

Tender No. F/F219/9/2180/K1

BHARAT HEAVY ELECTRICALS LIMITED
HEEP HARIDWAR INDIA-PIN 249403
FAX NO: 0091 1334 226462/223948
PHONE NO: 0091 1334 284144

Tender No.: F/F219/9/2180/K1

Due Date: 23.10.2019

Sub: BHEL-HEEP/OPEN-TENDER (Nickel Alloy Bars)

The Heavy Electricals Equipment Plant (HEEP) located in Haridwar, India is one of the major manufacturing plants of Bharat Heavy Electricals Ltd. The core business of HEEP includes design and manufacture of large steam turbines, turbo generators and so on.

Sealed tenders with the Tender No. and opening date clearly super scribed on the cover are invited from the manufacturers (registered as well as unregistered) for the supply of the following items: -

Tender No.	Item Description	Mat. Code	Size (mm)	Qty. (Kg)
F/F219/9/2180/K1	Nickel Alloy Bars Specification- HW12792 Rev: 04 Grade- NICR20TIAL (Alloy 80A)	HW1270292056	Dia- 40	1800

The tender documents & Specification of item can be downloaded from our web site www.bhel.com or www.bhelhwr.co.in. Only those vendors who fulfill the Minimum Qualifying Requirements (as per Annexure-II) will be considered for further technical evaluation.

The last date for downloading tender documents shall be 22.10.2019 & opening of tender shall be 23.10.2019. Tenders will be received up to 01.45 P.M. on **23.10.2019** and opened on the same day at 2.00 P.M. in the Tender Room. **Please note that tender received after due date & time (01.45 PM on 23.10.2019) will not be opened.** BHEL will not be responsible for any type of postal / courier delay.

Intending vendors must remit requisite EMD 100,000/- (Rupees One Hundred thousand only) for indigenous vendors (or equivalent amount in foreign currency for foreign vendors) in the form of pay order or bank draft while submitting the tender documents as detailed in "Instruction to Bidders", after downloading from this web site.

EMD is waived off for-

- a) Central/ State – PSUs/ Government departments
- b) As per government guidelines, MSE suppliers are exempted for submission of EMD (Valid Documentary proof against MSE must be submitted along with offer to avail the benefits).
- c) The vendors registered for item Alloy Steel Bars as per Spec. HW12792 Rev: 04 with BHEL (HEEP), Haridwar are exempted from EMD.

The total quantity may undergo change at the time of ordering.

The details of each item with required delivery are given in **Annexure-I (Details of Items)**

Please submit your Techno-Commercial offer only for the above requirement subject to our terms and conditions.

IN ADDITION TO VENDORS MENTIONED ABOVE, OFFERS SHALL ONLY BE CONSIDERED OF THOSE VENDORS WHO WILL SUBMIT EMD. PLEASE SUBMIT DRAFTS FOR EMD DRAWN IN FAVOUR OF BHARAT HEAVY ELECTRICALS LTD. HEEP, HARIDWAR IN ANOTHER ENVELOPE SUPERSCRIBED WITH BOLD LETTERS "EMD". The tender will be opened at 2 PM on the due date in the presence of authorized representative of the bidders who may like to be present. The authorized representative should bring authority letter from their parent company (Manufacturer) for attending the bid opening.

KINDLY READ "INSTRUCTIONS TO BIDDERS." QUOTATION NOT IN ACCORDANCE WITH THE INSTRUCTIONS ARE LIABLE TO BE DISQUALIFIED AND IGNORED.

INSTRUCTIONS TO BIDDERS FOR OPEN TENDER

DEFINITION

Registered Vendors - Are those who are registered with BHEL (HEEP), Haridwar for procurement of Nickel Alloy Bars as per Spec. HW12792 Rev: 04.

Un-registered Vendors - Are those who are not registered with BHEL (HEEP), Haridwar for procurement of Nickel Alloy Bars as per Spec. HW12792 Rev: 04.

Vendors must fill up Annexure- II in confirmation to Pre- Qualification Requirements and quality requirements.

ESSENTIAL INSTRUCTIONS

1. **Only those bids will be considered which have been submitted with requisite EMD.**
2. **BHEL team may visit the vendor (s) works for verification of capability and capacity claimed in tender documents/offer (s).**
3. The tenders shall be submitted in two parts
 - i. Part I - Techno -Commercial Bid & Pre-Qualification Requirement,
 - ii. Part II - Price Bid
4. **The Quotation should be from the Principal / Original Manufacturer, failing which the quotation is likely to be ignored. In Case the quotation is submitted through agent, the quotation must accompany original authorization letter and following to be followed-**
 - a. Either the agent could bid on behalf of the manufacturer/ supplier or the manufacturer/ supplier could bid directly but not both.
 - b. In case bids are received from both the manufacturer/ supplier and the agent, bid received from the agent shall be ignored.
 - c. The agent shall not be allowed to represent more than one manufacturer/ supplier in the same tender.

