcome. An indicative list of performance metrics is attached as Annexure – V.

28. **Vendor Responsibilities.** Division of responsibilities between the Bidder and Buyer, for various activities under PBL are defined as per a Vendor Responsibility Matrix. An indicative format of responsibility matrix is attached as Annexure-VI. The nature of such responsibilities would differ on case to case basis, but an indicative list of vendor responsibilities is as follows:-

- (a) Supply Chain Management up to the Buyer's central Warehouse.
- (b) Repair and Overhaul of all components/LRUs of the equipment delivered during the PBL period.
- (c) Repair/replacement of spare parts.
- (d) Replenishment of all expendables to support the periodic maintenance activities of equipment.
- (e) Compliance of modifications, Airworthiness Directives & Mandatory Service Bulletins (MSBs) etc.
- (f) Calibration and maintenance of the GSE, GHE, STE and role equipment.
- (g) Provide an Information Technology (IT) tool for managing information with the Buyer.

29. **Sample PBL Contract.** An indicative and sample Scope of Work for a PBL contract is attached as Annexure-VII.

Annexure I to Appendix K
(Refers to Para 10 of Appendix K)

MANUFACTURER'S RECOMMENDED LIST OF SPARES (MRLS)

EQUIPMENT: _____

Original Equipment Manufacturer (OEM): _____

Ser No	Manufacturer's Part No	Source of Supply	Nomenclature	Nos fitted in one equipment	Illustrated spare Part List (ISPL) Reference	Unit Cost	Recommended scale for _____ qty				Total Cost				Remarks	
							Unit Repair	Field Repair	Intermediate Repair	Base Repair						
Total Cost																

Note:

1. Maintenance spares/stores like lubricants, sealing compound, gases should be given separately giving source of supply.
2. Spares for component repairs should be included under the column of nodal repair & Base Repair as suggested by OEM.
3. In 'Remarks' column following information (if applicable) be given:
 - (a) If an item has a shelf/operational life it be marked as 'G' and life indicated.
 - (b) Matching set of components be indicated.
 - (c) Item which can be locally manufactured should be marked 'LM'.
 - (d) Items which cannot be manufactured in India due to sophisticated

design/technology may be marked as 'SI' (Special Item).

(e) If a component/assembly is common to other similar equipment offered by the OEM earlier these should be marked 'CM' and name of the equipment be indicated.

- 4. MRLS should be drawn out of the 'Part List' of the equipment, which should be separately given as part of Technical Manual Part IV.*
- 5. If the main equipment consists of other equipment then MRLS should be prepared for them under proper heads.*
- 6. MRLS be prepared as per the maintenance concept of the customer (**Appendix K** to this RFP)*
- 7. Items provided along with the equipment as spares should also be included in MRLS.*
- 8. Modules/Shop Replaceable Unit (SRU)/assemblies should be listed and their components should be included under them so as to relate each item of spare to their module/SRU/assembly.*
- 9. Complete MRLS should be costed separately for Field, Nodal and Base repairs as it is required to be included as part of 'Total Costed Engineering Support Package' (ESP). OEM may give cost details in confidence to Contract Negotiation Committee (CNC), but other details as above be provided during Maintainability Equipment Trial (MET).*
- 10. MRLS for test equipment should also be provided on the similar format.*

Annexure II to Appendix K
(Refers to Para 13 of Appendix K)

LIST OF SMT/STEs, JIGS, FIXTURE AND INFRASTRUCTURE

EQUIPMENT: _____

Original Equipment Manufacturer (OEM): _____

Ser No	Manufacturer's Part No	Designation	Unit Cost	Nos Required				Brief Purpose	Remarks
				Unit Repair	Field Repair	Intermediate Repair	Base Repair		

Note:

- (i) Prepare separate sheet for each type of equipment.
- (ii) Specify in remarks column whether the Special Test Equipment (STE)/Special Maintenance Tools (SMTs) can be used as general purpose equipment on any other kind of equipment.
- (iii) For Nodal Repairs/Base repairs quantity required should be for repair of 10 equipments at a time.
- (iv) If test equipment is commercially available ex India, the source of supply be specified.
- (v) Test equipment for calibrating the STEs should be included in the list above.
- (vi) Test equipments which are required to be provided by the customer should also be included in the list above.

Annexure III to Appendix K
(Refers to Para 14 of Appendix K)

TECHNICAL LITERATURE

EQUIPMENT: _____

Original Equipment Manufacturer (OEM): _____

<u>Ser No.</u>	<u>Technical Literature</u>	<u>Unit Cost</u>	<u>Scale For</u> _____ <u>equipment</u>	<u>Total Cost</u>	<u>Remarks</u>
1.	User Handbook/operators Manual				
2.	Design Specifications				
3.	Technical Manual. (a) <u>Part I.</u> Tech description, specifications, functioning of various Systems. (b) <u>Part II.</u> Inspection/Maintenance tasks, Repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/Special Test Equipment (STEs). (c) <u>Part III.</u> Procedure assembly/disassembly, repair up to component level, safety precautions. (d) <u>Part IV.</u> (i) Part list with drawing reference (ii) List of SMTs/STEs with Test Bench				
4.	Manufacturer's Recommended List of Spares (MRLS)				
5.	Illustrated Spare Part list (ISPL)				
6.	Technical Manual on STE with drawing reference.				
7.	CDs on the above Tech literature				
8.	Any other (specify)				

Total Cost:

- Note:**
- (i) *In case any additional equipment is used their tech literature will be included.*
 - (ii) *If certain technical literature is being provided free of cost it should be indicated in the remarks column.*

Annexure IV to Appendix K
(Refers to Para 19(a) of Appendix K)

TRAINING AGGREGATES

EQUIPMENT: _____ OEM: _____

<u>Ser. No.</u>	<u>Description of Training Aggregate</u>	<u>Scale for (qty) Eqpt.</u>	<u>Unit Cost</u>	<u>Total cost</u>	<u>Remarks</u>
1.	Complete Equipment	2			
2.	Sectionised Equipment	1			
3.	Shop Replaceable Units (SRU)/PCB/Modules/Assemblies as under: (a) (b) (c)	One each			
4.	Computer based training package based on interactive multimedia to include (a) Full graphics, animation, text and sound (b) Symptoms-fault correlation (expert system).	One set			
5.	Training Aids to include (a) Charts (b) Slides (c) Training Brochures (d) Training Work models (e) Blow up diagram (f) Video films	One set			
6.	Cost of training _____ operators and _____ technicians in country of OEM				
7.	Any other				

Total Cost:

INDICATIVE LIST OF PERFORMANCE METRICS FOR A PBL CONTRACT

1. **'Level of Performance' Metrics.** An indicative list of drivers/requirements to measure level of performance metrics is as follows: -
 - (a) System availability (serviceability percentages, platform availability, system uptime (hours per), utilisation rate (hours per), and/or
 - (i) An assured fleet availability of xx% - the methodology and periodicity of calculation to be clearly specified.
 - (ii) Mission capability (defined) for particular mission.
 - (b) Spares availability (MRLS/PBL), and/or,
 - (i) Availability of parts, including those fitted on the main equipment/aircraft at a certain %.
 - (ii) Supply of AOG category of items in a defined time frame.
 - (aa) At the port of entry within 96 hours.
 - (ab) Despatch details (airway bill) in 48 hours.
 - (ac) Demand satisfaction /fill rate of 90%
 - (ad) Timely supply of all scheduled servicing kits.
 - (c) Reliability metrics, and/or,
 - (i) Free of cost repair for new items and repaired items which fail within a specified period of time.
 - (d) Supply chain metrics (Turnaround time, repair time, non-availability time), and/or,
 - (i) Repair turn-around time (R-TAT) of 3 months for 90% items and the remaining at 6 months.
 - (e) Engineering reach back metrics, and/or,
 - (i) Engineering disposition within 48 hours of communicating the problem.
 - (f) Cost based metrics, (annual cost of), and/or,
 - (g) Consumables/FOL etc, and/or,
 - (h) Availability of field support (FSR, LSR etc).

Annexure -VI to Appendix K
(Refers to para 28)

Responsibility Matrix
(Sample Data Only)

Note: Fill Col 2 & 3 as applicable)

Function Task	Responsibility of	
	Buyer	Seller
-1-	-2-	-3-
<u>A. Maintenance</u>		
1. Flight Line Operations		
2. Pre flight / Daily checks (1st Line)		
3. Periodic Checks (2nd Line)		
4. GSE / GHE Role Eqpt (1 st Line)		
5. GSE / GHE Role Eqpt (2 nd Line)		
6. Fault Isolation / Troubleshooting (1st & 2nd Line)		
7. Spares / Expendables Removal and Installation / Topping		
8. Service Bulletin Compliance		
9. Minor Structural Repairs		
10. Major Structural Repairs / Repairs		
11. Spares Repair and Inspection		
12. Technical Assistance		
13. Aircraft Configuration Changes (based on Role / Mission)		
<u>C. Supply Support</u>		
1. Initial Purchase of Spares and Expendable Parts (OEM Rec)		
2. Replenishment of Spares and Expendable Parts		
3. Spares Forecasting, Inventory & Re-order Levels		
4. Spares Availability		
5. Spares Repair		
6. Service Bulletin Material		

7. Material and Supply Chain Management		
8. FOL & Consumables as per OEM Recommendations		
9. Availability of Logistics Service Rep (LSR) at Main Operating Base (MOB)		
10. Deficiency / Discrepancy Reports		
<u>D. Engine Support</u>		
1. Propulsion system sustainment		
2. Engine Trending & Diagnostics		
3. Engine handling equipment		
<u>E. Facilities</u>		
1. Hangar, Warehouse and other facilities in MOB		
2. Management of Spares Warehouses at MOB		
3. Service / Housekeeping maintenance of MOB facilities		
4. Central Warehouse Responsibility		
5. Office space, Internet and Communication facilities		
<u>F. Ground Support Equipment (GSE)</u>		
1. Purchase GSE for O level Maintenance		
2. Purchase GSE for I level Maintenance		
3. GSE Maintenance (Calibration and Maintenance)		
<u>G. Maintenance & Operation Support</u>		
1. Maintenance Planning		
2. Configuration and Maintenance Documentation Control		
3. Availability of FSR at MOB & at FOB on requirement basis		
4. Engineering Dispositions		
5. Engineering Support to Tasks at Site		
6. Issue SBs / Tech directives / Mods		
7. FDR Data Download		
8. Structural health Monitoring / Aircraft Structural Integrity Program		
9. Calibration Support		
10. Proof Load Testing management		

11. Mission Planning Hardware & Software Support		
12. All software Updates & Subscription Services		
13. Navigation, TAWS data		
<u>H. Packing, Transportation and Handling</u>		
1. Packing		
2. Transport from SELLER to BUYER Central Warehouse, under DAP conditions, Incoterms 2010		
3. Transport from BUYER Logistics Control Point to SELLER		
4. Transport from MOB to other MOB / FOB		
5. Customs Administrative process (Bill of Entry preparation)		
6. Customs clearance and related costs and taxes and duties		
7. Release of items from customs and delivery to final destination		

SCOPE OF WORK FOR PBL CONTRACT

Note – 1: The sample case relates to main contract for supply of a fleet of aircraft. Modify scope as per equipment/system.

Introduction

1. The SELLER shall provide **overall logistics support and perform tasks, functions and responsibilities to support the name of the fleet/equipment/system** as a **Performance Based Logistics (PBL) Package** as described in this Appendix.

2. The PBL Package is based upon the following assumptions:-

- (a) **PBL Duration:** *specify the period of applicability of PBL.*
- (b) **Aircraft Fleet for PBL:** All Aircraft delivered during the PBL period as per delivery schedule in Table 1.
- (c) **Average Flying Rate:** *state the Flight Hours (FH) per Aircraft per year.*
- (d) **Warehouse:** The Central Warehouse of the BUYER will be (**List the BRD/ED/Storage Location of IAF**).

3. **Aircraft Delivery & Base Opening Plan.** The PBL package is designed based on the following aircraft deliveries and the number of bases from the contract effective date (T0):-

Table - 1: Aircraft Deliveries and Bases

No of Aircraft	Delivery Month	Number of Bases	Remarks
1	T0 + 12	1	
4	T0 + 36	2	
8	T0 + 48	4	
--	--	--	
--	--	--	
36	T0 + 96	8	

(Table filled with sample data only)

4. **Minimum Fleet FH Distribution Per Year.** The estimated year wise minimum FH distribution at a rate of (...)FH/Aircraft/Year is as follows:-

(Include data here)

Scope

5. The SELLER shall deliver a PBL Package for five years for the BUYER (*list of aircraft fleet/equipment/system*), commencing from delivery of the first aircraft.

6. The SELLER shall position a Program Manager and a Technical Team centrally located at (*mention location*) for the duration of the PBL contract. The Program Manager will act as an interface with the BUYER for ensuring that the conditions of the PBL are met.

(Replace with details of program manager/technical team as per nature of support)

7. The SELLER shall be responsible for the following ‘off-aircraft’ activities:-

(a) Supply Chain Management up to the BUYER`s Central Warehouse.

(b) Repair and overhaul of all components (LRU`s) of the Aircraft delivered during PBL period.

(c) Repair/Replacement of spare parts.

(d) Replenishment of all Aircraft expendable parts to support the periodic and ‘Out Phase’ maintenance activities of Aircraft.

(e) Compliance of modifications, Airworthiness Directives (ADs) & Mandatory Service Bulletins (MSBs).

(f) Calibration and maintenance of the GSE, GHE, STE and Role Equipment.

(g) Provide an Information Technology (IT) tool for managing information with the BUYER.

8. The expendable and spare parts in the contract will be only for and specifically for the aircraft fleet considered in the scope of the PBL Package.

9. The BUYER shall be responsible for fault isolation and aircraft maintenance planning. The SELLER may provide assessment when requested by the BUYER.

