



Annexure A

QUOTATIONS:

1.

a. Interested bidders / Suppliers shall submit their offer through e-Procurement mode at <https://eprocurebhel.co.in>. Offers in any other mode will not be accepted.

REQUIREMENTS

1. Digital Certificate: To participate in an e-Tender, you need to have a Class-III Digital Signature Certificate (DSC) for Signing & Encryption (Required both digital signature certificate: Signing & Encryption) of bids issued by any of the valid Certifying Authorities (approved by Controller of Certifying Authorities) in India. Valid Digital Signature Certificate (DSC) must be installed in a computer system from where you want to access the website.

General Conditions:

a. Bidders are requested to quote their offer price on F.O.R Destination (BHEL/Stores) basis only (The basic price of the material quoted in the bid should be inclusive of Packing, Forwarding, freight and transit insurance, etc.,). Ex-works offers will be summarily rejected without further clarification.

b. No charges shall be indicated as "Lumpsum" or "Approximate" in absolute value. All charges like taxes and duties should be clearly specified as "percentage" of the quoted rates.

c. Manufacturer's name, trademark or patent no. if any should be specified. Illustrative leaflets giving technical particulars are required along with quotation wherever necessary.

d. Products with I.S.I. certification marks will be preferred.

e. The Purchaser shall be under no obligation to accept the lowest or any other tender and shall be entitled to accept in Part or full without assigning any reason whatsoever.

f. The bidder has to keep track of any changes by viewing the addendum / Corrigendum's issued by the Purchaser on time-to- time basis in the E-Procurement platform. The Company calling for tenders shall not be responsible for any claims/problems arising out of this.

g. The user should complete all the processes and steps required for bid submission. The successful bid submission can be ascertained once acknowledgement is given by the system through bid submission number after completing all the processes and steps. BHEL and NIC Portal will not be responsible for incomplete bid submission by users. Users may also note that the incomplete bids will not be saved by the system and are not available for the Purchaser for processing.

h. Before uploading scanned documents if any, the bidders shall sign on all the statements, documents, certificates uploaded by him, owning responsibility for their correctness / authenticity.

2. Offers should have a validity of minimum 90 days from the date of Tender opening. The quoted/Finalized rates shall be Firm till completion of the supplies including amendment / deviation / extension if any in quantity / date.

3. On the due date of tender opening, only technical bids will be opened. The opened technical bids will be evaluated by us and clarifications required, if any, will be called for from the bidders on technical and commercial points. If no reply is received from the vendor for the clarification raised by BHEL with in the final cut-off date those vendors offer will be processed with the documents available / submitted against this tender. Offers not meeting the required specification and technical condition will be summarily rejected. The price bids of technically suitable bidders will be opened on a later date with prior intimation to techno-commercially suitable bidders.

4. **Ranking L-1, L-2 etc. shall be done for individual item for the techno-commercially acceptable offers on landed cost to BHEL, Thirumayam basis.** In the event of more than one vendor becoming L1, than all the L1 vendors will be asked to submit the revised price bid.

5. BHEL reserves the right to negotiate with L1 vendor or re-float the tender for items where, L1 price is not the lowest acceptable price; BHEL reserves the right to increase or decrease the tender quantity.

6. TERMS OF PAYMENT: (Indigenous)

Payment term is 100% direct EFT payment after 45 days from the date of receipt and acceptance of materials.

7. LD clause & Risk purchase clause are applicable.

Staggered delivery schedule

In case of staggered delivery schedule, if the Supplier fails to deliver the quantity of any line item of the P.O within the period specified in that line item, Purchaser shall deduct Liquidated Damages, 0.5% of the undelivered portion per week delay or part thereof subject to maximum of 10% of the total order value.

RISK PURCHASE: Alternatively, the purchaser at his option will be entitled to terminate the contract and to purchase elsewhere at the risk and cost of the seller either the whole of the goods or any part which the supplier has failed to deliver or dispatch within the time stipulated as aforesaid or if the same were not available, the best and the nearest available substitutes therefor. The supplier shall be liable for any loss, which the purchaser may sustain by reason of such risk purchases in addition to penalty at the rate mentioned in LD clause above.