The authorization letter from the manufacturer, clearly indicating contact details like Name, E-mail & address of manufacturer and relationship with agent and its validity to be submitted with bid. The authorization letter should be tender specific. In case order is to be placed and executed by the agent, the following aspects are to be ensured-

- a. The manufacturer should meet the PQR requirements as defined in the tender.
 - b. In order to establish capability of agent to execute the order, the agent should have annual turnover of at least equal to the estimated value of the goods required under the subject tender during one Financial Year and Net worth of the bidder (agent) should be positive.
 - c. Manufacturer and bidder should jointly confirm Guarantee for the Quality of product and timely delivery as stipulated in NIT.
5. Documents submitted with the offer/bid by the bidder shall be signed and stamped in each page by authorized representative of the bidder. In case the bid is submitted by FAX, the bidder shall simultaneously ensure submission of signed and stamped (in each page) original bid to BHEL. If the documents are received in soft form, the same should be transmitted through vendor's authorized e-mail followed by the signed and stamped copy of the same documents. Documents not signed and stamped in each page by the authorized signatory of the bidder, shall not be accepted and considered for evaluation of the bid.
 6. Any corrections / amendments shall be properly & fully authenticated with signature. No overwriting is acceptable.
 7. Part-I containing Techno-Commercial bid & Pre-Qualification Requirement will be opened on the date and time specified in the tender notice in the presence of those vendors who wish to attend.
 8. Part-II (Price Bids) along with supplementary price bids, if necessary, will be opened at a later date of only those bidders whose techno-commercial bid has been found acceptable.
 9. Suitability of delivery shall be the important criteria for evaluation of techno commercial bid.
 10. Currency exchange rate will be applicable on the date of opening of Part-I (Techno-commercial Bid) for evaluation purpose.
 11. **Evaluation of Bid: - The bid shall be evaluated**
 - a. **Cost to BHEL basis. (Basic Cost + Insurance + Inspection + Transportation + Duty + Taxes)**
 - b. **The loading, if any, on account of LD penalty, payment terms or any other cost determined at later stage, which shall be communicated to the vendor.**
 12. Tenders when finalized shall be in the name of the bidder only and change of name during tender evaluation (without certificate from registrar of company) and after submission of the tender is liable to make the offer ineligible for participation.
 13. All test certificates / Guarantee certificates to be submitted in TRIPLICATE along with dispatch documents.

Tender No. F/F219/9/2180/K1

14. BHEL reserves the right to open the price bid (part-II) along with the opening of techno-commercial offer at its option and in that case vendor will be informed accordingly.
15. **BHEL reserves the right to go for reverse auction. Vendors are requested to give their best price. In case of failure of reverse auction the paper bid shall be processed. 'Guidelines for Reverse Auction are available at following link**
http://www.bhel.com/vender_registration/vender.php
16. Total weight--/Gross/Net in Kg & also package size essentially should be indicated if not exact then approximate.
17. BHEL will evaluate the technical bids against essential criteria/requirements. BHEL may seek clarifications, if required, from the qualified bidders only. These clarifications will be communicated to the eligible vendors. **The offers of those bidders, who are unable to respond in specified time frame, are likely to be ignored.**

Note: Please visit our site www.bhelhwr.co.in for General Instructions and Standard Terms & Conditions (GISTC) for Tender Enquiries for Indian & Foreign Vendor. All the bidders / vendors must ensure compliance of latest GISTC.

GISTC are available in following link

<https://www.bhelhwr.co.in/bhelweb/Gistc.jsp>

IN CASE YOU ARE NOT MAKING AN OFFER AGAINST THIS ENQUIRY, THEN PLEASE ARRANGE TO SEND A LETTER OF REGRET.

DETAILS OF COMPOSITION OF PART-I (TECHNO-COMMERCIAL BID) & PART-II (PRICE BID)

PART-I (TECHNO-COMMERCIAL BID) shall comprise of following documents:

- a. Confirmation to Minimum Qualification Requirement and Quality Requirement as per Annexure-II.
- b. Complete technical offer as per specification, drawings, technical requirement along with un-priced bid.
- c. Delivery schedule.
- d. Inspection charges by LRS/TUV/BV separately for foreign vendors.
- e. Validity of offer for 90 days to be indicated.
- f. Deviation with reference to specification/drawing, if any, should be clearly indicated on a separate sheet.**
- g. Details of activity outsourced.
- h. Endorsed Quality Plan (Quality Plan placed at Annexure- IV).

PART -II (Price Bid)

- a. Price bid with prices to be submitted as part-II of the tender.
- b. Prices should remain firm till the execution of the order.
- c. **In case of foreign vendors, Bidders need to quote their prices on CFR any sea port in Mumbai in Euro/USD/JPY/UK Pound/SF/Singapore Dollar or any other internationally freely tradable currency only.** The name of the currency should be clearly indicated in your bids.

Offers received other than CFR basis may result in non-consideration of such bids. However, if BHEL agrees to accept the CFR / FOB condition, to arrive at landed cost at our plant/site, loading shall be done as per latest GISTC.

