MATERIALS DEPARTMENT P.O. DULIAJAN - 786 602 DIST. DIBRUGARH ASSAM, INDIA

PHONE: 0374 - 2808614 EMAIL: tuhin_roy@oilindia.in

FORWARDING LETTER

TENDER NO. SDH5786P21/07 DATED 25.11.2020 FOR SUPPLY OF LINE PIPES & BENDS.

Dear Sirs,

- 1.0 OIL INDIA LIMITED (OIL), a "Navaratna" Category, Government of India Enterprise, is a premier Oil Company engaged in exploration, production and transportation of crude oil & natural gas with its Headquarters at Duliajan, Assam. Duliajan is well connected by Air with nearest Airport being at Dibrugarh, 45 km away.
- 2.0 In connection with its operations, OIL invites National Competitive Bids (NCB) from competent and experienced manufacturers through OIL's e-procurement site for subject mentioned item. One complete set of Bid Document for above is uploaded in OIL's e-procurement portal. You are invited to submit your most competitive bid on or before the scheduled bid closing date and time through OIL's e-procurement portal. For your ready reference, few salient points of the Tender are highlighted below:

E-Tender No	:	SDH5786P21/07 DATED 25.11.2020
Type of Bidding	:	SINGLE STAGE TWO BID SYSTEM
Type of Tender	:	OPEN TENDER
Tender Fee	:	NOT APPLICABLE
Bid Closing Date & Time	:	06.01.2021; 11:00 HRS.
Technical Bid Opening Date & Time	:	06.01.2021; 14:00 HRS.
Price Bid Opening Date & Time	:	To be decided later and shall be intimated separately to the technically qualified bidders.
Bid Security	:	Not Applicable
Bid Submission Mode	:	Bids must be uploaded online in OIL's E-procurement portal
Bid Opening Place	:	Office of CGM-Materials, Materials Department, Oil India Limited, Duliajan -786602, Assam, India.
Bid Validity	:	Bid should be valid for minimum 120 days from actual bid closing date.
Original Bid Security to be submitted	:	Office of CGM-Materials, Materials Department, Oil India Limited, Duliajan -786602, Assam, India.
Performance Guarantee	:	Applicable @ 3 % of Order value
Integrity Pact	:	To be submitted as per attached format
Contact Details	:	TUHIN ROY, CHIEF MANAGER MATERIALS

		E-MAIL: tuhin_roy@oilindia.in, PHONE: 0374-2808614
E-Tender technical Support	:	TEL: 0374- 2804903, 2807171, 2807192, E-MAIL: erp_mm@oilindia.in
Bids to be addressed to	:	CGM-Materials, Materials Department, Oil India Limited, Duliajan -786602, Assam, India.
Queries/Clarifications on the Tender	:	To submit through e-mail addressed to tuhin_roy@oilindia.in
LIST OF ANNEXURES A	PP	LICABLE
Heading		Particulars
General Terms &	•	MM/LOCAL/E-01/2005 for E-Procurement LCB
Conditions	•	Tenders
Annexure-A	:	Item Details & Quantity of Items.
Annexure-A1	:	Detailed specification, Scope of work and Special Instruction.
Annexure-A2	:	General Notes To Bidders
Annexure-B	:	Bid Evaluation & Rejection Criteria
Annexure-C	:	Independent Third-Party Inspection Agencies for verification and certification of documents pertaining to technical Bid Evaluation & Bid Rejection Criteria (BEC/BRC).
Annexure- D & Proforma-1	:	Details of restrictions on procurement from a bidder of a country which shares a land border with India. Format for Undertaking towards compliance of office memorandum F. No. 6/18/2019-PPD dated 23rd July, 2020
Proforma-2	:	Format of undertaking towards submission of authentic information/documents
Proforma-3	:	Integrity Pact
Proforma-4	<u> </u>	Bid Securing Declaration
Proforma-5	:	Performance Security Format
Proforma -6	:	Format of undertaking towards compliance to Financial Criteria
Proforma -7	:	Format for certificate of annual turnover & net worth
Proforma -8	:	Format of Corporate Guarantee towards Financial standing
Others	:	Any other document uploaded online in OIL's E-procurement portal.
Annexure- E	:	BEC/BRC Evaluation matrix
Annexure- F	<u>:</u>	Technical & Commercial Checklist
Appendix-A2	:	Policy for providing preference to domestically manufactured Iron and Steel products.
Appendix-A3	:	Policy for procurement of Goods pertaining to Oil & Gas business activities covered under Purchase preference Policy (linked with Local Content) (PP-LC)

3.0 OIL now looks forward to your active participation in the Tender.

Thanking you, Yours faithfully, OIL INDIA LIMITED

sd/-(Tuhin Roy) Chief. Manager Materials (FD) For CGM Materials (HoD) For Resident Chief Executive

AA: ITEM DETAILS & QUANTITY OF ITEMS:

ITEM SPECIFICATIONS -

<u>Item 10. LINE PIPE 3LPE,200 MM NB, API 5L-X46. Qty = 32,000 Metre.</u>

Line pipe Bevel Ended 3 LPE coated 200mm (8.5/8") NB dia,

ERW/LSAW/HSAW, Grade API 5L X-46,PSL -2, W/T 6.4 mm as per API 5L latest edition having following specification .

- i) Pipe Outside diameter 219.1mm (8 .5/8"):
- ii) Thickness:6.4mm
- iii) Length: Double random length
- iv) Weight per meter: 33.57 kg/m
- v)Test mill Pressure (Hydraulic): 140kg/sq cm 2000(psi)

Item 20. LINE PIPE 3LPE,200 MM NB, API 5L-X46. Qty = 500 metre.

Line pipe Bevel Ended 3 LPE coated 200mm (8.5/8"") NB dia,

ERW/LSAW/HSAW, Grade API 5L X-46,PSL -2, W/T 7.0 mm as per API 5L

latest edition having following specification.

- i) Pipe Outside diameter 219.1mm (8.5/8""):
- ii) Thickness:7.0mm
- iii) Length: Double random length

iv)Test mill Pressure (Hydraulic): 156 kg/sq cm

<u>Item 30. BEND,90 DEG,NB 200MM,3 LPE API 5L X-46. Qty = 31 No.</u>

Bend Bevel Ended 3 LPE coated Long Radius 90 Deg .Fabricated from line pipe 200mm ,NB (8") dia , ERW/LSAW/HSAW , Grade API 5L X-46,PSL -2,W/T 6.4mm as per API 5L latest edition having following specification.

- i) Pipe Outside diameter 219.1 mm (8.5/4"):
- ii) Thickness:6.4mm
- iii) Weight per meter: 33.57 kg/m
- iv) Test mill Pressure (Hydraulic): 140kg/sq cm 2000(psi)
- v) Deg of Bend: 90Deg Bend radius R=6D where R is the radius of the bend and D is the diameter

<u>Item 40. BEND,60 DEG,NB 200MM,3 LPE API 5L X-46. Qty = 15 No.</u>

Bend Bevel Ended 3 LPE coated Long Radius 60Deg .Fabricated from line pipe 200mm ,NB (8") dia , ERW/LSAW/HSAW , Grade API 5L X-46,PSL -2,W/T 6.4mm as per API 5L latest edition having following specification.

- i) Pipe Outside diameter 219.1 mm (8.5/4"):
- ii) Thickness:6.4mm

- iii) Weight per meter: 33.57 kg/m
- iv) Test mill Pressure (Hydraulic): 140kg/sq cm 2000(psi)
- v) Deg of Bend : 60Deg Bend radius R=6D where R is the radius of the bend and D is the

diameter.

<u>Item 50. BEND,45 DEG, NB 200MM,3 LPE API 5L X-46. Qty = 29 No.</u>

BEND,45 DEG,NB 200MM,3 LPE API 5L X-46 Bend, Bevel Ended 3 LPE coated

Long Radius 45 Degree

Fabricated from line pipe 150mm (6") NB diameter, ERW/LSAW/HSAW

Grade API 5L X-46,PSL -2

W/T 6.4 mm as per API 5L latest edition having following specification

- i) Pipe Outside diameter 219.1mm (65/8")
- ii) Thickness:6.4mm
- iii) Weight per meter:35.57 kg/m
- iv) Test mill Pressure (Hydraulic):140kg/sq cm
- v) Deg of Bend:45Deg

AB: SPECIAL NOTES TO BIDDERS

- 1.0 The Bidder should indicate the dimensions and weight of the offered items, the name of the manufacturer, the country of origin, Import content and place of dispatch of the materials.
- 2.0 Any deviation(s) from the tender specification should be clearly highlighted specifying justification in support of deviation.
- 3.0 Bidder to sign and submit completely filled up BEC / BRC Evaluation Matrix Annexure E & Technical & Commercial Checklist Annexure F.
- 4.0 HSN codes of the items against of the tender are: For pipes 7304 & For bends 7307.
- 5.0 Technical Bid Evaluation & Bid Rejection Criteria (BEC/BRC) documents have to be submitted after verification and certification by Independent Third-Party Inspection Agencies as per ANNEXURE C.
- 6.0 Format for Affidavit of Self Certification regarding Domestic Value Addition in Iron & Steel Products (FORM-1) and other documents have to be submitted as per APPENDIX-A2 "POLICY FOR PROVIDING PREFERENCE TO DOMESTICALLY MANUFACTURED IRON & STEEL PRODUCTS".
- 7.0 Undertaking of Local content percentage and other documents have to be submitted as per APPENDIX-A3 "PURCHASE PREFERENCE POLICY LINKED WITH LOCAL CONTENT (PPLC)".

NOTE: FOR DETAILED SPECIFICATION, SCOPE OF WORK OF THE ABOVE ITEMS PLEASE REFER ANNEXURE – A1.

DETAILED SPECIFICATION, SCOPE OF WORK AND SPECIAL INSTRUCTIONS

PART – A

- 1.0 Line pipes as per specification shown in ANNEXURE A.
- 2.0 All the tendered items shall be procured from same source against this tender and hence, bidder must quote for all items in full quantity strictly complying with the technical specifications as per tender.

3.0 SCOPE OF WORK AND SPECIFICATIONS FOR SUPPLY OF 3LPE COATED & BARE LINE PIPES & BENDS

3.1 **SPECIFICATIONS**:

- 3.1.1 Line Pipes must be manufactured as per API 5L Latest Edition and must bear API monogram. A valid API Specification 5L certificate from the manufacturer shall be submitted along with the quotation without which offer shall be rejected. The pipes shall be brand new, unused, and of prime quality and in double random length without any jointers.
- 3.1.2 Pipe ends: Ends must be prepared as per relevant API specifications. Suitable end protectors as specified shall be used to protect the ends.

3.2 MILL INSPECTION / CERTIFICATION

All line pipes shall be manufactured, tested and certified in accordance with API Specification 5L, Latest Edition.

3.3 PHYSICAL / MECHANICAL TEST:

The following tests shall be carried out on each heat of steel from which the pipes are manufactured as per API Specification 5L, Latest Edition, and test results thereof shall be submitted to OIL along with the materials.

- (i) Chemical Analysis
- (ii) Heat Analysis
- (iii) Product Analysis
- (iv) Recheck Analysis
- (v) Mill-Control Check Analysis
- (vi) Tensile tests
- (vii) Yield strength tests
- (viii) Mill control tensile tests
- (ix) Flattening tests
- (x) Guided bend tests/tensile elongation tests

(xi) Dimension and weight tests including drift and straightness.

(Note: ix and x are required for ERW pipes only)

3.3.1 While conducting the above tests if any of the pipe fails, retest of the same shall be carried out as per API Specification 5L, API 5L Latest Edition.

3.4 Hydrostatic Test:

Each joint of pipe shall be tested hydrostatically to the recommended pressure at the mill in accordance with the relevant API specifications.

3.5 Non-Destructive Tests:

Non-destructive tests shall be carried out as specified in API Specification 5L Latest Edition.

3.6 SUPPLIERs should give details of mills inspection and QC methods available. OIL may require such details in case of an Order.

3.7 SPECIFICATION FOR ELECTRIC WELDED LINE PIPE FOR ONSHORE APPLICATION

Electric welding shall be performed with a minimum welder frequency of 200 kHz. The welding system shall have an integrated control in which following data as a minimum shall be monitored.

- Time
- Welding speed
- Current and Voltage
- Heat treatment temperature

Maximum Carbon Equivalent

For pipes of all grades, size and wall thickness, Carbon Equivalent shall comply with the following limits:

CE (Pcm) < 0.20%

CE (IIW) # 0.40%

Tensile Properties

The finished pipes shall conform to the requirements of relevant table of API 5L latest edition.

Charpy Impact Test for PSL 2

As per API Spec 5L.

Metallographic Examination

Vickers hardness test shall be carried out on each specimen taken for metallographic examination in accordance with ASTM E-92. The resulting Vickers hardness value at any point shall not exceed 248HV10. The maximum difference in hardness between the base metal and any reading taken on the weld or heat affected zone shall be less than 80 HV10. Modalities of retest shall be in accordance with para 9.10.2 of API Spec. 5L

Reverse Bend Test

Reverse bend test shall be executed with the same number of tests and retests specified for flattering test in relevant para of API 5L latest edition.

WALLTHICKNESS

In addition to API requirements, the wall thickness of each pipe shall be checked along the circumference at both ends of pipe body at 12 o'clock, 3 o'clock, 6 o'clock and 9 o'clock positions. The wall thickness tolerance shall comply with the requirements of API Spec 5L specification.

LENGTH

All pipes shall be supplied with length between 11.5 m and 12.5 m. However pipe with length between 10.0 m and 11.5 m can also be accepted for a max. of 5% of the ordered quantity. The minimum average length of the entire ordered quantity in any case shall be 12.0 m. API Spec 5L Table 11 shall not be acceptable. The minimum overall length tolerance shall be (-) zero and (+) one pipe length to complete the ordered quantity. Each pipe shall be measured for conformance to above requirements and all measurements shall be recorded.

STRAIGHTNESS

The deviation from a straight line for shall not exceed 0.2% along any length. Each pipe shall be checked for conformance to this requirement.

PIPE ENDS

Unless specified otherwise, the pipe ends shall be bevelled as per API Spec. 5L. In removing the inside burrs at the pipe ends, care shall be taken not to remove excess metal and not to form an inside cavity or bevel. Removal of excess metal beyond the minimum wall thickness as indicated elsewhere in this specification, shall be a cause for re-bevelling. In case root face of bevel is less than that specified, the pipe ends shall be re bevelled and rectification by filing or grinding shall not be done.

BEVEL PROTECTORS

Both pipe ends of all pipes shall be provided with metallic or high impact plastic bevel protectors as per Manufacturer's standard. Bevel protectors shall be of a design such that they can be re-used by coating applicator.

PURCHASER AND THIRD PARTY INSPECTION (ENGAGED BY PURCHASER)

Manufacturer shall comply with the provisions regarding inspection notice, plant access, compliance and rejection mentioned in Appendix H of API Spec 5L. The Manufacturer shall give reasonable notice of the starting date of normal production and the work schedule. Any action or omission on part of Purchaser's Representative shall not relieve the Manufacturer of his responsibility and obligation to supply material in accordance with this specification.

4.0 THIRD PARTY INSPECTION

4.1 THIRD PARTY INSPECTION FOR LINE PIPES:

- 4.1.1 Inspection by an independent third party to cover the following will be required against line pipes:
- (i) Material Identification
- (ii) Stage inspection at random visit basis during manufacturing
- (iii) Audit and endorsement of all chemical analysis and physical test reports
- (iv) Witness dimensional checks
- (v) Witness mechanical tests (as per API 5L, the Latest Edition)
- (vi) Witness NDT
- (vii) Witness hydrostatic tests
- (viii) Visual inspection for imperfection
- (ix) Longitudinal defect identification
- (x) Transverse defect identification (The same is not required for ERW Pipe)
- (xi) Wall thickness measurement
- (xii) Joint Inspection & Grade confirmation
- (xiii) End area defect identification
- (xiv) Inspection of end bevelling
- (xv) Check and verify length of each joint of pipe
- (xvi) Issue of certificate
- 4.1.2 Manufacturer will carry out physical / chemical / mechanical / hydrostatic, NDT tests etc. for raw material and finished pipes as per relevant API specification (Latest Edition) for all the pipes i.e. 100% (hundred percent). Third Party will check & verify manufacturer's test data, records, reports etc. of raw materials and finished tubes in respect of all the pipes i.e. 100% (hundred percent). Over

and above checking and verification of records and reports, third party will carry out inspection for the followings on the percentage basis given below in his presence:

(a) Raw material inspection for chemical composition and mechanical properties:

10% of number of heats and plates of raw materials will be tested at random by the third party. If the percentage of number of heats/plates for manufacture of particular item is 05(five) or less, then all the raw materials will be tested for chemical composition and mechanical properties, as per relevant codes.

(b) Finished tube inspection:

- (i) Checking dimensions, wall thickness, quality, end beveling (for Beveled ended pipes), surface imperfection etc.: 5% of the tubes at random will be checked/tested by third party.
- (ii) Checking chemical composition and mechanical properties Sample frequency as per API 5L Latest Edition will be tested by the third party.

(c) Witnessing NDT through ultrasonic testing/magnetic particulars method/other methods:

- (i) Longitudinal defects 5% of the tubes at random will be tested by third party.
- (ii) Transverse defects 1% of the tubes at random will be tested by third party.

(d) Hydraulic testing:

10% of the tube at random will be tested by third party.

- 4.1.3 The Third Party Inspection is to be carried out by an internationally reputed inspection agency. SUPPLIERs must indicate the availability of such a Third Party Inspection Agency in their area furnishing following information:
- (i) Name of the Inspection Agency (OIL's clearance has to be obtained prior to engagement except for M/s. Lloyds, M/s. Rites, M/s. I.R.S., M/s DNV, M/s. BV and M/s. Tuboscope Vetco).
- (ii) All inclusive charges for Third Party Inspection per metre (to be indicated separately).

4.1.4 SUPPLIERs to confirm that transportation will be carried out as per API-RP-5L1 (Latest Edition).

4.2 THIRD PARTY INSPECTION FOR COATINGS:

- 4.2.1 Independent Third Party Inspection for coatings is to be carried out by an internationally reputed Inspection Agency in their area furnishing following information:
- (i) Name of the Inspection Agency (OIL's clearance has to be obtained prior to engagement except for M/s. Lloyds, M/s. Rites, M/s. IRS, M/s DNV, M/s. BV and M/s. Tuboscope Vetco).
- (ii) All inclusive charges for Third Party Inspection per metre (to be indicated separately).

4.2.2 Third Party shall carry out inspection of the coating as per para 6.10 'INSPECTION AND TESTING' and quantum of inspection to be carried out by TPIA shall be as per table 4.2.2(t1) below.

Table 4.2.2(t1)

	Inspection and	Scope of	Quantum of	Verifying
Sl.no.	testing description.	TPIA.	check.	document.
			10% of total	
1	Visual Inspection	Visual check	ordered quantity	
		Physical	10% of total	
2	Coating Thickness	check	ordered quantity	
			10% of total	
3	Holiday Detection	Witness	ordered quantity	
				Suppliers test
4	Bond Strength Test	Verify.	Random	report.
				Suppliers test
5	Image of Change of	V anifer	Random.	report.
3	Impact Strength	Verify.	Kandom.	Cymulians tost
				Suppliers test
6	Indentation Hardness	Verify.	Random.	report.
		·		Suppliers test
				report.
7	Air Entrapment Test	Verify.	Random.	-
				Suppliers test
8	Degree of Cure	Verify.	Random.	report.
	Degree of Cure	voilly.	Kandom.	Suppliers test
	Epoxy Layer Adhesion			report.
9	Test	Verify.	Random.	report.
	Cathodic Disbondment	•		Suppliers test
10	Test	Verify.	Random.	report.

4.2.3 Third party will carry out additional tests and inspections which they feel deem necessary as per DIN-30670, 1991 and also issue necessary inspection certificate.

4.3 THIRD PARTY INSPECTION FOR BENDS.

Third Party will check, verify and certify the following for the bends before coating.

- 4.3.1 Test certificate of chemical, mechanical tests, heat treatment, dimensional inspection and hydro-test carried out on pipe used for fabrication of bend.
- 4.3.2 Certificate of non-destructive test / examination carried out on bends.
- 4.3.3 Records of heat treatment, if carried out for bends.
- 4.4.4 Dimensional tolerance of bends.

Third party will check, verify and certify the following for the bends after coating.

4.4.5 Third party will carried out all necessary test / inspection as per requirement of Para – 4.2 i.e THIRD PARTY INSPECTION FOR COATINGS.

5.0 SCOPE OF WORK AND SPECIFICATIONS FOR PIPE HANDLING, LOADING, TRANSPORTATION TO COATING PLANT AND UNLOADING AT COATING PLANT.

- 5.1 The SUPPLIER (whether they are pipe manufacturer or pipe coating applicator or supplier of the pre-coated pipes as referred to PART B, Bid rejection criteria & Bid evaluation criteria) shall be fully responsible for the custody of the pipes from the start of manufacturing until the time the coated pipes are 'handed over' to COMPANY and/ or installed in permanent installation of the COMPANY in the case may be as per terms of the tender.
- 5.2 The SUPPLIER shall load, transport, the bare pipes to the coating plant(s) and unload and stockpile the same using suitable means and in a manner to avoid damage to pipes. The SUPPLIER shall stockpile the bare pipes at the storage area of the coating plant. The SUPPLIER shall prepare and furnish to COMPANY a procedure/calculation generally in compliance with API RP-5L1 for stacking of pipes of individual sizes, which shall be approved by COMPANY prior to commencement.
- 5.3 The SUPPLIER shall load, unload, transport and stockpile the bare pipes within the coating plant using approved suitable means and in a manner to avoid damage to the pipe. The COMPANY shall approve such procedure prior to commencement of work.
- 5.4 In case bare line pipe supply is from foreign origin, it will be the sole responsibility of the SUPPLIER to receive and take-over the line pipes from the pipe manufacturer and SUPPLIER shall be solely responsible for port clearance, stevedoring, liaison, port fees, easements, warehousing, wharf age, handling, unloading / loading as applicable. SUPPLIER shall then transfer the pipes to the coating facility.
- 5.5 Coated pipes may be handled by slings and belts of minimum 60 mm width made of non-abrasive/ non-metallic materials. In this case, stacked pipes shall be separated row by row to avoid damages by rubbing the coated surface in the process of taking off the slings. Use of round sectional slings is prohibited. Fork lifts may be used provided that the arms of the forklift are covered with suitable pads, preferably rubber.
- Bare / coated pipes at all times shall be stacked completely clear from the ground, at least 300 mm, so that the bottom row of pipes remain free from any surface water. The pipes shall be stacked at a slope so that driving rain does not collect inside the pipe. Bare / coated pipes may be stacked by placing them on ridges of sand free from stones and covered with a plastic film or on wooden supports provided with suitable cover. This cover can be of dry, germ free straw covered with plastic film, otherwise foam rubber may be used. The supports shall be spaced in such a manner as to avoid permanent bending of the pipes. Stacks shall consist of limited number of layers such that the pressure exercised by the pipe's own weight does not cause damages to the coating. SUPPLIER shall submit calculations for COMPANY approval in this regard. Each pipe section shall be separated by means of spacers suitably spaced for this purpose. Stacks shall be suitably secured against falling down and shall consist of pipe sections having the same diameter and wall thickness. The weld seam of pipes shall be positioned always in a manner so as not to touch the adjacent pipes. The ends of the pipes during handling and stacking shall always be protected with bevel protectors.
- 5.7 The lorries used for transportation shall be equipped with adequate pipe supports having as many round hollow beds as there are pipes to be placed on the bottom of the lorry bed. Total width

of the supports shall be at least 5% of the pipe length and min. 2 no. support shall be provided. These supports shall be lined with a rubber protection and shall be spaced in a manner as to support equal load from the pipes. The rubber protection must be free from all nails and staples where pipes are in contact. The second layer and all following layers shall be separated from the other with adequate number of separating layers of protective material such as straw in plastic covers or mineral wool strips or equivalent, to avoid direct touch between the coated pipes. All stanchions of lorries used for transportation shall be covered by non-abrasive material like rubber belts or equivalent. Care shall be exercised to properly cover the top of the stanchions and other positions such as reinforcement of the truck body, rivets, etc. to prevent damage to the coated surface. Slings or non-metallic straps shall be used for securing loads during transportation. They shall be suitably padded at the contact points with the pipe.

- 5.8 Materials other than pipes and which are susceptible of deteriorating or suffering from damages especially due to humidity, exposure to high thermal excursions or other adverse weather conditions, shall be suitably stored and protected. Deteriorated materials shall not be used and shall be replaced at SUPPLIER's expenses. These materials, shall always be handled during loading, unloading and storage in a manner so as to prevent any damage, alteration and dispersion. When supplied in containers and envelopes, they shall not be dropped or thrown, or removed by means of hooks, both during the handling operations till their complete use. During unloading, transport and utilization, any contact with water, earth, crushed stone and any other foreign material shall be carefully avoided. The SUPPLIER shall strictly follow Manufacturer's instructions regarding storage temperature and methods for volatile materials that are susceptible to change in properties and characteristics due to unsuitable storage. If necessary the SUPPLIER shall provide for a proper conditioning.
- 5.9 In case of any marine transportation of bare/coated line pipes involved, the same shall be carried out in compliance with API RP 5LW. SUPPLIER shall furnish all details pertaining to marine transportation including drawings of cargo barges, storing/stacking, sea fastening of pipes on the barges/marine vessels to the company for approval prior to undertaking such transportation works. In addition SUPPLIER shall also carry out requisite analyses considering the proposed transportation scheme and establish the same is safe and stable. On-deck overseas shipment shall not be allowed.
- 5.10 The above scopes from 5.1 to 5.9 shall also cover transportation of requisite bare pipes from pipe manufacturing yard to LR bend fabrication unit and onward transportation of the LR bends to coating unit.

6.0 SCOPE OF WORK AND SPECIFICATIONS FOR 3 LAYER SIDE EXTRUDED POLYETHYLENE COATING

6.1 SCOPE:

This specification covers the minimum requirements for supply/arrangement of all materials, plant, equipment, plant sites, consumables, utilities and application including all labour, supervision, inspection and tests etc. for application of external anti-corrosion coating of pipes by using 3 Layer Side Extruded Polyethylene coating conforming to DIN-30670, latest edition, 'Polyethylene Coating for Steel Pipes and Fittings' and the requirements of this specification.

6.2 REFERENCE STANDARDS

Reference has also been made to the latest edition of the following standards, codes and specifications. The edition enforce at the time of floating the enquiry shall be termed as latest edition.

- a) ASTM D-149: Standard Test Methods of Dielectric Breakdown Voltage and Dielectric Strength of Solid Electrical Insulating Materials at Commercial Frequencies.
- b) ASTM D-257: Standard Test Methods for D-C Resistance or Conductance of Insulating Materials.
- c) ASTM D-543: Standard Method of Test for Resistance of Plastics to Chemical Reagents.
- d) ASTM D-570: Standard Method of Test for Water Absorption of Plastics.
- e) ASTM D-638: Standard Method of Test for Tensile Properties of Plastics.
- f) ASTM D-792 : Standard Test Method for Density and Specific Gravity (Relative Density) of Plastics by Displacement.
- g) ASTM D-1238: Test Method for Flow Rates of Thermoplastics by Extrusion
- h) ASTM D-1525: Test Method for Vicat Softening Temperature of Plastics
- i) ASTM D-1603: Test Method for Carbon Black in Olefin Plastics
- j) ASTM D-1693: Test Method for Environmental Stress Cracking of Ethylene Plastics
- k) ASTM D-2240: Test Method for Rubber Property Durometer Hardness.
- l) ASTM D-3895 : Test Method for Oxidative-Induction Time of Polyolefins by Differential Scanning Calorimetry
- m) ASTM G-42: Tentative Methods for Cathodic Disbonding of Pipeline coatings Subjected to Elevated or Cyclic Temperatures.
- n) API RP 5L1: Recommended Practice for Railroad Transportation of Linepipe.
- o) API RP 5LW: Transportation of Line Pipe on Barges and Marine Vessels
- p) DIN EN 10204: Metallic Products Types of Inspection Documents
- q) DIN 53735: Testing of Plastics: Determination of Melt Index of Thermoplastics.
- r) IEC 454 2: Specification for Pressure-Sensitive Adhesive Tapes for Electrical Purposes.
- s) ISO 8501-1: Preparation of Steel Substrates before Application of Paints and Related Products Visual Assessment of Surface Cleanliness: Part 1 Representative Photographs of the Change of Appearance imparted to Steel when Blast Cleaned with different Abrasives
- t) ISO 8502 3 : Preparation of Steel Stubstrates before Application of Paints and Related Products Part 3 Assessment of Dust on Steel Surfaces Prepared for Painting (Pressure Sensitive Tape Method)
- u) ISO 9002 : Quality Systems : Model for Quality Assurance in Production, Installation and Servicing
- v) ISO 11124: Preparation of Steel Substrates Before Application of Paints and Related Products
- w) API 5L, Latest Edition: Specification for Line Pipe
- x) ASME B31.8 : Gas Transmission and Distribution Piping Systems.

- y) ASME B31.4 : Liquid Transportation Systems for Hydrocarbons, Liquid Petroleum Gas, Anhydrous Ammonia, and Alcohols.
- z) CSA Z245.20-02: External Fusion Bond Epoxy Coating for Steel Pipe.

The SUPPLIER shall be familiar with the requirements of these documents and shall make them readily available at the coating plant to all persons concerned with carrying out the works specified in this specification.

6.3 PLANT SCALE AND INSTALLATION

- 6.3.1 SUPPLIER shall size coating plant(s) after evaluating the scale of work and the time schedule required for the works. Coating plant(s), both new or existing, shall be installed into a yard whose geometry and dimensions are such as to allow the execution of a continuous work schedule. For this purpose the SUPPLIER shall ensure non-stop work execution owing to prohibitive adverse weather conditions and install requisite equipment and plant in roofed and adequately weather protected areas.
- 6.3.2 Plant equipment, machinery and other facilities shall be in first class operating condition to at least meet the job requirements of quality and production. Worn out and improvised plants are not acceptable.
- 6.3.3 The SUPPLIER shall, at his own responsibility and cost, provide and prepare all necessary area for the storage of bare and coated pipe and all other materials, for coating yard, stock-piling and other temporary installation. For each area, SUPPLIER shall provide necessary agreements as required with the land owner(s) / relevant Authorities, and, on work completion, to clean and pay settlement and claims for damages, as applicable.
- 6.3.4 The SUPPLIER shall at its own responsibility and cost, provide for water and power supply and other utilities and consumables and obtain authorization regarding access roads and other permits required for the execution of works conforming to all the requirements of the governing Authorities.
- 6.3.5 The SUPPLIER shall at its own expense provide a fully equipped laboratory and test facilities with adequate inventory to carry out tests required for the procedure qualification and regular production. Outside testing for qualification and regular production is not acceptable to COMPANY.
- 6.3.6 The SUPPLIER shall be fully responsible for adherence to all statutory regulations applicable for handling and disposal of the hazardous chemicals during the coating works
- 6.3.7 The SUPPLIER shall be responsible for obtaining all statutory approvals / clearances from relevant Authorities including Pollution Control Board, as applicable for the coating plant(s).

6.4 MATERIALS

6.4.1 The three layer coating system shall comprise of a powder epoxy primer, polymeric adhesive and a polyethylene top coat. Coating materials shall be suitable for the service conditions and the pipe sizes involved. The coating materials i.e. epoxy powder, adhesive and polyethylene compound shall have proven compatibility. The coating system and materials shall be pre-qualified and approved by COMPANY in accordance with provisions of Para 6.5.4, Annexure I of this specification. SUPPLIER shall obtain prior approval from COMPANY for the coating system and coating materials.

- 6.4.2 The coating materials Manufacturer shall carry out tests for all properties specified in para 6.5.1 and 6.5.2 for each batch of epoxy, adhesive and polyethylene compound. In addition, the Manufacturer shall also furnish Infra-red Scan for each batch of epoxy powder. The coating materials Manufacturer shall issue test certificates as per DIN EN 10204, 3.1B for each batch of materials supplied to SUPPLIER and the same shall be submitted to COMPANY for approval prior to their use.
- 6.4.3 In addition to Manufacturer's certificate, the SUPPLIER shall draw samples from each batch of epoxy, adhesive and polyethylene in the presence of COMPANY Representative and test for the following properties at the coating yard at least one week prior to its use, to establish compliance with the Manufacturer's test certificates.

(a) Epoxy Powder:

- Ø Gel Time
- Ø Cure time
- Ø Moisture content
- Ø Thermal Characteristics (Tg1, Tg2, #H)
- (b) Adhesive:
- Ø Specific Gravity
- Ø Melt Flow Rate
- Ø Vicat Softening Point
- (c) Polyethylene:
- Ø Melt Flow Rate
- Ø Specific Gravity
- Ø Vicat Softening Point.
- Ø Moisture Content
- Ø Oxidative Induction Time

In case of failure of any of the above tests in a batch, that batch of material shall be tested for all other tests required as per para 6.5.1 and 6.5.2 including the tests which failed. If all tests pass, the batch shall be accepted for coating. If any of the tests fail, entire batch of material shall be rejected and shall not be used for the coating.

- 6.4.4 All materials to be used shall be supplied in sealed, damage free containers and shall be suitably marked with the following minimum information:
- Ø Name of the Manufacturer
- Ø Type of Material
- Ø Batch Number
- Ø Place and Date of Manufacture

Ø Shelf Life/Expiry Date (if applicable)

Ø Quantity

All materials noted to be without above identification shall be deemed suspect and shall be rejected by COMPANY. Such materials shall not be used for coating and shall be removed from site and replaced by SUPPLIER at his expense.

- 6.4.5 SUPPLIER shall ensure that all coating materials are properly stored in accordance with the Manufacturer's recommendation at all times, to prevent damage and deterioration in quality prior to use.
- 6.4.6 SUPPLIER shall be required to use all materials on a date received rotation basis, i.e. first infirst used basis.

6.5 FUNCTIONAL REQUIREMENTS AND PROPERTIES OF COATING

- 6.5.1 The coating shall be able to withstand a maximum in service operating temperature of (+)65°C and shall conform to 'S' Type of coating as per DIN 30670. In addition, in open storage the coating must be able to withstand a temperature of at least (+)80°C, without impairing its serviceability and properties specified.
- 6.5.2 The top coat polyethylene used shall be a black readymade compound, fully stabilized against influence of ultraviolet radiation (i.e. sunlight), oxygen in air and heat (due to environmental temperature as specified above). No appreciable changes shall occur during exposure to such environments up to at least a period of 6000 hours. The SUPPLIER shall submit certificate from Manufacturer in this regard

6.5.3 Properties:

Properties of coating system and coating material shall comply the requirements indicated in subsequent paragraphs. In case the coating / material properties are tested as per test methods / standards other than specified herein below, the same may be accepted provided the test procedures and test conditions are same or more stringent than the specified.