- a) In the event of any successful Tenderer's failure to fulfil any of the tender / Contract obligations as per Contract / Agreement, BHEL may purchase from the alternate vendor and get it completed to meet the BHEL requirement and additional expenditure, if any, including consequential cost viz., demurrage etc., will be fully recovered from the supplier who failed to supply the items with the due date.
- b) The decision of BHEL with regard to the actual losses / consequential expenditure incurred by BHEL shall be final and binding on the supplier.

The value under Risk purchase clause shall be calculated as follows:

$$\text{Risk \& Cost Amount} = [(A-B) + (A \times H/100)]$$

Where,

A= Value of Balance scope of Work/ Supply (*) as per rates of new contract

B= Value of Balance scope of Work/ Supply (*) as per rates of old contract being paid to the contractor/ supplier at the time of termination of contract i.e. inclusive of PVC & ORC, if any.

H = Overhead Factor shall be taken as 5

In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero).

*(Balance scope of work/ supply)

Difference of Tendered/Contract Quantities and Executed Quantities as on the date of issue of Letter for 'Termination of PO/Contract', shall be taken as balance scope of Supply for calculating risk & cost amount.

In case vendor fails to fulfil any of the PO / Contract obligations as per PO/Contract, PO/contract shall be cancelled and appropriate cost shall be deducted from the vendor's pending bills in BHEL Trichy (or) across the BHEL units.

8. TAXES: All Applicable taxes including Sales Tax, TCS etc. payable as extra to be quoted specifically in quotations along with CST & VAT Number failing which the purchaser will not be liable for payment of sales tax. Our TIN 33243560005 dt.01.01.2007 & CST no 239383 DT, 11.06.1991.

9. PACKING AND MARKING: The supplier shall arrange for securely protecting and packing the stores to avoid loss or damages during transit. Supply in bulk by suppliers vehicle and to be decanted into storage vessel installed at PPPU,Thirumayam. The storage tank available in PPPU,Thirumayam is BHEL's Own Tank with capacity of 40 KL with pumping facility.

10. SPECIAL PROVISIONS FOR MICRO AND SMALL ENTERPRISES (MSE) BIDDERS:

i. As per Gazette Notification no. S.O. 2119(E) dated 26.06.2020 issued by Ministry of MSME applicable/existing Micro and small suppliers are requested to get registered with Udyam Registration portal and share us the Udyam registration no along with Udyam registration certificate. Payments for MSE Indigenous vendors will be as MSMED Act, 2006.

ii. 25% of the tendered quantity is earmarked for MSE Vendors (Manufacturers only and not for the Traders/Dealers of Service Category - Vide Office Memorandum circular of Micro, Small & Medium

Enterprises, Clause – i, dt: 09.02.17) in this tender. If L1 offer is from a Micro / Small enterprise, this provision is not applicable.

iii. Out of the 25% tendered quantity reserved for MSE suppliers, 6.25% shall be earmarked for procurement from MSE owned by SC / ST entrepreneurs. In event of failure of such Micro and Small enterprises to participate in the tender process or meet the tender requirements and the L1 price, the 6.25% sub-target for procurement ear-marked MSE owned by SC / ST entrepreneurs shall be met with other MSE enterprise/s.

iv. Out of the 25% tendered quantity reserved for MSE suppliers, 3% shall be earmarked for procurement from MSE owned by women entrepreneurs. In event of failure of such Micro and Small enterprises to participate in the tender process or meet the tender requirements and the L1 price, the 3% sub-target for procurement ear-marked MSE owned by women entrepreneurs shall be met with other MSE enterprise/s.

v. In case MSE vendor participating in the tender quotes within the price band of L1 + 15%, they will be allowed to supply the portion of the requirement subject to acceptance of L1 price by MSE vendor. In case of more than one such MSE, the supply shall be shared proportionately.