In case of Indigenous vendor, prices may be quoted on FOR- Destination- Store-HEEP-BHEL basis. In case BHEL accepts the EX-Works prices such offers will be loaded by 1.5% of EX-Works value towards freight or with actual freight charges as per BHEL freight rate contract whichever is higher.

Insurance – Marine in case of foreign vendor & inland in case of Indigenous vendor shall be taken care by BHEL.

- d. **Prices are to be written in both Figures & Words. In case of any difference between the two, the figure written in words shall be considered for evaluation. No over writing in this is acceptable.**
- e. Penalty for Late Deliveries shall be applicable @0.5% per week or part thereof on the value of respective delayed supplies subject to a maximum of 10% of the value of respective delayed supplies. In case of any variation in LD penalty, your prices shall be loaded to the extent LD penalty not accepted by you.

MARKING OF ENVELOPE:

- Each envelope is to be super scribed as “TENDER FOR (ITEM NAME) AGAINST TENDER NO. **F/F219/9/2180/K1** DUE ON **23.10.2019**.
- Drafts for EMD to be kept in one envelop – **Envelop –A**. On the Top of the envelope, please write Draft No., Issuing Bank Details & Amount. Those vendors who are quoting for more than one tender must submit a statement in the envelopes of all those tenders giving details of all the tenders being quoted. However, the draft of each tender should be kept in individual tender envelop.
- Techno-Commercial & Pre-Qualification Requirement document- Part-I to be kept in another envelop – **Envelop-B** & to be marked as Techno-Commercial Offer.
- Price Bid – Part-II to be kept in another envelop – **Envelop-C** & to be marked as Price Bid.
- Envelop-A, Envelop-B & Envelop-C are to be kept in one envelop super scribed as above

ANNEXURE-I**Item Details and Delivery Schedule**

Tender No.	Item Description	Mat. Code	Size (mm)	Qty. (Kg)	Delivery
F/F219/9/2180/K1	Nickel Alloy Bars Specification- HW12792 Rev: 04 Grade- NICR20TIAL (Alloy 80A)	HW1270292056	Dia- 40	1800	28/02/2020

Remarks-

1. Quantity tolerance $\pm 10\%$ acceptable.
2. Early delivery acceptable.
3. Comparative Statement will be evaluated on item wise basis after combining DEEC and PI Quantity.
4. Risk purchase clause shall be applicable. If you do not confirm this in your offer, then it shall be presumed to be acceptable and no further confirmation will be taken after opening of techno-commercial bid part- 1.
5. After placement of order vendor should submit their invoices against goods and services immediately after supply of goods & services but not later than 30 days from the invoice date. In case of any delay, consequential losses like loss of input credit and non-availability of concessional forms etc., shall be to the vendor account.
6. Penalty for Late Deliveries shall be applicable @0.5% per week or part thereof on the value of respective delayed supplies subject to a maximum of 10% of the value of respective delayed supplies.
7. For this procurement, Public Procurement (Preference to Make in India), Order 2017 dated 15.06.2017, 28.05.2018 & 29.05.2019 (Annexure- VII, VIII & IX) 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 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.
8. NOTE: THE QUANTITY INDICATED ABOVE CAN BE INCREASED/ DECREASED.

ANNEXURE-II**Pre- Qualification Requirements****➤ Technical Requirements-**

Item : Round Bar of diameter 40

Pre-Qualification requirements for NiCr20TiAl (Alloy 80A, material no. 2.4952) Bars as per BHEL specification HW12792

Sl. No.	Technical Requirement	Vendor's confirmation (Y/N)																														
1.	Vendor must have experience of manufacturing and supplying bars of material grade NiCr20TiAl (Alloy 80A). Vendor must have successfully executed at least one purchase order in grade Alloy 80A in last five years on the enquiry issue date. In support of above, details of the experience to be submitted with offer in the format given below: <table><tr><th>Sl. No.</th><th>Name of customer</th><th>Purchase order No</th><th>Dia</th><th>Date of supply</th><th>Quantity</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> Vendor to submit documentary evidence in support of experience, like un-priced PO copy, test certificates for the above supply.	Sl. No.	Name of customer	Purchase order No	Dia	Date of supply	Quantity																									
	Sl. No.	Name of customer	Purchase order No	Dia	Date of supply	Quantity																										
2.	Vendor to submit Creep Rupture test result as per clause 6.2.2.2 of HW12792, Rev 04 of precipitation hardened bars (refer clause 6.2.2 of HW12792, Rev 04), if carried out earlier. In case Creep Rupture test result not available, vendor to carry out Creep Rupture test as per 6.2.2.2 of HW12792, Rev 04 on precipitation hardened bars. The result must satisfy the requirement of specification. Offers without satisfactory Creep Rupture test result will not be considered.																															
3.	Vendor should have in-house facilities like melting, secondary refining (VIM + ESR or VIM + VAR), rolling / forging / extrusion, heat treatment etc. to manufacture round bars as per BHEL specification HW12792 and enquiry size. Details of the manufacturing facilities like melting, secondary refining, rolling / forging, heat treatment etc. are to be provided. In case of outsourcing of any of the above activity, vendor to inform their source with details of their sub supplier facility and experience for enquiry material grade.																															
4.	Vendor to furnish in house testing facilities to carry out all testing as per the requirements of BHEL specification HW12792. In case of outsourcing of any test, vendor to confirm to carry out testing at Government accredited labs only.																															
5.	Vendor to confirm that they will manufacture and supply enquiry item as per BHEL enquiry specification HW12792. Vendor to sign each page of enquiry specification and submit with offer for acceptance for supply as per BHEL enquiry specification.																															
Note- 1. This is applicable for both registered as well as un-registered vendors.																																