10. The following table summarizes the main logistic support functions, tasks and responsibilities during the PBL period:

Function Task	Buyer	Seller
-1-	-2-	-3-
A. <u>Maintenance</u>		
1. Pre flight / Daily checks		
2. 50 hour checks and multiples		
3. 100 hour checks and multiples		

4. Six monthly calendar checks		
5. Fault isolation		
6. Spares / Expendables Removal and reinstallation		
7. Service Bulletin Compliance		
8. Structural repairs		
9. Spares Repair and Inspection		
10. Technical Assistance		
<u>C. Supply Support</u>		
11. Initial Purchase of Spares and Expendable Parts*		
12. Replenishment of Spares and Expendable Parts		
13. Spares Repair		
14. Service Bulletin Material		
15. Material and Supply Chain Management		
16. FOL (Fuel, oils, lubricants, sealant etc.)**		
D. Facilities		
6. Hangar, warehouse and other facilities		
7. Management of spares warehouses		
8. Service/Housekeeping maintenance of facilities		
9. Central warehouse Responsibility		
E. Ground Support Equipment (GSE)		
4. Purchase GSE for O level maintenance *		
5. Purchase GSE for I level maintenance *		
6. GSE Maintenance (calibration and maintenance)		
F. Maintenance and Operation Support		
14. Maintenance planning		
15. Configuration and maintenance documentation control		
16. Engineering support to tasks		
G. Transport		
8. Material transport from the SELLER to the BUYER Central Warehouse, under DAP conditions, Incoterms 2010		

9. Material transport from the BUYER Central Warehouse to the SELLER		
10. Material transport from MOB to other MOB		
11. Customs administrative process for clearance (Bill of Entry preparation)		
12. Customs clearance and related costs and taxes and duties		
13. Release of items from customs and delivery to final destination		

(All data/information in Col 1, 2 & 3 is sample data, for informational purposes only. Fill columns as appropriate)

* Items delivered under the scope of the Engineering Support Package under this Contract.

** All part numbers and their equivalences, along with the vendor information, are included in the technical document Consumable Material List that will be provided by the SELLER within the scope of the Engineering Support Package.

The BUYER shall be responsible for fault isolation and aircraft maintenance planning.

The SELLER may provide assessment when requested by the BUYER.

11. **Technical Review Meetings.** The Technical review meetings and Program Review meetings shall be conducted as specified in **Annexure I (format to be drafted)**.

12. **PBL Management Plan.** The SELLER shall provide the draft PBL Management Plan (*provide time period here*).

(a) The PBL Management Plan will cover all the PBL activities, and establish detailed processes between the BUYER and the SELLER.

(b) The formats and modes of communication will be defined in the PBL Management Plan.

Maintenance Support

13. **Maintenance Schedule.** The Aircraft scheduled maintenance shall be conducted according to (*List the reference document here*) for (*list the aircraft/equipment/system here*). The Aircraft scheduled maintenance and periodicity is as follows:-

Table 3: Maintenance Intervals

	Type of Maintenance	Interval/Periodicity	Remarks
	-1-	-2-	-3-
(a)			

14. **On-Aircraft Maintenance.** The BUYER shall be responsible to perform:
(The sub-para contains sample list of activities.To be amended as per nature/type of equipment)
- (a) Level maintenance activities including Pre-flight, Daily, checks.
 - (b) I-level maintenance activities including *(type of)* checks .
 - (c) Non-scheduled and corrective maintenance activities
 - (i) These activities shall consist of fault diagnosis, isolation and replacement of failed Line Replaceable Units (LRU), intimation to the SELLER`s technical representative for updating the spare parts management.
 - (ii) Any flight associated to scheduled and unscheduled maintenance activities and/or fault corrections
 - (d) Major scheduled repairs, special inspections like NDI will be undertaken by the BUYER. SELLER shall consider such on-demand job on an over and above quotation basis.
15. **Off-Aircraft Maintenance.** *(the sub-para contains sample list of activities.To be amended as per nature/type of equipment)*
- (a) **Engine.**
 - (i) The SELLER shall undertake the first ten (10) *(sample data only)* major repair/overhaul activities of the engine within the scope of this contract. All the subsequent major repair/overhauls of engines will be treated as an over and above quotation.
 - (ii) Major repairs is defined the repair at a depot level facility.
 - (iii) The BUYER will conduct the Engine Condition Monitoring (ECM) according to the engine manufacturing manuals and provide the data to the SELLER. The SELLER shall analyse the engine data and report the engines status to the BUYER.
 - (iv) The BUYER shall be responsible for preventive maintenance of the engine as stated by the “On Condition” maintenance program and ECM. Failure to complete the tasks required by the (provide *applicable document reference here*), and other documents mentioned herein, particularly execution of a correct ECM, will exempt The SELLER from any responsibility and extra costs due to premature engine removal for major repair/overhaul.
 - (v) SELLER shall be responsible for repair and overhaul of Propeller at an Authorized Repair Centre (preferable in India), within the scope of this contract.

(vi) Other conditions/terms, as agreed.

(b) **Landing Gear and its Accessories.**

(i) The SELLER shall undertake the first five (f) major repair/overhaul (*sample data only*) activities of the Landing Gear sets, within the scope of this contract. All the subsequent major repair/overhauls will be treated as an over and above quotation.

(ii) Major repairs is defined the repair at a depot level facility.

(iii) Other conditions/terms as agreed.

(c) **Other Components.**

(i) SELLER shall undertake repair/overhaul of the remaining components, except for the wheels, batteries and brakes at the approved Repair Centers.

(ii) Brakes heat-pack support is included on the scope of this contract.

(iii) Other conditions/terms as agreed.

Technical Support Services

16. **Technical Support Team.** The SELLER shall designate a (*type of fleet/equipment/system*) qualified Technical Team centrally at (*Place*) for the duration of the PBL Contract. The Technical Team shall have adequate technical skills in all the fields of (*aircraft, engine, role equipment, GSE etc. Sample data only, replace as necessary*) to assure necessary Technical Support to the BUYER.

17. The Technical Team shall provide following support to the BUYER:-

(The sub-paras contain sample data. Append/delete as it pertains to the case)

(a) Technical assistance in operation and maintenance activities as and when requested.

(b) Assist on the use and interpretation of technical publications, maintenance program, GSE, GHE, STE and Role Equipment operation and maintenance.

(c) Advice and respond to the technical queries on maintenance activities raised by the BUYER.

(d) Monitor fleet and component reliability based on the data received from the BUYER. The SELLER shall deliver reliability reports for the BUYER fleet including benefits of exploiting data from other operators.

(e) Act as Engineering link with the BUYER to solve technical problems and repairs not included in maintenance manuals.

(f) Analyse the BUYER's maintenance practices and operations and recommend necessary changes in the procedures to optimise performance.

(g) Assist and advice on aircraft modifications or Service Bulletins embodiment.

(h) Manage with the BUYER representatives, the periodic FH status to align data bases of both parties. Procedure and periodicity of audits shall be agreed during (*CDR and PRM meetings, sample data only, replace as applicable*).

18. The Technical team activities will be conducted completely on ground and 'off-aircraft'.

19. In the event of request from the BUYER for the Technical Team for on-site support at a location other than operating Bases, the SELLER's Technical Team shall travel to other geographic locations in India where services are requested. The cost of such services shall be separately quoted on case to case basis. Such locations will be limited to low risk areas in terms of security in accordance with BUYER security norms.

20. The working hours of the Technical Team shall be 09:00 H to 17:00 H, Monday to Friday. All queries outside the working hours shall be addressed to the (*AOG Back Office Desk, sample data only, replace as applicable*).

21. The SELLER reserves the right to rotate the personnel of the Technical Team every three months.

22. The SELLER shall deploy Technical Assistance detachment at every operating Base during the set up phase. The Technical Assistance detachment duration shall be agreed between both the parties in the PBL Management Plan. Access to the operating Bases will be granted by the BUYER.

23. **Engineering Reach Back/ Technical Assistance / Support Services.** (*The sub-para's contains sample data. Append/delete as it pertains to the case*)

(a) **48 hours Initial Response.** The SELLER shall provide assistance (advise) on all technical matters and critical snag rectification. The first response shall be assured within 48 hours of the request by the BUYER.

(b) **Engineering Consultation.** The SELLER shall ensure response to all technical enquiries with respect to the aircraft, systems, sub systems and associated equipment supplied by the SELLER.

(c) **Repair Dispositions/ Investigation.** The SELLER shall provide first 10 cases () of problem analysis/Investigation or repair disposition within the scope of the contract. All the subsequent Investigation or repair disposition will be separately quoted on case to case basis.

(d) **Other Engineering Support.** The SELLER will provide technical and engineering support beyond "T" level maintenance that will be separately quoted on case to case basis.

Maintenance Engineering

24. The BUYER shall be responsible for the following Maintenance Engineering activities:-

- (a) Plan and control the maintenance activities.
- (b) Control the aircraft life limited components.
- (c) Update the aircraft documentation.
- (d) Manage and control the fleet configuration.

25. Compliance with Airworthiness Directives (ADs)/ mandatory Service Bulletins (SBs) shall be undertaken by the SELLER through the BUYER`s technicians. The SELLER will provide spares and TTGE required for compliance of such ADs/SBs.

26. The SELLER will be granted access to the maintenance engineering management system, of the BUYER according to mutually agreed procedures.

Additional Field Services

27. The SELLER will provide field services as necessary at BUYER`s request to assist in major repairs required to recover the (aircraft/equipment/system) after incident/accident. Such support will include the services of a staff of specialized engineers and technicians, structural and stress analyst, process engineers, metallurgists, electrical-electronic specialists, etc. for detail advice and counselling. These specialists will be available to review personally any situation at any place in the world for any period of time they may be required.

28. The cost of these services will be considered as an “on-demand job” and quoted separately on case by case basis.

Access to Online Technical Manuals & Publications

29. The SELLER shall provide access to technical publications through Web Portal with the latest updates.

30. The SELLER shall provide user licences for forty users (*sample data only, change as applicable*) to access the Customer Web Portal, during the validity of the contract. The BUYER will have to make its arrangements for availability of Internet (World Wide Web).

31. The Web Portal is a tool to drive the BUYER`s on-line communication needs using secure protocols. Through this Portal, the BUYER can take benefits of single point online access to on all the technical information. The main features of the Web portal would be:-

- (a) Friendly environment with online access to updated technical information.
- (b) Queries resolution.

- (c) Management In Service Issues.

Software Updates

(Sample data only, change as applicable)

32. The SELLER shall provide updates for the applicable LRUs routinely to ensure continued airworthiness of aircraft.
33. The navigation data base updates are not covered in this contract.

Material & Logistic Support

34. Initial Provisioning. The BUYER shall procure all the initial package of spares, GSE, GHE, STE and role equipment; for carrying out servicing up to 'O' and 'T' level on Aircraft.
35. Repair, replacement and replenishment. The SELLER shall be responsible for the replenishment of expendables and spare parts such that the BUYER stock at the end of the PBL Support period will remain the same as initial Aircraft Package delivery. The SELLER shall minimize as much as possible any possible intermediate shortage of stock during the contract execution.

(a) **Replenishment of Expendables.**

- (i) These items shall be replenished and the stock as initial delivery will remain the same at the end of the contract. The SELLER will have the right to replenish with equivalent or upgraded parts.
- (ii) The BUYER shall provide the SELLER, the maintenance tasks reports that support the reason for consumption along with the Aircraft Tail Number. The procedure and mode of communication shall be agreed during PDR/CDR meetings. The SELLER shall provide the document proposal two weeks before the meeting to allow BUYER revision.

(b) **Spares Repair/Replacement and Replenishment.**

- (i) The SELLER shall repair/replace the faulty components of Aircraft, GSE, GHE, STE and Role Equipment. The BUYER shall use the spares provided as MRLS to recover the unserviceable aircraft.
- (ii) The SELLER shall replenish the spares with new or repaired parts at its sole consideration. In case of repaired items, the SELLER shall ensure that the component life of such replenished spares is maintained at the similar level of the component life of the replaced spares.
- (iii) The SELLER will have discretion to choose the Authorized Repair Centre (preferable in India).
- (iv) The replenishment of items rendered useless (scrap) or BER will be done by new or repaired items at the discretion of the SELLER.

(v) **Repair activities.** The BUYER will provide to the SELLER the maintenance task report that support the reason for repair, failure description, troubleshooting records and aircraft affected Serial Number.

(vi) **No Fault Found (NFF).** In the event of a 'No Fault Found', the BUYER and the SELLER will engage in a joint assessment to identify the potential solution and way forward for the specific equipment.

(vii) The SELLER`s responsibility over spares and expendables shall be limited to inspection/ test/ repair of those components which are removed from the aircraft due to failure or life limited or Shelf-life expired.

(viii) The items removed from the aircraft will be replaced with items pertaining to the BUYER`s stock; such support is limited to the aircraft delivery configuration and excludes additional equipment installed by the BUYER.

(c) **Consumables/Spares of O level/I level/ Out of Phase Servicing and Service Bulleting Embodiment.**

(i) The SELLER shall supply spares and consumables based on past consumption data. The BUYER will intimate the details of scheduled servicing/ maintenance due on the aircraft, four months in advance. The consumables/ spares shall be made available to the BUYER 30 days prior to scheduled task.

(ii) FOL (Fuel, oils, lubricants, according to Consumables Material List) will be the responsibility of the BUYER.

(iii) SELLER will provide the list of FOL items, their in lieu items and sources of supply. This information will be included in the technical manual Consumable Material List.

AOG Items

36. AOG situation shall be considered when BUYER has a lack of a serviceable item within all the BUYER stock locations.

37. In the event of an AOG, the AOG starting date shall be the date when the SELLER receives official communication of such AOG by the BUYER by means of the Form of Material Request as per format to be defined in the PDR and will finish when the SELLER makes the shipping details available to the BUYER.

38. The SELLER shall provide dispatch/shipping details of AOG items within 48 hours of the demand if the demand is done between Monday to Thursday.

39. If the demand is raised between Friday to Sunday the SELLER shall provide dispatch/shipping details of AOG items within 72 hours of the demand.

40. AOG items shall be considered as follows:-

- (a) NO GO classified items as per Manufacturer Minimum Equipment List (MMEL) from the date the AOG has been declared.
- (b) GO IF classified items after the grace period for flight per item as per Manufacturer Minimum Equipment List (MMEL).
- (c) Other components items shall become AOG after 15 days from BUYER official request.

Urgent Items Likely to Cause AOG

41. The BUYER will project the demand of items falling due in the next four months for all Urgent items. The SELLER shall ensure availability of these items seven days prior to the scheduled date of maintenance.

Urgent Items Required for Scheduled Maintenance

42. The BUYER will project the demand of items falling due in the next four months for all Urgent Items for scheduled maintenance. The SELLER shall position the items one month prior to commencement of scheduled maintenance servicing.

Anticipated Replacement

43. In case an anticipated replacement is performed, the BUYER must remove the unserviceable item from the aircraft no later than 48 hours from the receipt of the substitution element.

Supply Chain Management

44. **Logistic Support.** The SELLER shall be responsible for Supply Chain Management as follows:-

- (a) Provide reports of the inventory.
- (b) Provide reports of the level of consumed stock, performing the required material requisitions to maintain the initial level.
- (c) List of demands in a given month.
- (d) Periodic inventory audits management with the BUYER for inventory data reconciliation between BUYER and SELLER data bases. Procedure and periodicity of before mentioned audits shall be agreed during PRM and CDR meetings.