MSE suppliers can avail the intended benefits only if they submit Udyog Aadhaar Memorandum(UAM) and Latest CA Certificate as per Annexure I (or) Udyam registration certificate along with the Offer.

This provision for MSE will apply subject to the condition that the participating MSE meets the tender requirements.

vi. In case of any change in the MSE status of the bidder, it shall be the responsibility of the bidder to notify the change as a part of the bid document. If at a later date it comes to the knowledge of BHEL, that the change in the status has not been intimated by the bidder and the order is obtained under the premise of an MSE then BHEL would cancel the pending order against this tender and take necessary steps for suspension of the business dealing with the bidder as per the procurement policy of BHEL.

vii. In case after the bid opening it is seen that no MSE has become L1, then depending on the nature of the item, if it is not possible to split the tendered items / quantities on account of reasons like customer contract requirements of supplying one make for a given project or technical reasons like tendered items being a system etc., and in case MSE vendor participating in the tender quotes within the price band of L1 + 15%, they will be allowed to supply the entire quantity subject to acceptance of L1 price by MSE vendor. Counter offer for entire quantity will be made in the order of commercial ranking of the MSE vendors within the price band of L1 + 15%.

In case of counter offering rate has not been accepted by MSE vendors or L1 vendor is MSE, entire quantity will be ordered on L1 vendor.

11. Conditional offers are likely to be rejected.

12. The correspondences between the bidder and BHEL through email are considered as valid document legally though not signed. It is treated as valid confirmations made on behalf of the respective company and comes under the legal ambit of the business transaction and hence binding on both the parties.

13. Disclaimer Clause: Neither the Organization (Bharat Heavy Electricals Ltd.) nor the service provider (NIC Portal) is responsible for any failure of submission of bids due to failure of internet or other connectivity problems or reasons thereof.

14. Bidders participating in the tender should declare in their technical bid whether they have been black-listed / kept on hold / given Business holiday for a specified period by any Public Sector Undertaking or Government Departments. The reasons for such action with details and the current status of such hold shall be clearly furnished to BHEL. If no such details are mentioned in the offer, it will be construed that the bidder is not under any such hold. However, at a later date if it comes to the notice of BHEL about any such hold under enforcement, BHEL reserves the right to reject the offer at any point of time and also under any stage of the finalization of the tender. Such bidders will not be permitted to participate in the further tender proceedings and will be communicated suitably.

15. BHEL reserves the right to negotiate or re-float the enquiry opened if L1 price is not the lowest acceptable price to them inter-alia other reasons.

16. In the case of rejection, the replacement supply has to be done within a fortnight from the date of intimation of rejection and the supplier has to collect the rejected materials at his own cost within the 10 days of rejection of advice. Otherwise the materials will be scrapped.

17. Unloading at BHEL has to be done by the suppliers and BHEL will not be in a position to provide any handling / unloading facilities.

18. Bidders not confirming to the enquiry specifications will be disqualified.

19. If Guarantee / Warranty period is applicable as per tender specification, No deviation permitted and deviated offers are liable for rejection.

20. The offer will be evaluated based on the quote submitted by bidders at the time of Technical bid opening. No price revision shall be entertained till completion of tender evaluation. The price list is revised by Govt. PSU Oil Companies on fortnight basis. The quoted L1 price will be taken as reference for initial evaluation and ordering. The subsequent supply price will be fixed for every revision of price list published by the L1 vendor. The purchase order will be amended accordingly as per the revision as explained above.

21. The Tender Due date falling on public holiday due to any circumstances, the tender will be opened on next working day.

22. Delivery goods/ items should be securely and suitably packed to avoid transit damages.

23. Make in India:

For this procurement, Public Procurement (Preference to Make in India), order 2017 dated 15.06.2017, 28.05.2018 & 04.06.2020 issued by DPIIT and subsequent orders issued by the respective Nodal ministry shall be applicable even if issued after issue of this NIT but before finalization of contract/PO/WO against this NIT.

In the event of any Nodal Ministry prescribing higher or lower percentage of purchase preference and/ or local content in respect of this procurement, same shall be applicable.