➤ Quality Requirements-

Sl. No.	Quality Requirement	Vendor's confirmation (Y/N)
01	Inspection by third party Inspection Agency (LRS/TUV/BV) for import & BHEL nominated agency 'BVIL' for indigenous as per quality plan "QA/CF/QP/353, Rev 00".	
Note- This is applicable for both registered as well as un-registered vendors.		

Signature with stamp

Name:

Name of Firm:

Designation:

Date:

ANNEXURE-III

(Specification)



संस्थान क्रय विनिर्देश (हीप - हरिद्वार)
PLANT PURCHASE SPECIFICATION
 (HEEP - HARIDWAR)

HW 12792

पृष्ठ का
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हस्ताक्षर एवं दिनांक
 SIGN & DATE

सामग्री सूची संख्या को
 INVENTORY NO.
 TLV 9520 06 02/2009

संस्थापिका एवं गोपनीय ;
 इस प्रलेख में दी गई सूचना भारत हेवी इलेक्ट्रिकल्स की सम्पत्ति है इसका प्रयोग एवं अप्रत्यक्ष रूप से किसी भी तरह प्रयोग, जो कि सम्पत्ति के हित में हानिकारक हो ना किया जाए

हस्ताक्षर एवं दिनांक
 SIGN & DATE
 10/10/14

सामग्री सूची संख्या
 INVENTORY NO.
 P-3132

NICKEL ALLOY BARS, GRADE: NiCr20TiAl (Alloy 80A)

1.0 GENERAL:

The specification governs the quality of Nickel alloy bars, rolled or forged for mechanical fasteners in grade NiCr20TiAl/Alloy 80A (Material no. 2.4952).

2.0 APPLICATION:

Bars are required for mechanical fasteners used for steam turbine.

3.0 CONDITION OF DELIVERY:

Bars shall be supplied in hot rolled or forged and milled, heat treated condition. The bars should be straight and free from waviness.

4.0 DIMENSION AND TOLERANCES:

The dimension shall be as per order and tolerance shall be as per EN 10269.

5.0 MANUFACTURING:

5.1 Melting and Hot Forming Process:

The alloy shall be made by vacuum induction melting and electro-slag re-melting (VIM + ESR) or by vacuum induction melting and vacuum arc re-melting (VIM + VAR) process.

For the production of bars forging, rolling or extrusion can be used. Extrusion is allowed only with controlled cold working. The extrusion must be in combination with solution annealing to attain uniform grain size over the cross section.

5.2 Heat Treatment:

Bars shall be delivered in solution treated condition. The final heat treatment is carried out by the bolt manufacturer after the finishing process of the bolts.

- Solution treatment : 8 h at 1050 - 1080°C, Air cooling

Straightening after solution annealing shall be performed only if necessary strictly.

In delivery condition a homogeneous microstructure along the whole section of the bar shall be achieved. The forming process and consequent heat treatment shall comply with this final microstructure.(See also 6.3)

6.0 PROPERTIES AND TESTS:

6.1 Chemical Composition:

Heat analysis in weight % (according to EN 10269 table 1) shall be as follows:

TSX	P. Riturik	10/10/14	नाम NAME	हस्ताक्षर एवं दिनांक SIGNATURE & DATE
PSC	VR Chaudhary			
QAX	U.K. Panda	अनुवादक TRANSLATED BY		
STE	Alok Kr. Singh	निर्माणकर्ता WORKED BY	PANKAJ AGARWAL	Pankaj
		जांचकर्ता CHECKED BY	ASHISH RANJAN	Arasari
		पर्यवेक्षणकर्ता SUPERVISED BY	GOPAL KRISHNAN	Prillan
सहमत विभाग AGREED DEPTT.	नाम NAME	दिनांक एवं हस्ताक्षर DATE & SIGNATURE	स्वीकृति : संस्थान मानक समिति APPROVED : PLANT STANDARDS COMMITTEE	
REV 04			निर्माण PREPARED : MTE	जारी : मानक विभाग ISSUED : STANDARDS DIVISION
10/10/2014				दिनांक DATE : 01/06/1993

Gr No.
 2.65



संस्थान क्रय विनिर्देश (हीप - हरिद्वार)

HW 12792

पृष्ठ का
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PLANT PURCHASE SPECIFICATION
(HEEP - HARIDWAR)

C	0.04 – 0.10	Si	≤ 0.30	Mn	≤ 1.00
P	≤ 0.010	S	≤ 0.010	Cr	18.0 – 21.0
Ti	1.80 – 2.70	Ni	≥ 65.0	Co	≤ 1.00
Fe	≤ 1.50	Al	1.00 – 1.80	B	≤ 0.008
Cu	≤ 0.20	Ti + Al	≥ 3.50		

Following values shall be aimed at:

- Si ≤ 0.10
- P ≤ 0.005
- S ≤ 0.005

Additionally the content of analyzed trace elements as Pb, Zr, Ag, Bi and Mg shall be reported for information.