Properties of Epoxy Powder and Adhesive

SUPPLIER shall choose such a brand of epoxy powder and adhesive that will achieve the functional requirements and properties of coating system as specified in para 6.5.1 and 6.5.3 of this specification respectively. Epoxy powder properties shall be as per CSA Z245.20-02. The colour of epoxy powder shall be either green or dark red or any other colour approved by COMPANY except grey colour. Copolymer grafted adhesive shall have the following properties:

Sl. No	Properties	Unit	Requirement	Test Method
a	Melt Flow Rate (190°C / 2.16 kg	g/10 min	1.0 min	ASTM D1238
b	Vicat Softening Point	°C	100 min	ASTM D1525
С	Specific Gravity		0.926 min	ASTM D792

Properties of Polyethylene Compound

Sl.				
No	Properties	Unit	Requirement	Test Method
a	Tensile Strength @ + 25 0 C	N/mm 2	17 min	ASTM D 638
				ASTM D
				1238/ DIN
b	Melt Flow Rate (190°C / 2.16 kg)	g/10 min	0.25 min.	53735
			0.926 min.	
			(MDPE)	
			0.941 min.	
c	Specific Gravity @ + 25 ° C	-	(HDPE)	ASTM D 792
				ASTM D
d	Hardness @ + 25 °C	Shore D	50 min	2240
	Water Absorption, 24 hours, @ +			
e	25 °C	%	0.05 max	ASTM D 570
f	Volume Resistivity @ + 25°C	Ohm-cm	1015 min	ASTM D 257
	Dielectric withstand, 1000 Volt/sec			
g	rise @ + 25 °C	Volts/mm	30,000 min	ASTM D 149
h	Vicat Softening Point	0C	110 min	ASTM D
i	Elongation	%	600 min.	ASTM D638
	Oxidative Induction Time in			
	Oxygen at 220°C, Aluminium pan,			
j	no screen	Min	10	ASTM D3895
	Environmental Stress Crack			
	Resistance (ESCR) (for F50) -			
	Medium Density, Condition "C" -			
k	High Density, Condition "B"	Hours	300 300	ASTM D1693
1	Carbon Black Content	%	2 min.	ASTM D1603

Properties of Coating System

Sl.				Test
No	Properties	Unit	Requirement	Method
	Bond Strength (using Type 2 Test			
	Assembly i.e. Dynamometer)			
	- @ 20 +/- 5°C		8.0 min	
a	- @ 65 +/- 5°C	Kg/Cm	5.0 min	DIN 30670
	Impact Strength (Min. of 30 impacts on	Joules/mm		
	body along the length. No breakdown	of coating		
b	allowed when tested at 25 Kv)	thickness	7 min	DIN 30670
	Indentation Hardness.			
	- @ 23 +/- 2°C .		0.2 max	
c	- @ 70 +/- 2°C	mm	0.3 max	DIN 30670
d	Elongation at Failure	%	300 min.	DIN 30670
e	Coating Resistivity (*)	$Ohm - m^2$	10^8 min.	DIN 30670
	•		Melt Flow	
			Rate shall not	
			deviate by	
			more than	
			35% of	
f	Heat Ageing (*)		original value	DIN 30670
			Melt Flow	
			Rate shall not	
			deviate by	
			more than	
			35% of	
g	Light Ageing (*)		original value	DIN 30670
	Cathodic Disbondment (**)	mm radius		
	- @ + 65° C after 30 days	of dis	15 max.	
h	- @ + 65°C after 48 hrs	bondment	7 max	ASTM G42
	Degree of Cure of Epoxy (***)			
	- Percentage Cure, ΔH	%	95	CSA Z
i	- Δ Tg %	°C	+3 / -2	245.20-98

^(*) Test carried out in an independent laboratory of national / international recognition on PE top coat is also acceptable.

6.5.4 The acceptable combinations of coating material shall be as per Annexure-I.

^(**) Disbondment shall be equivalent circle radius of total unsealed area as per ASTM G 42.

^(***) Temperature to which the test specimens are to be heated during cyclic heating shall however be as per the recommendations of epoxy powder manufacturer.

ANNEXURE-I: LIST OF ACCEPTABLE COMBINATIONS OF COATING MATERIALS

The following combinations of coating materials are considered acceptable. In case any of the combinations listed below are offered, details regarding properties of the offered materials need not be furnished with bid. However, In the event of award of contract, SUPPLIER shall furnish the combination(s) proposed and re-confirmation of compatibility of the proposed combination (s) from the raw materials Manufacturers.

	Adhesive	PE Compound
Epoxy Powder (Manufacturer)	(Manufacturer)	(Manufacturer)
CORRO-COAT EP-F 2001	FUSABOND 158D	SCLAIR 35 BP HDPE
(JOTUN)	(DUPONT)	(NOVACOR)
PE 50-8190/8191 (BASF) or		
CORRO-COAT EP-F 2001	LUCALEN G3510H	LUPOLEN 3652 D SW00413
(JOTUN)	(BASF)	(BASF)
PE 50-6109 (BASF) or CORRO-		
COAT EP-F 2001 (JOTUN) or		
SCOTCHKOTE 226N (3M)	ME 0420 (BOREALIS)	HE 3450 (BOREALIS)
CORRO-COAT EP-F 2001		
(JOTUN) or CORRO-COAT	LE – 149 V (S K	ET 509 B (S K
EP-F 2002 (JOTUN)	CORPORATION)	CORPORATION)

Although the above combinations would be acceptable to COMPANY, the responsibility of suitability for application, performance and compliance to the coating system requirements shall unconditionally lie with the SUPPLIER. SUPPLIER shall ensure that adhesive as well as polyethylene is manufactured by the same Manufacturer.

6.6 MEASUREMENT AND LOGGING

The SUPPLIER shall maintain records in computer using standard database Software containing all the relevant data of individual pipe and pipe coating including pipe number, heat number, diameter, length, wall thickness, defects, coating number, batches of materials, sampling, testing, damages, repairs, rejects and any other information that COMPANY considers to be relevant and required for all incoming bare pipes and COMPANY approved outgoing coated pipes as applicable. SUPPLIER's documentation shall be designed to ensure full traceability of pipe and coating materials through all stages of coating and testing. SUPPLIER shall submit this information in the form of a report at the agreed intervals. The above data shall also be provided in MS ACCESS format in Compact Disc (CD). SUPPLIER shall provide the use of one Computer Terminal to COMPANY Representative for monitoring/tracking of the above. In addition SUPPLIER shall also submit the material balance details to COMPANY for information.

6.7 COATING PROCEDURE AND QUALIFICATION

- 6.7.1 Upon award of the PURCHASE ORDER, the SUPPLIER shall submit within two (2) weeks, for COMPANY approval, a detailed report in the form of bound manual outlining, but not limited to, the following:
- Ø Details of plant(s), location(s), layout, capacity and production rate(s).
- Ø Details of the equipment available to carry out the coating works including surface preparation, epoxy powder application and its recycling system, adhesive & polyethylene extrusion, moisture control facilities available for coating materials.

- Ø Details of process control and inspection equipment required for the coating process such as temperature control, thickness control, holiday testers, etc.
- Ø Facilities in the yard for unloading, handling, transport, production, storage, stockpiling, loading of bare and coated pipes and warehouses for storage of other coating materials.
- Ø Plant Organisation Chart and availability of manpower including coating specialist
- Ø Details of utilities/facilities such as water, power, fuel, access roads and communication etc
- After COMPANY has given approval, no change in plant set-up shall be made. However, unavoidable changes shall be executed only after obtaining written approval from COMPANY.
- 6.7.2 At least four (4) weeks prior to the commencement of production coating, a detailed procedure of the SUPPLIER's methods, material proposed, etc., shall be formulated by the SUPPLIER and submitted for COMPANY approval in the form of a bound manual. The procedure shall include, but not limited to, the following information and proposals:
- Ø Pipe inspection at the time of bare pipe receipt.
- Ø Steel surface preparation, including preheating, removal of steel defects, method of pipe cleaning, dust removal, abrasive blast cleaning and surface profile; methods of measurements and consumables.
- Ø Pipe heating, temperatures and control prior to epoxy application.
- Ø Complete details of raw materials including current data sheets showing values for all the properties specified together with quality control and application procedure recommendations from manufacturer(s).
- Ø Application of FBE powder, adhesive and polyethylene, including characteristics, temperature, line speed, application window, curing time, etc.
- Ø Quenching and cooling, including time and temperature.
- Ø Quality Assurance System, Quality Plan, Inspection and Test Plan and reporting formats, including instrument and equipment types, makes and uses, etc
- Ø Detailed method of repair of coating defects duly classified depending upon nature and magnitude of defects and repair thereof including coating stripping technique
- Ø Details of instrument and equipment calibration methods including relevant standards and examples of calibration certificates.
- Ø Complete details and inventory of laboratory and equipment for procedure qualification and regular production
- Ø Pipe handling and stock piling procedures
- Ø Sample of recording and reporting formats, including laboratory reports, certificates and requirement as per clause 6.0 of this specification.
- Ø Complete details of test certificates for raw materials including test methods and standards used.
- Ø Test certificates from PE compound manufacturer for tests for thermal aging, coating resistivity and aging under exposure to light. These test certificates shall not be older than three years

- Ø Health, Safety and Environment Plans.
- Ø Storage details of coating materials and chemicals.
- Ø Continuous temperature monitoring at various stages of coating

Procedure Qualification Tests (PQT) shall be carried out only after obtaining written approval of the above procedure from COMPANY. No change in the procedure shall be made after the COMPANY has given approval. However, unavoidable changes shall be executed only after obtaining written approval from COMPANY.

6.7.3 Prior to start of production, the SUPPLIER shall, at his expense, carry out a coating PQT for each pipe diameter on max. wall thickness, for each type of pipe, for each coating material combination, and for each plant, to prove that his plant, materials, and coating procedures result in a quality of end product conforming to the properties stated in clause 5.3, relevant standards, specifications and material manufacturer's recommendations. SUPPLIER shall give seven (7) working days notice to witness all procedures and tests. A batch representing a normal production run, typically 15 pipes, shall be coated in accordance with the approved coating procedure and the coating operations witnessed by COMPANY Representative. Out of these pipes, at least one pipe shall be coated partly with epoxy and partly with both epoxy and adhesive layers.

At least 5 (five) test pipes shall be selected by COMPANY Representative (opotional) for coating procedure approval tests and shall be subjected to procedure qualification testing as described hereinafter. COMPANY Representative shall witness all tests. Out of 5 (five) test pipes, 1 (one) pipe partly coated with epoxy and partly coated with both epoxy and adhesive layers shall be included. Remaining 4 (four) test pipes shall have all three layers. During PQT, the SUPPLIER shall qualify various procedures forming a part of coating operations as detailed subsequently.

6.7.4 Qualification of Procedures

6.7.4.1 **Epoxy Powder Application & Recycling:** During pre-qualification, air pressure in the epoxy spray guns, satisfactory functioning of monitoring system, line speed vs coating thickness, etc. shall be established. Dew point of air used to supply the fluidised bed, epoxy spray system and epoxy recycling system shall be recorded during the PO

Also, the SUPPLIER shall remove samples of reclaimed powder from the reclamation system. These samples of reclaimed powder shall be subject to a detailed visual examination, thermal analysis and moisture content tests. The properties of the reclaimed powder shall be within the range specified by the Manufacturer of epoxy powder. In case the properties of the reclaimed powder are out of the range specified by the Manufacturer, SUPPLIER shall not the use the reclaimed powder during the regular production.

- 6.7.4.2 **Pipe Pre-heating :** The SUPPLIER shall establish the temperature variation due to incoming pipe temperature, line speed variation, wall thickness variation, emissivity, interruptions, etc. and document the same during the PQT stage. During PQT, proper functioning of pipe temperature monitoring and recording system including alarm/hooter shall be demonstrated to the COMPANY Representative.
- 6.7.4.3 **Surface Preparation:** The procedure to clean and prepare the pipe surface shall be in accordance with the requirements of this specification. The ratio of shot to grit shall be established

during procedure qualification testing, such that the resultant surface profile is not dished and rounded. The qualification shall be performed through a visual inspection, measurement of roughness and check of the presence of dust on the abrasive blast cleaned pipe surface.

6.7.4.4 **Coating Application**: The COMPANY Representative will check the correctness of each coating application operation, values of the main parameters of each operation, pre-heating pipe surface temperature prior to epoxy powder application temperature, line speed, fusion bonded epoxy curing time, temperature and flow rate of co-polymer adhesive and polyethylene, etc. and the same shall be recorded. These values shall be complied with during regular production.

6.7.5 Qualification of Applied Coating

- 6.7.5.1 Tests on pipe coated partly with epoxy and partly with epoxy & adhesive layers Degree of Cure: Epoxy film samples (minimum 4 no.) shall be scrapped from the coated pipe and the samples shall be taken for cure test using Differential Scanning Calorimetry (DSC) procedure. Care shall be taken to remove the samples of full film thickness avoiding inclusion of steel debris. Glass transition temperature differential (Δ Tg) and % cure (Δ H) shall comply with the specified requirements.
- Ø Epoxy Layer Thickness: Epoxy layer thickness shall be checked at every one metre spacing at 3, 6, 9 and 12 o'clock positions. The thickness shall comply with the specified thickness requirements.
- Ø Adhesive layer Thickness: Adhesive layer thickness shall be checked at every one metre spacing at 3, 6, 9 and 12'o clock positions. The thickness shall comply with the specified thickness requirements.
- Ø Holiday Inspection: Entire pipe shall be subject to holiday inspection and the test voltage shall be set to exceed 5 v/micron of epoxy thickness specified for the portion coated only with epoxy layer.

Ø Adhesion Test:

- i. Adhesion Test (24 hrs or 48 hrs) shall be carried out on the epoxy coated pipe. Test method, no. of test specimen and acceptance criteria shall comply CSA Z.245.20-02, Table 4.
- ii. Adhesion of FBE shall also be separately determined at ambient temperature at two locations by the "St Andrews Cross" method and the test shall comply with the specified requirements.
- Ø 2.5° Flexibility Test: 2.5° Flexibility test shall be carried out on the epoxy coated pipe at test temperature of 0°C. Test method, no. of test specimen and acceptance criteria shall comply CSA Z.245,20-02, Table 4.
- Ø Cross-section & Interface Porosity Test: Cross section porosity and interface porosity tests shall be carried out on the epoxy coated pipe. Test method, no. of test specimen and acceptance criteria shall comply CSA Z.245,20-02, Table 4.

6.7.5.2 Tests on pipes coated with all three layers

Ø Bond Strength: Three test pipes shall be selected for bond strength tests. On each of the selected pipes, three bond strength test shall be performed for each specified temperature i.e. one at each end and one in the middle of the pipe and specified requirements shall be complied with, i.e. bond strength as well as mode of separation. Length of peel shall be minimum 65 mm. None of these samples shall fail.

- Ø Impact Strength: Three test pipes shall be selected for impact strength test and the test shall meet the specified requirements.
- Ø Indentation Hardness: Two samples for both temperatures from all pipes shall be taken. If any one of these samples fail to satisfy the specified requirements, then the test shall be repeated on four more samples. In this case, none of the samples shall fail.
- Ø d. Elongation at failure: Six samples each from three coated pipes i.e. 18 samples in all shall be tested and the test shall comply the specified requirement. Only one sample per pipe may fail.
- Ø Cathodic Disbondment Test: Two CD tests shall be carried out for the total lot of test pipes having all three layers. One test shall be carried out for 30 days duration and another test for 48 hours duration. The tests shall comply the specified requirement. Whenever Procedure Qualification is necessitated for different pipe size with same coating material combination, 48 hours test only be conducted. 30 days CD test is not mandatory in this case.
- Ø Holiday Inspection: All the pipes shall be subject to holiday inspection. The test voltage shall be as specified in para 6.10.4.
- Ø Coating Thickness Measurement: All pipes shall be subject to coating thickness measurements. Acceptance criteria shall be as per para 6.10.3.
- Ø Air Entrapment: One sample each from pipe body and on weld (if applicable) shall be taken from all four coated pipes and the specified requirements shall be complied with.
- Ø Degree of Cure: Epoxy film samples (minimum 4 no., equally spaced) shall be scrapped from one coated pipe and the samples shall be taken for cure test using Differential Scanning Calorimetry (DSC) procedure. Silicon coated sulphite paper shall be placed between the epoxy layer and adhesive layer immediately after epoxy application, to ensure physical separation of epoxy & adhesive as well as to prevent contamination of epoxy with adhesive layer, at a location from where the epoxy samples are to be removed for the test. Care shall be taken to remove the samples of full film thickness avoiding inclusion of steel debris. Glass transition temperature differential (#Tg) and % cure (#H) shall comply with the specified requirements.

6.7.5.3 Inspection of all test pipes

All pipes shall be subject to the following inspections:

- Ø Surface cleanliness, surface roughness measurements and dust control immediately after second abrasive blast cleaning and salt test immediately after deionised water wash.
- Ø pH of pipe surface before and after phosphoric acid wash.
- Ø visual inspection of finished coating, cut back dimension, internal/external cleanliness, end sealing and bevel inspection. Acceptance criteria for all inspection and testing shall be as specified in this specification.
- 6.7.6 After completion of the qualification tests and inspection as per para 6.7.5.2 and 6.7.5.3 above, the SUPPLIER shall prepare and issue to COMPANY for approval a detailed report of the above tests and inspection including test reports/certificates of all materials and coatings tested. Only upon written approval from COMPANY, SUPPLIER shall commence production coating.
- 6.7.7 On successful completion of PQT, coating of all five (5) test pipes shall be removed and completely recycled as per the approved coating procedure specification, at SUPPLIER's expense.

Remaining pipes will be accepted by COMPANY provided they meet the requirements of this specification and need not be stripped and re-cycled

- 6.7.8 The SUPPLIER shall re-establish the requirements of qualification and in a manner as stated before or to the extent considered necessary by COMPANY, in the event of, but not limited to, the following:
- Ø Every time there is a change in the previously qualified procedure.
- Ø Every time there is a change in the manufacturer and change in formulation of any of the raw materials and change in location of raw material manufacture.
- Ø Every time the coating yard is shifted from one location to the other or every time the critical coating equipments (induction heater, epoxy spray system, extruder, etc) are shifted.
- Ø Any change in line speed during coating application
- Ø Any time when in COMPANY's opinion the properties are deemed to be suspect during regular production tests.
- 6.7.9 COMPANY reserves the right to conduct any or all the test required for qualification through an independent laboratory or agency at the cost of SUPPLIER when in COMPANY's opinion, the results are deemed suspect. COMPANY's decision shall be final.

6.8 PIPE SURFACE PREPARATION

- 6.8.1 Unless specified otherwise, the pipes shall be supplied free from mill applied oils but may be subject to contamination occurring during transit.
- 6.8.2 Prior to cleaning operation, SUPPLIER shall visually examine the pipes and shall ensure that all defects, flats and other damages have been repaired or removed. The SUPPLIER shall also remove marking stickers, if any, present within the pipe. Record shall be kept of such marking on the stickers to ensure traceability of pipe after coating.
- 6.8.3 Any oil, grease, salt or other contaminants detrimental to the formation of a good coating bond or coating quality shall be removed prior to coating application. Contaminants may be removed by the use of non-oily solvents. Gasoline or kerosene shall not be used for this purpose. Visible oil and grease spots shall be removed by solvent wiping. Solvent cleaning shall be in accordance with SSPC-SP1. Steel surface shall be allowed to dry before abrasive cleaning.
- 6.8.4 All pipes shall be preheated to a temperature of 65°C to 85°C prior to abrasive blast cleaning. The external surface of the pipe shall be cleaned using 2 no. dry abrasive blast cleaning units to achieve the specified surface cleanliness and profile. The abrasive blast cleaning units shall have an effective dust collection system to ensure total removal of dust generated during blast cleaning from the pipe surface. During abrasive blast cleaning, the metallic abrasive shall be continuously sieved to remove "fines" and "contaminants" and the quality checked at every four hours. Abrasives used for blast cleaning shall comply ISO-11124
- 6.8.5 Suitable plugs shall be provided at both pipe ends to prevent entry of any shot/grit into the pipe during blast cleaning operations. These plugs shall be removed after blast cleaning. Alternatively the SUPPLIER may link the pipes suitably together to prevent the entry of any short/grit into the pipe.
- 6.8.6 All pipes shall be tested for salt contamination after blast cleaning unit. One test shall be carried out on each pipe. The acceptance criteria shall be $2 \mu g/cm^2$. An approved salt meter (SCM 400 or equivalent) shall be used to carry out salt tests and shall be calibrated in accordance with the

equipment manufacturer's recommendations. Any pipe having salt contamination exceeding 2 $\mu g/cm^2$ shall be either reblasted or deionised water washed and then rechecked for salt contamination. In case salt level less than 2 $\mu g/cm^2$ is consistently achieved, the frequency of salt contamination testing may be relaxed to at least one pipe per hour at the sole discretion of the COMPANY Representative.

- 6.8.7 Abrasive cleaning carried out shall be such that the resultant surface profile is not dished and rounded when viewed with 30X magnification. The standard of finish for cleaned pipe shall conform to near white metal finish to Sa 2 ½ of ISO 8501-1. Surface of pipe after abrasive blast cleaning shall have an anchor pattern of 50 to 80 microns (RZ). This shall be measured for each pipe by a suitable instrument such as surface profile depth gauge. In addition the pipe surface after blast cleaning shall be checked for the degree of cleanliness (Sa 2½), degree of dust and shape of profile. Degree of dust shall comply the requirements of ISO 8502 3. Acceptance limit shall be either quality rating 2 or Class 2. Tape used for assessment of degree of dust shall comply IEC 454-2. Pressure shall be exerted on the applied tape using a 4 kg roller, prior to peeling-off to assess the degree of dust.
- 6.8.8 All pipes shall be visually examined for presence of any shot/grit/loose material left inside the pipe during blast cleaning. Suitable mechanical means (stiff brush) shall be employed to remove the same before the pipes are processed further. In addition, inside surface of the pipe shall also be visually inspected for presence of any foreign material or shots and grit (free or embedded/sticking to pipe inside surface). The pipe inside surface shall be examined using sharp floodlight focused at the middle of the pipe at one end while inspection is carried out visually from other end. Any foreign material or shots/grit present in the pipe shall be completely removed by mechanical brush, high pressure air jets, by tilting of pipe, etc.
- 6.8.9 At no time shall the blast cleaning be performed when the relative humidity exceeds 85%. The SUPPLIER shall measure the ambient conditions at regular intervals during blast cleaning and coating operations and keep records of prevailing temperature, humidity and dew point.
- 6.8.10 The blast cleaned surface shall not be contaminated with dirt, dust, metal particles, oil, water or any other foreign material, nor shall the surface or its anchor pattern be scarred or burnished. All blast cleaned pipe surface shall be kept in dust free enclosure prior to coating. After blast cleaning, all surfaces shall be thoroughly inspected under adequate lighting to determine anchor pattern, quality of blasting and identify any surface defects prior to coating application. All surface defects such as slivers, scab, burns, laminations, welds spatters, gouges, scores, indentations, slugs or any other defects considered injurious to the coating integrity made visible during blast cleaning shall be reported to the COMPANY Representative and on permission from COMPANY Representative, such defects shall be removed by filing or grinding. After any grinding or mechanical repairs, the remaining wall thickness shall be checked and compared with specified thickness. Any pipes having thickness less than 95% of specified thickness shall be kept aside and disposed off as per the instructions of COMPANY Representative. The method employed to remove surface defects shall not burnish or destroy the anchor pattern or contaminate the surface. Pneumatic tools shall not be used unless they are fitted with effective air/oil and water traps. Where burnishing results in destruction of anchor pattern, the anchor pattern shall be restored by suitable means. Pipes that have damages repaired by grinding and have ground areas more than 50mm in diameter shall be re-blasted. Any dust or loose residues that have been accumulated during blasting and/or during filing/grinding operations shall be removed by vacuum cleaning. If contamination of surface occurs, the quality of blast cleaning method and process shall be examined. If the surface roughness is outside the specified limit, the blast cleaning material shall be checked and replaced.

- 6.8.11 Upon Completion of the blasting operations, the quality control supervisor shall accept the pipe for further processing or return for re-blasting after removal of defects/imperfections. In case imperfections are considered detrimental to the coating quality, the same shall be reported to COMPANY's Representative for final decision on rejection or re-blasting / removal of defects. Re-blasting / removal of defects or returning pipe to the yard shall be at the SUPPLIER's cost. COMPANY's Representative, in additions, reserves the right to initiate any of the above actions during periodic inspections for oil, dust, salt, imperfections, surface defects, lack of white metal finish, etc.
- 6.8.12 In order to ensure that pipe with defects are not processed further, provisions shall be available to lift the pipes from inspection stand.
- 6.8.13 The total allowable elapsed time between completion of the blasting operations and commencement of the pre-coating and heating operations shall be such that no detectable oxidation of the surface occurs. Relative humidity readings shall be recorded every half an hour during the blasting operations in the immediate vicinity of the operations. The maximum elapsed time shall not exceed the duration given below:

Relative Humidity%	Maximum elapsed time
> 80	2 hours
70 to 80	3 hours
< 70	4 hours

Any pipe not processed within the above time-humidity requirement shall be completely re-blasted. Any pipe showing flash rusting shall be re-blasted even if the above conditions have not been exceeded.

6.8.14 Pipe handling between abrasive blasting and pipe coating shall not damage the surface profile achieved during blasting. Any pipe affected by the damage to the surface exceeding 200mm² in area and/or having contamination of steel surface shall be rejected and sent for re-blasting.

6.9 COATING APPLICATION

The external surface of the cleaned pipe conforming to clause 8.0 of this specification shall be immediately coated with 3-layer extruded polyethylene coating in accordance with the procedures approved by COMPANY, relevant standards and this specification. In general the procedure shall be as follows:

6.9.1 Pipe Heating

- 6.9.1.1 Immediately prior to heating of pipe, all dust and grit shall be removed from inside of the pipe by a combination of air blast, brushing and vacuum cleaning. Suitable arrangement shall be made to protect the bevel ends from getting damaged during the coating operation.
- 6.9.1.2 Induction heater or gas fired heating shall be used for heating the pipe. The method shall be capable of maintaining uniform temperature along the total length of the pipe, and shall be such that it shall not contaminate the surface to be coated. In case of induction heating, appropriate frequency shall be used to ensure 'deep heating' and intense skin heating is avoided. Gas fired heating system shall be well adjusted so that no combustion products are deposited on the steel surface. This shall be

demonstrated on bare pipes prior to start of PQT. Oxidation of the cleaned pipe surfaces prior to coating (in the form of blueing or other apparent oxide formation) is not acceptable.

- 6.9.1.3 External surface of the pipe shall be heated to about 190 °C or within a temperature range (min. to max.) as recommended by the powder manufacturer. Required pipe temperature shall be maintained as it enters the coating chamber.
- 6.9.1.4 Temperature of the pipe surface shall be continuously monitored & recorded by using suitable instruments such as infrared sensors, contact thermometers, thermocouples etc. The recording method shall allow to correlate each linepipe. The monitoring instrument shall be able to raise an alarm / activate audio system (hooter) in the event of tripping of induction heater / gas fired heater or in the event of pipe temperature being outside the range recommended by the manufacturer. Any deviation from the application temperature range recommended by manufacturer shall be rectified. If immediate rectification is not feasible, the production shall be stopped until cause of deviation has been removed. Any pipe coated during the duration of temperature deviation shall be identified by marking and rejected. Such rejected pipes shall be stripped, re-cleaned and recoated.
- 6.9.1.5 Temperature measuring & monitoring equipment shall be calibrated twice every shift and/or as per COMPANY Representative's instruction.
- 6.9.1.6 SUPPLIER shall ensure that pipe surface emissivity variations are minimized during pipe heating. To avoid significant variance, more than once blasted joints should be coated at the same time and not mixed with joints blasted only once

6.9.2 Pipe Coating

- 6.9.2.1 Subsequent to pipe heating, coating consisting of following layers shall be applied onto the pipe.
- Ø Electrostatic application of epoxy powder of minimum dry film thickness 0.150 mm, unless otherwise specified. The maximum thickness shall not exceed the epoxy thickness specified by epoxy powder manufacturer.
- Ø Grafted co-polymer adhesive application by extrusion, minimum thickness 0.200 mm.
- Ø Polyethylene application by extrusion. The coated pipe shall be subsequently quenched and cooled in water for a period that shall sufficiently lower the temperature of pipe coating to permit handling and inspection.
- 6.9.2.2 Minimum total thickness of finished coating shall be as under:

	Minimum Coating (*) Thickness (mm)		
	Normal	Reinforced	
Pipe Size (Specified Outside Diameter)	Type (n)	Type (v)	
Up to 103/4" (273.1 mm)	2	2.	.7
Over 10¾" (273.1 mm) to below 20" (508.0 mm)	2.2	2.	.9
From 20" (508.0mm) to below 32" (813.0 mm)	2.5	3.	.2
From 32" (813.0 mm) and above	3	3.	.7

(*) In case HDPE material is used as top coat, 10% reduction in minimum coating thickness specified is permissible.

Required coating thickness shall be Normal Type (n), unless otherwise specified.

- 6.9.2.3 Coating materials shall be inspected in accordance with the manufacturer's recommendation prior to coating application and it shall be ensured that the materials are moisture free. In case the relative humidity exceeds 80%, the adhesive and polyethylene material shall be dried using hot dry air as per the directions of COMPANY Representative.
- 6.9.2.4 Prior to starting the application of fusion bonded epoxy powder, the recovery system shall be thoroughly cleaned to remove any unused powder remaining from a previous line pipe coating application. The use of recycled powder shall be permitted subject to
- Ø Satisfactory qualification of the reclaimed system during PQT stage
- Ø The proportion of the reclaimed powder in the working mix does not exceed 20% at any one time.
- Ø The quality of the recycled powder being routinely checked during production, at a minimum frequency of once per shift and consistently meets the requirements stated at para 6.5.1
- 6.9.2.5 Dry air, free of oil and moisture shall be used in the coating chamber and spraying system and filters, dehumidifier/dryer as required along with control & monitoring system shall be provided for this purpose. Dew point of air used to supply the fluidized bed, epoxy spray system and epoxy recycling system shall be at least (–) 40°C and this shall be shall be monitored during the regular production.
- 6.9.2.6 Air pressure in the epoxy spray guns shall be controlled, continuously monitored and recorded by using suitable instruments. The air pressure shall be controlled within the limits established during coating procedure qualification. The monitoring system shall be able capable of raising an alarm / activate audio system (hooter) in the event of change in air pressure beyond the set limits. Any deviation from the pre-set limits shall be rectified. If immediate rectification is not feasible, the production shall be stopped until cause of deviation has been removed. Any pipe coated during the duration of air pressure deviation shall be identified by suitable marking and rejected. Such rejected pipes shall be stripped and recoated.
- 6.9.2.7 Extruded adhesive layer shall be applied before gel time of the epoxy coating has elapsed and within the window recommended by the manufacturer. The SUPPLIER shall establish, to the satisfaction of the COMPANY Representative, that the adhesive is applied within the gel time window of epoxy and at the temperature recommended by the adhesive manufacturer. The SUPPLIER shall state the minimum and maximum time interval between epoxy and adhesive application at the proposed pre-heat temperature and line speed.
- 6.9.2.8 Extruded polyethylene layer shall be applied over the adhesive layer within the time limit established during PQT stage and within the time/temperature range recommended by the manufacturer. The extrusion temperatures of the adhesive and polyethylene shall be continuously recorded. The monitoring instruments shall be independent of the temperature control equipment. The instruments shall be calibrated prior to start of each shift.
- 6.9.2.9 SUPPLIER shall ensure that there is no entrapment of air or void formation along the seam weld (where applicable) during application of coating. Air entrapment below the coating and also along the coating overlap shall be prevented by forcing the coating on to the pipe using high pressure roller of suitable design during coating application. In case it is not adequately achieved, SUPPLIER shall supplement by other methods to avoid air entrapment. The methods used shall be witnessed and approved by COMPANY.

- 6.9.2.10 Resultant coating shall have a uniform gloss and appearance and shall be free from air bubbles, wrinkles, holidays, irregularities, discontinuities, separation between layers of polyethylene & adhesive, etc.
- 6.9.2.11 Coating and/or adhesive shall terminate 120 mm (+) 20 / (-) 0 mm from pipe ends. The adhesive shall seal the end of applied coating. SUPPLIER shall adopt mechanical brushing for termination of the coating at pipe ends. Edge of the coating shall be shaped to form a bevel angle of 30° to 45° .
- 6.9.2.12 Failure to comply with any of the above applicable requirement and of the approved procedure shall be cause for the rejection of the coating and such coating shall be removed in a manner approved by COMPANY at SUPPLIER's expense.

6.10 INSPECTION AND TESTING

- 6.10.1 **General**: The SUPPLIER shall establish and maintain such quality assurance system as are necessary to ensure that goods or services supplied comply in all respects with the requirements of this specification. The minimum inspection and testing to be performed shall be as indicated subsequently herein.
- 6.10.2 **Visual Inspection:** Immediately following the coating, each coated pipe shall be visually checked for imperfections and irregularities of the coating. The coating shall be of natural colour and gloss, smooth and uniform and shall be blemish free with no dust or other particulate inclusions. The coating shall not show any defects such as blisters, pinholes, scratches, wrinkles, engravings, cuts, swellings, disbonded zones, air inclusions, tears, voids or any other irregularities. Special attention shall be paid to the areas adjacent to the longitudinal weld (if applicable), adjacent to the cut-back at each end of pipe and within the body of the pipe. In addition inside surface of the pipe shall also be visually inspected for presence of any foreign material or shots and grit (free or embedded/sticking to pipe inside surface). The pipe inside surface shall be examined using sharp floodlight focussed at the middle of the pipe at one end while inspection is carried out visually from other end.

6.10.3 Coating Thickness

- Ø The coating thickness shall be determined by taking at least 10 measurements at locations uniformly distributed over the length and periphery of each pipe. In case of welded pipes, five of the above readings shall be made at the apex of the weld seam, uniformly distributed over the length of the coated pipe. All readings must meet the minimum requirements. However, localized coating thickness of less than the permissible minimum thickness can be tolerated on the condition that it does not attain a total extent of more than 5 cm 2 per meter length of coated pipe, and the actual coating thickness does not drop more than 10% below the permissible minimum coating thickness at these locations. The frequency of thickness measurement as stated above shall be initially on every pipe, but may be reduced depending upon consistency of results, at the sole discretion of COMPANY Representative. Results of all measurements shall be recorded.
- Ø Thickness of epoxy and adhesive shall be measured at the beginning of each shift and whenever the plant re-starts after any stoppage for compliance. Coating of epoxy and adhesive on portion of pipe required for this purpose, stripping and recoating of such partly coated pipes shall be at SUPPLIER's expense.
- Ø Coated pipes not meeting the above requirements shall be rejected. Rejected coated pipes shall be stripped and re-coated in accordance with approved procedure, at SUPPLIER's expense.