45. **Logistic Support Personnel.**

- (a) SELLER shall position a logistic support team that will be co-located in a dedicated office at the BUYER`s Central Warehouse.

(b) Access to the BUYER installations shall be granted by the BUYER. The Logistic team will have direct contact with the BUYER`s maintenance and logistic personnel for daily update on fleet necessities.

(c) The SELLER`s Logistic Representative will be responsible for the management of Material Services contractual commitments for the PBL as follows:-

(i) Act as central focal point for all matters related to Material Support Services at the BUYER`s site.

(ii) Ensure that the contractual material performance related to maintenance services is achieved, locally at the Central Warehouse.

(iii) Coordination of the materials needs, anticipate the spares needed and inform the BUYER.

(iv) Manage all the activities related to: -

(aa) Repairs & Overhauls of components included in this contract.

(ab) Spares.

(ac) Transportation.

(ad) Communication with the BUYER.

(ae) Provide status of pending items, and delivery status to BUYER (expendables), under repair status (date of return) and critical items identification.

(af) Anticipation of the materials needed for scheduled maintenance activities.

(ag) Liaise with the BUYER to facilitate timely delivery of repaired/ replenished/ replaced items along with the appropriate shipping and quality documentation.

(ah) Be responsible for the follow-up of stock movement at BUYER Central Warehouse, following the performance and consumptions of the BUYER.

(aj) Identify and report the high-rotation and high-failure rate items, specify the root cause (when possible) and launch the opportune actions to prevent stock-out.

(ak) Launch, the repair management process for any repairable item, and provides feedback to the BUYER for the estimated delivery date (EDD) of the serviceable item.

(al) Verify that the repairable item is shipped in the correct packaging conditions according to the ATA300 requirements and arranges the shipment of the goods.

(am) Under ATA300 regulation, any single item is managed in a manner guarantying its safety during the whole logistic process. Special shipment conditions of hazardous materials or electrostatic discharge-sensitive devices are applied and will be indicated.

ATA 300 CAT II - Category II containers are effective for a minimum 10 trips.

ATA 300 CAT III - Category III containers are effective for just one trip.

(an) Manage and follow-up scrapped items.

(ao) Manage with the BUYER, the corresponding periodic physical inventory audits to align stock level database of both parties.

46. **BUYER Responsibilities.**

(a) The BUYER shall be responsible for reporting the monthly flight hours to the SELLER, by means of a joint report prepared with the SELLER`s Technical Representative.

(b) The BUYER will be responsible for reporting the weekly spares part inventory status to the SELLER, by means of a report prepared jointly with the SELLER`s Logistic Representative.

(c) The BUYER will schedule with the SELLER`s representatives periodical meetings to execute audits for data bases reconciliation. The information received by the BUYER shall be considered as valid for all cases. SELLER shall not be liable of any delay caused by not accurate information of stock levels.

(d) The BUYER will grant the SELLER with access to FDR recordings at the SELLER`s request when an incidence or exceedance or extreme engine parameters in-flight have occurred.

(e) The BUYER shall deliver the faulty LRU to SELLER representatives not later than fifteen (15) calendar days after LRU removal at BUYER Central Warehouse.

47. **Facilities.**

(a) The BUYER will be responsible for warehousing of its spares in terms of hangars, warehouse facilities and equipment (air conditioning, shelves, etc). The Facility Requirement Document (FRD) for such facilities will be provided along with the PBL Management Plan at PDR.

(b) The SELLER will perform a site survey in advance to ensure the BUYER warehouse complies with the requirements for storage of aeronautical components, and the recommended actions will be performed by the BUYER.

(c) The BUYER will provide to the SELLER logistic and technical personnel office space at the Central Warehouse, the necessary furniture (tables, chairs), the necessary utility connections (water and light), and authorize the installation of a stand-alone connection for internet connection.

(d) The BUYER will provide to the SELLER's representative, temporary office space during on-site service, the necessary utility connections (water and light), and authorize installation of a stand-alone connection for internet connection.

Performance of PBL Services

48. The following time periods shall be excluded from performance of PBL Services and therefore shall not be liable for Liquidated damages:-

(a) Delay in handing over of faulty item by the Buyer to the SELLER by more than twenty (20) days.

(b) Time required to recover Aircraft on AOG due to accident, damage or FOD, or by Force Majeure.

(c) Delays of more than seven days in payment of Custom Duty and allied Taxes by the BUYER, provided that the SELLER has submitted duly completed necessary documents to the BUYER prior to the date of shipping of items.

(d) Any disputed periods of delays shall be resolved at dedicated meetings between representatives of BUYER and SELLER.

49. The SELLER shall issue a certificate of conformity for each supply under PBL package. Supplies shall be deemed to have been accepted by the BUYER upon handing over the item at Central Warehouse of the BUYER.

50. The quantity claims for deficiency of quantity shall be presented within 45 days from the end of each Year Period in a format to be defined in the PDR.

51. Unless otherwise agreed between the Parties, the SELLER shall within a period of 90 days after termination or expiry of the PBL Support complete all repairs/replacements and replenishments that are in progress on such termination or expiry date.

52. Within the Warranty period defined in Article (15, *as applicable*), the warranty of repaired/replaced/replenished parts shall be as defined in Article (15, *as applicable*) of the contract. After completion of the warranty period, the warranty of the repaired/replaced/replenished parts supplied as part of the PBL shall be one (1) year or 300 Flight Hours (*as applicable*) whichever is earlier.

53. **Supply Records.** The following Supply records will be provided by the SELLER:-

- (a) AOG items status (daily).
- (b) Stock availability report (weekly).

54. The format of the records will be defined during the CDR. The SELLER shall provide the document proposal two weeks before the meeting to allow BUYER revision in advance.

55. **Insurance.**

- (a) The SELLER will be responsible for the insurance of the SELLER personnel.
- (b) The SELLER will not be responsible for security and custody of all properties, including spare stock and ground support equipment.

56. **Transport.**

- (a) Transport of Supplies from the SELLER to the BUYER`s Central Warehouse will be performed under DAP conditions, Incoterms 2010 and transport of Supplies from the BUYER Main Warehouse.
- (b) The SELLER shall be responsible for the Customs administrative process for clearance (Bill of Entry preparation).
- (c) Customs Duty and associated Taxes shall be borne by the BUYER. The SELLER shall be responsible for the release of items from customs and delivery to final destination.

Over and Above

57. The following tasks, services and responsibilities which are not part of this Contract and will be considered 'over and above' as follows :-

- (a) Replenishment of items installed by the BUYER not part of the SELLER recognized configuration of the aircraft or duly documented evolutions through Service Bulletins. Such replenishments may be considered by the SELLER subject to availability and mutual agreement with the BUYER on 'over and above' basis.
- (b) Replenishment of elements with corrosion that exceed the technically allowed limits and have been caused due to lack of BUYER inspections or mitigation actions as per the technical manuals or specific OEM instructions provided by the SELLER.
- (c) Replenishment of POL that are not part of initial MRLS (fuel, oils, lubricants, grease, sealants, paints and fluids, etc.).
- (d) Replenishment or repair of damaged elements:-
 - (i) Resulting from crash or accidental damage, foreign object damage (FOD), damage due to war and terrorist activities.

- (ii) Secondary damage resulting from a primary equipment failure due to crash or accidental damage, FOD, damage due to war and terrorist activities.
- (iii) Due to the BUYER's fault, or negligence, inadequate operation or maintenance activities performed on the aircraft
- (iv) Resulting from natural disaster (floods, earthquakes, lightning, etc...).
- (e) Modification, substitution or replacement of equipment at variance to the SELLER recognized aircraft configuration.
- (f) Any manpower to perform maintenance "On Aircraft" activities.

58. The 'over and above' tasks or service will be quoted on case by case at the BUYER's request, and will be undertaken upon mutual agreement.

Extension of PBL Service

59. The PBL support may be extended after the expiry of the 5 year period in subsequent blocks of 5 year periods upon mutual agreement between the parties.

60. The Logistical Support Service and the Technical Support Service are catered for the Fleet Hours associated to this contract. In case of renewal, these services shall be adjusted to the new Fleet hours.

61. The Fleet Flight Hour Cost will be subject to the following escalation formula: Escalation formula (with a maximum cap/ limit of 3%) for year 2013 (**change as applicable**) and subsequent years will be:

$$P_x = P_{2013} \times \left[\frac{M_x}{M_{2013}} \right]$$

Where:

PX = Price to be applied in the year "X";

P2013 = Price for the year 2013 as calculated previously (*sample data only, change as applicable*);

MX = The value of the Industry-Producer price index (Manufacturing industries code "Teiis020" of EU28 in accordance with NACE Rev 2) in the Euro zone published by the Eurostat corresponding to February X (*sample data only, change as applicable*).

M2013 = The value of above mentioned Producer price index corresponding to February 2013 which value is 108.69 (*sample data only, change as applicable*).

62. After the completion of the first PBL package, it would be an option that other than MRLS, all further transaction of spares and reparable be undertaken through Indian Aircraft Contractor (IAC) at mutually agreed terms and conditions.

Security

63. A BUYER shall grant security clearance to the SELLER representatives to work at BUYER facilities. Any location declared as Medium-High Risk area by SELLER security department shall be avoided by SELLER personnel.

Appendix L to Schedule I to Chapter II
(Refers to Para 10 of Schedule I)

TRIAL METHODOLOGY

Trial Methodology for checking SQRs (Essential Parameters-A, Essential Parameters-B (if applicable) and Enhanced Performance Parameters (if applicable)) as given in the RFP should be formulated and mentioned in this Appendix by SHQ.

Appendix M to Schedule I to Chapter II
(Refers to Para 12 and 60 of Schedule I)

COMMERCIAL CLAUSES

1. **Payment Terms**

1.1 **INCOTERMS for Delivery**

1.1.1 The delivery of goods will be based on DDP INCOTERMS-2020 with ultimate consignee as _____.

1.2. **Currency of Payment**

1.2.1 Foreign bidders should submit their bids in US Dollars/Euros/Pounds Sterling or any other currency.

1.2.2 Indian bidders should submit their bids in Indian Rupees.

1.3 **Bank Guarantee(s)**. All Bank Guarantee(s) requirements viz Advance Payment Bank Guarantee (APBG), Performance-cum-Warrantee Bank Guarantee (PWBG), Additional Bank Guarantee (ABG), Performance Bank Guarantee (PBG) etc are to be submitted as per following:-

1.3.1 **Foreign Bidder**. Bank guarantee(s) shall be from any Indian Public Sector Bank or Private Sector Banks notified for business with GoI vide MoF/CGA no. _____ or branches of Foreign Bank in India licensed by RBI or First Class banks of international repute whose details have to be furnished in the Commercial bid. In case of International banks, the Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi or any other Public or Private Sector Bank authorised by RBI and as per their recommendations seek confirmation of Bank Guarantee(s) by counter guarantee by an Indian Bank at Bidder's cost. The SELLER has the option to furnish multiple Bank Guarantees.

1.3.2 **Indian Bidder**. Bank Guarantee(s) shall be from any Indian Public Sector Bank or Private Sector Banks notified for business with GoI vide MoF/CGA no. _____. The SELLER has the option to furnish multiple Bank Guarantees.

1.4. **Payment to Foreign Bidders**. **The schedule for payments will be based on the Buyers requirements, enumerated at succeeding Paragraphs. The summary of delivery schedule, payments to be made and schedule of submission/release of Advance Payment Bank guarantee (s), as applicable, is specified at Annexure VII to Appendix M.**

1.4.1 **Advance Payment**. Fifteen (15%) of the Total Contract Price (excluding total price of AMC/CMC/PBL, if any) shall be paid within thirty (30) days of signing of Contract through Direct Bank Transfer (DBT) and upon submission of claim and a Bank Guarantee (BG) for equivalent amount. The prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at Annexure II to Appendix M. The Advance Payment Bank Guarantee (APBG) will be deemed to be proportionately and

automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. **The Bidder has the option to furnish separate Bank Guarantee for each lot/batch/deliverable(s) (as specified at Annexure VII to Appendix M) to affect pro-rata reduction of APBG.** The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T_0), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.

1.4.1.1 In cases where Export License is required to be submitted by the Seller to the Buyer prior to release of Advance Payment, a copy of vendor's application for export license to their government may be provisionally accepted in lieu of export license, for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer.

1.4.2 **On Dispatch.** (*Note: The percentages for this stage can be fixed in the RFP on merits of case.*) ___% of the Contract Price of the Goods shipped shall be paid through Irrevocable Letter of Credit (LC). The payment will be arranged through any Public Sector bank (as decided by the Buyer), to the Bank of the Foreign Seller. The Seller will give a notification to Buyer about the readiness of goods for dispatch at least 45 days prior to delivery of goods. Letter of Credit will be opened by the Buyer within expiry of this period of 45 days provided the Performance-cum-Warranty Guarantee for full value of contract has been received. The Letter of Credit will be valid for ___ days from the date of its opening. In case the delivery is in multiple consignments and there is a long delivery schedule, then Revolving LC can be opened. Paid shipping documents are to be provided to the Bank by the Seller as proof of dispatch of goods as per contractual terms so that the Seller gets payment from LC. The Bank will forward these documents to the Buyer for getting the goods/stores released from the Port/Airport. Documents will include- (*Note: The list given below is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP.*)

1.4.2.1 SELLER's commercial invoice in sextuplicate, showing the number of the Contract, quantity and Denomination of the Equipment delivered and the amount.

1.4.2.2 Full set of Originals "Clean on Board" Bills of Lading/Air Way Bill (for payments against dispatch).

1.4.2.3 Packing List (six copies).

1.4.2.4 Certificate of Origin, duly stamped by the SELLER's Chamber of Commerce or self-certified by OEM.

1.4.2.5 Certificate of Conformity and Acceptance Test report (where applicable) at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and Acceptance certificate issued by the SELLER (for payments against dispatch).