6.2 Mechanical Properties:

6.2.1 As Solution Heat Treated:

A hardness test shall be performed to verify the uniformity of the strength within a delivery lot (per melt and heat treatment batch). The test amount shall be 10% of the bars with a minimum of 10 bars. When the lot consists of less than 10 bars then all bars shall be tested.

6.2.2 Testing of Representative Mechanical properties in Precipitation Heat Treated Condition:

The mechanical properties are to be determined for each heat treatment batch using reference specimens. The test pieces are to be heat treated after the solution treatment according to the following:

- Stabilization: 845 ± 10°C/ 24h / air
- Precipitation Hardening: 700 ± 10°C/ 16h / air

6.2.2.1 The following properties shall be reached in the longitudinal direction at room temperature:

0.2% proof Strength N/mm ²	Tensile Strength N/mm ²	Elongation (Lo=5d) (%)	Reduction in area (%)	Impact Energy (J)	Hardness HB
≥ 600	1000 - 1300	≥ 12	≥ 12	≥ 20 ¹⁾	310 - 400

¹⁾ Average of 3 Charpy V-notch specimens.

6.2.2.2 Creep Rupture Test at 750°C:

A creep rupture test has to be carried out according to DIN EN 10291 using the following parameters:

Test temperature 750°C
Axial stress 310 MPa

The following values have to be reached:

Creep rupture time $t_m \geq 100$ h
Elongation $A_u \geq 4$ %
Reduction of area $Z_u \geq 4$ %

REV 04

निर्माणकर्ता
WORKED BY

Devdutt Singh

01.12.2012

जांचकर्ता
CHECKED BY

Ashish Ranjan

01.12.12

SUPERSEDES INVENTORY NO

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स्वत्वाधिकार एवं गोपनीय

इस प्रलेख में दी गई सूचना भारत हेवी इलेक्ट्रिकल्स की सम्पत्ति है इसका प्रयोग एवं अप्रत्यक्ष रूप से किसी भी तरह प्रयोग, जो कि कंपनी के हित में हानिकारक हो न किया जाए।

हस्ताक्षर एवं दिनांक
SIGN & DATE

सामग्री सूची संख्या
INVENTORY NO

P-3132



संस्थान क्रय विनिर्देश (हीप - हरिद्वार)

HW 12792

पृष्ठ का

PLANT PURCHASE SPECIFICATION
(HEEP - HARIDWAR)

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If no creep rupture occurs after 100 h, the axial stress can be increased for further 30 MPa after every 24 h, until the creep rupture occurs.

6.3 Metallography:

The ASTM grain size per melt and heat treatment batch in solution annealed condition shall be determined in accordance with ASTM E 112.

A homogeneous microstructure along the whole section of the bar with a grain size 3 to 6 according to ASTM E 112 shall be achieved.

A grain size Duplex ALA 3 according to ASTM E 390 is acceptable. A deviating microstructure has to be documented according to ASTM E 1181 and to be approved by BHEL.

6.4 Outer and Inner Quality / NDE:

6.4.1 Scope of Inspection:

Following NDE shall be performed in delivery condition (as solution heat treated):

- Visual inspection of all bars
- verification test of all bars
- Complete ultrasonic inspection (UT) of all bars according to EN 10308 type 1a-1c (table 1).

6.4.2 Criteria for registration and decision:

Regarding UT inspection, quality class 3 according to EN10308 (table 3) shall be applied.

The decision limit for loss of back wall echo is 3 dB for all bar dimensions. Any linear or surface like inhomogeneity larger than 10 mm in any direction is not acceptable.

7.0 DOCUMENTATION:

The supplier shall supply four copies of the test certificate 3.1 as per EN10204 unless and otherwise stated on the order. The test certificate shall bear the following information:

- Order no.
- Specification no.
- Heat Number, heat analysis and melting method
- Complete information of all heat treatments performed
- Hardness measurements in solution heat treated condition & All Individual values shall be reported.
- Mechanical test result including hardness measurements in precipitation heat treated condition. All individual values shall be reported.
- Results of grain size determination
- Results of non destructive testing
- Results of creep test
- Confirmation of the dimensional and visual check
- Confirmation of the material identification check

8.0 CLEARANCE FOR DELIVERY:

The total results of the tests / checks carried out are the deciding factor for clearance for delivery, and hence shall be intimated to BHEL in advance. In case of nonconformance, BHEL evaluates the total results