6.10.4 Holiday Detection

- Ø Each coated pipe length shall be checked over 100% of coated surface by means of a "holiday detector" of a type approved by COMPANY for detecting holidays in the finished coating.
- Ø The holiday detector shall be a low pulse D.C. full circle electronic detector with audible alarm and precise voltage control complying with DIN VDE 0433 Part 2. The set voltage for inspection shall be minimum 25 kV. Travel speed shall not exceed 300 mm/s.
- Ø SUPPLIER shall calibrate the holiday detector at least once every 4 hours of production. SUPPLIER shall have necessary instruments or devices for calibrating the holiday detector.
- Ø Any pipe coating shall be rejected if more than 1(one) holiday & area more than 100 cm² in size are detected in its length attributable to coating process.
- Ø Holidays which are lesser in size than those mentioned above, shall be repaired in accordance with a approved procedure and shall be at SUPPLIER's expense.

6.10.5 Bond Strength Test

- Ø SUPPLIER shall conduct bond strength test for composite coating as per Clause 5.3.3(a) of this specification. A minimum of 65 mm length shall be peeled. First 20 mm and last 20 mm shall not be counted for assessment of bond strength.
- Ø The frequency of test for cut back portions shall be one pipe in every fifteen (15) pipes coated and for middle of pipe shall be one pipe in every sixty (60) pipes coated or one pipe per shift whichever is higher. On each selected pipe, bond strength shall be performed for each specified temperature. Test shall be performed at each cut back portion and one in the middle of pipe. The system shall disbond/separate cohesively either in adhesive layer or in polyethylene layer. Majority of the peeled off area on the pipe shall show presence of adhesive. Disbondment/separation at epoxy to steel interface or epoxy / adhesive interface or adhesive / polyethylene interface shall not be permitted. The failure mode shall be recorded for each test.
- Ø In case the test fails to comply the specified requirement, the SUPPLIER shall test the preceding and succeeding coated pipe. If both pipes pass the test, then the remainder of the pipe joints in that shift shall be deemed satisfactory. If either pipe fails to meet the specified requirements, all pipes coated during that shift shall be tested until the coating is proved acceptable. Rejected coated pipes shall be stripped and re-coated in accordance with approved procedure, at SUPPLIER's expense.
- Ø The frequency of bond strength test as per para 6.10.5 for cut back portion may be reduced depending upon the consistency of result to one pipe in every twenty five (25) instead of every fifteen pipes, at the sole discretion of the COMPANY Representative.

6.10.6 Impact Strength

- Ø Impact strength test shall be conducted as per clause 5.3.3(b) of this specification. Initially the frequency of test shall be two (2) coated pipes per shift that may be further reduced to one coated pipe per 2 weeks depending upon consistently acceptable results at the sole discretion of COMPANY's Representative.
- Ø Minimum thirty (30) impacts located equidistant along the length of coated pipe shall be performed.

Ø Immediately after testing, the test area shall be subjected to holiday detection at the same voltage as used prior to impact strength test. The pipe shall be rejected if any holiday is noted in the test area.

Ø In case of test failure, retesting and disposal of coated pipe shall be as per para 6.10.5 (c) above.

6.10.7 **Indentation Hardness**

Ø Indentation hardness test shall be as per clause 5.3.3 (c) of this specification. The frequency of test shall be initially 2 (two) coated pipes per shift which shall be further reduced to one test each on 2 coated pipes per week at random after 1 week of consistently acceptable results. Two samples for each temperature shall be taken from the cut back portion of coated pipe and one in the middle of the pipe for this test.

Ø In case of test failure, retesting and disposal of coated pipe shall be as per para 10.5 (c) above.

6.10.8 Air Entrapment Test

- Ø Strips from bond strength tests or coated pipe may be used to help determine the porosity of the finished coating. Strip shall be also cut from longitudinal weld (if applicable) at cut back portion and examined for the presence of voids.
- Ø Bond strength strip shall be viewed from the side and at the failure interface. At the pipe bond strength test location, utility knife shall be used to cut the edge of the coating to a 45° angle and view with a microscope. Similar examination shall be done in the coating cut back area.
- Ø One sample each either on the bond strength strip or coated pipe and strip cut from the longitudinal weld (if applicable) shall be examined for air entrapment per shift. Strips shall be viewed from the side.
- Ø All examination shall done using a 30X magnification hand-held microscope. The polyethylene and adhesive layers shall have no more than 10% of the observed area taken up with air entrapment (porosity or bubbles). Air entrapment shall not occupy more than 10% of the thickness in each case. Bubbles shall not link together to provide a moisture path to the epoxy layer.

Ø In case of test failure, retesting and disposal of coated pipe shall be as per para 10.5 (c) above.

6.10.9 **Degree of Cure**

Ø Epoxy film samples shall be removed from cut back portion of the coated pipe using hammer and cold chisel and the samples shall be taken for cure test using DSC procedure. Silicon coated sulphite paper shall be placed between the epoxy layer and adhesive layer immediately after epoxy application, to ensure physical separation of epoxy & adhesive as well as to prevent contamination of epoxy with adhesive layer, at a location from where the epoxy samples are to be removed for the test. Care shall be taken to remove the samples of full film thickness avoiding inclusion of steel debris. Glass transition temperature differential (.Tg) and % cure (.H) shall comply the specified requirements.

Ø Frequency of this test shall be once per shift. Pipe shall be selected randomly by COMPANY Representative during the middle of a shift. Suitable provisions /arrangements as per the instructions of COMPANY Representative shall be made by the SUPPLIER for this purpose

Ø In case of test failure, production carried out during the entire shift shall be rejected, unless the SUPPLIER proposes a method to establish the compliance with the degree of cure requirements of all pipes coated during that shift.

6.10.10 Epoxy Layer Adhesion Test

Ø Adhesion of epoxy layer shall be determined at ambient temperature by the "St Andrews Cross" method i.e. by cutting two straight lines through the epoxy layer with a sharp knife. The incisions shall intersect at an angle of 30°/150°. The epoxy coating shall resist disbondment from the steel when attempts are made to flick/lift the coating from the 30° angle with a sharp knife.

Ø Frequency of this test shall be once per shift. The test shall be carried out at the cut back portion on the pipe from which the Degree of Cure test has been carried out as per para 10.9 above.

Ø In case of test failure, retesting and disposal of coated pipe shall be as per para 10.9 (c) above.

6.10.11 Cathodic Disbondment Test

- Ø 48 hours CD test shall be conducted as per clause 5.3.3 (h) of this specification.
- Ø The frequency of this test shall be once in every two weeks or one test representing each batch of epoxy powder used, whichever is more frequent.
- Ø In case the test fails to conform to the specified requirement, at the option of the SUPPLIER, all pipes coated after the previous acceptable test and prior to next acceptable test shall be rejected or the test shall be repeated using two additional samples taken from the same end of the affected pipe. When both retests conform to the specified requirement, the lot of pipes shall be accepted. When one or both the retests fail to conform to the specified requirement, all coated pipes after previous acceptable test and prior to next acceptable shall be rejected. All rejected pipes shall be stripped, recleaned and re-coated. COMPANY may consider a further retest program to determine whether any of the affected pipe meet the criteria for acceptance upon written request by the SUPPLIER.
- 6.10.12 Damages occurring to pipe coating during above tests shall be repaired in accordance with approved coating repair procedure.
- Repairs occurring on account of the production tests are however excluded from above mentioned limitations at para 6.10.4 above.
- 6.10.14 COMPANY reserves the right to perform inspection and witness tests on all activities concerning the pipe coating operations starting from bare pipe to finished coated pipe ready for despatch and also testing of raw materials. SUPPLIER shall give reasonable notice of time and shall provide without charge reasonable access and facilities required for inspection to the COMPANY's representative. Inspection and tests performed or witnessed by COMPANY's representative shall in no way relieve the SUPPLIERs obligation to perform the required inspection and tests.
- 6.10.15 In case rate of defective or rejected pipes and/or samples tests are 10% or more for a single shift (typically 8 hours), SUPPLIER shall be required to stop production and carry out a full and detailed investigation and shall submit findings to COMPANY for approval. SUPPLIER shall recommence the production only after getting the written permission from COMPANY. Under no circumstances any action or omission of the COMPANY's Representative shall relieve the

SUPPLIER of his responsibility for material and quality of coating produced. No pipes shall be transported from the coating plant unless authorized by COMPANY in writing.

6.11 **REPAIR OF COATING**

SUPPLIER shall submit to COMPANY, its methods and materials proposed to be used for executing a coating repair and shall receive approval from COMPANY prior to use. In open storage the repair coating materials must be able to withstand a temperature of at least (+) 80°C without impairing its serviceability and properties. SUPPLIER shall furnish manufacturer's test certificates for the repair materials clearly establishing. the compliance of the repair materials with the applicable coating requirements indicated in this specification. All pipe leaving coating plant, shall have sound external coating with no holiday or porosity on 100% of the surface. Defects, repairs and acceptability criteria shall be as follows:

- Ø Pipes showing porosities or very small damage not picked up during holiday test and having a surface less than 0.5 cm 2 or linear damage (cut) of less than 3 cm shall be repaired by stick using material of same quality.
- Ø Damages caused to coating by handling such as scratches, cuts, dents, gouges, not picked up during holiday test, having a total reduced thickness on damaged portion not less than 2 mm and an area not exceeding 20 cm 2 shall be rebuild by heat shrink patch only and without exposing to bare metal.
- Ø Defects of size exceeding above mentioned area or holidays of width less than 300 mm shall be repaired with heat shrink repair patch by exposing the bare metal surface.
- Ø Defects exceeding the above and in number not exceeding 2 per pipe and linear length not exceeding 500 mm shall be repaired using heat shrinkable sleeves of HTLP 80 or equivalent.
- Ø Pipes with bigger damage shall be stripped and recoated.
- Ø In case of coating defect close to coating cut back, SUPPLIER shall remove the coating throughout the entire circumference of the pipe down to the steel surface and increase the coating cut back length. Now if the coating cut back exceeds 140 mm of linear length of pipe then the coating shall be repaired by the use of heat shrink sleeves thereby making up the coating cut back length of 120 mm.

Not withstanding the above, if any defect exceeds 70 mm from the original coating cut back length, the entire coating shall be removed and the pipe shall be recycled through the entire coating procedure.

Irrespective of type of repair, the maximum numbers of repair of coating shall be as follows:

- Ø Holiday repair of size =100 cm 2 attributable to process of coating application shall be maximum one number per pipe.
- Ø In addition to the above, defects to be repaired by heat shrink patch/sleeve shall be maximum 2 (two) per pipe

Defects exceeding the above limits shall cause pipe coating rejection, stripping and recoating. The above is exclusive of the repairs warranted due to testing as per this specification.

All repairs carried out to coating for whatever reason shall be to the account of SUPPLIER.

Cosmetic damages occurring in the polyethylene layer only need not be repaired by exposing up to steel surface, as deemed fit by the COMPANY Representative. In any case the SUPPLIER shall establish his material, methods and procedure of repair that result in an acceptable quality of product by testing and shall receive approval from COMPANY prior to use.

Testing of repairs shall be in the same form as testing coating. All repairs shall result in a coating thickness no less than the parent coating thickness. SUPPLIER shall test repairs to coating as and when required by COMPANY.

6.12 MARKING

SUPPLIER shall place marking on the outside surface of the coating at one end of the coated pipe, and marking shall indicate, but not limited to the following information:

- Ø Pipe number, Heat number
- Ø Diameter & Wall thickness
- Ø Coated pipe number
- Ø Colour band
- Ø Any other information considered relevant by COMPANY.
- Ø Pipe Manufacturer Name
- Ø Inspection Mark/Punch

SUPPLIER shall obtain prior approval on marking procedure to be adopted from the COMPANY.

6.13 **QUALITY ASSURANCE**

- 6.13.1 The SUPPLIER shall have established within his organization and, shall operate for the contract, a documented Quality System that ensures that the requirements of this specification are met in all aspects. The Quality System shall be based upon ISO 9001/2 or equivalent.
- 16.13.2 The SUPPLIER shall have established a Quality Assurance Group within its organization that shall be responsible for reviewing the Quality System and ensuring that it is implemented.
- 16.13.3 The SUPPLIER shall submit the procedures that comprise the Quality System to the COMPANY for agreement.
- 16.13.4 The SUPPLIER's Quality System shall pay particular attention to the control of Suppliers and Sub-SUPPLIERs and shall ensure that the requirements of this specification are satisfied by the Suppliers and Sub-SUPPLIERs operating Quality system in their organization.
- 16.13.5 The SUPPLIER shall, prior to the commencement of work, prepare and issue a Quality Plan for all of the activities required to satisfy the requirements of this specification. The plan shall include any sub-contracted work, for which the sub-SUPPLIERs Quality Plans shall be submitted. The plan shall be sufficiently detailed to indicate sequentially for each discipline the requisite quality control, inspection, testing and certification activities with reference to the relevant procedures and the acceptance standards.

- 16.13.6 The SUPPLIER's Quality system and associated procedures may, with due notice, be subject to formal audits. The application of quality control by the SUPPLIER will be monitored by the COMPANY Representatives who will witness and accept the inspection, testing and associated work required by this specification.
- 6.14 Para 6.1 to 6.13 shall also cover scope for 3 layer polyethylene coating for the LR bends.

7.0 SCOPE OF WORK FOR DELIVERY OF PRE-COATED PIPES AND SPECIFICATION

The pre coated / Bare Pipes and LR Bends are to be delivered at pipe yards in and around Duliajan, Assam. The pipes and bends should be carefully handled as per guidelines so that there is no damage to the coatings.

8.0 SCOPE OF WORKS AND SPECIFICATION FOR FARBICATION OF LONG RADIUS BENDS, INCLUDING 3 LAYER SIDE EXTRUDED POLYETHYLENE COATING OF THE BENDS, HANDLING, DESPATCH AND DELIVERY OF THE BENDS AT DESIGNATED POINTS.

8.1 SCOPE:

- 8.1.1 Fabrication of long radius bends as per clause 1.4 and as per clause 8.2 to 8.8.
- 8.1.2 Handling, loading, transportation to coating plant and unloading at coating plant as per Para 5.0 PART A.
- 8.1.3 External coating of the bends by using 3 layer side extruded polyethylene coating as per Para-6.0 PART A.
- 8.1.4 Handling, packing, loading, despatch and delivery of coated bends at designated points as per Para 7.0, PART A.
- 8.2 Reference has been made in this specification to the latest edition of the following codes, standards and specifications:
 - a) ASME B 31.8: Gas Transmission and Distribution Piping Systems.
 - b) MSS-SP-75: Specification for High Test Wrought Welding Fittings.

8.3 **MATERIAL**

- 8.3.1 Bends shall be fabricated from steel line pipes of specification as per SCOPE OF SUPPLY mentioned in Para -1.4 and scope as per Para -3.0, PART -A.
- 8.3.2 Heat treatment shall be carried out for all finished bends, Heat treatment procedure shall be such that the mechanical properties and steel microstructure of the finished bends comply with the minimum requirements specified in the applicable line pipe specification referred under clause 3.1 When TMCP and OLAC sheets and micro alloyed steels are used, specific approval of the proposed heat treatment shall be obtained before bending process is employed. The finished product shall be evaluated for mechanical properties and micro structural stability.

8.4 **MANUFACTURE**

- 8.4.1 Bends shall be manufactured by high frequency induction heating and forming method. Once the bending operation has commenced no stoppage shall be permitted until the entire bend has been completed. If bending temperature, bending rate, cooling medium volume or heat treatment temperature depart from the Purchase approved bend manufacturing procedure, then the pipe shall be discarded and another bend shall be made in its place.
- 8.4.2 Unless otherwise specified differently in the Purchase Order, the bevels at the ends shall be as per relevant pipe specification.
- 8.4.3 No repair by welding is allowed on any part of the bends.
- 8.4.4 Bulges, dents and flat areas shall not appear within 100 mm front end of the bend. For the remaining pat of the bend these deviations from the original contour of the pipe are permitted provided these deviations do not exceed 6.0 mm. The same shall not extend (in any direction) over a distance of more than 25% of nominal diameter of the bend.
- 8.4.5 All bends shall be provided with a tangent length at the ends. Tangent length shall be mm or pipe outside diameter whichever is more.

8.5 TOLERANCES

The dimensions of bends shall be controlled to make sure that they are manufactured according to the tolerances indicated below in addition to the requirements of MSS-SP-75. However, the ends of finished pipe bend shall meet the dimensional tolerances of the relevant pipe specification as referred in Para -1.1 and Para -3.0, PART - A.

8.5.1 Bend Angle : \pm 0.5 degree of specified angle

Bend Radius : ± 1% of bending nominal radius

8.5.2 The manufacturer shall measure the wall thickness of the pipe before bending along both the inside and outside radii of the bend between and including the start and stop points of the bend arc angle, at intervals approximately equal to pipe diameter or 300 mm whichever is less. The wall thickness shall be measured ultrasonically after bending at the same locations measured before bending. In addition, the wall thickness of the tangents shall also be measured. These measurements shall be taken at four equally spaced locations around the pipe circumference. The measured wall thickness shall be at least equal to:

$$t_{min} = 0.95 (t_{actual} - \Delta t)$$

where:

t actual = Actual wall thickness of pipe

 $\Delta t = 0.35$ mm for a wall thickness < 10 mm and 0.5 mm for a wall thickness >= 10 mm

8.5.3 Out of roundness tolerance on the body and ends of the bend shall be as follows:

Body

Measurements of the outside diameter shall be taken in the plane of the bend at locations where wrinkles are present (OD max.) and at locations where wrinkles are not present (OD min.). Out of roundness shall be considered acceptable, if the value of (ODmin – ODmin) / ODnom.) does not exceed 2.5%.

8.5.4 Off-Plane

Off-Plane of bends shall not exceed ($\phi/90$) x 10 mm, where ϕ is the bend angle in degree or the tolerance limit specified in MSS-SP-75 whichever is less. The measurement shall be in accordance with MSS-SP-75.

8.6 INSPECTION & TESTS

- 8.6.1 The manufacturer shall perform all inspection and tests as per the requirements of this specification and MSS-SP-75 prior to transfer to the coating plant. Such inspection and tests shall be as a minimum, but not limited to the following:
- 8.6.1.1 Verify that the uncoated bends arrive at coating shop is in full compliance with the pipe specification as referred from Para -8.2 to Para -8.5.
- 8.6.1.2 Visual inspection.
- 8.6.1.3 Dimensional and tolerances check as per MSS-SP-75 and requirements of Section 4.0 of this specification.
- 8.6.1.4 Check heat treatment, if carried out, as required and maintain its records.
- 8.6.1.5 Temperature against time recorder charts for each induction heating.
- 8.6.1.6 A check shall be performed on each bend by passing a gauging pig consisting of two discs having a diameter equal to 95% of the nominal internal diameter of the pipe, connected rigidly together at a distance equal to 500 mm. Details of the gauging pig. Including its dimensions shall be approved by Purchaser.
- 8.6.2 Purchaser reserves the right to perform stage wise inspection and witness tests on all bends as indicated in Clause 5.1 at Manufacturer's works, prior to shipment.

8.7 TEST CERTIFICATES

The manufacturer shall submit the following certificates;

- 8.7.1 Records of heat treatment, if carried out for bends.
- 8.7.2 Certified reports of dimensional tolerance of bends.
- 8.7.3 Certificates of all other tests as required in this specification.

The Certificate shall be valid only when signed by Third Party Inspection Agency. Only those bends which have been certified by Third Party Inspection Agency shall be dispatched from Manufacturer's works.

8.8 MARKING, PACKING AND SHIPMENT

- 8.8.1 All bends shall be marked as per MSS-SP-75.
- 8.8.2 Both ends of all bends shall be suitably protected to avoid any damage during transit by means of metallic or high impact plastic bevel protectors.

GENERAL NOTES TO BIDDERS

Sl.	Clause
No	This Tourist has been flowed for more in the state of Indian and Indian hidden and Indian
1.0	This Tender has been floated for participation of Indigenous (Indian) bidders only. Hence, only Indigenous bidders are eligible to participate against this tender. Consortiums/Joint venture entities are not eligible to participate against this tender.
2.0	a) Bidders without having E-tender Login ID and Password should complete their online registration at least seven (7) days prior to the scheduled bid closing date and time of the tender. For online registration, Bidder may visit the OIL's E-tender site https://etender.srm.oilindia.in/irj/portal
	b) Necessary Login ID & Password will be issued by OIL only after submitting the complete online registration by the Bidder. In the event of late registration/incomplete registration by Bidder, OIL INDIA LIMITED shall not be responsible for late allotment of User ID & Password and request for bid closing date extension on that plea shall not be entertained by Company.
3.0	Office Memorandum No. F.No.6/18/2019-PPD dated 23.07.2020 issued by Public Procurement Division under Department of Expenditure of Ministry of Finance will also be applicable against the tender and thus bidder(s) must note that:
	"Any bidder from a country which shares a land border with India will be eligible to bid in any procurement whether of goods, services or works, only if the bidder is registered with the competent authority"
	For further details on above and format of certification to be submitted by the bidder, ANNEXURE -D & PROFORMA-1 is to be referred.
4.0	FURNISHING FRAUDULENT INFORMATION/ DOCUMENT: If it is found that a Bidder has furnished fraudulent document/information, the Bid Security/Performance Security shall be forfeited and the party will be debarred for a period of 3(three) years from date of detection of such fraudulent act, besides the legal action. In case of major and serious fraud, period of debarment may be enhanced. In this regard, bidders are requested to submit an Undertaking as per PROFORMA-2 along with their offer failing which their offer shall be liable for rejection.
5.0	The Integrity Pact is applicable against this tender. OIL shall be entering into an Integrity Pact with the bidders as per format enclosed vide PROFORMA-3 of the tender document. This Integrity Pact proforma has been duly signed digitally by OIL's competent signatory. The proforma has to be returned by the bidder (along with the technical bid) duly signed (digitally) by the same signatory who signed the bid, i.e., who is duly authorized to sign the bid. Uploading the Integrity Pact with digital signature will be construed that all pages of the Integrity Pact has been signed by the bidder's authorized signatory who sign the Bid. If any bidder refuses to sign Integrity Pact or declines to submit Integrity Pact with the offer, their bid shall be rejected straightway.
	OIL's Independent External Monitors at present are as under:

SHRI RUDHRA GANGADHARAN, IAS (Retd.),

Ex-Secretary, Ministry of Agriculture

E-Mail ID: rudhra.gangadharan@gmail.com

SHRI SUTANU BEHURIA, IAS (Retd.),

E-mail ID: sutanu2911@gmail.com

SHRI OM PRAKASH SINGH, IPS (Retd.),

Former DGP, Uttar Pradesh E-mail: Ops2020@rediffmail.com

No Bid Security /Earnest Money Deposit (EMD) shall be applicable till 31.12.2021. Instead of EMD /Bid Security, all the bidders shall be required to sign a "Bid securing declaration" accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the NIT/ Purchase order, they shall be suspended for the period of two (2) years. This suspension of two years shall be automatic without conducting any enquiry.

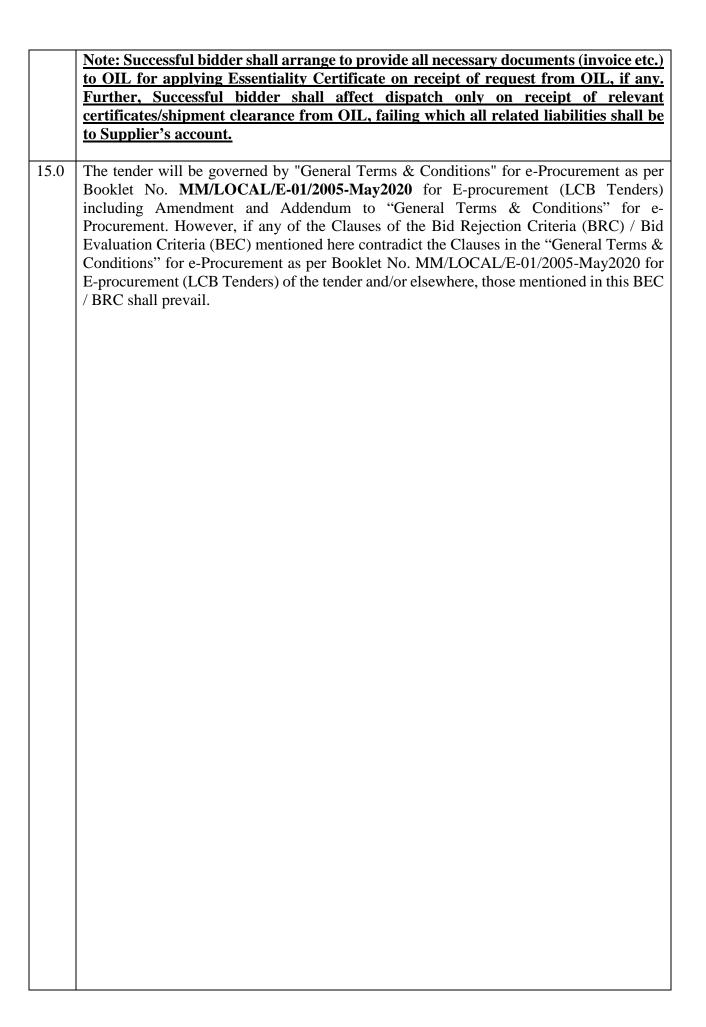
Bidders shall submit "Bid Securing Declaration" as per enclosed **PROFORMA-4** alongwith their Technical bids.

- 7.0 Successful bidder shall be required to furnish a Performance Security equivalent to Three percent (3 %) of total evaluated value of Order within 30 days of receipt of LOI/notification of award. The performance security must be in the form of Bank Guarantee (ref. PROFORMA-5) or in the form of a Bank Draft/Cashier's cheque/Banker's cheque/NEFT/RTGS/Electronic fund transfer to designated account of OIL or Fixed Deposit Receipt (account OIL INDIA LIMITED) or irrevocable Bank Guarantee or irrevocable Letter of Credit (LC) from:
 - A) Any schedule Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank in case of domestic bidder/ service provider, or
 - i) In case of foreign CONTRACTOR/service provider, the bank guarantee can be accepted from any scheduled bank in India or from International bank who has its branch in India registered with Reserve Bank of India. Any foreign Bank which is not a Scheduled Bank in India, provided the Bank Guarantee issued by such Bank is counter-guaranteed by any Branch situated in India of any Scheduled Bank incorporated in India. Bank Guarantee issued by a Scheduled Bank of India at the request of some other Non-Schedule Bank of India shall not be acceptable
 - ii) The domestic CONTRACTOR/service provider(s) will have to submit the Bank Guarantee from any of the scheduled banks and on non-judicial stamp paper of requisite value as per the Indian Stamp Act, purchased in the name of the issuing banker.
 - iii) The foreign CONTRACTOR/service provider(s) will submit the Bank Guarantee from Banks of Indian origin situated in their country. In case no such

bank of Indian origin is situated in their country, the Bank Guarantee may be submitted from the bankers as specified above.

- B) The Performance Security shall be denominated in the currency of the contract.
- C) The Performance Security specified above must be valid for the entire duration of the Contract and claim period should be valid for a minimum of 03 (three) months beyond the contract period. The Performance Security will be discharged by COMPANY not later than 30 days following its expiry of claim period. In the event of any extension of the Contract period, Bank Guarantee should be extended by CONTRACTOR by the period equivalent to the extended period.
- D) The Performance Security shall be encashed by COMPANY on account of CONTRACTOR's failure to fulfil its obligations under the Contract and/or non-performance /unsatisfactory of the Contractor. Company shall not be required to proof any loss or damage on account of Contractor's non-performance/unsatisfactory performance.
- E) The Performance Security will not accrue any interest during its period of validity or extended validity.
- F) Bank charges, if any for submission of performance security shall be on supplier's account.
- G) The validity of Bank Draft/Cashier's cheque/Banker's cheque should not be less than 3 months at the submission to OIL.
- H) Non-submission of Performance Security as above by the successful Bidder shall lead to cancellation/termination of award including forfeiture of their Bid Security, besides other penal actions as per OIL's Banning Policy. Bidders should undertake in their bids to submit Performance Security as stated above.
- I) In case Annual Maintenance Contract (AMC) is required and OIL intends to enter into a separate contract with the successful bidder for AMC, the Successful bidder must undertake to submit separate Performance Security against the AMC at the applicable rate & validity to be stipulated in the contract.
- J) The Successful bidder shall also submit an "Undertaking for performance Bank guarantee" as per attached format (Proforma 5A).
- 8.0 Bid must be submitted online through OIL's e-procurement portal. Bid submitted in any other form will be rejected.
- Please note that all tender forms and supporting documents are to be submitted through OIL's e-Procurement site only except following documents which are to be submitted manually in sealed envelope super scribing tender no. and due date to The CGM Materials, Materials Department, Oil India Limited, Duliajan-786602, Assam on or before 13:00 hrs (IST) on the Bid Closing Date mentioned in the Tender.
 - a) Original Bid Security along with two duplicate copies of Bid Security. (Deleted)
 - b) Any other documents which have been particularly asked for in this tender for submission.

10.0 Bidders must ensure that their bid is uploaded in the system before the tender closing date and time. Also, they must ensure that above documents which are to be submitted in a sealed envelope are also submitted at the above-mentioned address before the bid closing date and time, failing which the offer shall be rejected. 11.0 Bidders are requested to examine all instructions, forms, terms and specifications in the bid. Failure to furnish all information required as per the bid or submission of offers not substantially responsive to the bid in every respect will be at the bidders risk and may result in rejection of its offer without seeking any clarifications. 11.1 To assist in the examination, evaluation and comparison of bids, normally no clarifications shall be sought from the Bidders. However, for assisting in the evaluation of the bids especially on the issues where the Bidder confirms compliance in the evaluation and contradiction exists on the same issues due to lack of required supporting documents in the Bid (i.e. document is deficient or missing), or due to some statement at other place of the Bid (i.e. reconfirmation of confirmation) or vice versa, clarifications may be sought by OIL at its discretion. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted. Prior to the detailed evaluation, OIL will determine the substantial responsiveness of each 11.2 bid to the requirement of the Bidding Documents. For purpose of these paragraphs, a substantially responsive bid is one, which conforms to all the terms and conditions of the Bidding Document without material deviations or reservation. A material deviation or reservation is one which affects in any substantial way the scope, quality, or performance of work, or which limits in any substantial way, in-consistent way with the bidding documents, the Company's right or the bidder's obligations under the contract, and the rectification of which deviation or reservation would affect unfairly the competitive position of other bidders presenting substantial responsive bids. OIL's determination of bid's responsiveness is to be based on the contents of the Bid itself without recourse to extrinsic evidence. 12.0 To ascertain the substantial responsiveness of the bid, OIL reserves the right to ask the bidder for clarification in respect of clauses covered under BRC also and such clarifications fulfilling the BRC clauses in toto must be received on or before the deadline given by OIL, failing which the offer will be summarily rejected. However bidder(s) must note that there should not be any additional financial involvement arising out of such post tender clarifications. 13.0 A job executed by a bidder for its own organization / subsidiary cannot be considered as experience for the purpose of meeting BRC/BEC (if applicable). 14.0 The items covered in this Tender shall be used by Oil India Limited in the PEL/ML areas and hence Nil rate of Customs Duty towards import (for foreign bidders) and concessional GST @5% (for foreign & indigenous bidder) will be applicable as per Govt. Policy in vogue. Overseas Bidders are not required to include Customs Duty and IGST components in their quoted cost, since all applicable taxes & Duties in India shall be to the account of Oil India Limited. In the event of an order on indigenous bidder, OIL will issue Project Authority Certificate (PAC) under Deemed Export Benefit Scheme, where import content is declared by the bidder for availing Custom Duty benefit on the import content.



- Bidders to note that Govt. of India under Micro, Small and Medium Enterprises Development (MSMED) Act 2006, has proclaimed the Public Procurement Policy, 2012 with effect from 1st April, 2012 (and amendments issued time to time) in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings for promotion and development of Micro and Small Enterprises. In this regards, bidders are requested to take note of the following and to submit their offers accordingly.
 - a) Categorisation and various criteria applicable to MSE bidders shall be guided by the Gazette notification no. CG-DL-E-26062020-220191 dated 26.06.2020 issued by Ministry of Micro, Small and Medium Enterprises. The existing enterprises registered under EM-Part-II or UAM till 30th June, 2020 shall continue to be valid only for a period up to the 31st day of March, 2021.

The bidder claiming as MSE status (MSE-General, MSE-SC/ST, MSE -Woman) against this tender has to submit following documents for availing the benefits applicable to MSEs:

i. Udyam Registration No. with Udyam Registration certificate

OR

ii. Proof of registration with District Industry Centres or Khadi & Village Industries Commission or Khadi & Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts & Handloom or Udyog Adhar registration or registration with any other body specified by Ministry of MSME.

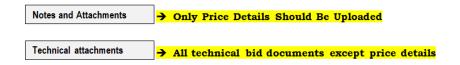
Note: In case bidding MSE is owned by Schedule Caste or Schedule Tribe entrepreneur, valid documentary evidence issued by the agency who has registered the bidder as MSE owned by SC/ST entrepreneur/ Woman Entrepreneurs should also be enclosed.

b) For availing benefits under Public Procurement Policy (Purchase preference & EMD exemption), the interested MSE Bidders must ensure that they are the manufacturer/ service provider of tendered item(s) and registered with the appropriate authority for the said item(s). Bids without EMD shall be rejected, if the technical offer does not include a valid copy of relevant MSE Certificate issued by appropriate authority specifying the item as per tender.

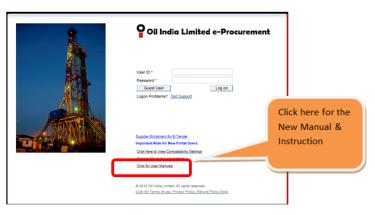
17.0 **DIGITAL SIGNATURE**:

- (i) To participate in OIL's E-procurement tender, bidders should have a legally valid digital certificate of Class 3 with Organizations Name and Encryption certificate as per Indian IT Act from the licensed Certifying Authorities operating under the Root Certifying Authority of India (RCAI), Controller of Certifying Authorities (CCA) of India (http://www.cca.gov.in). Digital Signature Certificates having "Organization Name" field as "Personal" are not acceptable.
- (ii) Digital Signature Certificate comes in a pair of Signing/verification and Encryption/decryption certificate. Bidder should have both the Signing/verification and Encryption/Decryption certificate for Signing and encryption, decryption purpose respectively. The driver needs to be installed once, without which the DSC will not be recognized. While participating on e-Tendering the DSC token should be connected to your system.