1.4.2.6 Certificate of current manufacture from OEM.

1.4.2.7 Certified Receipt Voucher (CRV) by the BUYER (for payment against delivery).

1.4.2.8 Dangerous Cargo Certificate, where applicable.

1.4.2.9 Phyto-Sanitary/Fumigation Certificate, where applicable.

1.4.2.10 In case of training, a certificate from BUYER's representative that training program has been completed.

1.4.2.11 Export License from the SELLER's Government (if applicable).

1.4.3 **Stage-wise Payments** (*Note: This Para may be included if the Buyer wants to release payments other than Advance into different stages. The number of stages, their activities and documents required for payment may be framed keeping in view the unique requirements of the case and necessary documentation required. In such cases, Paras 1.4.2 above will get replaced by Para 1.4.3*)

1.4.3.1 The payments will be done in stages as under:-

- First stage- % on completion of _____
- Second stage-- % on completion of _____
- Third stage- % on completion of _____
-

1.4.3.2 For stages mentioned above, payments will be released based upon the Completion certificate given by Buyer's representative for all activities mentioned therein. For all milestone payments, Bank Guarantee for same amount will have to be furnished by the Seller before release of payments.

1.4.4 **On Final Acceptance and Installation/Commissioning.** (*Note: The percentages for this stage can be fixed in the RFP on merits of case*) ___% of the Contract Price of Goods received shall be paid within thirty (30) days of receipt of Goods upon submission of claim supported by the Acceptance Certificate issued by the Buyer. The mode of payment could be either LC as mentioned above or through DBT. Payment through DBT will be made within 30 days of receipt of Original

invoice, User Acceptance report and other relevant documents as mentioned above for final payment, but such payments will be subject to the deductions of such amounts as the Seller may be liable to pay under the agreed terms of the Contract.

1.4.5 **Part-Dispatch/Part-Shipment.** (*Note: Depending upon merits of case, this Para can be included*). Part-dispatch or part-shipment of goods is permitted and corresponding payment will be released to the Seller. However, where permitted, the minimum quantity for using this facility on each occasion will not be less than ____ . Transshipment may not be permitted for certain deliverables and/or under certain situations (to be specified by the Buyer).

1.4.6 **AMC/CMC/PBL Payments.** (*Note: This Para may be included if there is AMC/CMC/PBL clause in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case*) Quarterly/Half-yearly/Annually payments will be made by PCDA/CDA on submission of User clearance certificate through DBT.

1.4.7 Payments through LC and DBT will be subject to the instant Uniform Customs and Practice for Documentary Credit (UCPDC) of the International Chamber of Commerce. The LC will be confirmed at Seller's cost, if requested specifically by the Buyer. Banking charges will be paid by the Buyer and Seller in their respective countries. Where extension of LC is necessitated, the Banking charges for extension shall be borne by the Party whose default causes such an extension.

1.5 **Payment to Indian Bidders.** **The schedule for payments will be based on the Buyers requirements, enumerated at succeeding Paragraphs. The summary of delivery schedule, payments to be made and schedule of submission/release of Advance Bank guarantee (s), as applicable, is specified at Annexure VII to Appendix M.**

1.5.1 **Advance Payment.** Fifteen (15) % of the Total Contract Price (excluding total price of AMC/CMC/PBL, if any) shall be paid within thirty (30) days of signing of Contract and upon submission of claim and a Bank Guarantee for the equivalent amount. The prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at Annexure II to Appendix M. The Advance Payment Bank Guarantee (APBG) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. **The Bidder has the option to furnish separate Bank Guarantee for each lot/batch/deliverable(s) (as specified at Annexure VII to Appendix M) to affect pro-rata reduction of APBG.** The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T_0), provided the Seller submits the documents mandated by the DPP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.

1.5.2 **On Dispatch.** (*Note: The percentages for this stage can be fixed in the RFP on merits of case*) ___% of the contract price of deliverables shall be paid on proof of dispatch of deliverables to the consignee and on production of an inspection note issued by the buyer designated inspection agency. Number and date of the Railway/Road/Air Transport receipt under which the deliverables charged for in the bill are dispatched by rail/road/Air and the number and date of letter with which such receipt is forwarded to the consignee, should be quoted on the bill. The payment will be made by PCDA/CDA through cheque/Electronic Fund Transfer (EFT) on submission of following documents-(*Note-The list given below is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP*).

1.5.2.1 Ink-signed copy of Seller's bill.

1.5.2.2 Ink-signed copy of Commercial invoice.

1.5.2.3 The relevant Transport Receipt.

1.5.2.4 Inspection Acceptance Certificate of Buyer's QA agency demonstrating compliance with the technical specifications of the contract.

1.5.2.5 Packing List.

1.5.2.6 Certificate of Origin.

1.5.2.7 Claim for statutory and other levies to be supported with requisite documents/proof of payment, as applicable.

1.5.2.8 Exemption certificate for taxes/duties, if applicable.

1.5.3. **Stage-wise Payments.** (*Note: This Para may be included if the Buyer wants to release payments other than Advance into different stages. The number of stages, their activities and documents required for payment may be framed keeping in view the unique requirements of the case. In such cases, Para 1.5.2 above will get replaced by Para 1.5.3*)

1.5.3.1 The payments will be done in stages as under:--

- First stage- % on completion of _____
- Second stage-- % on completion of _____
- Third stage- % on completion of _____
-

1.5.3.2 For stages mentioned above, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's representative. For all milestone payments, Bank guarantee for same amount will have to be furnished by the Seller before release of payments.

1.5.4 **On Final Acceptance and Installation/Commissioning** (*Note: The percentages for this stage can be fixed in the RFP on merits of case*)-The remaining ___ % of the Contract Price of deliverables shall be paid within thirty (30) days after the date of the Acceptance Certificate & Certified Receipt Voucher (CRV) issued by the Buyer and other relevant documents as mentioned above for final payment, but

such payments will be subject to the deductions of such amounts as the Seller may be liable to pay under the agreed terms of the Contract. The concerned PCDA/CDA will release the payment through cheque/EFT.

1.5.5 Part-Dispatch/Part-Shipment. (Note: Depending upon merits of case, this Para can be included). Part-dispatch or part-shipment of goods is permitted and corresponding payment will be released to the Seller. However, where permitted, the minimum quantity for using this facility on each occasion will not be less than ____ . Transshipment may not be permitted for certain deliverables and/or under certain situations (to be specified by the Buyer).

1.5.6 AMC/CMC Payments. (Note: This Para may be included if there is AMC/CMC clause in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case). Quarterly/Half-yearly/Annually payments will be made by PCDA/CDA on submission of User clearance certificate through issue of cheque/ECS.

1.5.7 Payment of Taxes and Duties. Payment of taxes, duties and statutory levies will be made on submission of requisite documentary proof to Paying authority. Reimbursement of taxes and duties will be as per rates and amounts indicated in the commercial bid/contract or as per actuals whichever is lower.

1.5.8 Exchange Rate Variation. Exchange Rate variation shall be applicable for Rupee contracts with Indian Vendors, based on RFPs issued under all categories of capital acquisitions mentioned at Para 6 to 11 of Chapter I of DPP. The indigenous & import components as also the various currencies (of the import components) for ERV purposes, must be determined in advance. The guidelines on protection of Exchange Rate Variation are given at **Annexure I to this Appendix.**

1.5.9 Payment by Letter of Credit (LC). For Capital Acquisition, Category “Buy Global” (other than Defence PSUs in *ab initio* Single Vendor Cases or as a nominated production agency), Indian vendors can exercise option to take payment either through Letter of Credit (LC) or Bank Transfer. The payment terms would be regulated as given below:-

Clause	Where Supplier opts for payment through Letter of Credit	Where Supplier opts for payment through Bank transfer
1	The Accounting and Payment currencies shall be Rupees only. However, Exchange Rate Variation (ERV), as per ERV provisions contained in Annexure I to Appendix L of RFP, where permissible, shall be paid, only in INR.	
2	<p>The components of total contract price are as follows:-</p> <p>(a) Value of goods supplied - Basic cost of Goods including ESP, as per the Contract.</p> <p>(b) Freight and Insurance - As per the Contract.</p> <p>(c) Training charges and technical literature.</p> <p>(d) Reimbursable expenses - Taxes and duties as admissible under the Contract.</p> <p>(e) AMC charges-As per the Contract.</p> <p>(f) Installation and Commissioning charges- As per the Contract.</p>	

Clause	Where Supplier opts for payment through Letter of Credit	Where Supplier opts for payment through Bank transfer
3	<p>The total contract price referred to in Article 1 of the contract shall be paid as follows:-</p> <p>(a) Advance Payment. ____% of total value of goods supplied being ₹-----shall be paid to the SELLER, through Bank Transfer, within 30 days of the receipt of the following documents:</p> <p>(b) Advanced Bank Guarantee as per Article 3B of the Contract.</p> <p>(c) Performance cum Warranty Bond as per Article 4 B of the Contract.</p> <p>(d) Any other specific document (like proforma invoice) if required.</p> <p><i>(Note: The second stage advance payment after completion of specific milestone may also be paid through Bank Transfer.)</i></p>	
4	<p>For the second/next stage payment the SELLER has the option to seek payment either through Bank transfer from the O/o of PCDA _____ or through Letter of Credit.</p>	
5	<p>Where the SELLER opts for payment through LC, all payments except for the first stage payment as per clause 3 above shall be made by LC, as per following conditions:-</p> <p>(a) The SELLER will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment.</p> <p>(b) Consequent on receipt of the above notification, the BUYER shall open the Letter of Credit through PCDA before expiry of this period of 45 days provided a 5% Performance cum Warranty Bond for the Full value of the Contract has been received.</p> <p>(c) The Letter of Credit will be opened with a Public Sector bank for ____% of the Contract value with the SELLER's Bank, i.e. _____ & Seller's Account No. _____. It will be valid for a period of _____ days/months from the date of opening.</p> <p><i>Note: Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.</i></p> <p>(d) The payment against LC shall be made to the SELLER against presentation of the documents specified.</p>	<p>Where the SELLER opts for payment through Bank Transfer payment shall be made as per following conditions:-</p> <p>(a) The SELLER will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment.</p> <p>(b) Once a Supplier opts for payment through Bank Transfer, no changes in mode of payment would be permitted.</p>

Clause	Where Supplier opts for payment through Letter of Credit	Where Supplier opts for payment through Bank transfer
	<p>(e) In the event of delay in opening the Letter of Credit (reasons for which are solely attributable to Buyer), the delivery date will automatically stand extended to that extent. Formal amendment/certification from Buyer will be required as shipment date would have to be amended in SWIFT form accordingly.</p> <p>(f) All expenses connected with establishment of the Letter of Credit in India will be borne by the SELLER.</p> <p>(g) Where the extension of the validity of Letter of Credit is necessitated, the Bank charges for extension shall be borne by the party whose default causes such an extension.</p> <p>(h) Once a Supplier opts for payment through LC, no mid-way changes in mode of payment are permitted.</p> <p>(j) The Letter of Credit shall be subject to and shall be governed by the instant Uniform Customs and Practices for Documentary Credits issued by the International Chamber of Commerce.</p> <p>(k) Any amendment in LC terms will be subject to Buyer's approval.</p>	
6	All payments will be carried out with reference to the number of this contract.	
7	<p>The Second/next Stage payment comprising _____% of the value of goods supplied and full freight and insurance (where admissible) thereon, shall be paid to the Seller on submission of the following documents, in six copies each:</p> <p>(a) Commercial invoices in original.</p> <p>(b) Contractor's bill in original.</p> <p>(c) Certificate of Conformity and Acceptance test report at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and acceptance certificate issued by the SELLER.</p> <p>(d) Proof of Despatch (original copies of RR, P. Way bill of Lading, Airway bill as applicable).</p> <p>(e) Packing List.</p> <p>(f) Warranty certificate from the supplier.</p> <p>(g) Certificate of current manufacture from OEM.</p> <p>(h) Insurance documents for 110% of the cost of consignment, except where the supply is Ex-Works.</p>	

Clause	Where Supplier opts for payment through Letter of Credit	Where Supplier opts for payment through Bank transfer
	<p>(j) Proof of Duty/Tax paid/reimbursable like deposition receipt/challan etc.</p> <p>Note:</p> <p>(i) <i>The Invoice and Contractor's bill must show the contract reference number, break-up of costs in terms of unit costs, total costs, exchange rate element, percentage rates of taxes and duties and amount payable/paid, in complete detail.</i></p> <p>(ii) <i>Three copies of SELLER's Commercial Invoices, proof of dispatch, packing list and the specifications will be sent by courier and fax by the SELLER to the BUYER (Wing of Service HQ to be specified) within 3 days after the equipment has been shipped. Intimation may also be forwarded to Ministry of Defence, South Block, New Delhi (Wing to be specified).</i></p>	
8	<p>Payment of other components of contract-</p> <p>(a) <u>Training</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed.</p> <p>(b) <u>Reimbursable Expenses</u>. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Suppliers may ensure submission of same with details of contractual obligations completed and payments received. This clause shall form part of LC.</p> <p>(c) <u>Installation and Commissioning Charges</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. Documents in proof of rates claimed shall need to be annexed.</p> <p>(d) <u>AMC Charges</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.</p>	<p>Payment of other components of contract-</p> <p>(a) <u>Training</u>. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed.</p> <p>(b) <u>Reimbursable Expenses</u>. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Suppliers may ensure submission of same with details of contractual obligations completed and payments received.</p> <p>(c) <u>Installation and Commissioning Charges</u> Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.</p> <p>(d) <u>AMC Charges</u>. Commercial invoice/Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.</p>
9	<p><u>Balance Payment</u>. The balance payment for ___% shall be paid to the SELLER against presentation of following documents:- (a) Copies of invoices (three copies). (b) Copy of JRI and acceptance certificate issued by the BUYER. (c) Contractor's bill (d) Extended bank guarantee wherever required</p>	
10	<p>SELLER's bankers address and account number: - Bank Name: Branch Name: Account No.: Sort Code: SWIFT Code: IFSC Code RTGS No</p>	<p>SELLER's bankers address and account number:- Bank name: Branch name: Bank account No.: IFSC Code MICR Code</p>
11	<p>Where admissible, tax deduction at source will be done by the Bank releasing payment against LC.</p>	<p>Where admissible, tax deduction at source will be done by PCDA.</p>

Clause	Where Supplier opts for payment through Letter of Credit	Where Supplier opts for payment through Bank transfer
12	Payment/recovery in terms of the Contract will be made by the Bank releasing payment against LC . All documents under the LC shall be delivered by the Bank to PCDA (through Trade Finance CPC, New Delhi).	Payment/recovery in terms of the Contract will be made by PCDA .