REV 04

निर्माणकर्ता
WORKED BY

Devdutt
Singh

01.12.2012

जांचकर्ता
CHECKED BY

Ashish
Ranjan

01.12.2012

SUPERSEDES
INVENTORY NO

सामग्री सूची संख्या को
अधिकृतित करता है

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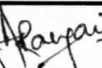
स्वत्वाधिकार एवं गोपनीय

इस प्रलेख में दी गई सूचना भारत हेवी इलेक्ट्रिकल्स की सम्पत्ति है इसका प्रयुक्त एवं अप्रयुक्त रूप से किसी भी तरह प्रयोग, जो कि कंपनी के हित में हानिकारक हो न किया जाए।

हस्ताक्षर एवं
दिनांक
SIGN & DATE

सामग्री सूची संख्या
INVENTORY NO

P-3132

दिनांक एवं हस्ताक्षर SIGN & DATE		संस्थान क्रय विनिर्देश (हीप - हरिद्वार) PLANT PURCHASE SPECIFICATION (HEEP - HARIDWAR)		HW 12792 पृष्ठ का Page 4 of 4	
सामग्री सूची संख्या को SUPERSEDES INVENTORY NO अधिकृत किया गया है	taking into consideration intended use of the material and examines accordingly the acceptability of deviation (if any). No material shall be delivered, if deviated, without acceptance by BHEL. The clearance, however, does not relieve the supplier of his responsibility for the hidden / unreported non-permissible defects which are found later. 9.0 MARKING: The marking of the material shall be such that heat no., heat treatment batch no., specification no. or Material grade & manufacturer name / identification are legible. 10.0 DEVIATIONS: Deviations from this Purchase Specification, which arise during manufacturing, may be submitted to BHEL in writing, giving full details of the deviation. Acceptance of concession request will be at the sole discretion of BHEL. 11.0 CROSS REFERRED STANDARDS: EN 10269, ASTM E 112, ASTM E 390 , ASTM E 1181, EN 10291, EN 10308, EN10204.				
COPYRIGHT AND CONFIDENTIAL The information on this documents is the property of Bharat Heavy Electrical Limited It must not be used directly or indirectly in any way detrimental to the interest of the company					
स्वत्वाधिकार एवं गोपनीय इस प्रलेख में दी गई सूचना भारत हेवी इलेक्ट्रिकल्स की सम्पत्ति है इसका प्रलेख एवं अप्रलेख रूप से किसी भी तरह प्रयोग जो कि कंपनी के हित में हानिकारक हो न किया जाए।					
दिनांक SIGN & DATE					
सामग्री सूची संख्या INVENTORY	REV 04 P-3132	निर्माणकर्ता WORKED BY	Devdutt Singh		01.12.2012
		जांचकर्ता CHECKED BY	Ashish Ranjan		01.12.2012

ANNEXURE-IV
(Quality Plan)

MANUFACTURER'S NAME AND ADDRESS			STANDARD QUALITY PLAN			TO BE FILLED BY		TO BE FILLED BY			
BHEL	VENDOR'S NAME	ITEM	NIMONIC 80A BARS		QP NO.	QA/CF/QP/353					
				REV.	00						
		DRG. NO.	AS PER PO								
		SPEC.	HW12792								
SL. NO.	COMPONENT & OPERATIONS	CHARACTERISTICS	CLASS	TYPE OF CHECK	QUANTUM OF CHECK	REFERENCE DOCUMENT	ACCEPTANCE NORMS	FORMAT OF RECORDS	AGENCY		REMARKS
1	2	3	4	5	6	7	8	9	D	10	11

1.	MELTING IN VIM	CHEMICAL COMPOSITION	MAJOR	SPECTRO ANALYSIS	EACH HEAT	HW12792	HW12792	TC		P	V		
2.	REFINING (ESR or VAR)	CHEMICAL COMPOSITION	MAJOR	SPECTRO ANALYSIS	EACH HEAT	HW12792	HW12792	TC		P	V		
3.	HOT FORGING / ROLLING					AS PER VENDOR'S PRACTICE		IR		P	-	-	
4.	HEAT TREATMENT (SOLUTION ANNEALING)	TIME & TEMPERATURE	MAJOR	HT CHART	100%	HW12792	HW12792	TC		P	V		
5.	STRAIGHTENING	STRAIGHTNESS	MAJOR	STARIGHTNESS	100%	HW12792 & AS PER VENDOR'S PRACTICE		TC		P	V		TO BE PERFORMED IF REQUIRED
6.	HARDNESS TEST (IN SOLUTION HEAT TREATED CONDITION)	HARDNESS	MAJOR	HARDNESS	AS PER SPEC	HW12792	HW12792	TC		P	W		
7.	MECHANICAL TESTING (IN PRECIPITATION HEAT TREATED CONDITION)	0.2% PROOF STRENGTH TENSILE % ELONGATION % REDUCTION IN AREA IMPACT HARDNESS CREEP RUPTURE TEST	MAJOR	MECHANICAL TEST	AS PER SPEC	HW12792	HW12792	TC		P	W		
8.	METALLOGRAPHIC TESTING	GRAIN SIZE / MICROSTRUCTURE	MAJOR	METALLOGRAPHIC	PER MELT PER HT BATCH	HW12792	HW12792	TC		P	V		
9.	NDT	SURFACE DEFECTS INTERNAL DEFECTS	MAJOR	VISUAL UT	100% 100%	HW12792	HW12792	TC		P	W		
10.	VISUAL & DIMENSIONAL CHECK	VISUAL & DIMENSION	MAJOR	VISUAL & MEASURE	100%	PURCHASE ORDER	PURCHASE ORDER	TC		P	W*		*10% RANDOM
11.	IDENTIFICATION MARKING	MARKING	MAJOR	VISUAL	100%	HW12792	HW12792	TC		P	V		