- (iii) Encryption certificate is mandatorily required for submission of bid. In case bidder created response with one certificate (using encryption key) and bidder change his Digital Signature Certificate then old certificate [Used for encryption] is required in order to decrypt his encrypted response for getting the EDIT mode of the response. Once decryption is done, bidder may use new DSC certificate for uploading and submission of their offer. It is the sole responsibility of the bidder to keep their DSC certificate properly.
- (iv) In case of loss of the certificate, OIL INDIA LIMITED is not responsible.
- Bids are invited online under **SINGLE STAGE TWO BID SYSTEM**. Bidders must prepare the **TECHNO-COMMERCIAL BID** (**UNPRICED**) as well as the **PRICED BID** separately and upload both these bids in OIL's e-procurement portal at the designated fields separately assigned. Please note that no price details should be furnished in the Technical (i.e. Unpriced) bid. The "Unpriced Bid" shall contain all techno-commercial details except the prices/costs. The rate and amount columns in the unpriced technical bid must be kept blank. The "Price Bid" must contain the price schedule and the bidder's commercial terms and conditions. Bidder not complying with above submission procedure will be rejected.
 - i) Please do refer the User Manual provided on the portal on the procedure How to create Response for submitting offer.
 - ii) The bidder has to submit both the "TECHNO-COMMERCIAL UNPRICED BID" and "PRICED BID" through electronic form in the OIL's e-Tender portal within the Bid Closing Date and Time stipulated in the e-Tender. Details of prices as per Bid format / Commercial bid to be uploaded as attachment in the Attachment Tab "Notes and Attachments". Any offer not complying with above submission procedure will be rejected as per Bid Rejection Criteria mentioned in the tender.



Please do refer "NEW INSTRUCTION TO BIDDER FOR SUBMISSION" for the above two points and also please refer "New Vendor Manual (effective from 12.04.2017)..." available in the login Page of the OIL's E-tender Portal.



In Technical Bid opening, only Technical Rfx will be opened. Therefore, the bidder should ensure **that "TECHNO-COMMERCIAL UNPRICED BID"** should contain details as mentioned in the technical specifications as well as BEC/ BRC and upload the same in the Technical RFx Response-> User - > Technical Bid. **No price should be given in above**

<u>Technical Rfx otherwise the offer will be rejected</u>. Please go through the help document in details before uploading the document and ensure uploading of technical bid in the Technical RFx Response-> User - > Technical Bid only. The "PRICE BID" must contain the price schedule and the bidder's commercial terms and conditions. Details of prices as per Bid format / Commercial bid can be uploaded as Attachment under the attachment option under "Notes & Attachments".

- i) Priced bids of only those bidders will be opened whose offers are found to be technocommercially acceptable.
- ii) For convenience of the qualified Bidders and to improve transparency, the rates/cost quoted by bidders against OIL's e-tenders shall be available for online viewing by such Bidders whose price bids are opened by Company. A Bidder can view item-wise rates/costs of all other such peer bidders against the tender immediately after price bid opening, if the e-tender is floated by Company with PRICE CONDITION. In case the Price-Bid is invited by Company through attachment from under "Notes & Attachment" (i.e. NO PRICE CONDITION), Bidders must upload their detailed Price-Bid as per the prescribed format under "NOTES & ATTACHMENT", in addition to filling up the "TOTAL BID VALUE" tab taking into account the cost of all individual line items and other applicable charges like freight, tax, duties, levies etc. Under NO PRICE condition (i.e. Price Bid in attachment form), the "Total Bid Value" as calculated & quoted by the Bidder shall only be shared amongst the eligible bidders and Company will not assume any responsibility whatsoever towards calculation errors/omissions therein, if any. Notwithstanding to sharing the "Total Bid Value" or the same is whether filled up by the Bidder or not, Company will evaluate the cost details to ascertain the inter-se-ranking of bidders strictly as per the uploaded attachment and Bid Evaluation Criteria only. Online view of prices as above shall be available to the Bidders only upto seven days from the date of Price-Bid opening of the etender.

20.0 **AMENDMENT OF BID DOCUMENTS:**

- i) At any time prior to the deadline for submission of bids, the Company may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bid Documents through issuance of Corrigendum(s)/Addendum(s).
- ii) The Corrigendum(s)/ Addendum(s) will be uploaded in OIL's E-Tender Portal in the Tab "Technical Rfx" and under External Area "Amendments" folder. The Company may, at its discretion, extend the deadline for bid submission. Bidders are expected to take the Corrigendum(s)/ Addendum(s) into account in preparation and submission of their bid. Bidders are to check from time to time the E-Tender portal ["Technical RFx" Tab and under the folder "Amendments"] for any amendments to the bid documents before submission of their bids. No separate intimation shall be sent to the Bidders.
- Quantity of Individual item may be increased or decrease at the time of final placement of order. The minimum FOB/FCA charges in case of partial order for reduced quantity/enhanced quantity shall have to be indicated by the bidder. In case, this is not indicated specifically, the charges quoted would be pro-rata calculated and the same will be binding on the bidder.
- Please mention clearly in your quotation the Net. Weight, Gross Weight & Volume, Indian Agent's Name and its Commission, Payment Terms, Ocean Freight/Air Freight Charges, Port of Loading, Delivery period, Country of origin with manufacturer's name, etc.

23.0	Any deviation(s) from the tender specification should be clearly highlighted specifying justification in support of deviation.
24.0	Original Bid Closing Date shall be considered by OIL for evaluation of BRC Criteria in case of any extension of the original bid closing date.
25.0	Indian Bidders shall indicate the following in their offer: i) Ex Works unit and total price as per price bid format including packing, forwarding and insurance; all costs as well as duties and taxes paid or payable on components and raw materials incorporated or to be incorporated in the goods, inspection, testing and loading on transport carrier etc. j) The quoted price shall be deemed to be inclusive of all taxes and duties except "Goods and Services Tax" (hereinafter called GST) (i.e. IGST or CGST and SGST/UTGST applicable in case of interstate supply or intra state supply respectively and GST compensation Cess if applicable) k) Built in CIF value of import for raw material and components incorporated or to be incorporated in the goods and included in quoted price. The bidder shall provide description of such material, quantity, rate, value etc. l) Inland transportation charges from dispatch point to designated Project Site/dump area/dump yard including loading, unloading of Line Pipes/Bend at Project Site/Warehouse. The prices should be inclusive of all taxes, duties, levies etc.
26.0	The bidder must note that no trans-shipment en route is permitted. However, under exceptional circumstances, trans-shipment maybe allowed with prior consent of OIL. No charges shall be payable for such trans-shipment and consequent handling/storage of the goods.
27.0	The bidders are required to indicate both Ex-works as well as FOR Destination price by road. OIL reserves the right to place order on FOR (despatching station) or FOR (destination) terms. Offered rates should be kept firm through delivery/despatch.
28.0	Currency once quoted will not be allowed to be changed. OIL shall not be compensating for any exchange rate fluctuation.
29.0	Payment Terms: Refer to "General Terms & Conditions" for e- Procurement as per Booklet No. MM/LOCAL/E-01/2005-May2020 for E-procurement (LCB Tenders)
30.0	Liquidated Damage: Refer to "General Terms & Conditions" for e- Procurement as per Booklet No. MM/LOCAL/E-01/2005-May2020 for E-procurement (LCB Tenders). The applicable GST on the Liquidated Damage shall have to be borne by the seller. Accordingly, the Liquidated Damage shall be recovered from the seller along with applicable GST. Note: In case of package items (ordered as a complete system) with multiple order line
	items, the liquidated damage shall be applicable on the entire order value of that package and not on the value of the undelivered portions/items (even though a billing breakup has been available).
31.0	Bidder to sign and submit completely filled up Technical & Commercial check list and Technical Evaluation Matrix for Bid evaluation criteria and Technical specification failing which their offer will be rejected.

32.0 APPLICABILITY OF BANNING POLICY OF OIL INDIA LIMITED:

Banning Policy dated 6th January, 2017 as uploaded in OIL's website will be applicable against the tender (and order in case of award) to deal with any agency (bidder/contractor/supplier/vendor/service provider) who commits deception, default, fraud or indulged in other misconduct of whatsoever nature in the tendering process and/or order execution processes. Applicability of the policy shall include but not limited to the following in addition to other actions like invoking bid security/performance security/cancellation of order etc. as deemed fit and as mentioned elsewhere in the tender:

- A) BACKING OUT BY BIDDER WITHIN BID VALIDITY
- B) BACKING OUT BY SUCCESSFUL BIDDER AFTER ISSUE OF LOA/ORDER/CONTRACT
- C) NON/POOR PERFORMANCE AND ORDER/CONTRACT EXECUTION DEFAULT

The bidders who are on Holiday/Banning/Suspension list of OIL on due date of submission of bid/ during the process of evaluation of the bids, the offers of such bidders shall not be considered for bid opening/evaluation/award. If the bidding documents were issued inadvertently/downloaded from website, the offers submitted by such bidders shall also not be considered for bid opening/evaluation/Award of Work.

PACKAGING: The Seller, wherever applicable shall after proper painting, pack and crate all goods for air/road/rail transportation in a manner suitable to tropical humid climatic region in accordance with the internationally accepted practices and in such a manner so as to protect it from damage and deterioration, in transit by air or road or rail and during storage at the storehouse. The Seller shall be held responsible for all damages due to improper packing. The Seller shall ensure sizing or packing of all oversized consignments in such a way that availability of carrier and/or road/rail route is properly taken into consideration. Seller shall comply with the Packing, Marking and Despatch Instructions and Special Packaging Requirement as per this Bidding Document. All items must have their respective identification marks painted /embossed on them.

34.0 ROAD DESPATCH

- a) In the event of an order other than FOR Destination terms, the material will be required to despatch through OIL's approved transporters (which will be specified in the order) on "Door Delivery" basis. [Note: Sundry Consignment with weight lesser than 03 Tons shall be delivered at OIL's approved transporters godown]
- b) For orders placed on FOR Destination basis, the material will be required to despatch through reputed Bank approved transporters only on Door Delivery basis. In case OIL is required to collect the material from transporters Godown, extra expenditure incurred thereof will be recovered from the Bidder/seller.
- c) The SELLER shall ensure with Transport Company the delivery of materials within a reasonable transit period. SELLER shall also obtain from transporter, particulars of Lorry Number, Transporter's Challan Number, destination of lorry (if transhipment is involved), Transporter's Agent at destination, if any, etc. and intimate same to OIL.

- SHORT SHIPMENTS: Seller should thoroughly check all items in the packing before effecting shipment. If any item(s) are found short packed in sound boxes on examination at project site, Seller shall be responsible to supply short packed items free of charge on receipt of advice from Purchaser. Seller shall also be responsible to bear the import duty levied by Indian Customs on such short-packed items.
- In case a Startup [defined as per Ministry of Commerce and Industry (Department of Industrial Policy and Promotion, DIPP) latest notification]/ MSE is interested in supplying the tendered item but does not meet the Pre-Qualifying Criteria (PQC)/ Proven Track Record (PTR) indicated in the tender document, the Startup/MSE is requested to write a detailed proposal separately, and not against the present tender requirement, to the tender issuing authority about its product. Such proposals shall be accompanied by relevant documents in support of MSE (where applicable) or in case of Startup, following documents shall be given:
 - 1. Certificate of Recognition issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
 - 2. Certificate of incorporation.
 - 3. Audited Profit & Loss (P&L) Statement of all the Financial Years since incorporation. In case where the Balance sheet has not been prepared, bidder shall submit a certificate in original from its CEO/CFO stating the turnover of the bidding entity separately for each Financial Years since incorporation along with a declaration stating the reason for not furnishing the audited P&L Statement. This certificate shall be endorsed by a Chartered Accountant/Statutory Auditor.

The Proposal shall be examined by OIL and OIL may consider inviting a detailed offer from the Startup/MSE with the intent to place a TRIAL or TEST Order, provided the Startup/MSE meets the Quality and Technical Specifications.

In case the Startup/MSE is successful in the Trial Order, the vendor shall be considered for PQC exemption/relaxation (as the case may be) for the next tender for such item till the time it remains a Startup/MSE.

- 37.0 **IMPORTANT NOTES**: Bidders shall take note of the following important points while participating in OIL's e-procurement tender:
 - a) Bid should be submitted online in OIL's E-procurement site up to 11.00 Hrs. (IST) (Server Time) on the date as mentioned and will be opened on the same day at 14.00 Hrs. (IST) at the office of the Head-Materials in presence of the authorized representatives of the bidders.
 - b) Bidders are advised in their own interest to ensure that their bids are uploaded in system before the closing date and time of the bid. The documents in physical form mainly the Original Bid Security if received by the Company after the deadline for submission prescribed by the Company shall be rejected and shall be returned to the Bidders in unopened condition immediately.

38.0 | CLAUSES RELATED TO GST

- a. For the purposes of levy and imposition of GST, the expressions shall have the following meanings:
- (a) GST means any tax imposed on the supply of goods and/or services under GST Law.
- (b) Cess means any applicable cess, existing or future on the supply of Goods and Services as per Goods and Services Tax (Compensation to States) Act, 2017.
- (c) GST Law means IGST Act 2017, CGST Act 2017, UTGST Act, 2017 and SGST Act, 2017 and all related ancillary Rules and Notifications issued in this regard from time to time.
- b. The rates quoted by the bidders shall be inclusive of all taxes, duties and levies. However, bidders are required to provide separately the rate and amount of all types of taxes, duties and levies. In case, the quoted information related to various taxes, duties & levies subsequently proves wrong, incorrect or misleading, OIL will have no liability to reimburse the difference in the duty/ tax, if the finally assessed amount is on the higher side and OIL will have to right to recover the difference in case the rate of duty/ taxes finally assessed is on the lower side. Further, bidders have to clearly show the amount of GST separately in the Tax Invoices. Further, it is the responsibility of the bidders to make all possible efforts to make their accounting / IT system GST compliant in order to ensure availability of Input Tax Credit (ITC) to Oil India Ltd.
- c. Offers without giving any of the details of the taxes (Including rates and amounts) as specified above will be considered as inclusive of all taxes including GST. When a bidder mentions taxes as extra without specifying the rates & amount, the offer will be loaded with maximum value towards taxes received against the tender for comparison purposes. If the bidder emerges as lowest bidder after such loading, in the event of order on that bidder, taxes mentioned by OIL on the Purchase Order/ Contracts will be binding on the bidder.
- d. Bidders are required to pass on the benefit arising out of introduction of GST, including seamless flow of Input Tax Credit, reduction in Tax Rate on inputs as well as final goods by way of reduction of price as contemplated in the provision relating to Anti-Profiteering Measure vide Section 171 of the CGST Act, 2017. Accordingly, for supplies made under GST, the bidders should confirm that benefit of lower costs has been passed on to OIL by way of lower prices/taxes and also provide details of the same as applicable. OIL reserves the right to examine such details about costs of inputs/input services of the bidders to ensure that the intended benefits of GST have been passed on to OIL.
- e. Oil India Ltd. shall declare the value of free issue of materials and services, if any, involved in the execution of the order. The Contractor should consider the same while working out the GST liability, if any. Further in cases where GST is leviable on any facilities provided by OIL and used by bidders and the consideration for which is recovered by OIL in the form of reduction in the invoice raised by bidders then OIL will raise GST invoices on such transactions and the same will be reimbursed by bidders.

f. When Input tax credit is available for Set Off

Evaluation of L-1 prices shall be done based on Quoted price after deduction of Input Tax Credit (ITC) of GST, if available to OIL.OIL shall evaluate the offers on the basis of the

quoted rates only and any claim subsequently by the bidders for additional payment/liability shall not be admitted and has to be borne by the bidders.

When Input tax credit is NOT available for Set Off

Evaluation of L-1 prices shall be done based on Quoted price only. OIL shall evaluate the offers on the basis of the quoted rates only and any claim subsequently by the bidders for additional payment/liability shall not be admitted and has to be borne by the bidders

- g. Bidders agree to do all things not limited to providing GST compliant Tax Invoices or other documentation as per GST law relating to the supply of goods and/or services covered in the instant contract like raising of and /or acceptance or rejection of credit notes / debit notes as the case may be, payment of taxes, timely filing of valid statutory Returns for the tax period on the Goods and Service Tax Network (GSTN), submission of general information as and when called for by OIL in the customized format shared by OIL in order to enable OIL to update its database etc. that may be necessary to match the invoices on GSTN common portal and enable OIL to claim input tax credit in relation to any GST payable under this Contract or in respect of any supply under this Contract.
- h. In case Input Tax Credit of GST is denied or demand is recovered from OIL by the Central / State Authorities on account of any non-compliance by bidders, including non-payment of GST charged and recovered, the Vendor/Supplier/Contractor shall indemnify OIL in respect of all claims of tax, penalty and/or interest, loss, damages, costs, expenses and liability that may arise due to such non-compliance. OIL, at its discretion, may also withhold/recover such disputed amount from the pending payments of the bidders.

39.0 **PRICE BID FORMAT**:

Price bid format has been uploaded alongwith the tender documents. All the price components of price bid format must be quoted. Details of prices as per Bid format / Commercial bid is to be uploaded as attachment in the Attachment Tab "Notes and Attachments". Any offer not complying with above submission procedure will be rejected as per Bid Rejection Criteria mentioned in the tender.

40.0 Policy for providing preference to domestically manufactured Iron and Steel products in govt. procurement, notified vide <u>Gazette of India No 324 dated 29.05.2019</u> read with clarifications, if any issued by MoS on the policy shall be applicable for this tender. Bidders are required to confirm acceptance to the conditions of this policy.

Bidders who comply with all the provisions specified in APPENDIX-A2 attached to this Tender Document and submit all the undertakings and documents applicable under the revised policy shall only be accepted.

41.0 Bidders to note that Ministry of Petroleum & Natural Gas, Government of India implemented PPLC Policy to provide Purchase Preference (linked with local content) by notification no. Ref. O-27011/44/2016-ONG-II/FP dtd.25.04.2017. Bidders are requested to take note of the same and to submit their offers accordingly wherever applicable. Policy details are available in APPENDIX-A3.

42.0 Independent Third-Party Inspection Agencies for verification and certification of documents pertaining to technical Bid Evaluation & Bid Rejection Criteria (BEC/BRC) (if applicable) is to be done as per instruction provided in Annexure – C.

BID EVALUATION CRITERIA (BEC)/BID REJECTION CRITERIA (BRC) -

In addition to BRC/BEC criteria of General Terms & Conditions for Indigenous tenders (MM/LOCAL/E01/2005) including amendments thereof, the following clause will be applicable against the tender.

(A) BID REJECTION CRITERIA (BRC):

The bids shall broadly conform to the specifications and terms and conditions given in this bid document. Bids shall be rejected in case the items offered do not conform to required parameters stipulated in the technical specifications and to the respective international/national standards wherever stipulated.

Notwithstanding the general conformity of the bids to the stipulated specifications and terms and conditions, the following requirements will have to be particularly met by the Bidders, without which the same will be considered as non-responsive and rejected.

A.1 BRC - TECHNICAL:

- 1.0 Bidder shall either be a Line Pipe Manufacturer or a Supply House/Dealer/Distributor/Sole Selling Agent duly authorized by a Line Pipe Manufacturer. Bidder must submit such authorization letter, if applicable, alongwith the Technical Bid clearly specifying their status.
- 2.0 All the tendered items shall be procured from same source against this tender and hence, bidder must quote for all items in full quantity strictly complying with the technical specifications as per tender.
- 3.0 Bidder must be in a position of supplying the entire tendered quantity within a period of 6 months from the date of PO (FOR Despatching Station). Bids without delivery schedule or with higher delivery schedule than above shall be rejected.

4.0 **Experience Criteria:**

- 4.1 **For Line Pipe Manufacturer:** The Line Pipe Manufacturer must have experience of manufacturing and successfully executing orders/contracts to any Oil & Gas specific Companies for at least 50% tendered quantity of same type (as per tender specifications) Line Pipes compliant to API Spec. 5L at PSL-2 during the last 5 (five) years preceding the original bid closing date of the tender (either by themselves or through their sole selling agent/ distributor/dealer/supply house). Manufacturer/Mill having such experience for supplying higher outer diameters and/or higher Grades and/or minimum wall-thickness of 6.4 mm shall also be acceptable. Documentary evidence in this regard must be submitted as per Para 4.4.
- 4.2 **For Bend Manufacturer:** The Manufacturer of offered Pipe Bends must have experience of manufacturing and successfully executing orders/contracts to any Oil & Gas specific companies for at least 50% tendered quantity of same type (as per tender specifications) Pipe Bends compliant to API Spec. 5L at PSL-2 during the last 5 (five) years preceding the original bid closing date of the tender (either by themselves or through their sole selling agent/distributor/dealer/supply house). Manufacturer/ Mill having such experience for supplying higher outer diameters and/or higher Grades and/or minimum wall-thickness of 6.4 mm shall also be acceptable. Documentary evidence in this regard must be submitted as per Para 4.4.
- 4.3 **For Coating Applicator:** The Coating Applicator must have experience of successfully carrying out API Line Pipe coating jobs as per tender specifications for at least 50% tendered

quantity for use by Oil and Gas specific companies in the last 5 (five) years preceding the original bid closing date of the tender. Documentary evidence in this regard must be submitted as per Para 4.4.

- 4.4 Documentary evidences to substantiate past supply experience as above should be submitted alongwith the technical bid in the form of copies of relevant Purchase Orders/Contracts placed by Oil & Gas specific Companies together with copies of any of the following documents against each of those Orders/contracts:
- (i) Signed and sealed Satisfactory supply / completion report (in original on user's letter head) (OR)
- (ii) Bill of Lading (OR)
- (iii) Consignee delivery receipt / challan (OR)
- (iv) Central Excise Gate Pass/Tax Invoice issued under relevant rules of Central Excise/Vat (OR)
- (v) Commercial Invoice/ Payment Invoice

Note:

- i. The Purchase Orders/contracts date need not be within 5 (five) years preceding original bid closing date of this tender. However, the execution of supply must be within 5 (five) years preceding the original bid closing date of this tender.
- ii. In the event of any extension to the bid closing date of the tender, the original scheduled bid closing date shall be considered for evaluation of BRC clauses.
- iii. Documentary evidences regarding satisfactory supply/completion/ installation report should be submitted alongwith the technical bid on client's letterhead, duly signed & sealed by the authorised officials of such client/customer. Original documents, if & when warranted, must be produced for verification by OIL.

5.0 In case the Bidder is a LINE PIPE MANUFACTURER:

- 5.1 The manufacturing mill of the offered line pipes must have API Spec. 5L Product Specification Level 2 (PSL 2) certifications for the preceding five (5) years from the original bid closing date of the tender and the same must be valid as on the scheduled original bid closing date. Copies of relevant API license to use API monogram (API 5L at PSL-2) for the last 5 (Five) years (i.e. continuous without having any break in between) shall be submitted alongwith the techno-commercial bid. Bids without copies of valid API certificates or with break in between shall be rejected.
- 5.2 The Bidder must meet the past supply experience criteria as stipulated in Para 4.1 above for Coated Line Pipes and submit documentary evidences thereof as per para 4.4 above.
- 5.3 The Bidder should either themselves meet the criteria for Bends as stipulated in Para 4.2 above or propose to engage a third party Bend Manufacturer who meets the said criteria. Bidder proposing to engage a third party Bend Manufacturer must execute an MOU (Memorandum of Understanding) with such bend manufacturer before submission of their Bid and a copy of which must be submitted alongwith the technical bid. Requisite documentary evidences for supply experience of the Bend Manufacturer as called for vide para 4.4 complying with the criteria mentioned in para 4.2 above must also be submitted together with the MOU.
- 5.4 The Bidder should either have their own coating facility meeting the tender specifications or propose to engage a third party Coating Applicator who meets the coating criteria. Bidders proposing to engage a third party Coating Applicator, must execute an MOU (memorandum of understanding) with such Coating Applicator before submission of their Bid and a copy of which must be submitted alongwith the technical bid. Requisite documentary

evidences for experience of Line Pipe Coating jobs as called for vide para 4.4 complying with the criteria mentioned in para 4.3 above must also be submitted together with the MOU.

- 5.5 As may be necessary, the Bidder can propose only one Bend Manufacturer and only one Coating Applicator in their Bid. Offers highlighting multiple Bend Manufacturers and/or multiple Coating Applicators shall be rejected without any reference.
- 5.6 Subsequent to submission of Bid, Bidder shall not be permitted to change the Bend Manufacturer or Coating Applicator. Request for such change(s) will amount to post-tender modification/withdrawal of bid and liable for bid rejection, besides other penal actions.
- 6.0 In case the Bidder is an authorized Dealer/Distributor/Supply House/Sole Selling Agent of a Line Pipe Manufacturer, the following criteria must be met by the Bidder:
- 6.1 The Bidder must identify its status (whether Dealer/Distributor/Supply House/Sole Selling Agent) in its technical Bid and undertake to supply Line Pipes & Bends produced by the manufacturer(s), who meets the experience requirements stipulated under para 4.1 & 4.2 above. Similarly, the Coating shall be applied by the party who meets the criteria as mentioned in para 4.3 above. Documentary evidences in this regard for Line Pipe Manufacturer, Bend Manufacturer and Coating Applicator must be submitted as per para 4.4 above.
- 6.2 The bidder must additionally have own experience of successfully executing at least 01 (One) purchase order/contract for Coated API Line Pipe of minimum 25% of the tendered quantity of any size & grade to Oil and Gas specific companies in the last 5 (Five) years preceding the original bid closing date of the tender. Documentary evidence in this regard must be submitted as per Para 4.4 above.
- 6.3 The Bidder shall furnish due Authorisation Certificate from the Line Pipe Manufacturer with specific stipulation to the effect that the Pipe Manufacturer does not quote/participate against tendering process, but sells through their authorized dealer/distributor/supply houses/sole selling agents only. Such authorization must remain valid throughout execution of the order arising out of this tender and the manufacturer must guarantee supply of offered API Line Pipes, if ordered.
- 6.4 In case the Bidder offers Bends and/or Coating from vendors other than the pipe manufacturer, a copy of MOU (Memorandum of Understanding) from each such vendors must be submitted alongwith the technical bid as per para 5.3 & 5.4 above.
- 6.5 As may be necessary, the Bidder can propose only one Pipe Manufacturer, one Bend Manufacturer and one Coating Applicator in their Bid. Offers highlighting multiple Pipe Manufacturers and/or multiple Bend Manufacturers and/or multiple Coating Applicators shall be rejected without any reference.
- 6.6 Subsequent to submission of Bid, Bidder shall not be permitted to change the Pipe Manufacturer/Bend Manufacturer/Coating Applicator. Request for such change(s) shall amount to post-tender modification/withdrawal of bid and liable for bid rejection, besides other penal actions.
- 7.0 Bidders who have already executed Purchase Orders of OIL INDIA LIMITED (OIL) for Coated API Line Pipes (API 5L) during the last five (5) years preceding to the original Bid Closing Date of this Tender and propose the same set of manufacturers & coating applicator against this tender also, need not be required to submit documentary evidences as per para 4.4 above. However, for availing this exemption, the Bidder must highlight OIL's such Purchase Order No. & Date as well as the name of Pipe Manufacturer, Name of Bend Manufacturer and Name of Coating Applicator in their Technical Bid. Notwithstanding above, the Bidder must

submit other documents viz; copy of API License & valid MOU (for subject tender) etc. as called for above.

A.2 BRC -FINANCIAL:

- 1.0 **Annual Turnover** The bidder shall have annual financial turnover of minimum **INR 4.47 Crores** during any of the preceding 3 (Three) financial/accounting years reckoned from the original bid closing date of the tender.
- 2.0 "Net Worth" of the bidder must be positive for the financial/accounting year just proceeding to the original Bid Closing Date of the Tender (i.e., Year 2019-20).
- 3.0 Considering the time required for preparation of Financial Statements, if the last date of preceding financial/accounting year falls within the preceding six months reckoned from the original bid closing date and the Financial Statements of the preceding financial/accounting year are not available with the bidder, then the financial turnover of the previous three financial/accounting years excluding the preceding financial/accounting year will be considered. In such cases, the Net worth of the previous financial/accounting year excluding the preceding financial/ accounting year will be considered. However, the bidder has to submit an affidavit/ undertaking (ref. Proforma-6) certifying that 'the balance sheet/Financial Statements for the financial year 2019-20 has actually not been audited so far'.

Note:

- a) For proof of Annual Turnover & Net worth any one of the following document must be submitted along with the technical bid:-
- i) A certificate issued by a practicing Chartered / Cost Accountant (with Membership Number and Firm Registration Number), certifying the Annual Turnover & Net worth as per format prescribed in **Proforma-7**.

OR

- ii) Audited Balance Sheet along with Profit & Loss account.
- b) In case the bidder is a Central Govt. Organization/PSU/State Govt. Organization/Semi-State Govt. Organization or any other Central/ State Govt. Undertaking, where the auditor is appointed only after the approval of Comptroller and Auditor General of India and the Central Government, their certificates may be accepted even though FRN is not available. However, bidder to provide documentary evidence for the same.
- 4.0 In case the Audited Balance Sheet and Profit & Loss Account submitted along with the bid are in currencies other than INR or US\$, then the bidder shall have to convert the figures in equivalent INR or US\$ considering the prevailing conversion rate on the date of Balance Sheet and Profit & Loss Account. A CA certificate is to be submitted by the bidder regarding converted figures in equivalent INR or US\$.
- 5.0 In case the Bidder is subsidiary company (should be 100% owned subsidiary of the parent/ultimate parent/holding company) who does not meet financial criteria by itself and submits its bid based on the strength of parent/ ultimate parent/ holding company, then following documents need to be submitted:
- i) Turnover of the parent/ ultimate parent/ holding company should be in line with Para 1.0 above.
- ii) Net Worth of the parent/ultimate parent/ holding company should be positive in line with Para 2.0 above.
- iii) Corporate Guarantee (as per Attachment XX) on parent / ultimate parent/ holding company's company letter head signed by an authorised official undertaking that they would

financially support their wholly owned subsidiary company for executing the project/ job in case the same is awarded to them.

iv) Document of subsidiary company being 100% owned subsidiary of the parent/ultimate parent/holding company.

A.3 BRC -COMMERCIAL:

Commercial Bid Rejection Criteria will be as per Section D of General Terms & Conditions of Indigenous Tender (MM/LOCAL/E-01/2005) with following Special Bid Rejection Criteria.

- 1.0 Bids are invited online under **Single Stage Two Bid System**. Bidders must prepare the Techno-Commercial Bid (Unpriced) as well as the Priced Bid separately and upload both these bids in OIL's e-procurement portal at the designated fields separately assigned. **Please note that no price details should be furnished in the Technical (i.e. Unpriced) bid.** The "Unpriced Bid" shall contain all techno-commercial details except the prices/costs. The rate and amount columns in the unpriced technical bid must be kept blank. The "Price Bid" must contain the price schedule and the bidder's commercial terms and conditions. Bidder not complying with above submission procedure will be rejected.
- 2.0 The prices/rates offered against the tender must remain firm through delivery and not subject to variation on any account. A bid submitted with an adjustable price condition shall be treated as non-responsive and rejected. No discount whatsoever should be quoted separately. Rates/prices quoted must be net of all discount.
- 3.0 Bids received in physical form against online invitation shall be rejected (except the documents specifically called for in hard copies, if any). Also, modifications to bids received after the bid closing date & time shall not be entertained.
- 4.0 Bids containing incorrect/false/misleading statement(s) shall be rejected.
- 5.0 Validity of the bid shall be 120 days from the date of actual Bid Closing Date. Bids with lesser validity shall be straightway rejected.
- 6.0 No Bid Security /Earnest Money Deposit (EMD) shall be applicable. Instead of EMD /Bid Security, all the bidders shall be required to sign a "Bid securing declaration" accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the NIT/ Purchase order, they shall be suspended for the period of two (2) years. This suspension of two years shall be automatic without conducting any enquiry.
- 7.0 Bidders must confirm that goods/materials to be supplied against the order arising out of this tender shall be of recent make, unused, of the best quality & workmanship and free from defects. The Bidder must undertake to stand guaranteed the supplies for a period of 18 months from date of shipment / dispatch or 12 months from the date of receipt at site, whichever is earlier; against any defects arising from faulty materials, workmanship or design. Defective goods/materials rejected by OIL, whether the entire lot or part thereof, shall be replaced immediately by the supplier (on DDP Duliajan terms) at the supplier's expenses at no extra cost to OIL.

- 8.0 Successful bidder shall be required to furnish a Performance Security equivalent to Three percent (3 %) of total evaluated value of Order within 30 days of receipt of LOA/notification of award. The Performance Bank Guaranty must remain valid throughout the period of execution, including extension if any. Non-submission of Performance Security as above by the successful Bidder shall lead to cancellation/termination of award including forfeiture of their Bid Security, besides other penal actions as per OIL's Banning Policy. **Bidders should undertake in their bids to submit Performance Security as stated above.**
- 9.0 Online Bid must be uploaded together with the Integrity Pact and the same must be duly signed digitally. If any bidder refuses to sign Integrity Pact or declined to submit Integrity Pact with the offer, their bid shall be rejected straightway.
- 10.0 Bidders must submit prices as indicated in the price bid format provided hereunder. In case, various charges (except basic material value) are not indicated item wise specifically, the charges quoted would be pro-rata calculated and the same will be binding on the bidder. Hence, bidders are requested to quote accordingly.
- 11.0 Bidders are required to submit their price bids strictly as per the formats provided alongwith the bid.
- 12.0 Bidders shall accept and comply with the following clauses as given in the Bid Document, failing which bid shall be liable for rejection:
 - i) Liquidated Damages
 - ii) Warranty/Guarantee of material
 - iii) Arbitration / Resolution of Dispute
 - iv) Force Majeure
 - v) Applicable Laws

13.0 A bid shall be rejected straightway if it does not conform to the following clause:

a) Validity of bid shorter than the validity indicated in the Tender.

(B) BID EVALUATION CRITERIA:

The bids conforming to the specifications, terms and conditions stipulated in the enquiry and considered to be responsive after subjecting to the Bid Rejection Criteria will be considered for further evaluation as per General Terms and Conditions for Global Tender and the Bid Evaluation Criteria given below:

- 1.0 The evaluation of bids shall be done as per the Price Bid Format (SUMMARY) provided in the Tender and detailed below.
- 2.0 If there is any discrepancy between the unit price and the total price, the unit price will prevail and the total price shall be corrected. Similarly, if there is any discrepancy between words and figure, the amounts in words shall prevail and will be adopted for evaluation.
- 3.0 For conversion of foreign currency into Indian currency, B.C. selling (Market) rate declared by State Bank of India, one day prior to the date of price bid opening shall be considered. However, if the time lag between the opening of the bids and final decision exceed 3(three) months, then B.C. Selling(Market) rate of exchange declared by SBI on the date prior to the date of final decision shall be adopted for conversion and evaluation.
- 4.0 To ascertain the inter-se-ranking, bid prices shall be converted into Indian Rupees and the comparison of responsive bids shall be made as under, subject to corrections / adjustments, if any.