Default margin of purchase preference shall be 20% to local suppliers with default minimum local content of 50%.

“For this procurement, the local content to categorize a supplier as Class I local supplier/ Class II local Supplier/ Non- Local supplier and purchase preference to Class I local supplier, as defined in Public Procurement (Preference to make in India), Order 2017 dated 04.06.2020 and subsequent orders issued by DPIIT.

In case of subsequent orders issued by the nodal ministry, changing the definition of local content for the items of the NIT, the same shall be applicable even if issued after issue of This NIT, but before opening of part-II bids against his NIT”

For more details, pls. refer the Public Procurement (Preference to Make in India), order 2017 dated 15.06.2017 & 28.05.2018 and subsequent orders issued by the respective Nodal ministry.

Self-Declaration format as per Annexure-B shall be submitted along with part-1 tender document

24. Tolerance of -2% +0% on supplies applicable in this Enquiry for the enquired quantity.

25. Any communication / clarification regarding the tender shall be sent to the following

***E-mail: saranyak@bhel.in
Phone no. 0431-2577571***

Annexure – I

Certificate by Chartered Accountant on his letter head for MSE bidder

This is to Certify that M/s(hereinafter referred to as 'company') having its registered office atis registered under **MSMED Act 2006**, Udyog Aadhaar Memorandum (UAM) No: dtd:, Category:(Micro/Small/Medium). (Copy enclosed).

Further Verified from the Books of Accounts that the investment of the company as per the latest audited financial year As per MSMED Act 2006 is as follows:

1. For Manufacturing Enterprises: Investment in plant and machinery (i.e. original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O.1722(E) dated October 5, 2006 :
Rs. Lacs.
2. For Service Enterprises: Investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under MSMED Act, 2006:
Rs. Lacs.

(Strike off whichever is not applicable)

The above investment of Rs. Lacs is within permissible limit of Rs. Lacs for..... Micro / Small (Strike off which is not applicable) Category under MSMED Act 2006.

Or

The company has been graduated from its original category (Micro/Small) (Strike off which is not applicable) and the date of graduation of such enterprise from its original category is (dd/mm/yyyy) which is within the period of 3 years from the date of graduation of such enterprise from its original category as notified vide S.O. No. 3322 E dated 01.11.2013 published in the gazette notification dated 04.11.2013 by Ministry of MSME.

Date:

(Signature)

Name –

Membership Number –

Seal of Chartered Accountant.

ANNEXURE –B
COMMERCIAL TERMS CONFIRMATION REQUIRED FROM THE SUPPLIERS
TO BE SUBMITTED ALONG WITH PART – I (TECHNO COMMERCIAL BID)

S. NO	DESCRIPTION	BHEL REQUIREMENTS	SUPPLIER CONFIRMATION / DEVIATION (STRIKEOUT WHICHEVER IS NOT APPLICABLE)
1	VALIDITY	90 DAYS FROM THE DATE OF TECHNICAL BID OPENING	NON DEVIATABLE
2	PRICE QUOTED	FOR-DESTINATION BHEL PPPU / THIRUMAYAM	NON DEVIATABLE
3	DELIVERY TERMS	Door Delivery basis to BHEL PPPU / THIRUMAYAM Stores as & when required.	NON DEVIATABLE
4	DELIVERY SCHEDULE	Staggered delivery upto 1 year from the date of PO - <u>As & When required basis.</u> HSD to be delivered within 48 Hrs from receipt of intimation from BHEL PPPU / THIRUMAYAM.	NON DEVIATABLE
5	PAYMENT TERMS	100% direct payment after 45 days from the date of receipt and acceptance of materials at BHEL PPPU / THIRUMAYAM	ACCEPTED / NOT ACCEPTED
6	LD CLAUSE	0.5% PER WEEK TO MAXIMUM OF 10% (For details please read S.No:7 of “Annexure – A”)	NON DEVIATABLE
7	RISK PURCHASE CLAUSE	(For details please read S.No:7 of “Annexure – A”)	NON DEVIATABLE
8	PRICE METHOD	The offer will be evaluated based on the quote submitted by bidders at the time of Technical bid opening. No price revision shall be entertained till completion of tender evaluation. The price list is revised by Govt. PSU Oil Companies on fortnight basis. The quoted L1 price will be taken as reference for initial evaluation and ordering. The subsequent supply price will be fixed for every revision of price list published by the L1 vendor. The purchase order will be amended accordingly as per the revision as explained above.	NON DEVIATABLE
9	CONTACT PERSON DETAILS	NAME: MOBILE NO: EMAIL :	To be filled mandatorily
10	To supply Material as per Tender Specification without any deviation.		CONFIRM / NOT CONFIRM
12	System printed Delivery Challan / Invoice along with Loading Point Temperature and Density to be submitted. Hand written copy is not acceptable.		CONFIRM / NOT CONFIRM
13	Bidders have to confirm that, whether they have been black-listed / kept on hold / given Business holiday for a specified period by any Public Sector Undertaking or Government Departments/any other units of BHEL.		YES / NO
14	UAM & CA CERTIFICATE (or) UDYAM REGISTRATION CERTIFICATE in case of MSE vendor		ATTACHED / NOT ATTACHED