2. **Performance-cum-Warranty Bank Guarantee Clause.** A Performance-cum-Warranty Bank Guarantee (PWBG) of 5 % of value of the Total Contract Price (excluding taxes and duties and Total Price of AMC/CMC/PBL), would be furnished by the Bidder in the form of a Bank Guarantee to sequentially act as Performance Bank guarantee till the delivery and as Warranty Bank Guarantee on delivery . The Bidder has the option to furnish multiple Bank Guarantees. The PWBG shall be submitted by the Bidder within one month of signing of contract and shall be valid for a period, until three months beyond the warranty period, as specified in the RFP. If at any stage, the Performance Guarantee is invoked by the Buyer either in full or in part, the Seller shall make good the shortfall in PWBG within 30 days by an additional Bank Guarantee for equivalent amount. In the event of failure to submit the required Bank Guarantee against invoked Performance Guarantee, equivalent amount will be withheld from the next stage payment till the shortfall in the Bank Guarantee is made good by the Seller. The prescribed format of the Performance-cum-Warranty Bank Guarantee is placed at **Annexure III to Appendix M**.

3. **Additional Bank Guarantee in Cases Where Essential Parameters -B are Incorporated.** An Additional Bank Guarantee of _____ % of Total Contract Price (excluding total Price of AMC/CMC/PBL) of the equipment required with Essential Parameters B would be furnished by the L1 vendor in the form of a Bank Guarantee. The prescribed format of the Performance-cum-Warranty Bank Guarantee is placed at **Annexure V to Appendix M**. The Bidder has the option to furnish multiple Bank Guarantees. Additional Bank Guarantee would be submitted after declaration of L1 by the CNC and shall be valid for a period, until _____ months after signing of the contract. However, in cases where the equipment fielded by the vendor emerging L1 has already been trial evaluated for Essential Parameters B and found compliant to same, the vendor will not furnish an Additional Bank Guarantee for Essential Parameters B.

4. **Performance Bank Guarantee for AMC/CMC/PBL (where applicable).** The Bidder will be required to furnish a Performance Guarantee by the way of a Bank Guarantee of a sum equal to 5% of the Total Price of AMC/CMC/PBL (excluding taxes) prior to expiry/return of the PWBG of the Main Contract. Performance Bank Guarantee should be valid for 03 months beyond the period of the AMC/CMC. The format of the Performance Bank Guarantee is to be as per Annexure III to Appendix M.

5. **Indemnity Bond.** *(Note - This para is to be included only in the Single Vendor/PAC cases with Defence PSUs/ JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis. In competitive bidding cases, Para 2 above will be applicable to all entities).* DPSUs/JV with DPSUs/PSUs/Government Entity may furnish Indemnity Bonds instead of Bank Guarantees towards Advance Payment Guarantee and Performance-cum-Warranty Guarantee as given in **Annexure IV to Appendix M**.

6. **Inspection.** Pre Dispatch Inspection (PDI) would be at the discretion of the Buyer. In addition Joint Receipt Inspection (JRI) may also be carried out. If it is PDI, the Seller should intimate at least 45 days prior to the day when the equipment is to be offered for PDI to enable Buyer's QA personnel to be available for inspection. All the expenses towards PDI will be borne by the Bidder except transportation and accommodation of Buyer's PDI team, which will be deputed at Buyer's expense. In case of rejection of Goods during PDI, re-PDI will be undertaken at Bidder's premises at Buyer's sole discretion. All expenses including transportation and accommodation of Buyer's PDI team will be borne by the Bidder. Towards this, the expenses towards transportation and accommodation of Buyer's PDI team will be initially done by the Buyer and subsequently reimbursed by the Bidder either by remittance or by recovery from the Balance Payment/PWBG. In the event of a failed PDI, the Bidder shall consult the Buyer for rescheduling re-PDI. In case of JRI, the representative of the Seller may be present for inspection after the equipment reaches the concerned destination. The Seller would be informed of the date for JRI.

7. **Liquidated Damages (LD).** In the event of the SELLER's failure to submit the Bonds, Guarantees and Documents, supply the stores/ goods, perform services, conduct trials, installation of equipment, training and MET as per schedule specified in this contract, the BUYER may, at his discretion withhold any payment until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of **1/100** of the **delay percentage** {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per contract)} of the contract price of the delayed/ undelivered stores/ services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than **10%** of the contract price of the value of delayed stores/ services (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period).

8. **LD for AMC/CMC/PBL** (where applicable).

The clause for LD for AMC/CMC/PBL is to be formulated on case to case basis. A sample formulation is given below.

In case the cumulative downtime exceeds ____ (working days) in the ____ (Quarter/Half-year/Year), Liquidated Damages will be deducted. The total downtime will be calculated at the end of the ____ (Quarter/Half-year/Year) and total LD will be deducted. The total LD to be deducted will be calculated as follows:-

(a) *LD would be deducted on pro-rate basis for the duration, by which cumulative downtime exceeds ____ (working days), as follows:-*

(i) *Per year AMC/CMC = 'X₁'*

(ii) *Period by which cumulative downtime exceeds the specified cumulative downtime, in days = 'Y₁'*

(iii) *Liquidated Damage = 'Z₁',*

*Where Z₁ = [(X₁/ Number of days in the year) * Y₁]*

(b) *In addition, LD penalty would be deducted to the sum of 0.1% of the per annum AMC/CMC cost per day, for the duration, by which cumulative downtime*

exceeds the maximum permissible cumulative downtime per quarter/half-year/year, subject to the maximum value of this LD penalty not being higher than 5% of the annual AMC/CMC cost.

9. **Denial Clause.** In case the delay in delivery is attributable to the seller or a non-force majeure event, the Buyer may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the supplier of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in prices due to the Price Variation Clause (PVC) and/or any adverse fluctuation in foreign exchange are to be borne by the seller during the extended delivery period, while the Buyer reserves his right to get any benefit of downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period. The format for extension of delivery period/performance notice under the Denial clause is at **Annexure VI to Appendix M.**

Annexure I to Appendix M
(Refers to Para 1.4.8 of Appendix M)

GUIDELINES OF PROTECTION OF EXCHANGE RATE VARIATION IN CONTRACTS

1. Parameters to be kept in view while formulation ERV Clause.

(a) In contracts with Indian Vendors in all categories of capital acquisitions where there is an import content, ERV clause will be provided. However, ERV clause shall not be applicable to contracts in following conditions:-

(i) The delivery period is less than one year; or

(ii) The rate of exchange variation is within the band of +/- 2.5%.

(b) ERV clause will be framed according to the specific requirements of the contract. While calling for information at the RFP stage/formulation of ERV clauses in the contracts, the following factors are to be taken into consideration depending upon the requirements of the individual contracts:-

(i) Year wise and major currency wise import break up is to be indicated.

(ii) Detailed time schedule for procurement of imported material and their value at the FE rates adopted for the contract is to be furnished by the vendor as per the format given below:-

YEAR	TOTAL COST OF IMPORTED MATERIAL (In rupees)	FE CONTENT-OUT FLOW (equivalent in rupees ₹ in crore)			
		DOLLAR DENOMINATED	EURO DENOMINATED	POUNDS DENOMINATED	OTHER CURRENCIES DENOMINATED (as applicable)

(iii) ERV clause will not be applicable in case delivery periods for imported content are subsequently to be refixed/extended unless the reasons for delivery period extension are attributable to the buyer.

(iv) For purposes of ensuring uniformity, the Base Exchange Rate on the ERV reckoning date will be adopted for each of the major foreign currencies. The Base Exchange Rate will be the BC Selling Rate of the Parliament Street Branch of State Bank of India, New Delhi. The ERV reckoning date will be the last date of submission of commercial bids as per RFP. In cases where

Option Clause is exercised, the date of reckoning of ERV will be the last date of submission of bids for the RFP of the Original Procurement Case.

(v) ERV clause in the contract is to clearly indicate that ERV is payable/refundable depending upon exchange rate as prevalent on the date of transaction with reference to Base Exchange Rate on the ERV reckoning date.

(vi) Other issues which are peculiar to the contract.

2. **Methodology For Claiming ERV**

“The prices finalised in the contract are based on the base exchange rates indicated in the contract. The year-wise amount of foreign exchange component of the imported items as indicated in the contract shall be adjusted for the impact of exchange Rate Variation of the Rupee based on the exchange rate prevailing on the date of each transaction, as notified by the SBI, Parliament Street Branch, New Delhi. The impact of notified Exchange Rate Variation shall be computed on an yearly basis for the outflow as tabulated in Annexure..... (The table at Para 1(b) (ii) is to be an Annexure to the contract) and shall be paid/refunded before the end of the financial year based on the certification of Finance Head of the concerned Division.....”.

3. Paying authority is to undertake a pre-audit of the documents before payment.

4. Documentation for Claiming ERV. The following documents would need to be submitted in support of the claim on account of ERV:-

(a) A bill of ERV claim enclosing worksheet.

(b) Banker's Certificate/debit advice detailing Foreign Exchange paid and Exchange rate as on date of transaction.

(c) Copies of import orders placed on the suppliers.

(d) Invoice of supplier for the relevant import orders.

Annexure II to Appendix M
(Refers to Para 1.4.1 and 1.5.1 of
Appendix M)

BANK GUARANTEE FORMAT FOR ADVANCE

To

The _____
Ministry of _____
Government of India

_____ (complete postal address of the beneficiary)

1. “Whereas President of India represented by the _____ Ministry of _____ Government of India (hereinafter referred to as BUYER) have entered into a Contract No. _____ (No. of Contract), dated _____ (Date of Contract) with M/s _____ (Name of SELLER) (referred to as SELLER) and whereas according to the said Contract the BUYER has undertaken to make an advance payment of Rs. _____ being _____ payment of _____% of the total value of Rs. _____ of the said Contract, against issuance of an advance guarantee by a bank.”

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 BUYER intimating that the SELLER is in breach of the Contractual obligations stipulated in the said Contract. 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 total liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

3. We undertake to pay to the BUYER any money so demanded notwithstanding any dispute or disputes raised by the SELLER in any suit or proceedings pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the SELLER shall have no claim against us for making such payment.

4. We, 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 Contract and that it shall continue to be enforceable till all the dues of the BUYER under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till _____ office / Department / Ministry of _____ certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said SELLER and accordingly discharges this guarantee.

5. We, further agree with the BUYER that the BUYER 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 Contract or to extend time of performance by the said SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the BUYER against the said SELLER and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, Amendment issued vide MoD ID No. 4(50)/D(Acq)/08 dated 20.06.2016 or extension being granted to the said SELLER or for any forbearance, act or omission on the part of the BUYER or indulgence by the BUYER to the said SELLER or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

6. The amount of this guarantee will be progressively reduced by (percentage of advance) _____ of total value of each part shipment/services against the stage payment released by the BUYER for that shipment/services made by the SELLER and presentation to us of the payment documents.

7. This guarantee will not be discharged due to the change in the constitution of the bank or the BUYER/SELLER.

8. We, undertake not to revoke this guarantee during the currency except with the previous consent of the BUYER in writing.

9. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed Rupees _____ (in words) _____

(b) This Bank Guarantee shall remain valid until _____ (hereinafter the expiry date of this guarantee) the Bank Guarantee will cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____ (Expiry Date).

Dated the _____ day of _____ (month and year)

Place :

Signed and delivered by _____ (Name of the bank)

Through its authorised signatory

(Signature with seal)

Annexure III to Appendix M
(Refers to Para 2 of Appendix M)

BANK GUARANTEE FORMAT FOR PERFORMANCE-CUM-WARRANTY

To

The _____
Ministry of _____
Government of India

_____ (complete postal address of the beneficiary)

Dear Sir,

1. Whereas President of India represented by the _____ Ministry of _____, Government of India (hereinafter referred to as BUYER) have entered into a Contract No. _____ dated _____ (hereinafter referred to as the said Contract) with M/s. _____ (hereinafter referred to as the SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee amounting to Rs. _____ which is 5% of the Total Contract Price to cover 5% of total Contract value each for Performance and Warranty in sequence, to secure its obligations towards Performance-cum-Warranty to the BUYERS.

2. We, the _____ bank hereby expressly, irrevocably and unreservedly undertake the guarantee as principal obligors on behalf the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to Performance and Warranty clauses, we will pay you, on demand and without demur, all and any sum up to (5% of total Contract Value) _____ Rupees only at any instance under this Guarantee. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or released from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alterations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Performance-cum-Warranty guarantee shall remain valid for a period until three months beyond the warranty period as specified in the Contract i.e. upto _____.

7. Subject to the terms of this Bank Guarantee, the issuing bank hereby irrevocably authorizes the beneficiary to draw the amount of upto Rs. _____ (5% of total Contract value) for breach/failure to perform by the SELLER of any of the terms and conditions of the Contract related to performance and warranty clause. Partial drawings and multiple drawings under this Bank Guarantee are allowed within the above stated cumulative amount subject to each such drawing not exceeding 5% of the total Contract value (Rs. _____ only) (Mention BG amount).

8. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s _____. We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

9. Notwithstanding anything contained herein above:

(a) Our liability under this Guarantee shall not exceed Rs. _____ (Rupees _____ only (in words)).

(b) This Bank Guarantee shall remain valid until 3 months from the date of expiry of warranty period of the Contract, i.e upto _____ (mention the date) which is 3 months after expiry of the warranty period and the BG shall cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____ (Expiry Date).

Dated the _____ day of _____ (month and year)

Place :

Signed and delivered by _____ (name of the bank)

Through its authorised signatory
(Signature with seal)

INDEMNITY BOND FOR PERFORMANCE-CUM-WARRANTY

1. This deed made on this _____ day of _____ by M/s _____, a company registered under The Companies Act 2013 having its registered office at _____ and acting through its corporate office at _____ hereinafter referred to as the "SELLER").
2. Whereas MoD, New Delhi acting on behalf of the President of India (hereinafter referred to as "BUYER") has placed a Contract No _____ dated _____.
3. And whereas, the SELLER has agreed to execute this Indemnity Bond for performance-cum-warranty on the terms and conditions appearing hereinafter.
4. It is hereby agreed and declared by the SELLER that:-
 - (a) The SELLER shall duly and faithfully perform its obligation under the said contract and comply with the conditions in the said contract.
 - (b) The SELLER shall, in as much as with its control, refrain from such actions or actions as may cause loss, injury, damage to the BUYER.
 - (c) In the event of breach/default by the SELLER in complying and in case the breach/default is not remedied by the SELLER up to period of the notification of the breach/default by the BUYER, the SELLER shall indemnify to the BUYER, to the extent of {_____ (₹ _____ only) being _____ % of the contract value of {_____ (₹ _____ only) of any direct losses or damages suffered by the BUYER due to failure of the SELLER.
 - (d) The SELLER shall be fully discharged of its obligations under this bond on meeting its liability as per Para c above which shall be restricted to the limit as provided at Para c above.
 - (e) The SELLER shall not be liable for any breach/default arising out of force majeure situation or due to any default, action, inaction or failure on the part of the BUYER. The liability of the SELLER under this bond shall remain and in full force until the fulfilment of the obligations of the SELLER under the said Contract.
 - (f) The SELLER hereby expressly, irrevocably, and unreservedly undertake and guarantee that in the event that the beneficiary submits a written demand to SELLER stating that they have not performed according to the warranty obligations for the PRODUCTS as per said Contract, SELLER will pay BUYER on demand and without demur any sum up to maximum amount of _____ % of the contract value. BUYER'S written demand shall be conclusive evidence to SELLER that such repayment is due under the terms of the said contract. SELLER undertakes to effect payment within _____ days from receipt of such written demand.