Note:

- 1) All Bidders must quote inland freight/transportation charges upto Duliajan, Assam. In case bidder fails to quote inland freight charges, highest freight quoted by any domestic bidder (considering pro-rata distance) against this tender or OIL's estimated freight, whichever is higher, shall be loaded to their offer for ascertaining inter-se-ranking of the Bidders.
- 2) For enquiries with duty exemption benefit The items covered under this enquiry shall be used by OIL in the PEL/ML areas and hence, applicable rate customs duty for import of goods shall be zero for foreign bidders. However, IGST @5% shall be applicable. IGST @5% shall be applicable for Indigenous bidders also under Integrated Goods and Services Act, 2017(13 of 2017), Notification No. 3/2017-Integrated Tax (Rate) dated 28/06/2017.
- 4.1 Comparison of bids shall be done on the basis of "Grand Total FOR Destination Value of Item Nos 10 + 20 + 30 + 40 + 50 (In INR)" quoted by the Bidders comprising all the tendered items as per Price Bid Format adopted in the Tender considering the following:
 - a) Itemwise Basic Material Value including Third Party Inspection (TPI) charges (In INR):
- b) Quantity
- c) Total Ex-Works Value {(a x b } (In INR):
- d) GST against Essentiality Certificate @5% of (c) (In INR):
- e) Total FOR Despatching Station Value (c + d) (In INR):
- f) Freight and Transit insurance charges upto Destination including GST (In INR):
- g) Total FOR Destination Value (e + f) (In INR):
- h) Grand Total FOR Destination Value of Item Nos 10 + 20 + 30 + 40 + 50 (In INR):
- 5.0 Other terms and conditions of the enquiry shall be as per General Terms and Conditions for Indigenous Tender. However, if any of the Clauses of the Bid Rejection Criteria / Bid Evaluation Criteria (BEC / BRC) mentioned here contradict the Clauses in the General Terms & Conditions of Indigenous Tender of the tender and/or elsewhere, those mentioned in this BEC / BRC shall prevail.
- 6.0 Policy for providing preference to domestically manufactured Iron and Steel products in govt. procurement, notified vide <u>Gazette of India No 324 dated 29.05.2019</u> read with clarifications, if any issued by MoS on the policy shall be applicable for this tender. Bidders are required to confirm acceptance to the conditions of this policy.

Bidders who comply with all the provisions specified in **APPENDIX-A2** attached to this Tender Document and submit all the undertakings and documents applicable <u>under the revised policy</u> shall only be accepted.

<u>Independent Third-Party Inspection Agencies for verification and certification of documents pertaining to technical Bid Evaluation & Bid Rejection Criteria (BEC/BRC).</u>

1.0 Oil India Limited (OIL) has engaged the following 09 (Nine) Independent Inspection Agencies for a period of 04 (four) years with effect from 06.05.2020 to verify and certify various documents required against BEC/BRC of the tender:

SI. No.	Name of Independent Inspection Agency	Contact E-mail ID
i.	M/s. RINA India Pvt. Ltd.	a. ssd@rina.org b. Andrea.Vattuone@rina.org
ii.	M/s. Dr. Amin Controllers Pvt. Ltd.	a. <u>rkjain@rcaindia.net</u> b. <u>info@rcaindia.net</u>
iii.	M/s. Germanischer Llyod Industrial Services GmbH (DNV GL- Oil & Gas)	a. mangesh.gaonkar@dnvgl.com
iv.	M/s. TÜV SÜD South Asia Pvt. Ltd.	a. Jaimin.Bhatt@tuv-sud.in b. sanjaykumar.singh@tuv-sud.in c. Pankaj.Narkhede@tuv-sud.in d. Ajit.Yadav@tuv-sud.in
V.	M/s. IRCLASS Systems and Solutions Private Limited	a. abhishek.singh@irclass.org b. pradeep.bansal@irclass.org c. Asim.Hajwani@irclass.org d. Amit.Ketkar@irclass.org e. industrial_services@irclass.org
vi.	M/s. Gulf Llyods Industrial Services (India) Pvt. Ltd.	 a. contact@gulflloyds.com b. bbhavsar@gulfllyods.com c. inspection@gulflloyds.com d. gulflloyds.india@gmail.com
vii.	M/s. TUV India Private Limited	a. salim@tuv-nord.com b. delhi@tuv_nord.com
viii.	M/s. TÜV Rheinland (India) Pvt. Ltd.	a. Shailesh.Deotale@ind.tuv.com b. ravi.kumar@ind.tuv.com c. rupeshkumar.singh@ind.tuv.com d. Neeraj.Chaturvedi@ind.tuv.com
ix.	M/s. Bureau Veritas (India) Private Limited	a. udit.chopra@bureauveritas.com b. vishal.sapale@bureauveritas.com c. dinesh.sukhramani@bureauveritas .com d. p.sridhar@bureauveritas.com e. hariprasad.jhawar@bureauveritas. com f. amit.shaw@bureauveritas.com g. business.support@bureauveritas.c om h. labhanshu.sharma@bureauveritas. com

	 i. pramodkumar.yadav@bureauverit as.com j. sonal.lad@bureauveritas.com k. bvindia.corporate@in.bureauveritas.com

2.0 The Bidders have to get the various documents required against BEC/BRC of the tender verified and certified by anyone of the above Independent Inspection Agencies and submit the duly certified documents alongwith the Inspection Certificate issued by the Inspection Agencies as part of their Technical Bids. It may be noted that the scope of inspection is primarily to verify the authenticity of the documents being submitted as part of the bid. All Charges of the Third-party Independent Inspection Agencies towards verification of bidder's documents and certification thereof shall be borne by the respective bidders and Payments on account of above inspection, verification and certification shall be made directly by the Bidder to the Inspection Agency(s). OIL will not be responsible for any payment dispute between Bidders and Third Party Inspection Agencies.

3.0 As mentioned above, Bidder(s) have to submit the verified documents and the duly certified Inspection Certificate by the Inspection Agencies along with the Technical Bids. Bid submitted with un-verified supporting documents shall not be normally considered. However, in case a bidder submits its bid alongwith all relevant supporting documents against BEC/BRC without getting all/some of them verified by the designated Independent Inspection agency, such bid can be provisionally considered provided it is accompanied by an Undertaking by the Bidder on their official letterhead to submit the duly verified copies/verification certificate within seven (7) days of actual bid opening. Company will neither send any reminder nor seek any clarification in this regard from such bidders, and the bid will be rejected outright if the bidder fails to submit the verified copies/verification certificate within seven (7) days of actual bid opening at its own risk and responsibility. If a bidder does not submit the undertaking towards submission of third party certification within 7 days from date of Bid Closing date, but certified document reaches us within the cut-off date of above seven (7) days, then such bids shall be considered.

4.0 The methodology of inspection/ verification of documents is broadly as under but not limited to:

(a) It is obligatory on the part of the interested Bidders, who choose to participate against the tender, to understand the tender requirements in entirety and the requisite documents sought for in support of the Bid Rejection & Bid Evaluation Criteria (BEC/BRC) mentioned in the tender in particular. The Bidder must produce all the

appropriate documents before any of the OIL's empanelled third party certifying agencies for verification/certification. Neither OIL nor the third party certifying agency shall be held accountable in any manner regarding the choice of documents by the bidder for verification. Therefore, getting the appropriate documents inspected/verified by the agency in support of BEC/BRC clauses is the sole responsibility of the Bidder.

- (b) . The prospective bidder shall contact any of the empanelled inspection agencies. The agency shall go through the Tender Document, especially the requirements of BEC/BRC and list the documents to be verified. They shall depute their qualified/competent inspector to the Bidder's premises to check the original documents and certify the copies which the bidder shall submit along with their bids. OIL will reserve the right to ask the inspection agencies to verify the documents with source, if required at no extra cost to OIL. Verification of documents by OIL's empanelled third party agency shall not automatically make the bidder eligible for award of contract.
- (c) Verification of documents (but not limited to) are normally categorised as under:

General Requirement:

- Check Bidder's PAN Card
- Check Bidder's GST Certificate
- Check ITR of company last three years (minimum)
- Check Bidder's Certificate of Incorporation Domestic Bidder.

➤ Additional Documents : (If applicable against the tender)

- Joint Ventures Agreements To Double-check with JV Partners
- Consortium Agreements To Double-check with Consortium Partners
- Holding/ Parent/Subsidiary Company To check the notarized Share Holding pattern

> Technical Criteria

- To check Experience Proof –
- To Check the Completion Certificates Letter of Appreciations of proper Execution
- Reference contact verification and true copy verification
- To check Original Work Order/Contract Copy

• To check any other document(s), if called for vide BEC/BRC of the Tender.

> Financial Criteria

- Check and verify Audited Balance Sheet/CA certificate Turnover & Net Worth.
- Check Notarization validity, if any
- To check the Line of Credit, if incorporated in the tender.

RESTRICTIONS ON PROCUREMENT FROM A BIDDER OF A COUNTRY WHICH SHARES A LAND BORDER WITH INDIA

1.0 Ministry of Finance of Govt. of India, Department of Expenditure, Public procurement Division vide office memorandum F. No. 6/18/2019-PPD dated 23rd July, 2020(order-Public Procurement no.1) has proclaimed the insertion of Rule 144 (xi) in the General Financial Rules (GFRs), 2017 w.e.f. 23rd July, 2020 regarding restrictions on procurement from a bidder of a country which shares a land border with India on the grounds of defence of India on matters directly or indirectly related thereto including national security. Bidders are requested to take note of the following clauses and submit their offers accordingly wherever applicable.

Bidders must submit duly sealed & signed undertaking as per format provided vide, "PROFORMA -1" along with the technical bid.

I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority.

Validity of Registration:

In respect of tenders, registration should be valid at the time of submission of bids and at the time of acceptance of bids. In respect of supply otherwise than by tender, registration should be valid at the time of placement of order. If the bidder was validly registered at the time of acceptance/placement of order, registration shall not be a relevant consideration during contract execution.

- II. "Bidder" (including the term 'tenderer', 'consultant' or 'service provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
- III. "Bidder from a county which shares a land border with India "for the purpose of this Order means:
 - a. An entity incorporated, established or registered in such a country; or
 - b. A subsidiary of an entity incorporated, established or registered in such a country; or
 - c. An entity substantially controlled through entities incorporated, established or registered in such a country; or
 - d. An entity whose beneficial owner is situated in such a country; or
 - e. An Indian (or other) agent of such an entity; or
 - f. A natural person who is a citizen of such a country; or
 - g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

- IV. The beneficial owner for the purpose of (iii) above will be as under:
 - In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.
 Explanation
 - a. "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent of shares or capital or profits of the company;
 - b. "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
 - 2. In case of a partnership firm, the beneficial owner is the natural person (s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership.
 - 3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
 - 4. Where no natural person is identified under (1) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
 - 5. In case of trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI. The successful bidder shall not be allowed to sub-contract any job related to the procurement (e.g. installation and commissioning, Annual Maintenance Contract etc.) to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority.

PROFORMA -1

Format for Undertaking by Bidders towards compliance of office memorandum F. No. 6/18/2019-PPD dated 23rd July, 2020 (Public Procurement no. 1) issued by Department of Expenditure, Ministry of Finance, Govt. of India

(To be typed on the letter head of the bidder)

Ref. No		Date
Tender No	Dated _	
OIL INDIA LIMITED MATERIALS DEPARTMENT DULIAJAN, ASSAM, INDIA		
Dear Sirs,		

We have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; We certify that this bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. We hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered. [Where evidence of valid registration by the Competent Authority shall be attached.]"

We also agree that, during any stage of the tender/contract agreement, in case the above information/documents submitted by us are found to be false, Oil India Limited has the right to immediately reject our bid/terminate contract at any stage and carry out further legal action on us in accordance with law.

Yours faithfully, For (type name of the firm here)

Signature of Authorised Signatory

Name:

Designation : Phone No.

Place : Date :

(Affix Seal of the Organization here, if applicable)

Note: This form should be returned along with offer duly signed.

PROFORMA -2

Format of undertaking by Bidders towards submission of authentic information/documents (To be typed on the letter head of the bidder)

Ref. No		Date	
Sub: Undertaking of authen	nticity of information	/documents submitted	
Ref: Your tender No	Dated	_	
To, The HOD-Materials Materials Deptt, <u>OIL, Duliajan</u>			
Sir,			
With reference to our quotation fraudulent information/document	•	referred tender, we hereby undertake that itted by us.	nc
We take full responsibility for above cited bid.	r the submission of aut	thentic information/documents against the	
information/documents submi	itted by us are found to luding forfeiture of ou	ontract agreement, in case any of the o be false/forged/fraudulent, OIL has right or EMD and/or PBG and/or cancel the awar on us, as deemed fit.	
Yours faithfully, For (type name of the firm he	re)		
Signature of Authorised Signa	atory Name		
:			
Designation:			
Phone No.			
Place:			
Date:			
(Affix Seal of the Organization	on here, if applicable)		

PROFORMA - 3

INTEGRITY PACT

Between

Oil India Limited (OIL) hereinafter referred to as "The Principal"

And

(Name of the bidder)......hereinafter referred to as "The Bidder/Contractor"

Preamble:

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organization "Transparency International" (TI). Following TI's national and international experience, the Principal will appoint an external independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section: 1 -Commitments of the Principal

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
 - 1. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.
 - 2. The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential/additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.
 - 3. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if

there be a Page 2 of 6 substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section: 2 -Commitments of the Bidder/Contractor

- (1) The Bidder/Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
 - 1. The Bidder/Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which h e/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
 - 2. The Bidder/Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, Subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
 - 3. The Bidder/Contractor will not commit any offence under the relevant Anticorruption Laws of India; further the Bidder/Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
 - 4. The Bidder/Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder/Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- (3) The Bidder/Contractor signing Integrity Pact shall not approach the Courts while representing the matters to IEMs and he/she will await their decision in the matter.

Section 3 -Disqualification from tender process and exclusion from future Contracts

If the Bidder, before contract award has committed a transgression through a violation of Section 2 or in any other form such as to put his reliability or risibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.

- 1. If the Bidder/Contractor has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder/Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressions within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.
- 2. The Bidder accepts and undertakes to respect and uphold the Principal's Absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.
- 3. If the Bidder/Contractor can prove that he has restored/recouped the Damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.
- 4. A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.
- 5. Integrity Pact, in respect of a particular contract, shall be operative from the date Integrity Pact is signed by both the parties till the final completion of the contract **or as mentioned in Section 9- Pact Duration whichever is later**. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings

Section 4 -Compensation for Damages

- 1. If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder liquidated damages equivalent to Earnest Money Deposit / Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to Security Deposit / Performance Bank Guarantee.
- 3. The bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder/Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less

damage than the amount or the liquidated damages, the Bidder/Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5 -Previous transgression

- 1. The Bidder declares that no previous transgression occurred in the last 3 years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- 2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section: 6 -Equal treatment of all Bidders/Contractor/Subcontractors

- 1. The Principal will enter into Pacts on identical terms with all bidders and contractors.
- 2. The Bidder / Contractor undertake(s) to procure from all subcontractors a commitment in conformity with this Integrity Pact. The Bidder/Contractor shall be responsible for any violation(s) of the provisions laid down in this agreement/Pact by any of its sub-contractors/sub-vendors.
- 3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section: 7 -Criminal charges against violating Bidders/Contractors/ Subcontractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor, which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section: 8 -External Independent Monitor/Monitors

- 1. The Principal appoints competent and credible external independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- 2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairperson of the Board of the Principal.
- 3. The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and

demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder/Contractor/Subcontractor with confidentiality.

- 4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- 5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action. However, the Independent External Monitor shall give an opportunity to the bidder / contractor to present its case before making its recommendations to the Principal.
- 6. The Monitor will submit a written report to the Chairperson of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.
- 7. If the Monitor has reported to the Chairperson of the Board a Substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8. The word 'Monitor' would include both singular and plural.

Section:9 -Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/ lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by Chairperson of the Principal.

Section: 10 -Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi. The Arbitration clause provided in the main tender document / contract shall not be applicable for any issue / dispute arising under Integrity Pact.

- 2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- 3. If the Contractor is a partnership or a consortium, this agreement must be, signed by all partners or consortium members.
- 4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intensions.

Sd- (TUHIN ROY) Chief Manager Materials (FD)		
For the Principal	For the Bidder/Contractor	
	Witness 1:	

Place. Duliajan

Date .

BID SECURING DECLARATION

TO, OIL INDIA LIMITED P. O. - DULIAJAN - 786 602 ASSAM, INDIA

Whereas(herein
after called 'the Bidder') has submitted their Bid No
dated against OIL INDIA LIMITED, DULIAJAN, ASSAM, INDIA
(hereinafter called the Purchaser)'s tender No for the supply of
(lease) of the called (the Did) IMOM ALL MENT has these greaters that if I/M-
\dots (hereinafter called 'the Bid') KNOW ALL MEN by these presents that $$ if $$ I/We
withdraw or modify our Bid during the period of validity, or if I/We are
awarded the contract and I/We fail to sign the contract, or to submit a
performance security before the deadline defined in the NIT / Purchase Order,
then I/We shall be suspended for the period of two (2) years. This suspension
of two years shall be automatic without conducting any enquiry.

Signature & Seal of the Bidder

PROFORMA - 5 PERFORMANCE SECURITY FORM

TO, OIL INDIA LIMITED, DULIAJAN - 786 602 ASSAM, INDIA

WHEREAS(Name of the Seller)		
(herein after called 'the Seller') has undertaken, in pursuance of Order No		
AND WHEREAS it has been stipulated by you in the said Contract that the Seller shall furnish you with a Bank Guarantee by a recognized Bank for the sum specified therein as security for compliance with the Seller's performance obligation in accordance with the Contract.		
AND WHEREAS we have agreed to give the Seller a Guarantee:		
THEREFORE, we hereby affirm that we are Guarantors on responsible to you, on behalf of the seller, upto a total of		
This Guarantee is valid until the day of day of		
The details of the issuing bank and controlling bank are as under:		
 A. Issuing Bank 1. Full address of the bank: 2. Email address of the bankers: 3. Mobile nos. of the contact persons: 		
B. Controlling Office		
 Address of the controlling office of the BG issuing banks: Name of the contact persons at the controlling office with their mobile nos. and email address: 		
Signature & Seal of the guarantors		
Date		
Witness		

PROFORMA - 5A

UNDERTAKING BY VENDOR ON SUBMISSION OF PERFORMANCE BANK GUARANTEE

To, Oil India Limited Materials Department Duliajan – 786602. Assam	
security in favor of Oil India Limited, bearing reference no	are submitting the performance Duliajan in the form of bank guarantee for an valid up to s per terms and conditions of Purchase
Bank Branch IFS Code	
Contact Details E-mail Addresses	Mobile Telephone Fax
Correspondence Address H No/Street/City	State Country Pin Code
Declaration:- We have arranged to send the confirmation of issuance of the performance bank guarantee via SFMS portal through our bank using the details mentioned in the contract/purchase order and hereby confirming the correctness of the details mentioned. Authorised Signature	
	Name Vendor Code

Encl: Original performance bank guarantee

Email ID

Mobile No

FORMAT FOR CERTIFICATE OF COMPLIANCE OF FINANCIAL CRITERIA

ON THE OFFICIAL PAD OF THE BIDDER TO BE EXECUTED BY THE AUTHORIZED SIGNATORY OF THE BIDDER

Rei: C	Jiause No.	B - Financial Criteria of the BEC
Tend	er No.:	
•••••	•••••	the authorized signatory(s) of . (Company or firm name with address) do hereby solemnly lare as under:-
		sheet/Financial Statements for the financial year _ (as the case may be) has actually not been audited as on the osing Date.
Place	:	
Date	· · · · · · · · · · · · · · · · · · · ·	Signature of the authorized signatory

Note: This certificate are to be issued only considering the time required for preparation of Financial Statements i.e. if the last date of preceding financial / accounting year falls within the preceding six months reckoned from the original bid closing date.

CERTIFICATE OF ANNUAL TURNOVER & NET WORTH

TO BE ISSUED BY PELETTER HEAD	RACTISING CHARTARD ACCO	UNTANTS' FIRM ON THEIR	
TO WHOM IT MAY CONCERN			
financial statements of M	the following financial positions M/s eted accounting years upto	(Name of the bidder) for	
YEAR	TURN OVER	NET WORTH	
	In INR (Rs.) Crores/ US \$ Million) *	In INR (Rs.) Crores / US \$ Million) *	
	William)	MIIIIOII J	
*Rate of conversion (if used any): USD 1.00 = INR			
Place: Date:			
Seal			
Membership No: Registration Code:			

NOTE: As per the guidelines of ICAI, every practicing CA is required to mention Unique Document Identification Number (UDIN) against each certification work done by them. Documents certified by CA without UDIN shall not be acceptable.

Signature

PARENT/ ULTIM ATE PARENT/ HOLDING COMPANY'S CORPORATE GUARANTEE TOWARDSFINANCIAL STANDING (Delete whichever not applicable)

(TO BE EXECUTED ON COMPANY'S LETTER HEAD)

DEED OF GUARANTEE

mention complete name) a company duly organized and
existing under the laws of (insert jurisdiction/country), having
its Registered Office atherein after called "the
Guarantor" which expression shall, unless excluded by or repugnant to the
subject or context thereof, be deemed to include its successors and permitted
assigns.
WHEREAS M/s. Oil India Limited (hereinafter referred to as OIL) has invited offers vide their
Tender No
against the said tender and desires to have Financial support of
M/s [Parent / Ultimate Parent/Holding Company(Delete whichever not
applicable)] and whereas Parent/Ultimate Parent/Holding Company(Delete whichever not
applicable) represents that they have gone through and understood the requirements of
subject tender and are capable and committed to provide the Financial support as required
by the bidder for qualifying and successful execution of the contract, if awarded to the bidder.

THIS DEED OF GUARANTEE executed at this day of by M/s

Now, it is hereby agreed by the Guarantor to give this Guarantee and undertakes as follows:

- 1. The Guarantor confirms that the Bidder is a 100% subsidiary of the Guarantor.
- 2. The Guarantor agrees and confirms to provide the Audited Annual Reports of any of the preceding 03(three) financial/accounting years reckoned from the original bid closing date.
- 3. The Guarantor have an annual financial turnover of minimum INR............. Cr or USD during any of the preceding 03(three) financial/ accounting years reckoned from the original bid closing date.
- 4. Net worth of the Guarantor is positive for preceding financial/accounting year.
- 5. The Guarantor undertakes to provide financial support to the Bidder for executing the project/job, in case the same is awarded to the Bidder.
- 6. The Guarantor represents that:
- (a) this Guarantee herein contained shall remain valid and enforceable till the satisfactory execution and completion of the work (including discharge of the warranty obligations) awarded to the Bidder.
- (b) the liability of the Guarantor, under the Guarantee, is limited to the 100% of the order value between the Bidder and OIL. This will, however, be in addition to the forfeiture of the Performance Guarantee furnished by the Bidder.
- (c) this Guarantee has been issued after due observance of the appropriate laws in force in India.
- (d) this Guarantee shall be governed and construed in accordance with the laws in force in India and subject to the exclusive jurisdiction of the courts of New Delhi, India.
- (e) this Guarantee has been given without any undue influence or coercion, and that the

Guarantor has fully understood the implications of the same.

(f) the Guarantor has the legal capacity, power and authority to issue this Guarantee and that giving of this Guarantee and the performance and observations of the obligations hereunder do not contravene any existing laws.

for and on behalf of	for and on behalf of
(Parent/Ultimate Parent/Holding	(Bidder)
Company) (Delete whichever not	
applicable)	
Witness:	Witness:
1.	1.
2.	2.

ANNEXURE-E

BEC/BRC Evaluation matrix

Tender Requirement	Bidder's Response	Name & ref
	(i.e.	no of relevant
	Complied /	document
	Not	submitted
	complied /	and
	Not	
	applicable).	Correspondi ng Page no
	Bidder's	ng rage no
	Remark, if	
	any	
A.1 BRC - TECHNICAL:		
1.0 Bidder shall either be a Line Pipe Manufacturer or a		
Supply House/ Dealer/Distributor/Sole Selling Agent duly		
authorized by a Line Pipe Manufacturer. Bidder must submit such authorization letter, if applicable, alongwith the Technical		
Bid clearly specifying their status.		
Did clearly speerlying their states.		
2.0 All the tendered items shall be procured from same		
source against this tender and hence, bidder must quote for		
all items in full quantity strictly complying with the technical		
specifications as per tender.		
3.0 Bidder must be in a position of supplying the entire		
tendered quantity within a period of 6 months from the date of		
PO (FOR Despatching Station). Bids without delivery schedule		
or with higher delivery schedule than above shall be rejected.		
4.0 Experience Criteria:		
4.1 For Line Pipe Manufacturer: The Line Pipe		
Manufacturer must have experience of manufacturing and		
successfully executing orders/contracts to any Oil & Gas specific		
Companies for at least 50% tendered quantity of same type (as		
per tender specifications) Line Pipes compliant to API Spec. 5L		
at PSL-2 during the last 5 (five) years preceding the original bid		
closing date of the tender (either by themselves or through their sole selling agent/ distributor/dealer/supply house).		
sole selling agent/ distributor/dealer/supply house). Manufacturer/Mill having such experience for supplying higher		
outer diameters and/or higher Grades and/or minimum wall-		
thickness of 6.4 mm shall also be acceptable. Documentary		
evidence in this regard must be submitted as per Para 4.4.		
4.2 For Bend Manufacturer: The Manufacturer of offered		
Pipe Bends must have experience of manufacturing and		
successfully executing orders/contracts to any Oil & Gas specific		

companies for at least 50% tendered quantity of same type (as per tender specifications) Pipe Bends compliant to API Spec. 5L at PSL-2 during the last 5 (five) years preceding the original bid closing date of the tender (either by themselves or through their sole selling agent/ distributor/dealer/supply house). Manufacturer/ Mill having such experience for supplying higher outer diameters and/or higher Grades and/or minimum wall-thickness of 6.4 mm shall also be acceptable. Documentary evidence in this regard must be submitted as per Para 4.4.

- 4.3 **For Coating Applicator:** The Coating Applicator must have experience of successfully carrying out API Line Pipe coating jobs as per tender specifications for at least 50% tendered quantity for use by Oil and Gas specific companies in the last 5 (five) years preceding the original bid closing date of the tender. Documentary evidence in this regard must be submitted as per Para 4.4.
- 4.4 Documentary evidences to substantiate past supply experience as above should be submitted alongwith the technical bid in the form of copies of relevant Purchase Orders/Contracts placed by Oil & Gas specific Companies together with copies of any of the following documents against each of those Orders/contracts:
- (i) Signed and sealed Satisfactory supply / completion report (in original on user's letter head) (OR)
- (ii) Bill of Lading (OR)
- (iii) Consignee delivery receipt / challan (OR)
- (iv) Central Excise Gate Pass/Tax Invoice issued under relevant rules of Central Excise/Vat (OR)
- (v) Commercial Invoice/ Payment Invoice

Note:

- i. The Purchase Orders/contracts date need not be within 5 (five) years preceding original bid closing date of this tender. However, the execution of supply must be within 5 (five) years preceding the original bid closing date of this tender.
- ii. In the event of any extension to the bid closing date of the tender, the original scheduled bid closing date shall be considered for evaluation of BRC clauses.
- iii. Documentary evidences regarding satisfactory supply/completion/ installation report should be submitted alongwith the technical bid on client's letterhead, duly signed & sealed by the authorised officials of such client/customer. Original documents, if & when warranted, must be produced for verification by OIL.
- 5.0 In case the Bidder is a LINE PIPE MANUFACTURER:

- 5.1 The manufacturing mill of the offered line pipes must have API Spec. 5L Product Specification Level 2 (PSL 2) certifications for the preceding five (5) years from the original bid closing date of the tender and the same must be valid as on the scheduled original bid closing date. Copies of relevant API license to use API monogram (API 5L at PSL-2) for the last 5 (Five) years (i.e. continuous without having any break in between) shall be submitted alongwith the techno-commercial bid. Bids without copies of valid API certificates or with break in between shall be rejected.
- 5.2 The Bidder must meet the past supply experience criteria as stipulated in Para 4.1 above for Coated Line Pipes and submit documentary evidences thereof as per para 4.4 above.
- 5.3 The Bidder should either themselves meet the criteria for Bends as stipulated in Para 4.2 above or propose to engage a third party Bend Manufacturer who meets the said criteria. Bidder proposing to engage a third party Bend Manufacturer must execute an MOU (Memorandum of Understanding) with such bend manufacturer before submission of their Bid and a copy of which must be submitted alongwith the technical bid. Requisite documentary evidences for supply experience of the Bend Manufacturer as called for vide para 4.4 complying with the criteria mentioned in para 4.2 above must also be submitted together with the MOU.
- 5.4 The Bidder should either have their own coating facility meeting the tender specifications or propose to engage a third party Coating Applicator who meets the coating criteria. Bidders proposing to engage a third party Coating Applicator, must execute an MOU (memorandum of understanding) with such Coating Applicator before submission of their Bid and a copy of which must be submitted alongwith the technical bid. Requisite documentary evidences for experience of Line Pipe Coating jobs as called for vide para 4.4 complying with the criteria mentioned in para 4.3 above must also be submitted together with the MOU.
- 5.5 As may be necessary, the Bidder can propose only one Bend Manufacturer and only one Coating Applicator in their Bid. Offers highlighting multiple Bend Manufacturers and/or multiple Coating Applicators shall be rejected without any reference.
- 5.6 Subsequent to submission of Bid, Bidder shall not be permitted to change the Bend Manufacturer or Coating Applicator. Request for such change(s) will amount to post-tender modification/withdrawal of bid and liable for bid rejection, besides other penal actions.
- 6.0 In case the Bidder is an authorized Dealer/Distributor/Supply House/Sole Selling Agent of a Line Pipe Manufacturer, the following criteria must be met by the Bidder:

- 6.1 The Bidder must identify its status (whether Dealer/Distributor/Supply House/Sole Selling Agent) in its technical Bid and undertake to supply Line Pipes & Bends produced by the manufacturer(s), who meets the experience requirements stipulated under para 4.1 & 4.2 above. Similarly, the Coating shall be applied by the party who meets the criteria as mentioned in para 4.3 above. Documentary evidences in this regard for Line Pipe Manufacturer, Bend Manufacturer and Coating Applicator must be submitted as per para 4.4 above.
- 6.2 The bidder must additionally have own experience of successfully executing at least 01 (One) purchase order/contract for Coated API Line Pipe of minimum 25% of the tendered quantity of any size & grade to Oil and Gas specific companies in the last 5 (Five) years preceding the original bid closing date of the tender. Documentary evidence in this regard must be submitted as per Para 4.4 above.
- 6.3 The Bidder shall furnish due Authorisation Certificate from the Line Pipe Manufacturer with specific stipulation to the effect that the Pipe Manufacturer does not quote/participate against tendering process, but sells through their authorized dealer/distributor/supply houses/sole selling agents only. Such authorization must remain valid throughout execution of the order arising out of this tender and the manufacturer must guarantee supply of offered API Line Pipes, if ordered.
- 6.4 In case the Bidder offers Bends and/or Coating from vendors other than the pipe manufacturer, a copy of MOU (Memorandum of Understanding) from each such vendors must be submitted alongwith the technical bid as per para 5.3 & 5.4 above.
- 6.5 As may be necessary, the Bidder can propose only one Pipe Manufacturer, one Bend Manufacturer and one Coating Applicator in their Bid. Offers highlighting multiple Pipe Manufacturers and/or multiple Bend Manufacturers and/or multiple Coating Applicators shall be rejected without any reference.
- 6.6 Subsequent to submission of Bid, Bidder shall not be permitted to change the Pipe Manufacturer/Bend Manufacturer/Coating Applicator. Request for such change(s) shall amount to post-tender modification/withdrawal of bid and liable for bid rejection, besides other penal actions.
- 7.0 Bidders who have already executed Purchase Orders of OIL INDIA LIMITED (OIL) for Coated API Line Pipes (API 5L) during the last five (5) years preceding to the original Bid Closing Date of this Tender and propose the same set of manufacturers & coating applicator against this tender also, need not be required to submit documentary evidences as per para 4.4 above. However, for availing this exemption, the Bidder must

highlight OIL's such Purchase Order No. & Date as well as the	
name of Pipe Manufacturer, Name of Bend Manufacturer and	
Name of Coating Applicator in their Technical Bid.	
Notwithstanding above, the Bidder must submit other documents	
viz; copy of API License & valid MOU (for subject tender) etc.	
as called for above.	

ANNEXURE-F

TECHNICAL & COMMERCIAL CHECK LISTS

THE CHECK LIST MUST BE COMPLETED AND RETURNED WITH YOUR OFFER. PLEASE ENSURE THAT ALL THESE POINTS ARE COVERED IN YOUR OFFER. THESE WILL ENSURE THAT YOUR OFFER IS PROPERLY EVALUATED. PLEASE SELECT "Yes" OR "No" TO THE FOLLOWING QUESTIONS, IN THE RIGHT HAND COLUMN.