IMPORTANT NOTE:

Item wise confirmation of this format is essential to consider your offer.

SIGN AND SEAL OF THE AUTHORIZED
PERSON TO SIGN THE TENDER DOCUMENT

ANNEXURE C

ENVIRONMENTAL MANAGEMENT/OCCUPATIONAL HEALTH AND SAFETY SYSTEM REQUIREMENTS

As per the environmental management system- ISO 14001:2004 and occupational health and safety system-18001-1999, we are committed to ensure that your transporters strictly follow specific environmental and OH and S requirements while transporting the materials to our factory. Your attention is drawn to the following act and rules, which you are earnestly requested to follow.

- The Motor Vehicles Act 1988 and Central Motor Vehicles Rules 1989
- The Manufacture, storage and import of Hazardous Chemicals Rules 1989
- Holding Fitness Certificate of the vehicle.

You are also requested to strictly adhere to the following statutory/legal requirements with regards to safety, which will be checked by our authorized officials, while your trucks reach our premises.

- The vehicles should have valid registration and road permit.
- The driver should have photo identified valid Heavy License and all other statutory documents. Also each should have attended special training for transportation of hazardous Chemicals and must possess certificate issued by the concerned authority to that effect.
- The driver's license must be duly endorsed by Road Traffic Authorities for transporting hazardous chemicals.
- The vehicle should have a Spark Arrester.
- The vehicle should have "Reverse Hooter".
- The "Pollution under Control" certificate should be available with the drivers in the vehicles.
- The First Aid Box, Fire Extinguishers and required safety appliance must be available in the vehicles.
- Your vehicles while carrying materials to our company are not supposed to carry smoking materials, Match boxes, lighters, stoves etc.
- The Driver must bring along with him the Delivery Challan / Invoice of the material issued by our vendors, Test certificate for the LPG carrying and should produce the same to the authorities while reaching BHEL

Seal and Signature of Vendor

ANNEXURE D

No. P-45021/2/2017-PP (BE-II)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated: 04th June, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017– Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 9(a), 9(b) and 10(b) modified and Para 3A added] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018 and Order No.P-45021/2/2017-B.E.-II dated 29.05.2019, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 04.06.2020 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content equal to or more than 50%, as defined under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content more than 20% but less than 50%, as defined under this Order.

.....Contd. p/2

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than or equal to 20%, as defined under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include *'turnkey works'*.