(g) The amount of warranty/guarantee shall not be increased beyond ____ %. Unless a demand under this warranty/guarantee is received by SELLER in writing on or before the expiry date (unless this warranty/ guarantee is extended by the SELLER) all rights under this guarantee shall be forfeited and SELLER shall be discharged from the liabilities hereunder. This warranty/guarantee is personal to the BUYER and not assigned to a third party without prior written permission.

5. This Indemnity Bond for Performance-cum-Warranty guarantee shall be governed by Indian Law.

For -----

Signature:

Name:

Witness

Signature :

Name :

1.

2.

Annexure V to Appendix M
(Refers to Para 3 of Appendix M)

FORMAT FOR ADDITIONAL BANK GUARANTEE FOR
ESSENTIAL PARAMETER-B CASES

To

The _____,
Ministry _____,
Government of India,
_____ (complete postal address of the beneficiary)

1. Whereas President of India represented by the _____ Ministry of _____, Government of India (hereinafter referred to as BUYER) have entered into a Contract No _____ dated _____ hereinafter referred to as the said Contract) with M/s _____ (hereinafter referred to as SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee for (%) of total Contract value amounting to Rs. _____ to secure its obligations towards meeting the Essential Parameters B to the BUYER.

2. We, the _____ bank hereby expressly, irrevocable and unreservedly undertake and the guarantee as principal obligors on behalf of the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to meeting the Essential Parameter B, we will pay you, on demand and without demur, all and any sum up to a maximum of Rupees _____ only. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or release from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alternations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Guarantee shall remain valid until _____ as specified in the Contract.

7. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s _____ . We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

8. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed Rupees _____ (in words) _____.

(b) This Bank Guarantee shall remain valid until _____ (hereinafter the expiry date of this guarantee). The Bank Guarantee will cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____ (Expiry Date).

Dated the _____ day of _____ (month and year)

Place:

Signed and delivered by _____ (Name of the Bank)

Through its authorized signatory

(Signature with seal)

Annexure VI to Appendix M
(Refers to Para 9 of Appendix M)

FORMAT FOR EXTENSION OF DELIVERY PERIOD/PERFORMANCE NOTICE

Name of the Procuring Entity.....

Extension of Delivery Period/Performance Notice

To
M/s (name and address of firm)

Sub: Contract No..... dated.....for the supply of.....

Ref: Your letter no. dated:

Dear Sir,

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In your letter under reply you have asked for [further] extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from (fill in date) to (fill in date).

2. Please note that notwithstanding the grant of this extension in terms of Clause (fill in clause number) of the subject contract an amount equivalent to % (..... per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable), viz., (fill in date) will be recovered from you as liquidated damages. You may now tender the Stores for inspection [balance of the Stores] in terms of this letter. Stores if any already tendered by you for inspection but not inspected will be now inspected accordingly.

3. You are also required to extend the validity period of the performance guarantee for the subject contract from (fill in present validity date) to (fill in required extended date) within 15 (fifteen) days of issue of this amendment letter.

4. The above extension of delivery date will also be subject to the following Denial Clause:-

(a) That no increases in price on account of any statutory increase in or fresh Imposition of customs duty, GST or on account of any other taxes/duty, including custom duty), leviable in respect of the Stores specified in the said contract which takes place after (insert the original delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and,

(b) That notwithstanding any stipulation in the contract for increase in price on any other ground including foreign exchange rate variation, no such increase which takes place after (insert the reckoning date as per DPP 2016) shall be admissible on such of the said Stores as are delivered after the said date.

(c) But nevertheless, the Buyer shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, GST or on account of any other Tax or duty or on any other ground as stipulated in the price variation clause or foreign exchange rate variation which takes place after (insert the original delivery date).

5. All other terms and conditions of the contract remain unaltered. This is without any prejudice to Buyer's rights under the terms and conditions of the subject contract.

6. Please intimate your unconditional acceptance of this amendment letter within 10 (ten) days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

Yours faithfully,
(Authorised Officer)
Duly authorised,
for and on behalf of
The President of India

Note: Select one option within { } brackets; delete portion within [] brackets, if not applicable; fill in () brackets. Brackets and this note are not to be typed.

Substitute following first para instead of first para in format above, for issuing a performance notice.

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that (fill in the outstanding quantity) are still outstanding even though the date of delivery has expired. Although not bound to do so, the time for delivery is extended from (fill in date) to (fill in date) and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

Annexure VII to Appendix M

(Refers to Para 10 of RFP and Para 1.4 and 1.5 of App M)

DELIVERY SCHEDULE AND STAGES OF PAYMENT

1. The terms of payment may vary between each project depending upon a variety of factors such as complexity of equipment/system, requirement of validation trials for establishing 'proof of concept', delivery period, integration requirements etc. However, some broad guidelines for payments terms are appended in subsequent Paras.

2. **For Delivery in a Single Lot**

Sl	Activity	Delivery Timelines (T ₀ + Wks)	Scheme for Payment	Scheme for submission and Return of Advance Payment Bank Guarantees	Remarks
(a)	Signing of contract		10% of the total contract price	APBG of equivalent amount to be submitted	Bidder may choose to provide multiple APBGs, if return is expected with each delivery
(b)	On submission of Detailed Project report (DPR) and Project PERT Chart.		5% of the total contract price	APBG of equivalent amount to be submitted	In case this stage is not required, 15% of total contract price can be made on signing of contract.
(c)	On Delivery/Dispatch (as applicable) of all equipment/system (and associated spares if applicable)		55 to 75% of the cost of Equipment/System (and associated spares if applicable)	APBG is to be returned on completion of delivery of all equipment/ system (and associated spares if applicable). In case delivery of documentation and/or training can be completed only on commissioning of the equipment and cost of documentation/training is substantial (5%-8%, as specified), then APBG is to be returned on pro-rata basis as per completion of delivery	Percentage of payment for delivery of equipment/ system shall be decided on the complexity/ scope of installation, STW and commissioning.
(d)	On delivery of documentation & Training		55 to 75% of the cost of documentation and training		In case Installation/ STW/ Commissioning is not required, the complete payments are to be done on completion of deliveries and APBG(s) are to be returned. See Amplifying

				of equipment, documentation and training.	<i>Instructions at Note below.</i>
(e)	On Installation/ STW/ Commissioning and Final Acceptance and completion of delivery of documentation and training.		10 to 30% of the cost of deliverables		

3. **For Delivery in Lots/ Batches**

Sl	Activity	Delivery Timelines (T ₀ + Wks)	Scheme for Payment	Scheme for submission and Return of Advance Payment Bank Guarantees	Remarks
(a)	Signing of contract		15% of the total contract price	APBG of equivalent amount to be submitted	Bidder may choose to provide multiple APBGs, if return is expected with each delivery
(b)	On submission of Detailed Project report (DPR) and Project PERT Chart.		5% of the total contract price	APBG of equivalent amount to be submitted	In case this stage is not required, 15% of total contract price can be made on signing of contract.
(c)	On Delivery of all equipment/ system				
(i)	1 st Lot/ Batch		55 to 75% of the cost of Equipment / System of the Lot	APBG is to be returned on pro-rata basis on delivery of each lot/batch. APBG pertaining to documentation and training can be returned on delivery of a particular lot/batch (to be specified). In case delivery of documentation and/or training can be completed only on commissioning of the	Percentage of payment for delivery of equipment/ system shall be decided on the complexity/ scope of installation, STW and commissioning. <i>See Amplifying Instructions at Note below.</i>
(ii)	2 nd Lot/ Batch		55 to 75% of the cost of Equipment / System of the Lot		
(d)	Delivery of Documentation		85% of the cost of Documentation		

Sl	Activity	Delivery Timelines (T ₀ + Wks)	Scheme for Payment	Scheme for submission and Return of Advance Payment Bank Guarantees	Remarks
(e)	Completion of Training		85% of the cost of Training	equipment and cost of documentation/training is substantial (5%-8%, as specified), then APBG is to be returned on pro-rata basis as per completion of delivery of equipment, documentation and training.	
(f)	On Installation/ STW/ Commissioning and Final Acceptance				
(i)	1 st Lot/ Batch		10 to 30% of the cost of Equipment / System of the Lot		
(ii)	2 nd Lot/ Batch		10 to 30% of the cost of Equipment / System of the Lot		

Notes:

1. **Indicative Payment Terms for Projects with Installation and Commissioning.** If installation, Integration, STW, Commissioning and Acceptance trials of delivered goods does not involve establishing fructification of a new concept/Development project/validating a proof of concept/IDDM concept, about 10 to 15% of total value of the goods is to be retained for installation, integration, STW, Commissioning and Acceptance.

2. **Indicative Payment Terms for Projects with Installation and Commissioning Involving Validation of Design/ Proof of Concept.** If installation, Integration, STW, Commissioning and Acceptance trials of delivered goods involves establishing fructification of a new concept/Development project/validating a proof of concept/IDDM concept, about 25 to 30% of total value of the goods is to be retained for installation, integration, STW, Commissioning and Acceptance.

3. **Deliveries in Lots/Batches – Definition of Lot/Batch.** In case delivery is in lots/batches and payment is being made as per the lots/batches, completion of common deliverables like documentation and Training can be linked to completion of a particular Lot/ Batches required, to be indicated by linking with relevant sl. of the lot/batch. If such linking of deliverables is not indicated in the above table, each delivery, including documentation and training shall be deemed as independent deliverable.

4. **Recommended Methodology for Payment in Case of delayed Commissioning.** *If in spite of all efforts to logically evolve the delivery schedule, the goods are ready for delivery and corresponding infrastructure/associated system/platform is not available for installation and integration in a reasonable time, the supplier cannot be denied payment for work accomplished in conformity with the contract schedule. If the next stage of work cannot be executed by the supplier due to delay on the part of the buyer in providing requisite infra/associated system/platform for STW, commissioning and Acceptance trials in as reasonable time, the payment terms should cater for making certain part of the associated stage payment (even before accomplishing requisite work) against submission of a bank guarantee for equivalent amount and firm undertaking from the supplier that they will fulfil all the obligations immediately on availability of requisite infra/associated system/platform.*

(If provisions as per Sl 4 above are envisaged, the same shall be included in the RFP as 'Special Conditions of the RFP')

Appendix N to Schedule I to Chapter II
(Refers to Para 60 and 71 of Schedule I)

EVALUATION CRITERIA AND PRICE BID FORMAT

1. **Evaluation Criteria.** The guidelines for evaluation of Bids will be as follows:-

1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.

1.2. **In Buy 'Global' Cases.** While carrying out evaluation of bids to determine L1 (including where DCF Technique is applicable), the following criteria would be followed:-

1.2.1 If Custom Duty Exemption is Not Applicable for the Major Deliverables

1.2.1.1 **In Case of Foreign Bidders.** All costs, taxes (including GST) and duties quoted by foreign bidders at Serials A to M of Para 2 below [including the basic cost on DDP basis and the Basic Custom Duty (BCD) & IGST (as applicable)] would be considered for purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting Base Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, **on the ERV reckoning date (as defined in Annexure I to Appendix M), ie, the last date of submission of commercial bids as per RFP.**

1.2.1.2 **In Case of Indian Bidders including Defence PSUs/OFs.** All costs, taxes (including GST) and duties quoted by the vendor at Serials A to M of Para 2 below would be considered for purpose of comparison of various bids.

1.2.2 If Custom Duty Exemption is Applicable for the Major Deliverables

1.2.2.1 **In Case of Foreign Bidders.** All costs of the Deliverables excluding taxes and duties (GST/IGST/BCD, as relevant) quoted by foreign bidders at Serials A to M of Para 2 below would be considered for purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting **Base Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, on the ERV reckoning date (as defined in Annexure I to Appendix M), ie, the last date of submission of commercial bids as per RFP.**

1.2.2.2 **In Case of Indian Bidders including Defence PSUs/OFs.** All costs of the Deliverables excluding taxes (including GST) and duties quoted by the Bidder at Serials A to M of Para 2 below would be considered for purpose of comparison of various bids.

1.2.3 **Where DCF Technique as Given in Para 4 is Not Applicable.** L-1 bidder will be determined on the basis of quoted cost of all items (taxes and duties payable to Central/State/Local Governments to be included/excluded as per Para 1.2.1 and 1.2.2 above, as applicable) but with exclusion of BNE items sourced from common single source in accordance with Para 84 of Chapter II of DPP-20. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

1.2.4 **Where DCF Technique as Given in Para 4 is Applicable.** DCF technique will be applied on quoted cost of all items (taxes and duties payable to Central/State/Local Governments to be included/excluded as per Para 1.2.1 and 1.2.2 above, as applicable) to ascertain the NPV which would be used for determining L1 bidder, but with exclusion of BNE items sourced from common single source in accordance with Para 84 of Chapter II of DPP-20. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

1.3 **In 'Buy (Indian-IDDM)', 'Buy (Indian)' and 'Buy& Make Indian Cases'.**

1.3.1 **Where DCF Technique as Given in Para 4 is Not Applicable.** L-1 bidder will be determined on the basis of quoted cost of all items excluding taxes and duties payable to Central/State/Local Governments but with exclusion of BNE items sourced from common single source in accordance with Para 84 of Chapter II of DPP-20. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

1.3.2 **Where DCF Technique as Given in Para 4 is Applicable.** DCF technique will be applied on quoted cost of all items excluding taxes and

duties payable to Central/State/Local Governments to ascertain the NPV which would be used for determining L1 bidder, but with exclusion of BNE items sourced from common single source in accordance with Para 84 of Chapter II of DPP-20. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

1.4 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer. In cases where Custom Duty is not exempted, Basic Custom Duty on input material is to be included in the cost of Basic Equipment, Installation/Commissioning/Integration, BNE, ToT, MRLS, SMT, STE, ESP and any other item listed at Column (ii) of Para 2 below.