A) TECHNICAL CHECKLIST

Sl. No	DESCRIPTIONS	REMARKS
1	Whether Bidder is a Manufacturer of API 5L, 3LPE line pipes? If yes, reply to sl.no. from 2 to 9.	YES / NO
2	Whether valid license to use API monogram on line pipes of API 5L specification submitted? API certificate must be valid for the last 5 years (i.e. continuous without having any break in between).	YES / NO
3	Whether documentary evidence ie. Purchase orders/invoices etc submitted by Manufacturer against the same type (as per tender spec) or higher OD, grade and wall thickness of the line pipes, at least 50% of tendered quantity to various companies, during last 5 years reckoned from the BCD?	YES / NO
4	Whether 3LPE coating facility available with line pipe manufacturer? If yes, need not reply to slno.5.	YES / NO
5	If line pipe manufacturer propose to engage 3LPE coating applicator, whether copy of MOU submitted, as per BEC & BRC clauses?	YES / NO
6	Whether credential for 3LPE coating of Bare line pipes of same or higher sizes, during last 5 years reckoned from date of commencement of sale of bidding document submitted?	YES / NO
7	Whether infrastructure for fabrication of pipe bends, available with the line pipe manufacturer? If yes, need not to reply slno.8.	YES / NO
8	If line pipe manufacturer propose to engage a bend manufacturer, whether copy of MOU submitted?	YES / NO
9	Whether credential for bend manufacturing and supply of bends same type and size during last 5 years reckoned from BCD submitted?	YES / NO
10	Whether Bidder is an Authorized Supplier of API 5L, line pipes? If yes, reply to sl.no. from 11 to 18.	YES / NO

11	Whether proposed line pipe manufacturer's documents as per Slno.2&3 of checklist, submitted by the supplier?	
12	Whether authorization certificate for supply of line pipe from proposed line pipe Manufacturer submitted by supplier?	YES / NO
13	Whether 3LPE coating facility available with proposed line pipe Manufacturer, as per BEC & BRC clauses? If yes, need not reply to slno.14.	YES / NO
14	If the Supplier proposes to engage 3LPE coating applicator, whether copy of MOU submitted, as per BEC & BRC clauses?	YES / NO
15	Whether credential for 3LPE coating of Bare line pipes of same or higher sizes, during last 5 years reckoned from date of commencement of sale of bidding document submitted?	YES / NO
16	Whether infrastructure for fabrication of pipe bends, available with proposed line pipe manufacturer/Coater, engaged by the supplier? <i>If yes, need not to reply slno.17</i>	YES / NO
17	If the Supplier proposes to engage a bend manufacturer, whether copy of MOU submitted?	YES / NO
18	Whether credential for bend manufacturing and supply of bends same type and size during last 5 years reckoned from BCD submitted?	YES / NO
19	Whether Bidder is a Coating Applicator? If yes, reply to sl.no. from 20 to 26	YES / NO
20	Whether credential for 3LPE coating of Bare line pipes of same or higher sizes, during last 5 years reckoned from date of commencement of sale of bidding document submitted?	YES / NO
21	Whether MOU between coating applicator and line pipe manufacturer submitted?	YES / NO
22	Whether proposed line pipe manufacturer's document is as per Slno.2&3 of checklist, submitted by the supplier?	
23	Whether infrastructure for fabrication of pipe bends, available with the proposed line pipe manufacturer, engaged by the Coating applicator? <i>If yes, need not to reply slno.24</i>	YES / NO
24	If the Supplier proposes to engage a bend manufacturer, whether copy of MOU submitted?	YES / NO
25	Whether credential for bend manufacturing and supply of bends of same type and size during last 5 years reckoned from BCD submitted?	YES / NO

B. COMMERCIAL CHECKLIST:

<u>S1#</u>	REQUIREMENT	COMPLIANCE
1.0	Whether bid submitted under Single Stage Two Bid System?	Yes / No
2.0	Whether quoted as manufacturer?	Yes / No
2.1	Whether quoted as OEM Dealer / Supply House etc. To Specify-	Yes / No
	If quoted as OEM Dealer / Supply House.	Yes / No
2.2	(a) Whether submitted valid and proper authorization letter from manufacturer confirming that bidder is their authorized Dealer / supply House for the product offered ?	
	(b) Whether manufacturer's back-up Warranty/Guarantee certificate submitted?	Yes / No
2.3	Whether all documents have been submitted as required for fulfilling Experience criteria clause of BRC-Technical.	Yes / No
2.3.1	Name and details of the Oil & gas specific company to whom the bidder has successfully executed orders / contracts for atleast 50% of the tendered quantity as per Experience criteria clause of BRC-Technical.	
2.3.2	Whether submitted the profile and other documents of the Oil & gas specific company for verification (viz. Annual reports, Memorandum of Association, Article of Association etc.)	Yes / No
2.4	Whether technical Bid Evaluation & Bid Rejection Criteria (BEC/BRC) documents have been submitted after verification and certification by Independent Third-Party Inspection Agencies as per ANNEXURE – C.	Yes / No
2.5	Whether Format for Affidavit of Self Certification regarding Domestic Value Addition in Iron & Steel Products (FORM-1) and other documents has been submitted as per APPENDIX-A2 "POLICY FOR PROVIDING PREFERENCE TO DOMESTICALLY MANUFACTURED IRON & STEEL PRODUCTS".	Yes / No
2.6	Whether Undertaking of Local content percentage and other documents has been submitted as per APPENDIX-A3 "PURCHASE PREFERENCE POLICY LINKED WITH LOCAL CONTENT (PP-LC)".	Yes / No
3.0	Whether "Bid securing Declaration" as per Proforma – 5 has been submitted.	Yes / No
4.0	Whether offered firm prices ?	Yes / No

4.1	Whether quoted offer validity of 120 days from the bid closing date of tender?	Yes / No
4.2	Whether quoted a firm delivery period?	Yes / No
4.3	Whether agreed to the NIT Warranty clause?	Yes / No
4.4	Whether confirmed acceptance of NIT Payment Terms	Yes / No
5.0	Whether confirmed to submit PBG as asked for in NIT?	Yes / No
5.1	Whether agreed to submit PBG within 30 days of placement of order?	Yes / No
6.0	Whether Price submitted as per Price Schedule?	Yes / No
7.0	Whether quoted as per NIT (without any deviations)?	Yes / No
7.0	Whether quoted any deviation?	Yes / No
7.1	Whether deviation separately highlighted?	Yes / No
8.0	Whether indicated the country of origin for the items quoted?	Yes / No
8.1	Whether technical literature / catalogue enclosed?	Yes / No
8.2	Whether weight & volume of items offered indicated?	Yes / No
9.0	For Indian Bidders – Whether indicated the place from where the goods will be dispatched. To specify:	Yes / No
9.1	For Indian Bidders – Whether road transportation charges up to Duliajan quoted?	Yes / No
9.2	For Indian Bidders only - Whether offered Ex-works price including packing/forwarding charges?	Yes / No
9.3	For Indian Bidders only - Whether indicated import content in the offer?	Yes / No
9.4	For Indian Bidders only - Whether offered Deemed Export prices?	Yes / No
9.5	For Indian Bidders only – Whether all applicable Taxes & Duties have been quoted?	Yes / No
10.0	Whether all BRC/BEC clauses accepted?	Yes / No
11.0	Whether Integrity Pact with digital signature uploaded?	Yes / No
11.1	Whether all the clauses in the Integrity Pact have been accepted?	Yes / No

C. TO BE FILLED UP IN DETAIL:

Sl	Requirement	Bidder's Reply
No	-	1 0
01	Offer reference & Date	
02	Name, Address, Phone No & E-mail of Bidder	
03	Bank details of Bidder	
04	Name of Manufacturer	
05	Bid validity	
06	Payment Terms	
07	Guarantee/Warranty Terms	
08	Delivery Period	
09	Country of Origin	
10	Port of Despatch / Despatching Station	
11	Confirm submission Integrity pact, if required as per NIT	
12	Compliance to: Liquidated Damage	
	Warranty/Guarantee	
	Arbitration/Resolution of Dispute Force Majeure	
	Applicable laws	
13	Confirm submission of the balance sheet/Financial	
	Statements for the financial year 2019-20. If not, whether declaration as per BRC submitted (refer	
	Annexure-B3).	
14	Confirm submission of undertaking towards	
	authenticity of submitted documents (refer Annexure-	
	A4).	
15	Exception/Deviations quoted, if any, to be given in	
	details or refer to respective page of the bid documents	
	page of the sta documents	

Signature	 -
Name	
Designation	 _

POLICY FOR PROVIDING PREFERENCE TO DOMESTICALLY MANUFACTURED IRON & STEEL PRODUCTS

(The detailed Steel Policy notified vide Notification No. 324 dated 29-05-2019 and as amended from time to time by Ministry of Steel, GOI is applicable for this tender and may be referred from Ministry's website-also attached herewith.)

1.0 Background

1.1 This policy provides preference to Domestically Manufactured Iron and Steel Products (DMI&SP).

2.0 **Definitions**

- 2.1 **Bidder** may be a domestic/ foreign manufacturer of iron & steel or their selling agents/ authorized distributors/ authorized dealers/ authorized supply houses or any other company engaged in the bidding of projects funded by Government agencies.
- 2.2 **Domestically Manufactured Iron & Steel Products (DMI&SP)** are those iron and steel products which are manufactured by entities that are registered and established in India, including in Special Economic Zones (SEZs). In addition, such products shall meet the criteria of domestic minimum value-addition as per Appendix-A of revised steel policy.
- 2.3 **Domestic Manufacturer** is a manufacturer of iron & steel products conforming to guidelines in section 7 and confirming to the definition of 'manufacturer' as per Central Excise Act.
- 2.4 **Government** for the purpose of the Policy means Government of India.
- 2.5 **Government agencies** include Government PSUs, Societies, Trusts and Statutory bodies set up by the Government.
- 2.6 **MoS** shall mean Ministry of Steel, Government of India.
- 2.7 **Net Selling Price** shall be the invoiced price excluding net domestic taxes and duties
- 2.8 **Semi-Finished Steel** shall mean Ingots, billet, blooms and slabs, which can be subsequently processed to finished steel.
- 2.9 **Finished Steel** shall mean Flat and Long products, which can be subsequently processed into manufactured items.
- 2.10 **Iron & Steel Product(s)** shall mean such iron and steel product(s) which are mentioned in Appendix A of revised Steel Policy.
- 2.11 **Domestic value addition** shall be the net selling price (invoiced price excluding net domestic taxes and duties) minus the landed cost of imported input materials at the manufacturing plant in India (including all customs duties) as a proportion of the net selling price, in percent. The 'domestic value addition' definition shall be in line with the DPIIT (formerly DIPP) guidelines, and shall be suitably amended in case of any changes by DPIIT in the future. For the purpose of this policy document, domestic value addition and local content have been used interchangeably.

- 3.1 The policy is applicable to iron & steel products as provided in Appendix A of revised Steel Policy.
- 3.2 Appendix A of revised Steel Policy contains list of iron & steel products which are to be exclusively domestically manufactured and cannot be imported without the approval of the Ministry of Steel
- 3.3 The policy is applicable to purchase of iron & steel products by private agencies for fulfilling an EPC contract and/or any other requirement of Ministry or Department of Government or their PSUs.
- 4.0 For iron and steel products in Appendix A of revised Steel Policy, the procurement process is open only to the manufacturers / suppliers having the capability of meeting / exceeding the domestic value addition targets. Manufacturers / suppliers not meeting the domestic value addition targets are not eligible to participate in the bidding.
- 4.1 The bidders who are selling agents/ authorized distributors/ authorized dealers/ authorized supply houses of the domestic manufacturers of iron & steel products are eligible to bid on behalf of the domestic manufacturers under the policy. However, this shall be subject to the following conditions:
- 4.1.1 The bidder shall furnish the authorization certificate issued by the domestic manufacturer for selling domestically manufactured iron & steel products.
- 4.1.2 The bidder shall furnish the Affidavit of self-certification issued by the domestic manufacturer to the procuring agency declaring that the iron & steel products is domestically manufactured in terms of the domestic value addition prescribed.
- 4.1.3 It shall be the responsibility of the bidder to furnish other requisite documents required to be issued by the domestic manufacturer to the procuring agency as per the policy.

5.0 Domestic value addition requirement

- 5.1 Minimum domestic value addition requirement to qualify the product as a domestically manufactured iron & steel product mentioned in Appendix A of revised Steel Policy.
- 5.2 Domestic value addition shall be the net selling price (invoiced price excluding net domestic taxes and duties) minus the landed cost of imported input materials at the manufacturing plant in India (including all customs duties) as a proportion of the net selling price, in per cent.
- 5.2.1 In case the iron & steel products are made using domestic input steel (semi-finished/ finished steel), invoices of purchases from the actual domestic producers along with quantities purchased and the other related documents must be furnished to OIL.
- 5.2.2 In case the iron & steel products have imported input steel, the invoices of purchases from the actual producers along with quantities purchased and the other related documents must be furnished separately. To derive the extent of domestic value addition, the weighted average of both (imported & domestic) input steel shall be considered to ensure that the minimum stipulated domestic value addition requirement of the policy is complied with.

5.3 It is recommended that each bidder participating in the tender process should calculate the domestic value addition using the formula below so as to ensure the domestic value addition claimed is consistent with the minimum stipulated domestic value addition requirement of the policy.

Domestic value addition (%) = (Net selling price of Final Product-Landed cost of imported input steel at plant) * 100/ (Net Selling Price of Final Product)

6.0 **Certification and audit**

- 6.1 For products in Appendix A of revised Steel Policy, each domestic manufacturer shall furnish the Affidavit of self-certification to **OIL** declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. The bidders who are sole selling agents / authorized distributors / authorized dealers / authorized supply houses of the domestic manufacturers of iron & steel products are eligible to bid on behalf of domestic manufacturers under the policy. The bidder shall furnish the Affidavits of self-certification issued by the domestic manufacturers and the certifications issued by the statutory auditors, to **OIL** declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. The Affidavit of self-certification shall be furnished in **Form 1** attached.
- 6.2 It shall be the responsibility of the domestic manufacturer to ensure that the products so claimed are domestically manufactured in terms of the domestic value addition prescribed for the product. The bidder shall also be required to provide a domestic value addition certificate on half-yearly basis (Sep 30 and Mar 31), duly certified by the Statutory Auditors of the domestic manufacturer, that the claims of domestic value addition made for the product during the preceding 6 months are in accordance with the Policy. Such certificate shall be filed within 60 days of commencement of each half year, to OIL and shall continue to be filed till the completion of supply of the said products.
- 6.3 OIL shall accept the Affidavit of self-certification regarding domestic value addition in a steel product submitted by a bidder. It shall not normally be the responsibility of OIL to verify the correctness of the claim. The onus of demonstrating the correctness of the same shall be on the bidder when asked to do so.
- 6.4 In case a complaint is received by OIL against the claim of a bidder regarding domestic value addition in iron & steel products, OIL shall have full rights to inspect and examine all the related documents and take a decision. In case any clarification is needed, matter may be referred to MoS with a request for technical assistance.
- 6.5 Any complaint referred to OIL shall be disposed off within 4 weeks of the reference along with submission of all necessary documents. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in iron & steel products to OIL within 2 weeks of filing the complaint.
- 6.6 In case, the matter is referred to the Ministry of Steel, the grievance redressal committee setup under the MoS shall dispose of the complaint within 4 weeks of its reference and receipt of all documents from the bidder after taking in consideration, the view of the OIL. The bidder shall be required to furnish the necessary documentation in support of domestic value addition claimed in iron & steel products to the grievance redressal committee under MoS within 2 weeks of the reference of the matter. If no information is furnished by the bidder, the grievance redressal committee may take further necessary action, in consultation with OIL to establish bonafides of claim.

6.7 The cost of assessing the prescribed extent of domestic value addition shall be borne by OIL if the domestic value addition is found to be correct as per the certificate. However, if it is found that the domestic value addition as claimed is incorrect, the cost of assessment will be payable by the bidder who has furnished an incorrect certificate.

7.0 Sanctions

7.1 In case of wrong declaration by the bidder of the prescribed domestic value addition it will lead to rejection of their bid or cancellation of PO and Forfeiture of EMD/SD as the case may be and blacklisting of such manufacturer/ service provider.

FORM-1

Format for Affidavit of Self Certification regarding Domestic Value Addition in Iron & Steel Products/capital goods to be provided on Rs.100/- Stamp Paper Date:

I	S/o, D/o, W/o,	Resident of
		_ hereby solemnly affirm and declare as under:
		e terms and conditions of the policy of Government of
belief		hereinafter is correct to the best of my knowledge and be relevant records before the procuring agency (ies) for destic value addition.
produ		n for all inputs which constitute the said iron & steel e and I am responsible for the correctness of the claims
to be assess addition	incorrect and not meetin sment of procuring agency	value addition of the product mentioned herein is found g the prescribed value-addition criteria, based on the (ies) for the purpose of assessing the domestic value- m any Government tender for a period of 36 months. In ach an assessment.
where procus EMD/	in preference to domestica rement is provided and t	onditions referred to in the Notification No lly manufactured iron & steel products in Government hat the OIL is hereby authorized to forfeit and my y the assessment cost and pay all penalties as specified
_	-	information in the Company's record for a period of 8 ble for verification to any statutory authority.
i. ii. iii. iv. v. vi. vii. viii. ix. x. xi.	nature of legal entity) Date on which this certific Iron & Steel Products for v Procuring agency to whom Percentage of domestic value ad Name and contact details of Net Selling Price of the iron Freight, insurance and has List and total cost value of steel products List and total cost of input Please attach domestic value not in house. For imported input steel,	which the certificate is produced the certificate is furnished (OIL) ue addition claimed and whether it meets the threshold dition prescribed of the unit of the manufacturer (s) a steel products
For a	and on behalf of (Name of	firm / entity)
Autho	orized signatory (To be duly	authorized by the Board of Directors)
<ince< td=""><td>ert Name Designation and</td><td>Contact No ></td></ince<>	ert Name Designation and	Contact No >

Notes:

- 1.0 For iron and steel products in Appendix A, the procurement process is open only to the manufacturers / suppliers having the capability of meeting / exceeding the domestic value addition targets. Manufacturers / suppliers not meeting the domestic value addition targets are not eligible to participate in the bidding.
- 2.0 Each domestic manufacturer shall furnish the Affidavit of self-certification to **OIL** declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed.

3.0 **Domestic value addition requirement**

- 3.1 Minimum domestic value addition requirement to qualify the product as a domestically manufactured iron & steel product mentioned in Appendix A of revised Steel Policy
- 3.2 Domestic value addition shall be the net selling price (invoiced price excluding net domestic taxes and duties) minus the landed cost of imported input materials at the manufacturing plant in India (including all customs duties) as a proportion of the net selling price, in per cent.
- 3.2.1 In case the iron & steel products are made using domestic input steel (semi-finished/ finished steel), invoices of purchases from the actual domestic producers along with quantities purchased and the other related documents must be furnished to **OIL**.
- 3.2.2 In case the iron & steel products have imported input steel, the invoices of purchases from the actual producers along with quantities purchased and the other related documents must be furnished separately. To derive the extent of domestic value addition, the weighted average of both (imported & domestic) input steel shall be considered to ensure that the minimum stipulated domestic value addition requirement of the policy is complied with. It shall be the responsibility of the bidder to furnish other requisite documents required to be issued by the domestic manufacturer to the procuring agency as per the policy.
- 4.0 It shall be the responsibility of the domestic manufacturer to ensure that the products so claimed are domestically manufactured in terms of the domestic value addition prescribed for the product. The bidder shall also be required to provide a domestic value addition certificate on half-yearly basis (Sep 30 and Mar 31), duly certified by the Statutory Auditors of the domestic manufacturer, that the claims of domestic value addition made for the product during the preceding 6 months are in accordance with the Policy. Such certificate shall be filed within 60 days of commencement of each half year, to OIL and shall continue to be filed till the completion of supply of the said products.



असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित PUBLISHED BY AUTHORITY

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इस्पात मंत्रालय

अधिसूचना

नई दिल्ली, 29 मई, 2019

सा.का.नि. 385(अ).—घरेलू रूप से उत्पादित किए जाने वाले लौह एवं स्टील उत्पाद की सरकारी खरीद को प्राथमिकता दिए जाने के लिए संशोधित नीति सामान्य सूचना हेतु प्रकाशित की जाती है।

[फा. सं. 3(2)/2018-आईडीडी]

रसिका चौबे, अपर सचिव

सरकारी खरीद में घरेलू स्तर पर निर्मित लौह एवं इस्पात उत्पादों को वरीयता देने के लिए नीति - संशोधित, 2019

1. भूमिका

- 1.1 यह नीति सरकारी खरीद में घरेलू स्तर पर निर्मित लौह एवं इस्पात उत्पादों (डी एम आई एंड एस पी) को वरीयता देती है।
- 1.2 यह नीति यथा लागू निर्धारित गुणवत्ता मानदंडों के अनुपालन में उत्पादित लौह एवं इस्पात उत्पादों जिसे परिशिष्ट क में दिया गया है और परिशष्ट ख में दिए गए लौह एवं इस्पात उत्पादों के लिए पुंजीगत माल पर लागू होती है।
- 1.3 यह नीति सरकार के प्रत्येक मंत्रालय अथवा विभाग और उनके प्रशासनिक नियंत्रण के अधीन सभी एजेंसियों/प्रतिष्ठानों तथा सरकारी परियोजनाओं के वास्ते लौह एवं इस्पात उत्पादों की खरीद के लिए इन एजेंसियों द्वारा वित्त पोषित परियोजनाओं पर लागू है। हालांकि, यह नीति वाणिज्यिक पुन: बिक्री के उद्देश्य से अथवा वाणिज्यिक बिक्री के लिए वस्तुओं के उत्पादन में उपयोग करने के उद्देश्य से लौह एवं इस्पात उत्पादों की खरीद पर लागू नहीं होगी।

2. परिभाषाएं

2.1 **बोली** लगाने वाला लौह एवं इस्पात का कोई घरेलू/विदेशी निर्माता अथवा उनके बिक्री एजेंट/अधिकृत वितरक/अधिकृत डीलर/अधिकृत आपूर्ति गृह अथवा सरकारी एजेंसियों द्वारा वित्त पोषित निधि परियोजनाओं की बोली लगाने में कार्यरत कोई अन्य कंपनी हो सकती है।

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- 2.2 घरेलू स्तर पर निर्मित लौह एवं इस्पात उत्पाद (डी एम आई एंड एस पी) वे लौह एवं इस्पात उत्पाद हैं जिनका निर्माण उन प्रतिष्ठानों द्वारा किया जाता है जो भारत में पंजीकृत और स्थापित हैं, जिसमें विशेष आर्थिक क्षेत्र (एस ई जैड) शामिल है। इसके अलावा, इस प्रकार के उत्पाद परिशिष्ट क में किये गये उल्लेख के अनुसार घरेल न्युनतम मुल्यवर्धन के मानदंडों को पूरा करेंगे।
- 2.3 **घरेलू निर्माता** खंड 7 में दिशा-निर्देशों और केंद्रीय उत्पाद शुल्क अधिनियम में दी गई 'निर्माता' की परिभाषा के अनुरूप लौह एवं इस्पात उत्पादों का एक निर्माता है।
- 2.4 इस नीति के प्रयोजन से **सरकार** का तात्पर्य भारत सरकार से है।
- 2.5 **सरकारी एजेंसियों** में सरकार के सार्वजनिक क्षेत्र के उपक्रम, सरकार द्वारा स्थापित सोसायटी, ट्रस्ट और सांविधिक निकाय शामिल हैं।
- 2.6 **एम ओ एस** का आशय इस्पात मंत्रालय, भारत सरकार से है।
- 2.7 निवल बिक्री कीमत बीजक कीमत होगी जिसमें निवल घरेलू कर और शुल्क शामिल नहीं होंगे।
- 2.8 **अर्ध तैयार इस्पात** का तात्पर्य इनगोट्स, बिलेट, ब्लूम और स्लेब्स से है, जिसे बाद में प्रसाधित कर तैयार इस्पात बनाया जा सकता है।
- 2.9 **तैयार इस्पात** का तात्पर्य सपाट और लंबे उत्पादों से होगा जिन्हें बाद में प्रसाधित कर निर्मित मद बनाया जा सकता हैं।
- 2.10 **एल1** का तात्पर्य निविदा अथवा अन्य खरीद संबंधी अनुरोध के अनुसार मूल्यांकन प्रक्रिया में यथाघोषित निविदा, बोली लगाने संबंधी प्रक्रिया अथवा अन्य खरीद संबंधी अनुरोधों में प्राप्त निम्नतम निविदा अथवा निम्नतम बोली अथवा निम्नतम भाव से होगा।
- 2.11 **खरीद वरीयता के मार्जिन** का तात्पर्य उस अधिकतम सीमा से है जिस सीमा तक किसी घरेलू आपूर्तिकर्ता द्वारा लगाई गई कीमत खरीद वरीयता के प्रयोजन से एल1 से अधिक हो। डी एम आई एंड एस पी नीति के मामले में, खरीद वरीयता का मार्जिन परिशिष्ट ख में मदों के लिए 20 प्रतिशत होगा।
- 2.12 **लौह एवं इस्पात उत्पाद** का तात्पर्य ऐसे लौह एवं इस्पात उत्पादों से होगा जिनका उल्लेख परिशिष्ट क में किया गया है।
- 2.13 घरेलू मूल्यवर्धन निवल बिक्री कीमत (निवल घरेलू करों और शुल्कों को छोड़कर बीजक कीमत) होगी जिससे प्रतिशत में निवल विक्री कीमत के एक अनुपात के रूप में भारत में निर्माण संयंत्र (सभी सीमा शुल्कों सहित) में आयात की गई इनपुट सामग्री की पहुंच लागत घटाई गई हो, 'घरेलू मूल्यवर्धन' परिभाषा डी पी आई आई टी (पूर्व में डी आई पी पी) के दिशानिर्देशों के अनुरूप होगी और उसमें भविष्य में डी पी आई आई टी द्वारा परिवर्तन किये जाने की स्थिति में उपयुक्त रूप से संशोधन किया जाएगा। इस नीति दस्तावेज के प्रयोजन के लिए घरेलू मूल्यवर्धन और स्थानीय विषय वस्तु का उपयोग एक दूसरे के स्थान पर किया गया है।

3. अपवर्जन

- 3.1 इस्पात मंत्रालय द्वारा इस प्रकार की सभी सरकारी खरीदों के लिये निम्नलिखित शर्तों के अध्यधीन छुट प्रदान की जाएगी।
- 3.1.1 जहां विशिष्ट ग्रेडों के इस्पात का निर्माण इस देश में नहीं किया जाता हो, अथवा
- 3.1.2 जहां परियोजना की मांग के अनुसार इन मात्राओं को घरेलू स्रोतों के माध्यम से पूरा नहीं किया जा सकता हो।
 अपवर्जन संबंधी अनुरोधों को घरेलू स्तर पर निर्मित लौह एवं इस्पात उत्पादों के उपलब्ध न होने के पर्याप्त प्रमाण के साथ स्थायी समिति को प्रस्तुत किया जाएगा।

4. स्थायी समिति

इस नीति के कार्यान्वयन का पर्यवेक्षण करने के लिए इस्पात मंत्रालय (एम ओ एस) के अधीन एक स्थायी समिति का गठन किया जाएगाः जिसके अध्यक्ष सचिव इस्पात होंगेः। इस समिति में उद्योग/उद्योग संघ/सरकारी संस्था अथवा निकाय/इस्पात मंत्रालय (एम ओ एस) से लिए गए विशेषज्ञ होंगेः। इस्पात मंत्रालय में उक्त समिति के पास निम्नलिखित के लिए अधिदेश होगा :

- 4.1 इस नीति के कार्यान्वयन की मॉनीटरिंग करना
- 4.2 परिशिष्ट क और परिशिष्ट ख में यथा उल्लिखित लौह एवं इस्पात उत्पादों की सूची और घरेलू बिक्री वर्धन की आवश्यकता से संबंधित मानदंडों की समीक्षा करना और उसे अधिसूचित।

- 4.3 खंड 3 के अनुसार खरीद एजेंसियों को अपवर्जन की स्वीकृति देने सिहत इस नीति के कार्यान्वयन के लिए आवश्यक स्पष्टीकरण जारी करना।
- 4.4 शिकायत निवारण करने के लिए एक अलग समिति का गठन करना।
- 4.5 स्थायी समिति इस्पात मंत्रालय को अनुमोदन हेत् अपनी सिफारिशें प्रस्तृत करेंगी।

5. सरकार द्वारा खरीदे जाने वाले लौह एवं इस्पात उत्पादों को अधिसूचित करना

- 5.1 निम्नलिखित दिशानिर्देशों का उपयोग इस नीति के अंतर्गत उपरोक्त उत्पादों की पहचान करने और उसे अधिसूचित करने के लिए किया जा सकता है:
- 5.1.1 यह नीति परिशिष्ट क में दिए गए अनुसार लौह एवं इस्पात उत्पादों और परिशिष्ट ख में लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत माल पर लागू है।
- 5.1.2 परिशिष्ट क में लौह एवं इस्पात उत्पादों की सूची दी गई है जिसका निर्माण अनन्य रूप से घरेलू स्तर पर किया जाना है और उसका आयात इस्पात मंत्रालय के अनुमोदन के बिना नहीं किया जा सकता है।
- 5.1.3 परिशिष्ट ख में पूंजीगत माल की एक सूची (जो विस्तृत नहीं है) दी गई है जिसके लिए खरीद संबंधी वरीयता घरेलू स्तर पर निर्मित पूंजीगत माल को दी जाएगी, यदि उनकी दी गई कीमत सदृश्य आयात किये गये पूंजीगत माल के लिए दी गई कीमत के 20 प्रतिशत के अंदर आती हो।
- 5.1.4 इस नीति का उद्देश्य सभी लौह एवं इस्पात उत्पादों को अधिसूचित करना है जिसकी खरीद सरकारी एजेंसियों द्वारा सरकारी परियोजनाओं के लिए की जाती है और न कि वाणिज्यिक पुन: बिक्री के उद्देश्य से अथवा वाणिज्यिक बिक्री के लिए उत्पादों के उत्पादन में प्रयोग करने के उद्देश्य से की गई हो।
- 5.1.5 यह नीति सरकार के मंत्रालय अथवा विभाग के द्वारा निधि प्रदत्त सभी परियोजनाओं और उनके प्रशासनिक नियंत्रण के अधीन सभी एजेंसियों/प्रतिष्ठानों पर लौह एवं इस्पात उत्पादों की खरीद के लिए लागू है।
- 5.1.6 यह नीति उन परियोजनाओं पर लागू होगी जहां लौह एवं इस्पात उत्पादों का खरीद मूल्य 25 करोड़ रुपए से अधिक होता हो। यह नीति अन्य खरीद (गैर परियोजना) के लिए भी लागू होगी जहां उस सरकारी संगठन के लिए लौह एवं इस्पात उत्पादों का वार्षिक खरीद मूल्य 25 करोड़ रुपए से अधिक होता हो।
- 5.1.7 यह नीति सरकार के मंत्रालय अथवा विभाग अथवा उनके सार्वजनिक क्षेत्र के उपक्रमों की किसी अन्य आवश्यकता को पूरा करने के लिए और/अथवा ई पी सी संविदा को पूरा करने के लिए प्राइवेट एजेंसियों द्वारा लौह एवं इस्पातों की खरीद पर लागू है।
- 5.1.8 घरेलू लौह एवं इस्पात उत्पादों के विभिन्न ग्रेडों की उपलब्धता का विश्लेषण इस नीति के अंतर्गत अधिसूचित करने से पहले करना होगा। केवल उन लौह एवं इस्पात को उत्पादों को जिनके संबंध में कम से कम एक घरेलू निर्माता मौजूद हो, अधिसूचित किया जाएगा। स्थायी समिति से परामर्श किया जा सकता है।
- 5.1.9 यह नीति यथा लागू निर्धारित गुणवत्ता मानदंडों के अनुपालन में उत्पादित परिशिष्ट ख में दिए गए लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत माल के लिए लागू है।
- 5.1.10 लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत मालों की घरेलू खरीद के लिए नीति लौह एवं इस्पात उत्पादों का निर्माण करने के लिए और न कि वाणिज्यिक पुन: बिक्री के उद्देश्य से पूंजीगत मालों की खरीद के वास्ते और सार्वजनिक क्षेत्र के इस्पात विनिर्माताओं और उनके प्रशासनिक नियंत्रणाधीन सभी एजेंसियों/प्रतिष्ठानों पर लाग है।
- 5.1.11 यह नीति ई पी सी संविदा और/अथवा सार्वजनिक क्षेत्र से इस्पात निर्माताओं और उनके प्रशासनिक नियंत्रण के अधीन सभी एजेंसियों/प्रतिष्ठानों की किसी अन्य आवश्यकता को पूरा करने के लिए निजी एजेंसियों द्वारा लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पुंजीगत माल की खरीद पर लागु है।
- 5.1.12 सरकारी एजेंसियां जो लौह एवं इस्पात उत्पादों के निर्माण के लिए पूंजीगत माल और लौह एवं इस्पात उत्पादों की खरीद में उन स्थितियों में शामिल है जहां लौह एवं इस्पात उत्पादों का उल्लेख परिशिष्ट क और परिशिष्ट ख में नहीं किया गया हो, स्थायी सिनित को निर्धारित मानदंडों के साथ इस उत्पाद के विवरण और तकनीकी विनिर्देशन उपलब्ध करायेगा। स्थायी सिनित खंड 3 और खंड 4 में अधिदेश के अनसार कार्य करेगी।

- 5.2 इस्पात मंत्रालय (एम ओ एस) परिशिष्ट क में दिए गए न्यूनतम निर्धारित घरेलू मूल्यवर्धन के साथ लौह एवं इस्पात उत्पादों को अधिसचित करेगा।
- 5.3 लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत माल के संबंध में नीतिगत दिशानिर्देश, परियोजना के आकार पर विचार किये बिना परिशिष्ट ख में लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत माल की सभी खरीदों के लिए सार्वजनिक क्षेत्र के इस्पात निर्माताओं पर लागू होंगे।
- 5.4 परिशिष्ट क में लौह एवं इस्पात उत्पादों के लिए तथा परिशिष्ट ख में लौह एवं इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत माल के लिए सुझाव दिए गए न्यूनतम घरेलू मूल्यवर्धन आवश्यकता घरेलू आपूर्तिकर्ता का आधार, आपूर्तिकर्ताओं की संख्या और खपत की तुलना में आयात का अनुपात जैसे कारकों के आधार पर तय किया गया है।
- 5.5 घरेलू मूल्यवर्धन आवश्यकता संबंधी मानदंडों का इस प्रकार से निर्धारण किया जाएगा जिस से कि यह किसी दिए गए समय में लौह एवं इस्पात उत्पादों के लिए घरेलू उद्योग की औसत/औसत से अधिक निर्माण क्षमता दर्शाता हो। स्थायी समिति द्वारा समय समय पर उपयुक्त रूप से इसकी समीक्षा की जाएगी और आवश्यकता पड़ने पर इस्पात मंत्रालय के अनुमोदन से इसमें संशोधन किया जाएगा।