3. Eligibility of 'Class-I local supplier' / 'Class-II local supplier' / 'Non-local suppliers' for different types of procurement

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure. Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

.....Contd. p/3

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

(d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local supplier' shall be as defined in the Para "2" of the Order. No change is permissible on this account. However, if any nodal Ministry/ Department finds that for any particular item, pertaining to their nodal ministry/department, the definition of Local Content, as defined in the Order, is not workable/ has limitations, it may notify alternate suitable mechanism for calculation of local content for that particular item.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

- d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
- e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

10A. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. Assessment of supply base by Nodal Ministries: The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. Increase in minimum local content: The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. Manufacture under license/ technology collaboration agreements with phased indigenization: While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

14. Powers to grant exemption and to reduce minimum local content: The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or

- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

18. **Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. **Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.
20. **Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Rajesh Gupta)

Director

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No. P-45021/2/2017-PP (BE-II)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated: 16th September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017– Revision; regarding.

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019 and Order No.P-45021/2/2017-B.E.-II dated 04.06.2020, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 16.09.2020 effective with immediate effect.

Whereas it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

Whereas procurement by the Government is substantial in amount and can contribute towards this policy objective, and

Whereas local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

Now therefore the following Order is issued:

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Class-I local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

.....Contd. p/2

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include *'turnkey works'*.

3. Eligibility of 'Class-I local supplier' / 'Class-II local supplier' / 'Non-local suppliers' for different types of procurement

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

3B. Applicability in tenders where contract is to be awarded to multiple bidders -

In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.
- b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.
- c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers' / 'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.
- d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
- e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher

percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
 - a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
 - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
 - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
 - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
 - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
 - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
 - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
 - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
 - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

10. Specifications in Tenders and other procurement solicitations:

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

d. Reciprocity Clause

- i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

- ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
 - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
 - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
 - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

10A. Action for non-compliance of the Provisions of the Order: In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. Assessment of supply base by Nodal Ministries: The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. Increase in minimum local content: The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or
- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. Functions of the Standing Committee: The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

18. Removal of difficulties: Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. Ministries having existing policies: Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

20. Transitional provision: This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



(Rajesh Gupta)
Director

Tel: 23063211

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/ On Bidder's office letter pad /**Self-Declaration**

Enquiry No.	
Enquiry Date	

In line with Government public procurement order Number P-45021/2/2017-B.E-II dated 15.06.2017, and further modified order dt. 28.05.2018 & order 04.06.2020 issued by DPIIT

I / We hereby declare that I / We are a "Local Supplier" meeting the requirement of minimum local content (.....%) defined in the above government notification for the goods against above mentioned enquiry Number.

Details of location at which local value addition will be made is as follows:

Door No.	
Street / Address 1	
Street / Address 2	
District	
State	
Country	
PIN Code	

We also understand that the false declarations will be considered as breach of Integrity and liable for action.

For Company Name:

Seal:

Signature:

Date:

Place:

(Please fill all the yellow color field)

ANNEXURE - PQC

ENQ.NO:

	Material: HIGH SPEED DIESEL AS PER IS.1460	
Sl.No	PRE QUALIFICATION CRITERIA —Points	Vendor to confirm
01	<i>All the tenders should confirm HSD supply as per the enquiry specification. (Offers not conforming to the enquiry specifications will be summarily disqualified & rejected)</i>	ACCEPTED / NOT ACCEPTED
02	<i>Bidders have to confirm that, whether they have been black-listed / kept on hold / given Business holiday for a specified period by any Public Sector Undertaking or Government Departments/any other units of BHEL.</i>	YES / NO
03	<i>The Bidder is a Manufacturer or Authorised Dealer/Trader</i>	Manufacturer/Trader
03	<i>The Authorized supplier/dealer/trader of the manufacturer shall submit valid authorization/dealership/tradership certificate along with the offer.</i>	Enclosed / Not Enclosed
04	<i>Offers will be evaluated based on the price quoted at the time of technical bid opening. However, Prices prevailing at the time of supply is applicable.</i>	ACCEPTED / NOT ACCEPTED
05	<i>Material should be supplied within 48 Hrs of intimation from BHEL.</i>	ACCEPTED / NOT ACCEPTED

NOTE:

Offers meeting the above prequalification criteria points only will be evaluated further. Otherwise it will summarily be rejected.

SIGN AND SEAL OF AUTHORIZED PERSON