1.5 If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected based on indicative rates of taxes and duties at columns (vi) and (vii) of Para 2 below. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

2. **Price Bid Format.** The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. Columns of 'quantity', 'unit cost', 'total cost (including all taxes and duties)', 'GST/IGST (%) and Custom Duty (%) are to be filled up with positive numerical values or 'Nil' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

Ser	Items	Qty	Unit Cost	Total Cost	Total Cost (including all taxes & duties)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Remarks
						GST/IGST (%)	Custom Duty (%)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
A.	Cost of Basic Equipment . Full break-up details may be given.							
B.	Cost of Installation / Commissioning/ Integration (where applicable)							
B1	Cost of Buyer Nominated Equipment (if applicable)							
C	Cost of Transfer of Technology (where applicable).							
D.	Cost of Manufacturer's							

Ser	Items	Qty	Unit Cost	Total Cost	Total Cost (including all taxes & duties)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Remarks
						GST/IGST (%)	Custom Duty (%)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
	Recommended List of Spares as per the format given at Annexure I to Appendix E. In case equipment is already in usage, the spare parts requirement must be specific rather than being based on MRLS.							
E.	Cost of Special Maintenance Tools and Special Test Equipment as per format given at Annexure II to Appendix E.							
F.	Cost of Operator's Manual and Technical Literature (in English Language) including Illustrated Spare Parts List as per Annexure III to Appendix E.							
G.	Cost of Training Aids such as simulators, cut out models, films, charts etc as recommended by the supplier as per Annexure IV to Appendix E.							
H.	Cost of recommended period of Training excluding the cost of travel and boarding and lodging. This should be given under the following two heads as per Annexure IV to Appendix E. (a) In India. (b) Abroad.							
J.	Cost of Preservation/De-preservation (if applicable)							To be paid on actuals
K.	Any other cost (to be specified).							
L.	Freight and Transit Insurance Cost (where applicable).							
M.	AMC/CMC/PBL Cost giving year-wise break-up (where applicable).							
N.	Total Cost (Total of Serial A to L)				#			# This will be used in determining L1 vendor (duly applying provisions of Para 1 above).
O.	Foreign Exchange component of the proposal. (for Indian Vendors only)							This will be with reference to

Ser	Items	Qty	Unit Cost	Total Cost	Total Cost (including all taxes & duties)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Remarks
						GST/IGST (%)	Custom Duty (%)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
								Para 1.2.2 of Appendix L.
P.	CDEC (if applicable), its authority and amount for which required.							

Note: Taxes and Duties. All Indirect Taxes and Duties will be paid at actuals or as indicated in the Commercial bid by the Bidder, whichever is lower. In case of any change in the tax structure/rates by BUYER's Government, only incremental change will be paid.

3. **Evaluation of L1 in case of EPP.** If the equipment supplied by a vendor does not have the EPP, then the total cost of Row M of the price bid format, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the total cost at Row M of the price bid format will be multiplied by a credit factor less than 1 and greater than or equal to 0.9, based on the additional technical score assigned for the EPP, as detailed in the RFP.

4. **Evaluation of Bids by DCF Technique** (Note: This clause is included only if there is AMC/CMC/PBL clause or any other condition in RFP, resulting in different cash outflows in successive years) -

4.1 **Net Present Value (NPV)** is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid will be equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid -

$$NPV_n = \sum_{t=1}^n \frac{A_t}{(1+r)^t}$$

Where,

NPV = Net Present Value

A_t = Expected cash flow occurring at the end of year 't' as mentioned in the Payment schedule of Bid

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

The bid with the lowest NPV would be selected.

4.2. The Discounting rate will be ___ %". (Note-This will be the Government of India's lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually)

4.3. **Structuring Cash Flows for Tenders/ Bids Received in the Same Currency.** The cash outflows as shown in price bids will be taken into consideration. NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

4.4 **Structuring Cash Flows for Tenders/Bids Received in Different Currencies.** Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi on the ERV reckoning date (as defined in Annexure I to Appendix L), ie the last date of submission of Commercial Bids as per RFP. Thereafter, the procedure as described above in Para 4.3 will be applied to arrive at NPV.

4.5 All bidders are required to indicate year-wise and currency-wise amount required as per their price bid in format given below. In case the firm a bidder does not provide year-wise cash flow details in price bid, the amount quoted in their price bid will not be discounted for comparison purposes.

Year	Dollars	Euros	Pound Sterling	Rupees	Total Cash-flow

Appendix O to Schedule I to Chapter II
(Refers to Para 23 and 66 of Schedule I)

STANDARD CONDITIONS OF REP

LAW

1. The present Contract shall be considered and made in accordance to the laws of Republic of India.

ARBITRATION
(For Foreign Vendors)

2.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

2.2 Any dispute, disagreement or question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (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 exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.

2.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

2.4 The third arbitrator, who shall not be a 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 the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like Indian Council of Arbitration and ICADR. ***In case, nomination of third arbitrator under Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like ICA and ICADR are not acceptable to the SELLER, then the third arbitrator may be nominated by the President of International Chamber of Commerce, Paris,*** but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

2.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be ***decided by the arbitrator.***

2.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

2.7 The decision of the majority of the arbitrator shall be final and binding on the

parties to this contract.

2.8 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, unless otherwise awarded by the Arbitration Tribunal.

2.9 In the event of a vacancy caused in the office 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.

2.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request the President of International Chamber of Commerce, Paris or dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

2.11 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

2.12 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.

ARBITRATION

(For Indian Private Vendors)

3.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

3.2 Any dispute, disagreement or question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (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 exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.

3.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

3.4 The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like Indian Council of Arbitration or ICADR, at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor

act as an umpire.

3.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be decided by the arbitrator.

3.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

3.7 The decision of the majority of the arbitrators shall be final and binding on the parties to this contract.

3.8 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, unless otherwise awarded by the Arbitration Tribunal.

3.9 In the event of a vacancy caused in the office 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.

3.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

3.11 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

3.12 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.

ARBITRATION

(For Central & State PSEs)

4. In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, 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 Government of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 (as amended from time to time) shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, 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 & Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary, when so authorised 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.

ARBITRATION
(For Defence PSUs)

5. In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party to the Arbitrator(s) appointed by Defence Secretary. The award of the Arbitrator(s) shall be binding upon the parties to the dispute.

FORCE MAJEURE

6.1 Should any force majeure circumstances arise, each of the contracting party shall be excused for the non-fulfilment or for the delayed fulfilment of any of its contractual obligations, if the affected party within (____days) of its occurrence informs in a written form the other party.

6.2 Force majeure shall mean fires, floods, natural disasters or other acts such as war, turmoil, strikes, sabotage, explosions, beyond the control of either party.

6.3 Provided the acts of The Government or any state parties of the seller which may affect the discharge of the Seller's obligation under the contract shall not be treated as Force Majeure.

PENALTY FOR USE OF UNDUE INFLUENCE

7.1 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 Contracts or forbearing to do or for having done or for borne 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 disfavour 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 offers 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, 1988 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 had been committed shall be final and binding on the Seller.

7.2 Giving or offering of any gift, bribe or inducement or any attempt at 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 any officer/employee of the Buyer for showing any favour 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.

INTEGRITY PACT

8.1 Further signing of an 'Integrity Pact' would be considered between government department and the bidder for schemes exceeding **20 Crores**. The Integrity Pact 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 specified 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 this specific activity (the "bidders");
- (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 violation;
- (c) A statement by each bidder that it has not paid and will not pay, any bribes;
- (d) An undertaking by each bidder that he shall not pay any amount as gift, reward, fees, commission or consideration to such person, party, firm or institution (including Agents and other as well as family members, etc., of officials), directly or indirectly, in connection with the contract in question. All payments made to the Agent 12 months prior to tender submission would be disclosed at the time of tender submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.
- (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) Undertakings on behalf of a bidding company will be made "in the name and on behalf of the company's chief executive officer";
- (g) The following set of sanctions shall be enforced for any violation by a bidder of its commitments or undertakings:
 - (i) Denial or loss of contract;
 - (ii) Forfeiture of the IPBG and Guarantee for Performance-cum-Warranty Bond;
 - (iii) Payment to the Buyer of any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.
 - (iv) Refund of all sums already paid by the Buyer along with interest at the rate of 2% per annum above LIBOR rate.

- (v) Recovery of such amount, referred to in (iii) and (iv) above, from other contracts of the Seller with the Government of India.
- (vi) At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities.
- (h) Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.
- (j) The draft Pre-Contract Integrity Pact is attached as **Annexure I to this Appendix**. The vendors are required to sign them and submit separately along with the technical and commercial offers.
- (k) Every Bidder while submitting techno commercial bid shall also deposit _____Crore/ Lakh (as applicable) as **IPBG/Security deposit** through any of the instruments mentioned at **Para 8** of Annexure I. This would be submitted in a separate envelope clearly marked as IPBG along with technical and commercial proposals. The Bidder has the option to furnish multiple Bank Guarantees.

8.2 In respect of bids from DPSUs, while a DPSU is not required to sign an Integrity Pact with the Ministry of Defence, the concerned DPSU shall, however, enter in to a Pre-Contract Integrity Pact, on the same lines with their sub-vendors individually, in case the estimated value of each sub-contract(s) exceed 20 Crore and such subcontract(s) are required to be entered in to by the DPSU with a view to enable DPSU to discharge the obligations arising out of their bid in question in response to this RFP.

AGENTS

9. The Seller confirms and declares to the Buyer that the Seller is the original manufacturer of the stores referred to in this contract. The Seller confirms that he has not engaged any person, party, firm or institution as an Agent including his Agents already intimated to MoD; to, influence, manipulate or in any way to recommend to any functionaries of the Govt of India, whether officially or unofficially, to the award of the contract to the Seller, or to indulge in corrupt and unethical practices. The Seller has neither paid, promised nor has the intention to pay to any person, party, firm or institution in respect of any such intervention or manipulation. 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 Seller has engaged any such person, party, firm or institution and paid, promised or has intention 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 for any or all of the following actions:-

- (a) To pay to the Buyer any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.
- (b) The Buyer will also have a right to put on hold or cancel the Contract either wholly or in part, without any entitlement or compensation to the Seller who shall in such event be liable to refund all payments made by the Buyer in terms of the

Contract along with interest at the rate of 2% per annum above LIBOR rate

(c) The Buyer will also have the right to recover any such amount referred in (a) and (b) above from other contracts of the Seller with the Government of India.

(d) At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities

10. 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 and clauses relating to Penalty for Use of Undue Influence, the SELLER, on demand of the BUYER shall provide necessary information/inspection of the relevant financial documents/ information, including a copy of the contract(s) and details of payment terms between the vendors and Agents engaged by him.

Annexure I to Appendix O
(Refers to Para 8.1 (j) of Appendix O)

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas the PRESIDENT OF INDIA, represented by Joint Secretary & Acquisition Manager (Land/Air/Maritime Systems)/Major General & equivalent, Service Headquarters./Coast Guard, Ministry of Defence, Government of India, hereinafter referred to as the Buyer and the first party, proposes to procure (Name of the Equipment), hereinafter referred to as Defence Stores and M/s _____ represented by, _____ Chief Executive Officer (which term, unless expressly indicated by the contract, shall be deemed to include its successors and its assignees), hereinafter referred to as the Bidder/Seller and the second party, is willing to offer/has offered the Defence stores.

2. Whereas the Bidder is a private company/public company/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the Buyer is a Ministry of the Government of India performing its functions on behalf of the President of India.

Objectives

3. Now, therefore, the Buyer and the Bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:

3.1 Enabling the Buyer to obtain the desired defence stores at a competitive price in conformity with the defined specifications of the Services by avoiding the high cost and the distortionary impact of corruption on public procurement

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

Commitments of the Buyer

4. The Buyer commits itself to the following:-

4.1 The Buyer undertakes that, no official of the Buyer, 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, organisation or third party related to the contract in exchange for an

advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.

4.2 The Buyer 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.

4.3 All the officials of the Buyer 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.

5. In case of any such preceding misconduct on the part of such official(s) is reported by the Bidder to the Buyer with full and verifiable facts and the same is prima facie found to be correct by the Buyer, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Buyer 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 Buyer the proceedings under the contract would not be stalled.

Commitments of Bidders

6. The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his 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 commits himself to the following:

6.1 The Bidder will not to 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 Buyer, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.

6.2 The Bidder further undertakes that he 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 Buyer 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 or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government.

6.3 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.

6.4 The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

6.5 The Bidder further confirms and declares to the Buyer that the Bidder is the original manufacturer/integrator/authorised government sponsored export entity of the Defence stores 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 Buyer 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 or Agent in respect of any such intercession, facilitation or recommendation.

6.6 The bidder would not enter into conditional contract with any Agents, brokers or any other intermediaries wherein payment is made or penalty is levied, directly or indirectly, on success or failure of the award of the contract. The bidder while presenting the bid, shall disclose any payments he has made during the 12 months prior to tender submission or is committed to or intends to make to officials of the buyer or their family members, Agents, brokers or any other intermediaries in connection with the contract and the details of such services agreed upon for such payments. Within the validity of PCIP, bidder shall disclose to MoD any payments made or has the intention to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution as an annual report during the procurement process.

6.7 The Bidder shall not use improperly, for purposes of competition or personal gain or pass on to others, any information provided by the Buyer 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.

6.8 The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts. Complaint will be processed as per **Guidelines for Handling of Complaints** in vogue. In case the complaint is found to be vexatious, frivolous or malicious in nature, it would be construed as a violation of Integrity Pact.

6.9 The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

7. **Previous Transgression**

7.1 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.

7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract and if already awarded, can be terminated for such reason.

8. **Integrity Pact Bank Guarantee (IPBG)**

8.1. Every bidder, while submitting commercial bid, shall submit an Integrity Pact Bank Guarantee for an amount of _____ (as per IPBG table below) in favour of the Buyer in Indian Rupees only. The Bidder has the option to furnish multiple Bank Guarantees.

(i) Guarantee will be from Indian Public Sector Bank or Private Sector Banks authorised for government transactions by RBI, promising payment of the guaranteed sum to the Ministry of Defence, Government of India, represented on behalf of the President of India, on demand within five working days without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the buyer shall be treated as conclusive proof for payment. A model Bank Guarantee format is enclosed.