6. सरकार एवं सरकारी एजेंसियों द्वारा खरीद के लिए निविदा प्रक्रिया

- 6.1 खरीद करने वाली/सरकारी एजेंसियां डी एम आई एंड एस पी का पालन करते समय वित्त मंत्रालय और सी वी सी के अनुदेशों के अनुसार मानक खरीद संबंधी प्रक्रियाओं का पालन करेगी। यह नीति सभी निविदाओं जहां कीमत बोली नहीं खोली गई है, में इसके अधिसूचना की तिथि से लागू होगी।
- 6.2 दोनों वस्तुओं की खरीद तथा ई पी सी संविदाओं के लिए निविदा दस्तावेज में लौह एवं इस्पात उत्पादों का निर्माण करने के लिए लौह एवं इस्पात उत्पादों तथा पूंजीगत माल (जैसा कि परिशिष्ट क और परिशिष्ट ख में दर्शाया गया है, के लिए बोली लगाने वाले द्वारा न्यूनतम निर्धारित घरेलू मूल्यवर्धन का पालन करने के लिए अर्हता मानदंडों का स्पष्ट उल्लेख होना चाहिए।
- 6.3 घरेलू उत्पादों के विकास का सहयोग करने में, लौह एवं इस्पात व्यापार क्रियाकलापों में घरेलू मूल्यवर्धन का लक्ष्य निर्धारित किया गया है जिसे **परिशिष्ट क और परिशिष्ट ख** में दिया गया है।
- 6.4 परिशिष्ट क में लौह और इस्पात उत्पादों के खरीद की प्रक्रिया केवल उन निर्माताओं/आपूर्तिकर्ताओं के लिए ही खुली रहेगी जिसमें घरेलू मूल्यवर्धन लक्ष्यों को पूरा करने/उससे ज्यादा पूरा करने की क्षमता हो। घरेलू मूल्यवर्धन लक्ष्यों को पूरा न करने वाले निर्माता/आपूर्तिकर्ता बोली लगाने में भाग लेने के लिए पात्र नहीं हैं।
- 6.5 परिशिष्ट ख में दी गई मदों के मामलों में, यदि खरीद करने वाली कंपनी की राय में, निविदाओं (खरीदी गई मात्रा) को 50:50 के निर्धारित अनुपात में नहीं बांटा जा सकता है, तब उनके पास मात्रा जो 50 प्रतिशत से कम नहीं हो, जो कि विभाज्य हो, के लिए पात्र घरेलू निर्माता को संविदा देने का अधिकार होगा।
- 6.6 उपर्युक्त शर्त को जारी रखते हुए, परिशिष्ट ख की मदों के लिए, यदि निविदा दी गई मद विभाज्य न हो (खरीद करने वाली कंपनी द्वारा निविदा दस्तावेज में शामिल किए जाने के लिए) यह संविदा समग्र मात्रा के लिए पात्र घरेलू निर्माता को दी जा सकती है।
- 6.7 परिशिष्ट ख के मदों के मामलों में, यदि घरेलू मूल्यवर्धन की आवश्यकताओं को पूरा करने वाले पात्र निर्माताओं में से कोई भी एल1 की बोली के अनुरूप न हो, तब एल1 की बोली धारण करने वाले मूल बोली लगाने वाला खरीद के पूर्ण मूल्य के लिए आदेश प्राप्त करेंगे।
- 6.8 वे बोली लगाने वाले जो लौह एवं इस्पात उत्पादों के घरेलू निर्माताओं के बिक्री एजेंट/अधिकृत वितरक/अधिकृत डीलर/अधिकृत आपूर्ति गृह हैं इस नीति के अंतर्गत घरेलू निर्माताओं की ओर से बोली लगाने के लिए पात्र हैं। हालांकि, यह निम्नलिखित शर्तों के अध्यधीन होगा।
- 6.8.1 बोली लगाने वाले घरेलू स्तर पर निर्मित लौह एवं इस्पात उत्पादों की बिक्री करने के लिए घरेलू निर्माता द्वारा जारी किए गए अधिकार प्रमाण पत्र प्रस्तुत करेगा।

- 6.8.2 यदि खरीद को डी एम आई एंड एस पी नीति के परिशिष्ट क के अंतर्गत शामिल किया गया हो तब बोली लगाने वाला यह घोषणा करते हुए खरीद करने वाली एजेंसी को घरेलू निर्माता द्वारा जारी किया गया स्व-प्रमाणन का शपथ पत्र प्रस्तुत करेगा कि लौह और इस्पात उत्पादों का घरेलू स्तर पर निर्माण निर्धारित घरेलू मूल्यवर्धन के मामले में किया जाता है।
- 6.8.3 यदि खरीद को डी एम आई एंड एस पी नीति के परिशिष्ट ख के अंतर्गत शामिल किया गया हो तब बोली लगाने वाला यह घोषणा करते हुए घरेलू निर्माता को सांविधिक लेखा परीक्षक द्वारा जारी किया गया प्रमाणन प्रस्तुत करेगा कि लौह और इस्पात उद्योग में उपयोग किये जाने वाले पूंजीगत माल का घरेलू स्तर पर निर्माण निर्धारित घरेलू मूल्यवर्धन के मामले में किया जाता है।
- 6.8.4 बोली लगाने वाले की यह जिम्मेदारी होगी कि वह इस नीति के अनुसार खरीद करने वाली एजेंसी को घरेलू निर्माता द्वारा जारी किये जाने के लिए अपेक्षित अन्य आवश्यक दस्तावेज प्रस्तुत करे।

7. घरेलू मूल्यवर्धन आवश्यकता

- 7.1 घरेलू रूप में निर्मित लौह और इस्पात उत्पाद अथवा पूंजीगत माल के रूप में उत्पाद के रूप में पात्र होने के लिए न्यूनतम घरेलू मुल्यवर्धन आवश्यकता का उल्लेख परिशिष्ट क और परिशिष्ट ख में किया गया है।
- 7.2 घरेलू मूल्यवर्धन निवल बिक्री कीमत (निवल घरेलू करों और शुल्कों को छोड़कर बीजक कीमत) होगी जिसमें से प्रतिशत में निवल बिक्री कीमत के एक अनुपात के रूप में भारत में निर्माण करने वाले संयंत्र में आयात की गई इनपुट सामग्री की पहुंच लागत (सभी सीमा शुल्कों को शामिल करते हुए) घटाई जाएगी।
- 7.2.1 यदि लौह और इस्पात उत्पादों को घरेलू इनपुट इस्पात (अर्ध तैयार/तैयार इस्पात) का उपयोग करके निर्माण किया जाता हो, तब खरीदी गई मात्रा और अन्य संबंधित दस्तावेजों के साथ वास्तविक घरेलू उत्पादों से खरीद का बीजक खरीद करने वाली सरकारी एजेंसी को अवश्य प्रस्तुत किया जाना चाहिए।
- 7.2.2 यदि लौह एवं इस्पात उत्पादों ने इनपुट इस्पात का आयात किया हो तब खरीदी गई मात्रा और अन्य संबंधित दस्तावेजों के साथ वास्तविक उत्पादकों से खरीदों के बीजकों को अलग से प्रस्तुत किया जाना चाहिए। घरेलू मूल्यवर्धन की सीमा निकालने के लिए, दोनों इनपुट इस्पातों (आयात किये और घरेलू) की भारित औसत पर विचार यह सुनिश्चित करने के लिए किया जाएगा कि इस नीति की न्यूनतम निर्धारित घरेलू मूल्यवर्धन आवश्यकता का पालन किया गया है।
- 7.3 यह सिफारिश की जाती है कि निविदा की प्रक्रिया में भाग लेने वाले प्रत्येक बोली लगाने वाले को नीचे दिए गए सूत्र का उपयोग करते हुए घरेलू मूल्यवर्धन की गणना करनी चाहिए ताकि यह सुनिश्चित किया जा सके कि दावा किये गये घरेलू मूल्यवर्धन इस नीति के न्यनतम निर्धारित घरेलु मृल्यवर्धन के अनुरूप है।

लौह एवं इस्पात उत्पादों के लिए

% घरेलु मुल्यवर्धन

अतिम उत्पाद की निवल विक्री कीमल – संयंत्र में आयात किये गये लौह अथवा इस्पात की पहुंच लागत x 100% अंतिम उत्पाद की निवल विक्री कीमल

पूंजीगत माल के लिए

% घरेलु मुल्यवर्धन

= अंतिम उत्पाद की निवल विक्री कीमत - संयंत्र में आयात किये गये इनपुट सामग्री की पहुंच लागत x 100% अंतिम उत्पाद की निवल विक्री कीमत

8. प्रमाणन और लेखा परीक्षण

8.1 परिशिष्ट क में दिए गए उत्पादों के लिए, प्रत्येक घरेलू निर्माता यह घोषणा करते हुए खरीद करने वाली सरकारी एजेंसी को स्व-प्रमाणन का शपथ पत्र प्रस्तुत करेगा कि लौह एवं इस्पात उत्पाद का निर्धारित घरेलू मूल्यवर्धन के संबंध में घरेलू स्तर पर निर्माण किया गया है। परिशिष्ट ख के पूंजीगत माल के लिए, बोली लगाने वाला यह घोषणा करते हुए घरेलू निर्माता को सांविधिक लेखा परीक्षक द्वारा जारी किया गया प्रमाणन प्रस्तुत करेगा कि पूंजीगत माल का निर्माण घरेलू स्तर पर निर्धारित घरेलू मूल्यवर्धन के संबंध में किया गया है। वे बोली लगाने वाले जो लौह एवं इस्पात उत्पादों के घरेलू निर्माताओं का एकमात्र बिक्री एजेंट/अधिकृत वितरक/अधिकृत डीलर/अधिकृत आपूर्ति गृह हैं, ई पी सी के अंतर्गत घरेलू निर्माताओं की ओर से बोली लगाने के लिए पात्र हैं। बोली लगाने वाला घरेलू निर्माताओं के द्वारा जारी किए गए स्व-प्रमाणन और सांविधिक लेखा परीक्षकों द्वारा जारी किये गये प्रमाणनों को यह घोषणा करते हुए खरीद करने वाली एजेंसी को प्रस्तुत करेगा कि लौह एवं इस्पात उत्पादों का घरेलू स्तर पर निर्माण निर्धारित घरेलू मूल्यवर्धन के संबंध में किया गया है। स्व प्रमाणन का शपथ पत्र इन दिशानिर्देशों से संलग्न **प्रपत्र 1** में प्रस्तुत किया जाएगा।

- 8.2 घरेलू निर्माता की यह जिम्मेदारी होगी कि वह यह सुनिश्चित करे कि इस प्रकार से दावा किये गये उत्पादों का घरेलू स्तर पर उस उत्पाद के लिए निर्धारित घरेलू मूल्यवर्धन के संबंध में किया गया है। बोली लगाने वाले से यह भी अपेक्षित होगा कि वह घरेलू निर्माता के सांविधिक लेखा परीक्षकों द्वारा विधिवत प्रमाणित अर्धवार्षिक (सितंबर 30 और मार्च 31) आधार पर घरेलू मूल्यवर्धन प्रमाणपत्र उपलब्ध कराये कि पहले 6 महीनों के दौरान इस उत्पाद के लिए किये गये घरेलू मूल्यवर्धन के दावे इस नीति के अनुसार हैं। इस प्रकार के प्रमाण पत्र को संबंधित सरकारी एजेंसियों को प्रत्येक छमाही के शुरू होने के 60 दिनों के भीतर प्रस्तुत किया जाएगा और उस उत्पादों की आपूर्ति को पूरा करने तक प्रस्तुत करता रहेगा।
- 8.3 खरीद करने वाली एजेंसी बोली लगाने वाले द्वारा प्रस्तुत किये गये इस्पात उत्पाद में घरेलू मूल्यवर्धन के संबंध में स्व-प्रमाणन का शपथ पत्र स्वीकार करेगा। सामान्य तौर पर खरीद करने वाली एजेंसी की यह जिम्मेदारी होगी कि वह इस दावे की सत्यतता की जांच करे। इसकी सत्यतता प्रदर्शित करने की जिम्मेदारी बोली लगाने वाले की होगी जब उसे ऐसा करने के लिए कहा जाए।
- 8.4 यदि खरीद करने वाली एजेंसी अथवा संबंधित सरकारी एजेंसी द्वारा लौह एवं इस्पात उत्पादों में घरेलू मूल्यवर्धन के संबंध में बोली लगाने वाले के दावे के विरुद्ध कोई शिकायत प्राप्त होती है तब खरीद करने वाली एजेंसी के पास सभी संबंधित दस्तावेजों का निरीक्षण करने और उसकी जांच करने तथा निर्णय लेने का पूर्ण अधिकार होगा। यदि कोई स्पष्टीकरण की आवश्यकता होती है तब मामले को तकनीकी सहायता के लिए अनुरोध के साथ इस्पात मंत्रालय को भेजा जा सकता है।
- 8.5 सरकारी एजेंसी को भेजे गए किसी शिकायत का निपटारा सभी आवश्यक दस्तावेजों को प्रस्तुत करने के साथ इसे भेजे जाने के 4 सप्ताह के भीतर किया जाएगा। बोली लगाने वाले से यह अपेक्षित होगा कि वह शिकायत दायर करने के 2 सप्ताह के भीतर सरकारी एजेंसी को लौह एवं इस्पात उत्पादों में दावा किये गये घरेलू मूल्यवर्धन के समर्थन में आवश्यक दस्तावेज प्रस्तुत करे।
- 8.6 यदि इस मामले को इस्पात मंत्रालय के पास भेजा जाता है तब इस्पात मंत्रालय के अधीन गठित शिकायत निवारण सिमिति सरकारी एजेंसी के दृष्टिकोण पर विचार करने के बाद बोली लगाने वाले से सभी दस्तावेजों के प्राप्त होने और उसका संदर्भ भेजे जाने के 4 सप्ताह के भीतर शिकायत का निपटारा करेगी। बोली लगाने वाले से यह अपेक्षित होगा कि वे इस मामले के संदर्भ के 2 सप्ताह के भीतर इस्पात मंत्रालय के अंतर्गत शिकायत निवारण सिमिति को लौह एवं इस्पात उत्पादों में दावा किए गए घरेलू मूल्यवर्धन के समर्थन में आवश्यक दस्तावेज प्रस्तुत करे। यदि बोली लगाने वाले द्वारा कोई सूचना प्रस्तुत नहीं की जाती है तब शिकायत निवारण सिमिति दावे की प्रमाणिकता अधिक करने के लिए सरकारी एजेंसी के परामर्श से आगे आवश्यक कार्रवाई कर सकती है।
- 8.7 घरेलू मूल्यवर्धन की निर्धारित सीमा का आकलन करने की लागत का वहन खरीद करने वाली एजेंसी द्वारा किया जाएगा यदि घरेलू मूल्यवर्धन प्रमाण पत्र के अनुसार सही पाया गया हो। हालांकि, यदि ऐसा पाया गया हो कि दावा किए गए अनुसार घरेलू मूल्यवर्धन सही नहीं है तब आकलन की लागत बोली लगाने वाले द्वारा भुगतान के योग्य होगी जिन्होंने एक गलत प्रमाण पत्र प्रस्तुत किया है। इसे लागू करने के तरीके को निविदा दस्तावेज में परिभाषित किया जाएगा।

9. प्रतिबंध

- 9.1 प्रत्येक सरकारी एजेंसी निविदा दस्तावेज में निर्धारित घरेलू मूल्यवर्धन का बोली लगाने वाले के द्वारा गलत घोषणा किए जाने की स्थिति में दण्ड को स्पष्ट रूप से परिभाषित करेगा। इस दण्ड में ऐसे निर्माता/सेवा प्रदाता की ई एम डी को जब्त करना, अन्य वित्तीय दंड लगाना और उसे काली सूची में डालना शामिल हो सकता है।
- 9.2 संबंधित बोली लगाने वाले के द्वारा इस्पात मंत्रालय को किसी प्रकार की शिकायत भेजे जाने की स्थिति में, 10 लाख रुपए अथवा खरीदी जा रही डी एम आई एंड एस पी के मूल्य का 0.2 प्रतिशत (अधिकतम 20 लाख के अध्यधीन) इसमें से जो भी अधिक हो, का शिकायत शुल्क होगा जिसका भुगतान शिकायतकर्ता द्वारा शिकायत के साथ इस्पात मंत्रालय के अधीन शिकायत निवारण सिमिति के पास जमा किए गए डिमाण्ड ड्राफ्ट के द्वारा किया जाएगा। यदि, शिकायत को सही नहीं पाया जाता है तब सरकारी एजेंसी के पास उक्त राशि को जब्त करने का अधिकार सुरक्षित है। यदि शिकायत पर्याप्त रूप से सही पाई जाती है तब शिकायतकर्ता द्वारा जमा किए गए शुल्क को बिना किसी ब्याज के वापिस किया जाएगा।

10. इस्पात मंत्रालय द्वारा कार्यान्वयन की मॉनीटरिंग

- 10.1 इस नीति के प्रावधान प्रकाशन की तिथि से 5 वर्षों की अवधि के लिए लागू रहेंगे। इस नीति की अवधि को इस्पात मंत्रालय के विवेक से और आगे बढ़ाया जा सकता है।
- 10.2 इस्पात मंत्रालय इस नीति के कार्यान्वयन की मानीटरिंग करने के लिए नोडल मंत्रालय होगा।
- 10.3 डी एम आई एंड एस पी नीति के अंतर्गत सभी लागू एजेंसियां इस नीति का कार्यान्वयन सुनिश्चित करेगी और वार्षिक रूप से जून के महीने में एक घोषणा भेजेगी जिसमें इस नीति के अनुपालन की सीमा और पिछले वित्तीय वर्ष के दौरान उसके अनुपालन न किए जाने के कारणों को दर्शाया जाएगा।

इस्पात मंत्रालय को संदर्भ

किसी ऐसे प्रश्न की स्थिति में कि क्या खरीदी जा रही मद इस नीति के अंतर्गत शामिल किए जाने वाले डी एम आई एंड एस पी है, इस मामले को स्पष्टीकरण के लिए इस्पात मंत्रालय के पास भेजा जाएगा।

परिशिष्ट क - घरेलू स्तर पर निर्मित उत्पादों के लिए अनन्य

क्र. सं.	लौह एवं इस्पात उत्पादों की सांकेतिक सूची	लागू एच एस कोड	न्यूनतम घरेलू मूल्यवर्धन आवश्यकता
1	600 मि. मी. अथवा उससे अधिक की चौड़ाई वाले लौह अथवा गैर एलॉय इस्पात का फ्लेट रोल उत्पाद, हॉट रोल्ड, न ढका हुआ, प्लेट लगाया हुआ अथवा कोट	7208	50%
	का प्रलट राल उत्पाद, हाट राल्ड, न ढका हुआ, प्लट लगाया हुआ अथवा काट किया हुआ	7200	00 /0
	600 मि. मी. अथवा उससे अधिक की चौड़ाई वाले लौह अथवा गैर एलॉय इस्पात		
2	का फ्लेट रोल उत्पाद, कोल्ड रोल्ड (कोल्ड - कम किया हुआ), न ढका हुआ, प्लेट लगाया हुआ अथवा कोट किया हुआ	7209	50%
	600 मि. मी. अथवा उससे अधिक की चौड़ाई वाले लौह अथवा गैर एलॉय इस्पात		
3	का फ्लेट रोल उत्पाद, ढका हुआ, प्लेट लगाया हुआ अथवा कोट किया हुआ	7210	50%
_	600 मि. मी. से कम की चौड़ाई वाले लौह अथवा गैर एलॉय इस्पात का फ्लेट रोल	7044	250/
4	उत्पाद, न ढका हुआ, प्लेट लगाया हुआ अथवा कोट किया हुआ	7211	35%
_	600 मि. मी. कम की चौड़ाई का लौह अथवा गैर एलॉय इस्पात का फ्लेट रोल	7040	35%
5	उत्पाद, ढका हुआ, प्लेट लगाया हुआ अथवा कोड किया हुआ	7212	
6	लौह एवं गैर एलॉय इस्पात का अनियमित रूप से ऐंठा हुआ क्वाइल में बार्स और	7213	35%
6	रॉड, हॉट रोल्ड	1213	
	लौह अथवा गैर एलॉय इस्पात के अन्य बार्स और रॉड्स जिसे फोर्ज किए जाने की		35%
7	तुलना में आगे अधिक वर्क नहीं किया हुआ, हॉट रोल्ड, हॉट ड्रॉन अथवा हॉट	7214	
	एक्सटूडेड परंतु रोलिंग के बाद उसे टिविस्ट किये जाने सहित	7045	250/
8	लौह अथवा गैर एलॉय इस्पात का अन्य बार्स एंड रोड्स	7215	35%
9	लौह अथवा गैर एलॉय इस्पात का एंगल, शेप और सेक्शन्स	7216	35%
10	लौह अथवा गैर एलॉय इस्पात का तार	7217	50%
11	600 मि. मी. अथवा उससे अधिक की चौड़ाई का स्टेनलैस इस्पात का फ्लेट रोल्ड इस्पात	7219	50%
12	600 मि. मी. से कम की चौड़ाई का स्टेनलैस इस्पात का फ्लेट रोल्ड इस्पात	7220	50%
13	स्टेनलैस स्टील का अन्य बार्स और रोड्स; स्टेनलैस स्टील का एंगल शेप और	70.00	500/
	सेक्शन्स	7222	50%
14	अन्य एलॉय इस्पात का तार	7229	35%
15	लौह अथवा इस्पात को रेल, रेलवे अथवा ट्रामवे ट्रेक निर्माण सामग्री	7302	50%

16	कास्ट लौह का ट्यूब, पाइप और होलो पाइप	7303	35%
	लौह (कास्ट आयरन को छोड़कर) अथवा इस्पात का ट्यूब पाइप और होलो		
17	प्रोफाइल, सीमलैस	7304	35%
	लौह अथवा इस्पात का सर्कुलर क्रॉस सेक्शन वाले अन्य ट्यूब और पाइप (उदाहरण		
18	के लिए, वेल्ड किया हुआ, रिवेट किया हुआ अथवा समान रूप से बंद किया गया	7305	35%
	हुआ), जिसकी बाहरी त्रिज्या 406.4 मि. मी. से अधिक हो		
	लौह अथवा इस्पात के अन्य ट्यूब, पाइप और होलो प्रोफाइल (उदाहरण के लिए		
19	ओपन सीन अथवा वेल्ड किया हुआ, रिवेट किया हुआ अथवा समान रूप से बंद	7306	35%
	किया गया हुआ)		
20	लौह अथवा इस्पात का ट्यूब अथवा पाइप फिटिंग (उदाहरण के लिए,	7307	35%
20	कनेक्टर/कप्लिंग, एल्बो स्लीव्स)	7507	33 70
21	स्टेनलैस स्टील का अनियमित रूप से ऐंठा हुआ क्वाइल में बार्स और रॉड, हॉट	7221	35%
	रोल्ड	1221	0070
22	स्टेनलैस स्टील का वायर	7223	35%
23	इलेक्ट्रिकल स्टील सहित 600 मि. मी. अथवा उससे अधिक की चौड़ाई वाले अन्य एलॉय स्टील का फ्लेट रोल्ड इस्पात	7225	35%
	्रांच स्टाल का फ्लंट राल्ड इस्पात इलेक्ट्रिकल स्टील सहित 600 मि. मी. से कम की चौड़ाई वाले अन्य एलॉय स्टील		
24	का फ्लेट रोल्ड इस्पात	7226	35%
25	अन्य एलॉय स्टील का अनियमित रूप से ऐंठा हुआ क्वाइल में बार्स और रोड, हॉट	7227	15%
	रोल्ड	1221	13 /6
26	अन्य एलॉय स्टील का अन्य बार्स और रोड्स; अन्य एलॉय स्टील का एंगल, शेप्स	7228	35%
20	और सेक्शन्स; एलॉय अथवा नॉन एलॉय स्टील का होलो ड्रील बार्स और रोड्स	1220	33 70
	लौह अथवा इस्पात की शीट पाइलिंग, चाहे ड्रील किया हुआ हो अथवा नहीं, चाहे		
27	पंच किया हुआ हो अथवा नहीं, चाहे असेम्बल किये हुए तत्वों से बना हुआ हो	7301	15%
	अथवा नहीं; लौह अथवा इस्पात का वेल्ड किया हुआ एंगल, शेप और सेक्शन्स		
28	स्ट्रक्चर्स (9406 के शीर्ष का प्रीफेबरिकेटिड भवनों को छोड़कर) और स्ट्रक्चर्स का	7308	15%
	हिस्सा	1000	1070
	300 लीटर से अधिक क्षमता का लौह अथवा इस्पात का किसी सामग्री (कम्प्रेस		
29	किए हुए अथवा सरलीकृत गैस को छोड़कर) के लिए भंडार, टैंक, वैट और समान	7309	15%
	कन्टेनर चाहे उसे लाइन किया गया हो अथवा नहीं या उसे हीट से इन्सुलेट किया गया हो अथवा नहीं लेकिन यांत्रिक अथवा तापीय उपक्रम से युक्त न हो		
	अधिकतम 300 लीटर की क्षमता का लौह अथवा इस्पात का किसी सामग्री		
	(कम्प्रेस किए हुए अथवा सरलीकृत गैस को छोड़कर) के लिए टैंक, कास्ट, ड्रम, केन,		
30	बॉक्स और समान कन्टेनर चाहे उसे लाइन किया गया हो अथवा नहीं या उसे हीट	7310	15%
	से इन्सुलेट किया गया हो अथवा नहीं लेकिन यांत्रिक अथवा तापीय उपक्रम से		
	युक्त न हो		
31	लौह अथवा इस्पात का कम्प्रेस किया हुआ अथवा सरलीकृत गैस के लिए कन्टेनर	7311	15%
32	लौह अथवा इस्पात का स्टेंडिड वायर, रोप, केबल, प्लेटिड बैंड, स्लिंग और उसके	7312	15%
	समान वस्तु जिसे विद्युतीय रूप से इन्सुलेट न किया गया		
22	लौह अथवा इस्पात का फेनसिंग के लिए उपयोग किये जाने वाला बार किया हुआ वायर; ट्विस्ट किया हुआ हूप अथवा सिंगल फ्लेट वायर, बार्स किया हुआ अथवा	7313	15%
33	वायर, ।ट्वस्ट किया हुआ हूप अथवा ।सगल फ्लट वायर, बास ।कया हुआ अथवा नहीं और लूज तरीके से ट्विस्ट किया हुआ डबल वायर	1010	10 /0
	लौह अथवा इस्पात तार का ड्रील, नेटिंग और फेनसिंग; लौह अथवा इस्पात का		
34	विस्तार किया हुआ धातु	7314	15%
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35	लौह अथवा इस्पात का चैन और उसका हिस्सा	7315	15%
36	लौह अथवा इस्पात का टैंकर, ग्रेपनेल्स और उसका हिस्सा	7316	15%
37	लौह एवं इस्पात की वस्तुएं	7317	15%
38	लौह एवं इस्पात की वस्तुएं	7318	15%
39	लौह एवं इस्पात की वस्तुएं	7319	15%
40	लौह अथवा इस्पात का स्प्रिंग और स्प्रिंग के लिए लीव्स	7320	15%
	लौह अथवा इस्पात का स्टोव्स, रेंज, ग्रेड, कूकर (केंद्रीय हिटिंग के लिए सहायक		
41	बायलरों के साथ उन वस्तुओं सहित), बारबेक्यूज, ब्रेजियर्स, गैस रिंग, प्लेट वामर्स	7321	15%
	और समान गैर-विद्युतीय घरेलू उपकरण और उसका हिस्सा		
	लौह अथवा इस्पात का केंद्रीय हिटिंग के लिए रेडियेटर जिसे विद्युतीय रूप से हीट		
42	न किया गया हो और उसका हिस्सा; लौह अथवा इस्पात का हेयर हीटर और हॉट	7322	15%
42	एयर वितरक जिसे विद्युतीय रूप से हीट न किया गया हो, फेन अथवा ब्लोअर जो	1322	
	मोटर से चलती हो और उसके हिस्से को शामिल करते हुए		
43	लौह अथवा इस्पात का टेबल और समान घरेलू वस्तुएं और उसका हिस्सा	7323	15%
44	लौह अथवा इस्पात का सेनेटरी वेयर और उसको पार्ट्स	7324	15%
45	लौह अथवा इस्पात का अन्य कास्ट सामान	7325	15%
46	लौह अथवा इस्पात का विद्युतीय इस्पात और अन्य वस्तु	7326	15%
47	रेलवे अथवा ट्रामवे पेसेंजर कोच जो स्वयं आगे नहीं बढ़ता हो	8605	50%
48	रेलवे अथवा ट्रामवे माल वेन और वेगेन जो स्वयं आगे नहीं बढ़ता हो	8606	50%
40	रेलवे अथवा ट्रामवे लोकोमोटिव का हिस्सा अथवा रोलिंग स्टॉक जैसे बोगिज,	8607	50%
49	बिसल बोगिज, एक्सेल और फोज्ड किया हुआ पहिया और उसका हिस्सा		

विवरणों में शामिल किए गए उत्पाद सांकेतिक हैं, विनिर्दिष्ट एच एस कोड के अंतर्गत सभी उत्पादों को परिशिष्ट के भाग के रूप में शामिल किया गया है।

परिशिष्ट ख

लौह और इस्पात उत्पादों का निर्माण करने के लिए पूंजीगत माल की सांकेतिक सूची (जो विस्तृत नहीं है)

豖.	संयंत्र शॉप	पूंजीगत माल	न्यूनतम घरेलू मूल्यवर्धन
सं.			आवश्यकता
1	कच्चा माल संभाल प्रणाली	चूर्ण की हुई सामग्री के लिए एप्रोन फीडर, बेरल कप्लिंग, हैवी ड्यूटी बियेरिंग, हाइड्रोलिक डिक्स ब्रेक्स, टेंकर एंड कंटेनर, पाइप कंवेयर के लिए कंवेयर बेल्ट, हाई एंगल कंवेयर प्रणाली, क्रशर्स, क्रेन रेल लुब्रिकेशन, चार गरडर ग्राइडर ई ओ टी क्रेन, क्रेन वेइंग प्रणाली, क्रेन ऐयर कंडीशनिंग, प्रयूड कप्लिंग, 4 लिफ्ट ट्रक्स, हाइड्रोलिक मोटर्स, हाइड्रोलिक सिस्टम, लोंकिंग एसेम्बली (फ्रिक्शन ग्रिप), लोड सेल्स, लेवल सेर्न्सस, पाइप कंवेयर प्रणाली, प्लग/पाडेल फीडर, न्यूमेटिक ढुलाई – घना एवं लिन फेस, रिक्लेमर्स, रेडियो रिमोट कंट्रोल, रेल फिक्सिंग व्यवस्था (विशेष), रेपिड/फ्लेड लोडिंग प्रणाली, स्टेकर्स, स्पेशल स्क्रीन, स्लिव रिंग बियरिंग, ट्रिप्पलर्स, ट्रांसफर कार, ट्रॉग्स (स्पेशल), बाइब्रेशन, आइसोलेशन प्रणाली (स्परिंग डम्पर) वेगन टिप्पलर्स, वेगन	50%
	मिनिरल	लोडर	
2	बेनिफेक्शन (लौह अयस्क और कोयला) उपकरण	इंडस्ट्रीयल क्रशर्स, ग्राइनडिंग मिल, परम्परागत स्क्रीन, स्लूरी पम्पस, हिरेट थिकनर्स, फिल्टर्स, हाइड्रोक्लोन्स	50%

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3	कॉक अवेन	कोक ओवन सिलिका रिफेक्टरी, एन्करेज सिस्टम, ब्ररंव नरइन के साथ वेस्ट गैस वाल, फ्लेस प्लेट, डोर फ्रेम, डोर बॉडी, माइनर कास्टिंग: गुजनेक, वाल बॉक्स, ए पी लिड, चार्जिंग और इंस्पेक्शन होल लिड एंड फ्रेम रिवर्सिंग मेकेनिजम, केंद्रीकृत लूब्रिकेशन प्रणाली हाइड्रोजेट डोर क्लीनिंग तंत्र, कोड कंवेयर सिस्टम, स्किप होइस्ट, डोर लोवरिंग रैक, आइसोलेशन/रिवर्सिंग कॉक्स, II ऑटोमेशन, अवेन मशीन	50%
4	उप-उत्पाद संयंत्र	प्राथमिक गैस कूलर, इलेक्टोस्टेटिक तार प्रेसिपिटेटर, H2S, NH3 और नप्थलिन स्कूब्बर, कोम्बी स्ट्रीप्पर, फ्लेशिंग लिक्र पम्प, क्लास किन, क्लाक रियेक्टर, वेस्ट हीट बायलर, डिकेंटर्स	50%
5	सिंटर संयंत्र उपकरण	पेलेट कार, ड्राइव/डिस्चार्ज इंड स्प्रोकेट ऐसेम्बली कर्व्ड रेल, स्लाइड रेल, हॉट सिंटर ब्रेकर और ग्रिजली, डिप रेल एंड रिनंग रेल, प्रोसेस फेन के लिए इम्पेलर एसेम्बली, सिन्टर मशीन का ड्राइव एसेम्बली, उच्च तीव्रता वाला मिक्सर और नोडूलाइजर	50%
6	पेलेट संयंत्र उपकरण	पेलेट कार, ड्राइव/डिस्चार्ज इंड स्प्रोकेट ऐसेम्बली कव्ड रेल, स्लाइड रेल, रिनंग रेल वरटिकल रोलर मिल, प्रोसेस फेन के लिए इम्पेलर एसेम्बली, इनडूरेटिंग मशीन का ड्राइव एसेम्बली, उच्च तीव्रता वाला मिक्सर, बालिंग डिक्स, सिंगल डेक्स रोलर स्क्रीन एंड डबल डेक्स रोलर स्क्रीन	50%
7	ब्लास्ट फरनेस उपकरण	ब्लंडर वाल के साथ बेल रिहत टॉप प्रणाली, एस जी आयरन स्टेव कूलर, कोपर स्टेव कूलर, स्टॉक लेवल इंडिकेटर (रडार टाइप), मड गन, ड्रिलिंग मशीन एंड मेनिपुलेटर, गैस क्लिलिंग प्लांट प्रणाली, इसके बाइस-पास वाल सिहत टॉप रिकवरी ट्रबाइन सिस्टम, डि-ब्रिकिंग मशीन, रि-रेलिंग उपकरण, पी सी आई प्रणाली, पी सी आई के लिए ग्राइनडिंग मिल, स्टॉक लेवल इंडिकेटर, ट्रयेरे स्टाक एसेम्बली, वेस्ट हीट रिकवरी प्रणाली, बी एफ एवं हॉट ब्लास्ट स्टोव प्रौद्योगिकीय वाल, एब्व ब्रर्डन प्रोब्स, स्लग ग्रेन्यूलेशन यूनिट, ट्रयेरे एंड ट्रयेरे कूलर, टोरपेडो लेडल कार, बी एफ हरथ रिफेकट्री	50%
8	डायरेक्ट रिडक्शन प्लांट उपकरण	चार्ज डिस्ट्रीब्यूटर, अपर एंड लोअर सील लेग, रिफोमर एंड रि-क्यूरेटर सिस्टम, बर्डन फिडर्स, ट्रबो-एक्सपेंडर, प्रोसेस गैस कम्प्रेशर, सील गैस कम्प्रेशर एवं बोटम सील गैस कम्प्रेशर, सील गैस जेनरेटर एवं डायर्स, प्रोसेस गैस हीटर, CO2 रिमूवल प्लांट	50%
9	बेसिक ऑक्सीजन फर्नेस उपकरण	मुख्य और अनुरक्षण उपकरण जिसमें कंवेटर, गिनंग मशीन, रिफेक्ट्री/स्लग मॉनीटरिंग उपकरण, कंवेटर वेसेल, ट्रनिअन रिंग एंड सस्पेशन प्रणाली, ट्रनिअन बियरिंग और हाउसिंग, कंवेटर बुल गियर यूनिट और टिल्ट ड्राइव सिस्टम, कंवेटर के रोटेरी ज्वाइंट, बोटम स्ट्रिंग सिस्टम, क्लिपंग के साथ लांस बाडी, लांस कोपर टिप्स, ऑक्सीजन ब्लोविंग/बोटम स्टीरिंग के लिए वाल स्टेशन, सब-लान सिस्टम, प्रोसेस मॉड्यूल अर्थात प्रोसेस साफ्टवेयर/हार्डवेयर के साथ ऑफ गैस एनेलाइजर, कंटेनर लैब मेजरमेंट प्रोब, स्विच ओवर स्टेशन, प्राइमरी गैस के लिए आई डी फेन, होट मेटल और स्टील लेडल, लेडल ट्रांसफर कार, लेडल अनुरक्षण उपकरण, स्लेग पोट, स्लग पोट ट्रांसफर कार, स्क्रेप बॉक्स क्रेप ट्रांसफर कार, लांस करेज, लांस गाइड, क्रेन एंड हाइस्ट, लांस होइस्ट एंड ट्राली, लांस टिल्टिंग उपकरण, लांस को लिफ्ट करने के लिए ट्रेवस, विभिन्न आकर के बंकर, बिन बाइब्रेटर, वेइंग हूपर, अनुरक्षण स्टेण्ड, डी डस्टिंग सक्शन हूड, टीमिंग/एच एम, लेडल रिलाइनिंग स्टेंड, स्टेंड कूलिंग स्टेक इंस्पेक्शन उपकरण, हूड ट्रेवर्स केरेज, रिफेक्ट्री, बाइपास एवं आइसोलेशन वाल्ब, फ्लेयर स्टेक एवं इगनिगेशन सिस्टम, स्क्रबिंग टोवर सेल – वेट गैस क्लीनिंग सिस्टम, डॉग हाउस लेडल ड्रायर, लेडल	50%