MANUFACTURER/SUBCONTRACTOR		LEGEND:	FOR CUSTOMER USE	APPROVED BY <i>Sugan</i> 19/09/19 <i>Sugan</i> BHEL
		! RECORDS IDENTIFIED WITH 'TICK' SHALL BE ESSENTIALLY INCLUDED BY CONTRACTOR IN QA DOCUMENTATION.		
		M: MANUFACTURER / SUBCONTRACTOR B: BHEL / NOM. INSPECTION AGENCY N: CUSTOMER INDICATE 'P' PERFORM 'W' WITNESS AND 'V' VERIFICATION ALL 'W' INDICATED IN COLUMN 'N' SHALL BE 'CHP' OF CUSTOMER		

ANNEXURE-V
(Risk Purchase Clause)

Risk Purchase Clause

In case of abnormal delays (beyond the maximum late delivery period as per Penalty clause) in supplies / defective supplies or non-fulfilment of any other terms and conditions given in Purchase Order, BHEL may cancel the Purchase Order in full or part thereof, and may also make the purchase of such material from elsewhere / alternative source at the risk and cost of the supplier. BHEL will take all reasonable steps to get the material from alternate source at optimum cost. If bidder does not agree to the above Risk Purchase Clause, BHEL reserves the right to reject the offer. In case for compelling reasons BHEL accepts the offer without acceptance of this clause by the bidder and in the eventuality of Risk Purchase, appropriate action will be taken as per BHEL extant rules. This will be without prejudice to any other right of BHEL under the contract.

Risk & Cost Clause, in line with Conditions of Contract may be invoked in any of the following cases:

1. Contractor/ supplier's poor progress of the work vis-à-vis execution timeline as stipulated in the Contract, backlog attributable to contractor/ supplier including unexecuted portion of work/ supply does not appear to be executable within balance available period (#) considering its performance of execution.
2. Withdrawal from or abandonment of the work by contractor before completion of the work as per contract.
3. Non completion of work/ Non-supply by the Contractor/ supplier within scheduled completion/delivery period as per Contract or as extended from time to time, for the reason attributable to the contractor/ supplier.
4. Termination of Contract on account of any other reason (s) attributable to Contractor/ Supplier.
5. Assignment, transfer, subletting of Contract without BHEL's written permission resulting in termination of Contract or part thereof by BHEL.
6. Non-compliance to any contractual condition or any other default attributable to Contractor/ Supplier.

#In-case inputs from BHEL/Customer are likely to be delayed or are actually delayed, this delay may also be taken into account while considering balance period available for execution of Contract.

Risk and Cost against Balance Work:

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

Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities.

Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items total Quantities as per issued drawings would be deemed to be contract quantities.

Substitute/ extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute/ extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions.

However, increase in quantities on account of additional scope in new tender shall not be considered for this purpose.

NOTE: In case portion of work is being withdrawn, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work/supply' for calculating Risk & Cost amount.

LD against delay in executed work/supply in case of Termination of Contract

LD against delay in executed work/supply shall be calculated in line with LD clause of the contract for the delay attributable to contractor/ supplier. For this purpose, contract value shall be taken as Executed Value of work/supply for the purpose of limiting maximum LD value.

Method for calculation of "LD against delay in executed work/supply" is given below.

- i. Let the time period from scheduled date of start of work till termination of contract excluding the period of Hold (if any) not attributable to contractor/ supplier= T1
- ii. Let the value of executed work/supply till the time of termination of contract= X
- iii. Let the Total Executable Value of work/supply for which inputs/fronTS were made available to contractor/ supplier and were planned for execution till termination of contract = Y
- iv. Delay in executed work/supply attributable to contractor/supplier i.e.
$$T2 = \left(1 - \frac{X}{Y}\right) \times T1$$
- v. LD shall be calculated in line with LD clause of the Contract for the delay attributable to contractor/ supplier taking "X" as Contract Value and "T2" as delay attributable to contractor/ supplier.

Note: In case portion of work/supply is withdrawn, no LD shall be applicable for portion of work/supply withdrawn.