IPBG TABLE

Estimated Cost of Procurement Scheme (Crore Rs)		IPBG Amount (Rs)
Above (Not including)	To (Including)	
-	20	Nil
20	50	10 Lakh
50	150	30 Lakh
150	300	70 Lakh
300	1000	2 Crore
1000	2000	5 Crore
2000	3000	10 Crore
3000	5000	15 Crore
5000	-	25 Crore

8.2 The Integrity Pact Bank Guarantee (IPBG) shall be valid upto Three years from the date of submission. However, Bidders will be required to extend the Integrity Pact Bank Guarantee, as and when required by the Buyer. In the case of the successful bidder, validity of the Integrity Pact Bank Guarantee will be extended upto the satisfactory completion of the Contract. In case a vendor unilaterally decides to withdraw from the procurement scheme or has been declared non-compliant and if he wishes to withdraw his IPBG, he may do so provided he gives an undertaking that he has no complaints and will not make any complaints in the case. Integrity Pact Bank Guarantee shall be returned promptly in case of unsuccessful bidders.

8.3 In the case of successful bidder a clause would also be incorporated in the Article pertaining to Performance-cum-Warranty 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 Buyer to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

8.4 The provisions regarding Sanctions for Violation in Integrity Pact include forfeiture of Performance-cum-Warranty Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.

8.5 No interest shall be payable by the Buyer to the Bidder(s) on IPBG for the period of its currency.

9. Company Code of Conduct

9.1 Bidders are also advised to have a company code of conduct (clearly

rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

10. **Sanctions for Violation**

10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in Chapter IX of the Indian Penal Code, 1860 or the Prevention of Corruption Act 1988 or any other act enacted for the prevention of corruption shall entitle the Buyer 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 IPBG/Performance-cum-Warranty Bond shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason therefore.
- (iii) To immediately cancel the contract, if already signed, without any compensation to the Bidder.
- (iv) To recover all sums already paid by the Buyer, in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Base Rate of SBI and in case of a Bidder from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Bidder from the Buyer in connection with any other contract for any other defence stores, such outstanding payment could also be utilised to recover the aforesaid sum and interest.
- (v) To encash the advance bank guarantee and Performance-cum-Warranty Bond if furnished by the Bidder, in order to recover the payments, already made by the Buyer, along with interest.
- (vi) To cancel all or any other Contracts with the Bidder.
- (vii) To Put on Hold or Suspend or Debar the bidder as per the extant policy.
- (viii) To recover all sums paid in violation of this Pact by Bidder(s) to any Agent or broker with a view to securing the contract.
- (ix) If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to debar the Bidder from the bid process or rescind the contract without payment of any compensation to the Bidder. The

term 'close relative' for this purpose would mean spouse whether residing with the Government servant or not, but not include a spouse separated from the Government servant by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependent upon Government servant.

(x) The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Buyer and if he does so, the Buyer shall be entitled forthwith to rescind the contract and all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Buyer resulting from such rescission and the Buyer shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.

(xi) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the Buyer with the Bidder, the same shall not be opened.

10.2 The decision of the Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and binding on the Bidder, however, the Bidder can approach the Independent Monitor(s) appointed for the purposes of this Pact.

11. **Fall Clause**

11.1 The Bidder undertakes that he has not supplied/is not supplying the similar products, systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India and if it is found at any stage that the similar system or sub-system was supplied by the Bidder to any other Ministry/Department of the Government of India 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 Buyer, even if the contract has already been concluded.

11.2 The Bidder shall strive to accord the most favoured customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. **Independent Monitors**

12.1 The Buyer has appointed Independent Monitors for this Pact in consultation with the Central Vigilance Commission. The names and addresses of nominated Independent Monitors (at the time of issue of RFP) are as follows (however the vendor must refer to the MoD website at www.mod.nic.in to check for changes to these details):-

(names & addresses of Independent Monitors holding office on date of issue of RFP to be included)

12.1A All communications to Independent Monitors will be copied to Director (Vigilance). The Designation and Contact details of Director (Vigilance) are as follows:-

(Designation and Address of the Director (Vigilance) to be included)

12.2 After the Integrity Pact is signed, the Buyer shall provide a copy thereof, along with a brief background of the case to the Independent Monitors, if required by them.

12.3 The Bidder(s), if they deem it necessary, may furnish any information as relevant to their bid to the Independent Monitors.

12.4 If any complaint with regard to violation of the IP is received by the buyer in a procurement case, the buyer shall refer the complaint to the Independent Monitors for their comments/enquiry.

12.5 If the Independent Monitors need to peruse the relevant records of the Buyer in connection with the complaint sent to them by the Buyer, the Buyer shall make arrangement for such perusal of records by the Independent Monitors.

12.6 The report of enquiry, if any, made by the Independent Monitors shall be submitted to the head of the Acquisition Wing of the Ministry of Defence, Government of India for a final and appropriate decision in the matter keeping in view the provision of this Pact.

13. **Examination of Books of Accounts**

In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Buyer or its agencies shall be entitled to examine the Books of Accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents in English and shall extend all possible help for the purpose of such examination.

14. **Law and Place of Jurisdiction**

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Buyer i.e. New Delhi.

15. **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 extant law in force relating to any civil or criminal proceedings.

16. **Validity**

16.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the Buyer and the Bidder/Seller, whichever is later.

16.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

17. The Parties hereby sign this Integrity Pact at _____ on

BUYER

MINISTRY OF DEFENCE,
GOVERNMENT OF INDIA

BIDDER

CHIEF EXECUTIVE OFFICER

Witness

1. _____
2. _____

Witness

1. _____
2. _____

**Refers to Para 8.1 of
Pre-Contract Integrity Pact**

FORMAT OF INTEGRITY PACT BANK GUARANTEE (IPBG)

To,

The _____,
Ministry of _____,
Government of India,
_____ (complete postal address of the beneficiary)

1. In consideration of President of India represented by Joint Secretary and Acquisition Manager/ Major General or equivalent, Service Hqr./Coast Guard, Ministry of Defence, Government of India (hereinafter referred to as the Buyer and/or the first party) having agreed to accept a sum of Rs. _____ (Rupees _____) from M/s _____ of _____ (hereinafter referred to as Bidder and/or the Second party) in the form of Bank Guarantee towards Integrity Pact for the Request For Proposal for procurement of _____ we _____ (Name of the Bank), (hereinafter referred to as the Bank), do hereby undertake to pay to the Buyer on demand within 5 (five) working days-without any demur and without seeking any reasons whatsoever, an amount not exceeding Rs. _____ (Rupees _____) and the guarantee will remain valid upto three years from the date of its submission i.e. _____ (Submission date). The Integrity Pact Bank Guarantee shall be extended from time to time as required by the Buyer and agreed by the Bidder to the Bank.

2. We undertake not to revoke this guarantee during this period except with the previous consent of the Buyer in writing and we further agree that our liability under the Guarantee shall not be discharged by any variation in the term of the commercial offer.

3. No interest shall be payable by the Buyer to the Bidder(s) on the guarantee for the period of its currency.

4. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed Rs _____ (Rupees _____ only) (in words).

(b) This Bank Guarantee shall remain valid until _____ (hereinafter the expiry date of this guarantee). The Bank Guarantee will cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____ (Expiry Date)

Dated the _____ day of _____ (month and year)

Place :

Signed and delivered by _____ (Name of Bank).

Through its authorized signatory
(Signature with seal)

Appendix P to Schedule I to Chapter II
(Refers to Para 67 of Schedule I)

OPTION CLAUSE
(No blanks to be left)

The BUYER shall have the right to place separate order on the SELLER on or before _____ (_____ year from the date of this contract) limited to 50% of the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this contract. The price of the system, spares etc shall remain same till year from the effective date of the contract. CNC to verify that there is no downward trend in prices of the product offered.

NON DISCLOSURE AGREEMENT

This Non Disclosure Agreement is entered into by and between SHQ/MoD (Disclosing Party) and _____ located at _____ (Receiving Party) for the purpose of preventing the unauthorized disclosure of confidential information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of the RFP for procurement of _____ (name of the Project).

1. For purpose of this Agreement, “Confidential Information” shall include all information or material in which Disclosing party is engaged. If confidential information is in written form, the Disclosing party shall label or stamp the materials with the word “Confidential” or some similar warning. If confidential information is transmitted orally, the Disclosing Party shall promptly provide a written communication indicating that such oral communication constituted confidential information.
2. Receiving party shall hold and maintain the confidential information in strictest confidence for the sole and exclusive benefit of the Disclosing party. Receiving party shall carefully restrict exercise to confidential information to employees, contractors and third parties as is reasonably required and shall require those persons to sign Non-Disclosure restriction atleast as protective as those in this Agreement. Receiving party shall not, without prior written approval of Disclosing party, use, publish, copy, or otherwise disclose to others, or permit the use by others or to the detriment of Disclosing party, any confidential information. Receiving party shall return to the Disclosing party any and all record, notes and other written, printed or tangible materials in its possession pertaining to confidential information immediately if Disclosing party requests it in writing.
3. Nothing contained in this Agreement shall be deemed to constitute either party a partner, joint venture or employee of the other party for any purpose.
4. If any provision of this Agreement is held to be invalid or unenforceable by court of law, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.
5. This agreement expresses the complete understating of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations and understandings. This Agreement shall not be amended except with the written consent of both the parties.
6. That in case of violation of any clause of this Agreement, the Disclosing party is at liberty to terminate the services of Receiving party without assigning any reason and shall also be liable to proceeded against in a Court of Law.
7. This Agreement and each party’s obligations shall be binding on the representatives, assigns and successors of such parties. Each party has signed this Agreement through its authorised representatives.

Disclosing Party

_____ (Signature)

_____ (Typed or Printed name)

Date _____

Receiving Party

_____ (Signature)

_____ (Typed or Printed name)

Date _____

Appendix R
(Refers to Para 7 of RFP)

Criteria for Vendor Selection/Pre-Qualification
{for multi-vendor cases in 'Buy (Indian-IDDMM)', 'Buy (Indian) and
'Buy & Make (Indian) Cases}

To be specified in accordance with the Vendor qualification criteria promulgated by Acquisition Wing vide MoD ID No 4(3)/D(Acq)/16-Pt.IV dated 18/09/2019 or as updated on <http://mod.gov.in>.

1. **General Parameters.** Applicant Entity should be an Indian Company (as defined under the Companies Act, 2013 as amended from time to time), owned and controlled by resident Indian citizens.
2. **Technical Parameters.**
3. **Financial Parameters.**
 - (a) **Turnover.** Minimum average turnover for last three financial years ending 31st March of previous financial year, should not be less than _____.
 - (b) **Net Worth.** Networth of entities, ending 31st March of previous financial year, should not be less than _____.
 - (c) **Insolvency.** The entity should not be under insolvency resolution as per Indian Bankruptcy Code at any stage of procurement process from the issuing of RFP to the signing of contract.
 - (d) **Credit Rating.** Minimum long term credit rating shall be equivalent to CRISIL rating on Corporate Credit Scale as CCR-BBB and SME-04 for SMEs issued by credit rating agencies recognized by SEBI.
4. **Other Parameters.**
 - (a) Industrial License.

Appendix S
(Refers to Para 68 of RFP)

**DOCUMENTS TO BE SUBMITTED BY THE BIDDER ALONG WITH THEIR
TECHNO-COMMERCIAL PROPOSALS**

The list of documents which needs to be mandatorily submitted by the Bidders as part of Technical Proposal are placed below. Non-submission of the documents may result in disqualification of the Bidder from the bidding process.

Ser No.	Reference	Document Description
1.	Para 5 of RFP	Declaration by Bidder : Debarment of vendors
2.	Para 17 of RFP	Declaration by Bidder: Government Regulation
3.	Para 18 of RFP	Declaration by Bidder: Obligations Relevant to Transfer of Conventional Arms
4.	Para 20 of RFP	Declaration by Bidder : Patent Rights
5.	Para 24 of RFP	Declaration by Bidder : Fall Clause
6.	Para 31 of RFP	Technical document covering performance parameters.
7.	Annexure I to Appendix A	Undertaking to Comply with Essential Parameters-B
8.	Appendix B	Compliance Table
9.	Appendix C	Warranty Clause
10.	Annexure I to Appendix D	Undertaking to Comply with Offset Obligations (if applicable)
11.	Annexure II to Appendix D	Format for Submitting Technical Offset Offer (if applicable)
12.	Annexure III to Appendix D	Format for Submitting Commercial Offset Offer
13.	Appendix E	Information Pro-forma, Engagement of Agent by Foreign Bidder
14.	Appendix H	CERTIFICATE: Malicious Code
15.	Annexure I to Appendix J	Manufacturer's Recommended List of Spares (MRLS)
16.	Annexure II to Appendix J	List of SMT/STEs, Jigs, Fixture and Infrastructure
17.	Annexure III to Appendix J	Technical Literature
18.	Annexure IV to Appendix J	Training Aggregates
19.	Appendix M	Price Bid

Ser No.	Reference	Document Description
20.	Annexure I to Appendix N	Pre-Contract Integrity Pact
21.	Annexure I to Appendix N	IPBG

Appendix T

GLOSSARY

AMC	Annual Maintenance Contract
AoN	Acceptance of Necessity
ATP	Acceptance Test Procedure
CAMC	Comprehensive Annual Maintenance Contract
CKD	Completely Knocked Down
CNC	Contract Negotiation Committee
DAC	Defence Acquisition Council
DGAQA	Director General of Aeronautical Quality Assurance
DGNAI	Director General Naval Armament Inspectorate
DGQA	Director General of Quality Assurance
DPB	Defence Procurement Board
DPP	Defence Procurement Procedure
DRDO	Defence Research and Development Organisation
EMC	Electro Magnetic Compatibility
EMI	Electro Magnetic Interference
EPP	Enhanced Performance Parameters
ESP	Engineering Support Package
FET	Field Evaluation Trials
GoI	Government of India
IC	Indigenous Content
ICG	Indian Coast Guard
IDDM	Indigenously Designed & Developed Manufactured
IM	Indigenously Manufactured
IP	Integrity Pact
IPBG	Integrity Pact Bank Guarantee
LRU	Line Replaceable Unit
MET	Maintainability Evaluation Trial

MoD	Ministry of Defence
MRLS	Manufacturer Recommended List of Spares
M-ToT	Maintenance Transfer of Technology
NCNC	No Cost No Commitment
OEM	Original Equipment Manufacturer
OTE	Open Tender Enquiry
PA	Production Agency
PCIP	Pre Contract Integrity Pact
QA	Quality Assurance Plan
RFP	Request for Proposal
SCAPHC	Services Capital Acquisition Categorisation Higher Committee.
SHQ	Service Headquarters
SKD	Semi Knocked Down
SRU	Shop Replaceable Unit
TEC	Technical Evaluation Committee
TM	Technical Manager
ToT	Transfer of Technology