ANNEXURE- VI

Certificate by Chartered Accountant on letter head

This is to Certify that M/s
(hereinafter referred to as 'company') having its registered office atis
registered under MSMED Act 2006, (Entrepreneur Memorandum No (Part- II)
.....dtd:.....,
Category:.....(Micro/Small).(copy enclosed).

Further verified from the Books of Accounts that the investment of the company as
on dateas 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 the MSMED act, 2006:
Rs.....Lacs

(Strike off whichever is not applicable)

The above investment of RsLacs 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 whichever is not applicable)** and the date of graduation of such enterprises from its original category is
(dd/mm/yyyy) which is within the period of 3 years from the date of graduation of such enterprises 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-VII
(Order dated 15.06.2017)

No. P-45021/2/2017-B.E.-II
Government of India
Ministry of Commerce and Industry
Department of Industrial Policy and Promotion

Dated 15th June, 2017
Udyog Bhawan, New Delhi

To

All Central Ministries/Departments/CPSUs/All concerned

ORDER

Subject: Public Procurement (Preference to Make in India), Order 2017

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.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of 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 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.

.....Contd. p.2/-

'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.

3. **Requirement of Purchase Preference:** 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 local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder:
- a. In procurement of goods in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply.
 - b. In the procurements of goods which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher 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 local suppliers, then such balance quantity may also be ordered on the L1 bidder.
 - c. In procurements of goods not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
 - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the 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 local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

.....Contd. p.3/-

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 minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
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 local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall 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 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 local suppliers 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."

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:** Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
 - a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20% ;
 - c. exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be marked to the Member-Convenor of the Standing Committee constituted under this Order.

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 of Industrial Policy and Promotion—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DIPP)—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
- shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - shall annually assess and periodically monitor compliance with this Order
 - shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - may require furnishing of details or returns regarding compliance with this Order and related matters
 - 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
 - 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
 - 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.



(B. S. Nayak)

Under Secretary to Government of India
Ph. 23061257

ANNEXURE-VIII
(Order dated 28.05.2018)

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

Dated 28th May, 2018
Udyog Bhawan, New Delhi

To
All Central Ministries/Departments/CPSUs/All concerned

ORDER

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

Department of Industrial Policy and Promotion, in partial modification of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017, hereby issues the revised ‘Public Procurement (Preference to Make in India), Order 2017’ 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.

‘Local supplier’ means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of 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 local supplier may be above the L1 for the purpose of purchase preference.

.....Contd. p/2

'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. Requirement of Purchase Preference : 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 local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder"

- a. "In procurement of goods, services or works in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods or services or works is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply";
- b. "In the procurements of goods or works which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed";
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher 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 local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- c. "In procurements of goods or works not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed":-
 - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.

.....Contd. p/3

- ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the 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 local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.
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 minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
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 local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall 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 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.

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- 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 local suppliers 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.

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- 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."

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:** Ministries /Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
- a. reduce the minimum local content below the prescribed level;
 - b. reduce the margin of purchase preference below 20% ;
 - c. exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be marked to the Member-Convenor of the Standing Committee constituted under this Order.

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 of Industrial Policy and Promotion—Chairman
Secretary, Commerce—Member
Secretary, Ministry of Electronics and Information Technology—Member
Joint Secretary (Public Procurement), Department of Expenditure—Member
Joint Secretary (DIPP)—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
- shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
 - shall annually assess and periodically monitor compliance with this Order
 - shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
 - may require furnishing of details or returns regarding compliance with this Order and related matters
 - 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
 - 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
 - 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.



(B. S. Nayak)
Under Secretary to Government of India
Ph. 23061257

ANNEXURE-IX
(Order dated 29.05.2019)

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: 29th May, 2019

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 3(a) and 14 modified and Para 10A 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, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' 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.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of 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 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.

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'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. Requirement of Purchase Preference :** 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 local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder

- a. In procurement of all goods, services or works in respect of which the estimated value of procurement is less than INR 50 Lakhs, only local suppliers shall be eligible to bid. However, 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 local suppliers shall be eligible to bid irrespective of purchase value.

Provided that for any particular item, the Nodal Ministry / Department may also prescribe an upper threshold limit, below which procurement shall be made only from local suppliers.

Further provided that in any particular case of procurement, if the procuring authority is of the view that the goods, services or works of required quality / specifications etc. may not be available in the country, or sufficient capacity or competition does not exist domestically, and it is necessary to undertake global competitive bidding, the procuring authority may allow the same after recording reasons. In such cases, the provisions of sub-paragraph b or c, as the case may be, shall apply;

- b. In the procurements of goods or works which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed;
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
 - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher 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 local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- c. In procurements of goods or works not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:-
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.

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- ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
 - iii. In case such lowest eligible local supplier fails to match the L1 price, the 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 local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.
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 minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
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 local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall 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 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.

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- 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 local suppliers 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 or class or classes of items or procuring 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.


29/5/2019.

(Arun Mahendru Baraj)
Senior Development Officer
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