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		प्री-हीटर, लेडल कूलर, फ्यूम कोलेक्शन हूड्स, क्लीन गैस स्टेक, डस्ट सिलो, वेग ब्रिज, स्लग रिटेनिंग उपकरण	
		फर्नेस प्रोपर (जिसमें फ्रनेस लोवर सेल, अपर सेल और रूफ, टिलटिंग प्लेटफार्म, फ्रनेस	
		गेन्ट्री शामिल है) और ट्रांसफार्मर, इलेक्ट्रोल रेगूलेशन प्रणाली, , हाइड्रोलिंक सिस्टम,	
		रिफेक्ट्री, लेवल I एंड II आटोमेशन सिस्टम के पार्टस। एल एफ – वाटर कूल्ड लेडल	
		रूफ, इलेक्ट्रोड मास्ट एंड आमर्स, इलेक्ट्रोड रेगूलेटिंग सिस्टम, वायर फिडिंग सिस्टम,	
		बोटम इनइरट गैस स्टिंरिंग वाल सिस्टम पोरूस प्लग और टॉप लांस के लिए, इमरजेंसी	
		लांसतंत्र, ड्राइव यूनिट के साथ लांस केरेजि सिस्टम, स्वचालित तापक्रम, सेम्पिलिंग और	
	->6	बाथ लेबल/ओ2 मेजरमेंट, तापक्रम और आक्सीजन इम्मजन लांस, ड्राइव यूनिट के साथ	
10	इलेक्ट्रिक आर्क फर्नेस	लांस केरेज सिस्टम, हाइड्रोलिक सिस्टम, रिफैक्ट्री, लेडल रूफ डेल्टा पोरशन, आर एच	50%
	D-T-CI	प्रोपर (जिसमें लेडल ट्रांसफर कार, वेक्यूम वेसेल, वेसेल लिफिटिंग और लोवरिंग	
		सिस्टम शामिल है, हाइड्रोलिंग सिस्टम, मल्टी फंक्शन लांस, वाल्व रेक्स/स्टेशन,	
		इलेक्ट्रोड क्लेप यूनिट, इलेक्ट्रोड आमर्स का कंडक्टर, वाटर कूल्ड केबल, ए आर स्टेरिंग	
		वाल्व रेक, लांस ट्रांसपोर्ट कार, रिफेक्ट्री लांस, हाइड्रोलिक सिलेंडर, लेडल रूफ	
		लिफटिंग सिलेंडर, लूब्रिकेशन प्रणाली, सक्शन हुड, डम्पर, वाइब्रो फीडर, वेइंग होपर,	
		वायर फिडिंग प्रणाली, इलेक्ट्रोड निपिंलिंग स्टेड, क्रेन, होइस्ट, तापमान और सेम्पलिंग	
		टिप्स, लेडल स्टेंड, ई एस पी, डिडक्टिंग हूड, रिफेक्ट्री, बेग फिल्टर, क्रेन इत्यादि।	
		लाडले टरेट, लेडल कवर मेनिपुलेटर, लेडल शारउड मेनिपुलेटर, टनडिस कार,	
		कंटिन्यूअस टनडिस टेम्पेचर मेजरमेंट सिस्टम, टनडिस स्टोपर रूड मेकेनिजम, इमरजेंसी	
		ू कट-आफ गेट, मोल्ड एसेम्बली, नोजल क्विक चेंज डिवाइस, मोल्ड ओसीलेटर एंड ई एम	
	सतत कास्टिंग उपकरण	एस सिस्टम, इलेक्ट्रो-मेगेनेटिक ब्रेकिंग सिस्टम, स्ट्रेड गाइड सेगमेंट, विदड़ावल एंड	
11		स्ट्रेघटेनिंग यूनिट (डब्ल्यू एस यू), रोल गेप चेकर इमरजेंसी टार्च कटर, टार्च कटिंग	50%
		मशीन, डेबरर, मार्किंग मशीन, टेकेनोलोजी कंट्रोल सिस्टम एंड प्रोसेस मोडल, ब्लेक	
		रिफेक्ट्रीज, स्ट्रेंड गन्डे सेग्मेंट, टनडिश, लाडले कवर, रोलर टेबल एंड आक्सीलिरीज,	
		माल्ड एंड सेग्मेंट मेनटेनेस इक्यूपमेंट टनडिस मेनटेनेस इक्यूपमेंट, ई एम बी आर	
		सिस्टम	
		लार्ज कास्टिंग एंड फाजिंग लाइक मिल हाउसिंग, बेड प्लेट्स वर्क्स रोल, बेकअप रोल,	
		इंड स्पिंडल्स; रोलर टेबल, बेकअप रोल एंड वर्क रोल चक्स क्वाइलर/टेनशन	
12	फ्लेट प्रोडक्ट	रिल/अनक्वाइलर, ए जी सी सिलंडर, शेयर्स, लेवेलेर्स, लाजेर वेल्डर, पेकेजिंग मशीन,	50%
	मिल	नॉन कान्टेक्ट, गेज/प्रोफाइल गेज, एंटी-फ्रिक्शन रोल नेक बियेरिंग, आयल फिल्म	0070
		बियेरिंग, गियर बॉक्स, मिल मोटर्स	
		मिलस हाउसिंग, बेड प्लेट, वर्क रोल, बेकअप रोल, स्पिनडेल्स; रोलर टेबल, कॉयलर	
		हिंशन रिल /अनकॉयलर, शेयर्स, बिल्डट वेल्डर, पेकेजिंग मशीन, नान-कानटेक्ट	
13	लाँग प्रोडक्ट मिल	ार्टशन रिल /अनकायलर, शयस, बिल्डट वल्डर, पकाजग मशान, नान-कानटक्ट गॉज/प्रोफाइल गॉज, एंटी-फ्रिक्शन रोल नेक बियरिंग, आयल फिल्म बियरिंग,	50%
		फिनिशिंग ब्लाक्स, गियर बॉक्स, मिल मोटर	

^{*}परिशिष्ट ख में मर्दे निर्माण करने वाले इस्पात के लिए पूंजीगत सामानों की एक सांकेतिक सूची है, यह सूची विस्तृत नहीं है। इस्पात के निर्माण के लिए सभी पूंजीगत मालों पर 50% की न्यूनतम घरेलू मूल्यवर्धन आवश्यकता के साथ इस नीति के अंतर्गत खरीद वरीयता के लिए विचार किया जाएगा।

फार्म	- 1	
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	0/- रुपए के ।थ के लिए प्र		ार पर दिए	जाने के लिए	ए लौह एवं इस्पात उत्पादोंं/पूंजीगत मालों में घरेलू मूल्यवर्धन के संबंध में स्व-प्रमाणन
मैं _		सुपुत्र,		पत्नी,	का निवासी
				एत	द् द्वारा निष्ठापूर्वक नीचे दिए गए अनुसार वचन देता हूँ और घोषण करता हूँ :
	अधिसूचना स				के माध्यम से जारी किए गए भारत सरकार की नीति के
	और शर्तों का		•		
खरीद	करने वाली ए	रजेंसी के र	प्रमक्ष संगत	रिकार्ड प्रस्तु	विश्वास के अनुसार सही है और मैं घरेलू मूल्यवर्धन का आकलन करने के प्रयोजन से त करने का वचन देता हूं।
	गि इनपुट्स के में किये गये द				क्त लौह एवं इस्पात उत्पाद शामिल हैं का सत्यापन मेरे द्वारा कर लिया गया है और ार हूं।
स्थिति	में, घरेलू मूल	यवर्धन क	ा आकलन	करने के उद्देश	हीं पाये जाने और मूल्यवर्धन के लिए निर्धारित मानदंडों को पूरा नहीं किये जाने की य से खरीद करने वाली एजेंसी के आकलन के आधार पर मैं 36 महीनों की अवधि के क्रगा। इसके अलावा मैं इस प्रकार के आकलन की सभी लागतों का वहन करूंगा।
है, में स एम डी	पंदर्भित सभी	शर्तों का रे। मैं यह १	पालन किय भी वचन दे	ा है और यह	रकारी खरीद में घरेलू स्तर पर निर्मित लौह एवं इस्पात उत्पादों को वरीयता दी गई ि कि खरीद करने वाली एजेंसी को एतद् द्वारा अधिकार दिया जाता है कि वह मेरे ई कलन की लागत का भुगतान करूंगा और निविदा दस्तावेज में यथा उल्लिखित सभी
	वर्षों की अर्वा ान के लिए इरे			के रिकॉर्ड में	निम्नलिखित सूचना रखने के लिए सहमत हूं और किसी सांविधिक प्राधिकारी को
i.	बोली लग	ाने वाले व	का नाम औ	र ब्यौरा (पंर्ज	निकृत कार्यालय, विनिर्माण इकाई का स्थान, कानूनी प्रतिष्ठान की प्रकृति)
ii.	वह तिथि	जब यह प	प्रमाण पत्र	जारी किया ग	गया है।
iii.	लौह एवं	इस्पात उ	त्पाद जिसवे	िलए इस प्र	ामाण पत्र को प्रस्तुत किया जाता है।
iv.	खरीद कर	ने वाली ।	एजेंसी जिसे	यह प्रमाण प	पत्र प्रस्तुत किया जाता है।
٧.	दावा की	गई घरेलू	मूल्यवर्धनः	की प्रतिशतत	ा और क्या यह निर्धारित घरेलू मूल्यवर्धन के आरंभिक मूल्य को पूरा करता है।
vi.	विनिर्मात	ा की इका	ई का नाम	और संपर्क वि	वेवरण
vii.	लौह और	इस्पात उ	त्पादों की ि	नेवल बिक्री	कीमत
viii.	संयंत्र तक	भाड़ा, र्ब	ोमा और रख	बरखाव	
ix.	लौह एवं लागत मूर		त्पादों का ि	नेर्माण करने	के लिए उपयोग की जाने वाली इनपुट इस्पात (आयात किया गया) की सूची और कुल
Χ.	इनपुट इस	यात जिस	की आपूर्ति	घरेलू स्तर प	ार की जाती है की सूची और कुल लागत
xi.	कृपया र्या	दे इनपुट	इन हाऊस	नहीं हो तब उ	आपूर्तिकर्ताओं से प्राप्त घरेलू मूल्यवर्धन प्रमाणपत्र संलग्न करें।
xii.			•	•	ी आई एफ मूल्य, शुल्क और करों, पोर्ट पर उतारने से संबंधित प्रभारों और अंतर्देशीय गोर्ट पर पहुंच कीमता
(प्रति	ष्ठान/कंपनी	का नाम) [:]	के लिए औ	र उसकी ओर	र से

अधिकृत हस्ताक्षरकर्ता (निदेशक बोर्ड द्वारा विधिवत अधिकृत किये जाने के लिए)

<नाम, पदनाम और संपर्क सं. की प्रविष्टि करें>

MINISTRY OF STEEL NOTIFICATION

New Delhi, the 29th May, 2019

G.S.R. 385(E).—The revised Policy for providing preference to domestically manufactured Iron & Steel Products in Government procurement is hereby published for general information.

[F. No.3(2)/2018-IDD]

RASIKA CHAUBE, Addl. Secy.

POLICY FOR PROVIDING PREFERENCE TO DOMESTICALLY MANUFACTURED IRON & STEEL PRODUCTS IN GOVERNMENT PROCUREMENT- REVISED, 2019

1 Background

- 1.1 This policy provides preference to Domestically Manufactured Iron and Steel Products (DMI&SP) in Government procurement.
- 1.2 The policy is applicable to iron & steel products as provided in Appendix A and capital goods for manufacturing iron & steel products in Appendix B, produced in compliance to prescribed quality standards, as applicable.
- 1.3 The policy is applicable to every Ministry or Department of Government and all agencies/entities under their administrative control and to projects funded by these agencies for purchase of iron & steel products for government projects. However, this policy shall not apply for purchase of iron & steel products with a view to commercial resale or with a view to use in the production of goods for commercial sale.

2 Definitions

- 2.1 Bidder may be a domestic/ foreign manufacturer of iron & steel or their selling agents/ authorized distributors/ authorized dealers/ authorized supply houses or any other company engaged in the bidding of projects funded by Government agencies.
- 2.2 **Domestically Manufactured Iron & Steel Products (DMI&SP)** are those iron and steel products which are manufactured by entities that are registered and established in India, including in Special Economic Zones (SEZs). In addition, such products shall meet the criteria of domestic minimum value-addition as mentioned in Appendix A.
- 2.3 **Domestic Manufacturer** is a manufacturer of iron & steel products conforming to guidelines in section 7 and confirming to the definition of 'manufacturer' as per Central Excise Act.
- 2.4 **Government** for the purpose of the Policy means Government of India.
- 2.5 **Government agencies** include Government PSUs, Societies, Trusts and Statutory bodies set up by the Government.
- 2.6 **MoS** shall mean Ministry of Steel, Government of India.
- 2.7 **Net Selling Price** shall be the invoiced price excluding net domestic taxes and duties
- 2.8 **Semi-Finished Steel** shall mean Ingots, billet, blooms and slabs, which can be subsequently processed to finished steel.
- 2.9 **Finished Steel** shall mean Flat and Long products, which can be subsequently processed into manufactured items.
- 2.10 **L1** means the lowest tender or the 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.
- 2.11 **Margin of purchase preference** means the maximum extent to which the price quoted by a domestic supplier may be above L1 for the purpose of purchase preference. In case of DMI&SP policy, the margin of purchase preference shall be 20% for items in Appendix B.
- 2.12 Iron & Steel Product(s) shall mean such iron and steel product(s) which are mentioned in Appendix A.
- 2.13 **Domestic value addition** shall be the net selling price (invoiced price excluding net domestic taxes and duties) minus the landed cost of imported input materials at the manufacturing plant in India (including all customs duties) as a proportion of the net selling price, in percent. The 'domestic value addition' definition shall be in line with the DPIIT(formerly DIPP) guidelines, and shall be suitably amended in case of any changes by DPIIT in the future. For the purpose of this policy document, domestic value addition and local content have been used interchangeably.

3 Exclusions

- 3.1 Waivers shall be granted by the Ministry of Steel to all such Government procurements subject to the below conditions.
- 3.1.1 Where specific grades of steel are not manufactured in the country, or
- 3.1.2 Where the quantities as per the demand of the project cannot be met through domestic sources

The exclusion requests shall be submitted to the Standing Committee along with sufficient proof of unavailability of domestically manufactured iron & steel products

4 Standing Committee

A Standing Committee under the Ministry of Steel (MoS) to be chaired by the Secretary (Steel), shall be constituted to oversee the implementation of the policy. The Committee shall comprise of experts drawn from Industry / Industry Association / Government Institution or Body / Ministry of Steel (MoS). The said Committee in MoS shall have the mandate for the following:

- 4.1 Monitoring the implementation of the policy
- 4.2 Review and notify the list of Iron & Steel products and the domestic value addition requirement criteria as mentioned at Appendix A and Appendix B.
- 4.3 Issue necessary clarifications for implementation of the policy including grant of exclusions to procuring agencies as per section 3
- 4.4 Constitute a separate committee to carry out grievance redressal
- 4.5 The Standing Committee shall submit its recommendations for approval to Ministry of Steel.

5 Notifying Iron & Steel Products Procured by Government

- 5.1 The following guidelines may be used for identifying and notifying the aforementioned products under the policy:
- 5.1.1 The policy is applicable to iron & steel products as provided in Appendix A and to capital goods for manufacturing iron & steel products in Appendix B.
- 5.1.2 Appendix A contains list of iron & steel products which are to be exclusively domestically manufactured and cannot be imported without the approval of the Ministry of Steel
- 5.1.3 Appendix B contains a list (non-exhaustive) of capital goods for which purchase preference shall be provided to domestically manufactured capital goods, if their quoted price falls within 20% of the price quoted for corresponding imported capital good.
- 5.1.4 The objective of the policy is to notify all iron & steel products which are procured by Government Agencies for government projects and not with a view to commercial resale or with a view to use in the production of products for commercial sale.
- 5.1.5 The policy is applicable to all projects funded by Ministry or Department of Government and all agencies/ entities under their administrative control for purchase of iron & steel products.
- 5.1.6 The policy shall be applicable to projects where the procurement value of iron and steel products is greater than Rs. 25 crores. The policy shall also be applicable for other procurement (non-project), where annual procurement value of iron and steel products for that Government organization is greater than Rs. 25 crores.
- 5.1.7 The policy is applicable to purchase of iron & steel products by private agencies for fulfilling an EPC contract and/or any other requirement of Ministry or Department of Government or their PSUs.
- 5.1.8 Analysis of the availability of various grades of domestic iron and steel products needs to precede for notification under the policy. Only those iron & steel products, in respect of which at least one domestic manufacturer exists, shall be notified. Consultation may be carried out by the Standing Committee.
- 5.1.9 The policy is applicable to capital goods for manufacturing iron & steel products in Appendix B produced in compliance to prescribed quality standards, as applicable.
- 5.1.10 Policy for domestic procurement of capital goods for manufacturing iron and steel products is applicable to all public sector steel manufacturers and all agencies/ entities under their administrative control for purchase of capital goods for manufacturing iron & steel products, not with a view to commercial resale.
- 5.1.11 The policy is applicable to purchase of capital goods for manufacturing iron & steel products by private agencies for fulfilling an EPC contract and/or any other requirement of public sector steel manufacturers and all agencies/ entities under their administrative control

- 5.1.12 Government agencies which are involved in procurement of iron and steel products, and capital goods for manufacturing of iron and steel products, in cases where the iron and steel products are not mentioned in Appendix A and Appendix B, shall provide description and technical specifications of the product along with prescribed standards to the Standing Committee. The Standing Committee will act as per mandate in section 3 and section 4.
- 5.2 The Ministry of Steel (MoS) would notify iron & steel products along with the minimum prescribed domestic value addition, furnished at Appendix A.
- 5.3 The policy guidelines on capital goods for manufacturing iron & steel products shall be applicable to public sector steel manufacturers for all purchases of capital goods for manufacturing iron & steel products in Appendix B, irrespective of the project size.
- 5.4 Minimum domestic value addition requirement suggested for iron and steel products in Appendix A, and for capital goods for manufacturing iron and steel products in Appendix B have been decided on the basis of factors such as domestic supplier base, number of suppliers and import to consumption ratio.
- 5.5 The domestic value addition requirement norm shall be so calibrated that it reflects the average/above average manufacturing capability of the domestic industry for the iron & steel products at a point of time. This shall be suitably reviewed by the Standing Committee from time to time and amended, if required with the approval of Ministry of Steel.

6 Tender procedure for procurement by government and government agencies

- 6.1 The procuring/ Government agencies shall follow standard procurement procedures, in accordance with instructions of Ministry of Finance and CVC while adhering to DMI&SP. The policy shall come into effect from the date of its notification in all tenders where price bid have not been opened.
- 6.2 The tender document, for procurement of both Goods as well as for EPC contracts, should explicitly outline the qualification criteria for adherence to minimum prescribed domestic value addition by the bidder for iron and steel products and capital goods for manufacturing iron & steel products(as indicated in Appendix A and Appendix B)
- 6.3 In supporting the growth of domestic products, the target of domestic value addition in iron and steel business activities has been set as contained in **Appendix A and Appendix B**.
- 6.4 For iron and steel products in Appendix A, the procurement process shall be open only to the manufacturers / suppliers having the capability of meeting / exceeding the domestic value addition targets. Manufacturers / suppliers not meeting the domestic value addition targets are not eligible to participate in the bidding.
- 6.5 In case of Appendix B items, if in the opinion of the procuring company, the tenders (procured quantity) cannot be divided in the prescribed ratio of 50:50, then they shall have the right to award contract to the eligible domestic manufacturer for quantity not less than 50%, as may be divisible.
- 6.6 In continuation to the above clause, for Appendix B items, if the tendered item is non divisible, (to be included in the tender document by procuring company) the contract can be awarded to the eligible domestic manufacturer for the entire quantity.
- 6.7 In case of Appendix B items, if none of the eligible manufacturers meeting domestic value addition requirements match the L1 bid, the original bidder holding L1 bid shall secure the order for full value of procurement.
- 6.8 The bidders who are selling agents/ authorized distributors/ authorized dealers/ authorized supply houses of the domestic manufacturers of iron & steel products are eligible to bid on behalf of the domestic manufacturers under the policy. However, this shall be subject to the following conditions:
 - 6.8.1 The bidder shall furnish the authorization certificate issued by the domestic manufacturer for selling domestically manufactured iron & steel products.
 - 6.8.2 In case the procurement is covered under Appendix A of the DMI&SP policy, the bidder shall furnish the Affidavit of self-certification issued by the domestic manufacturer to the procuring agency declaring that the iron & steel products is domestically manufactured in terms of the domestic value addition prescribed.
 - 6.8.3 In case the procurement is covered under Appendix B of the DMI&SP policy, the bidder shall furnish the certification issued by the statutory auditor to domestic manufacturer declaring that the capital goods to be used in Iron & Steel industry are domestically manufactured in terms of the domestic value addition prescribed.
 - 6.8.4 It shall be the responsibility of the bidder to furnish other requisite documents required to be issued by the domestic manufacturer to the procuring agency as per the policy.

7 Domestic value addition requirement

- 7.1 Minimum domestic value addition requirement to qualify the product as a domestically manufactured iron & steel product or a Capital good are mentioned in Appendix A and B.
- 7.2 Domestic value addition shall be the net selling price (invoiced price excluding net domestic taxes and duties) minus the landed cost of imported input materials at the manufacturing plant in India (including all customs duties) as a proportion of the net selling price, in per cent.
 - 7.2.1 In case the iron & steel products are made using domestic input steel (semi-finished/ finished steel), invoices of purchases from the actual domestic producers along with quantities purchased and the other related documents must be furnished to the procuring Government agency.
 - 7.2.2 In case the iron & steel products have imported input steel, the invoices of purchases from the actual producers along with quantities purchased and the other related documents must be furnished separately. To derive the extent of domestic value addition, the weighted average of both (imported & domestic) input steel shall be considered to ensure that the minimum stipulated domestic value addition requirement of the policy is complied with.
- 7.3 It is recommended that each bidder participating in the tender process should calculate the domestic value addition using the below formula below so as to ensure the domestic value addition claimed is consistent with the minimum stipulated domestic value addition requirement of the policy.

For Iron and Steel products

% Domestic value addition

 $= \frac{\textit{Net selling price of final product} - \textit{Landed cost of imported iron or steel at plant}}{\textit{Net selling price of final product}} \times 100\%$

For Capital Goods

% Domestic value addition

 $= \frac{\textit{Net selling price of final product} - \textit{Landed cost of imported input materials at plant}}{\textit{Net selling price of final product}} \times 100\%$

8 Certification and audit

- 8.1 For products in Appendix A, each domestic manufacturer shall furnish the Affidavit of self-certification to the procuring Government agency declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. For capital goods in Appendix B, the bidder shall furnish the certification issued by the statutory auditor to the domestic manufacturer declaring that the capital goods are domestically manufactured in terms of the domestic value addition prescribed. The bidders who are sole selling agents / authorized distributors / authorized dealers / authorized supply houses of the domestic manufacturers of iron & steel products are eligible to bid on behalf of domestic manufacturers under the policy. The bidder shall furnish the Affidavits of self-certification issued by the domestic manufacturers and the certifications issued by the statutory auditors, to the procuring agency declaring that the iron & steel products are domestically manufactured in terms of the domestic value addition prescribed. The Affidavit of self-certification shall be furnished in Form 1 attached to these guidelines.
- 8.2 It shall be the responsibility of the domestic manufacturer to ensure that the products so claimed are domestically manufactured in terms of the domestic value addition prescribed for the product. The bidder shall also be required to provide a domestic value addition certificate on half-yearly basis (Sep 30 and Mar 31), duly certified by the Statutory Auditors of the domestic manufacturer, that the claims of domestic value addition made for the product during the preceding 6 months are in accordance with the Policy. Such certificate shall be filed within 60 days of commencement of each half year, to the concerned Government agencies and shall continue to be filed till the completion of supply of the said products.
- 8.3 The procuring agency shall accept the Affidavit of self-certification regarding domestic value addition in a steel product submitted by a bidder. It shall not normally be the responsibility of procuring agency to verify the correctness of the claim. The onus of demonstrating the correctness of the same shall be on the bidder when asked to do so.
- 8.4 In case a complaint is received by the procuring agency or the concerned Government Agency against the claim

- of a bidder regarding domestic value addition in iron & steel products, the procuring agency shall have full rights to inspect and examine all the related documents and take a decision. In case any clarification is needed, matter may be referred to MoS with a request for technical assistance.
- Any complaint referred to the Government Agency shall be disposed off within 4 weeks of the reference along with submission of all necessary documents. The bidder shall be required to furnish the necessary documentation in support of the domestic value addition claimed in iron & steel products to the Government Agency within 2 weeks of filing the complaint.
- 8.6 In case, the matter is referred to the Ministry of Steel, the grievance redressal committee setup under the MoS shall dispose of the complaint within 4 weeks of its reference and receipt of all documents from the bidder after taking in consideration, the view of the Government Agency. The bidder shall be required to furnish the necessary documentation in support of domestic value addition claimed in iron & steel products to the grievance redressal committee under MoS within 2 weeks of the reference of the matter. If no information is furnished by the bidder, the grievance redressal committee may take further necessary action, in consultation with Government Agency to establish bonafides of claim.
- 8.7 The cost of assessing the prescribed extent of domestic value addition shall be borne by the procuring agency if the domestic value addition is found to be correct as per the certificate. However, if it is found that the domestic value addition as claimed is incorrect, the cost of assessment will be payable by the bidder who has furnished an incorrect certificate. The manner of enforcing the same shall be defined in the tender document.

9 Sanctions

- 9.1 Each Government Agency shall clearly define the penalties, in case of wrong declaration by the bidder of the prescribed domestic value addition, in the tender document. The penalties may include forfeiting of the EMD, other financial penalties and blacklisting of such manufacturer/ service provider.
- 9.2 In case of reference of any complaint to MoS by the concerned bidder, there would be a complaint fee of Rs. 10 Lakh or 0.2 % of the value of the DMI&SP being procured (subject to a maximum of Rs. 20 Lakh), whichever is higher, to be paid by Demand Draft deposited with the grievance redressal committee under MoS along with the complaint by the complainant. In case, the complaint is found to be incorrect, the Government Agency reserves the right to forfeit the said amount. In case, the complaint is found to be substantially correct, deposited fee of the complainant would be refunded without any interest.

10 Implementation monitoring by Ministry of Steel

- 10.1 The policy provisions shall be applicable for a period of 5 years from the date of publication. The policy period may further be extended at the discretion of Ministry of Steel.
- 10.2 MoS shall be the nodal ministry to monitor the implementation of the policy.
- 10.3 All applicable agencies under DMI&SP policy shall ensure implementation of the policy and shall annually, in the month of June, send a declaration indicating the extent of compliance to the policy and reasons for noncompliance thereof, during the preceding financial year.

Reference to Ministry of Steel

In case of a question whether an item being procured is a DMI&SP to be covered under the policy, the matter would be referred to the Ministry of Steel for clarification.

Appendix A - Exclusive for domestically manufactured products

Sl. No.	Indicative list of Iron & Steel Products	Applicable HS code	Minimum domestic value addition requirement
1	Flat-rolled products of iron or non alloy steel, of a width of 600 mm or more, hot rolled, not clad, plated or coated	7208	50%
2	Flat-rolled products of iron or non alloy steel, of a width of 600 mm or more, cold rolled (cold-reduced), not clad, plated or coated	7209	50%
3	Flat-rolled products of iron or non alloy steel, of a width of 600 mm or more, clad, plated or coated	7210	50%

4	Flat-rolled products of iron or non alloy steel, of a width of less than 600 mm, not clad, plated or coated	7211	35%
5	Flat-rolled products of iron or non alloy steel, of a width of less than 600 mm, clad, plated or coated	7212	35%
6	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel	7213	35%
7	Other bars and rods of iron or non alloy steel, not further worked than forged, hot rolled, hot-drawn or hot-extruded, but including those twisted after rolling	7214	35%
8	Other bars and rods of iron or non alloy steel	7215	35%
9	Angles, shapes and sections of iron or non-alloy steel	7216	35%
10	Wire of iron or non-alloy steel	7217	50%
11	Flat-rolled products of stainless steel, of a width of 600 mm or more	7219	50%
12	Flat-rolled products of stainless steel, of a width of less than 600 mm	7220	50%
13	Other bars and rods of stainless steel; angles, shapes and sections of stainless steel	7222	50%
14	Wire of other alloy steel	7229	35%
15	Rails, railway or tramway track construction material of iron or steel	7302	50%
16	Tubes, pipes and hollow profiles, of cast iron	7303	35%
17	Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel	7304	35%
18	Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406.4 mm, of iron or steel	7305	35%
19	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel	7306	35%
20	Tube or pipe fittings (for example, connectors/couplings, elbow sleeves), of iron or steel	7307	35%
21	Bars and rods, hot-rolled, in irregularly wound coils, of stainless steel	7221	35%
22	Wire of stainless steel	7223	35%
23	Flat-rolled products of other alloy steel, of a width of 600 mm or more, including electrical steel	7225	35%
24	Flat-rolled products of other alloy steel, of a width of less than 600 mm, including electrical steel	7226	35%
25	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel	7227	15%
26	Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or nonalloy steel	7228	35%
27	Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel	7301	15%
28	Structures (excluding prefabricated buildings of heading 9406) and parts of structures	7308	15%
29	Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 whether or not lined or heatinsulated, but not fitted with mechanical or Thermal equipment	7309	15%
	* *		

30	Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 L, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	7310	15%
31	Containers for compressed or liquefied gas, of iron or steel	7311	15%
32	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated	7312	15%
33	Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel	7313	15%
34	Grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel	7314	15%
35	Chain and parts thereof, of iron or steel	7315	15%
36	Anchors, grapnels and parts thereof, of iron or steel	7316	15%
37	Articles of iron and steel	7317	15%
38	Articles of iron and steel	7318	15%
39	Articles of iron and steel	7319	15%
40	Springs and leaves for springs, of iron or steel	7320	15%
41	Stoves, ranges, grates, cookers (including those with subsidiary boilers for central heating), barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel	7321	15%
42	Radiators for central heating, not electrically heated, and parts thereof, of iron or steel; air heaters and hot air distributors, not electrically heated, incorporating a motor-driven fan or blower, and parts thereof, of iron or steel	7322	15%
43	Tables and similar household articles and parts thereof, of iron or steel	7323	15%
44	Sanitary ware and parts thereof, of iron or steel	7324	15%
45	Other cast articles of iron or steel	7325	15%
46	Electrical steel and other articles of iron or steel	7326	15%
47	Railway or tramway passenger coaches, not self-propelled	8605	50%
48	Railway or tramway goods vans and wagons, not self-propelled	8606	50%
49	Parts of railway or tramway locomotives or rolling-stock; such as bogies, bissel-bogies, axles and forged wheels, and parts thereof	8607	50%

Products included in descriptions are indicative; all products under the specified HS codes are included as part of the appendix

Appendix B

Indicative list of capital goods(non-exhaustive) for manufacturing iron & steel products

Sl. No.	Plant shop	Capital goods	Minimum domestic value addition requirement
1	Raw material handling system	Apron feeder, barrel couplings, heavy duty bearings, hydraulic disc brakes, tanker &container for powdered materials, conveyor belt for pipe conveyors, high angle conveyor system, crushers, crane rail lubrication system, four girder EOT Crane, crane weighing system, crane air conditioning, fluid couplings, fork lift trucks, hydraulic motors, hydraulic system, locking assembly (friction grip), load cells, level sensors, pipe	50%

		conveyor system, plough/ paddle feeder, pneumatic transportation - dense &lean phase, reclaimers, radio remote control, rail fixing arrangements (special), rapid/ flood loading system, stackers, special screen, slew ring bearings, tipplers, transfer cars, tongs (special), vibration, isolation system (spring damper), wagon tipplers, wagon loaders	
2	Mineral benefaction (iron ore and coal) equipment	Industrial crushers, grinding mills, conventional screens, slurry pumps, hirate thickeners, filters, hydroclones	50%
3	Coke oven	Coke Oven Silica Refractory, Anchorage System, Waste gas valve with branch pipe, Flash Plate, Door Frame, door body, Minor Casting: Gooseneck, Valve box, AP Lid, Charging & inspection hole lid and frame Reversing mechanism, Centralised lubrication system, Hydrojet Door Cleaning Mechanism, Spillage code conveyor system, skip hoist, Door Lowering Rack, Isolation/ Reversing Cocks, Level II automation, Oven machines	50%
4	By-product plant	Primary Gas Cooler, Electrostatic Tar Precipitator, H2S, NH3 & Naphthalene Scrubber, Combi Stripper, Flushing Liquor Pump, Claus Kiln, Claus reactors, Waste Heat Boilers, Decanters	50%
5	Sinter plant equipment	Pallet car, Drive/discharge end Sprocket assembly, Curved rail, Slide rails, Hot sinter breaker and Grizzly, Dip rail & running rail, Impeller assembly for Process fan, Drive assembly of Sinter machine, Hi-intensity Mixer & Noduliser	50%
6	Pellet plant equipment	Pallet car, Drive/discharge end Sprocket assembly, Curved rail, Slide rails, running rail, Vertical roller mill, Impeller assembly for Process fan, Drive assembly of Indurating machine, Hi-intensity Mixer, Balling disc, Single deck roller screen and Double deck roller screen	50%
7	Blast furnace equipment	Bell less top system with Bleeder valve, SG Iron stave coolers, Copper stave coolers, Stock level indicator (Radar Type), Mud gun, Drilling machine and Manipulator, Gas Cleaning Plant system, Top Recovery Turbine system including its by-pass valve, De-bricking Machine, Re-railing equipment, PCI system, Grinding mill for PCI, Stock level indicator, Tuyere Stock assembly, Waste Heat Recovery system, BF & Hot Blast Stoves Technological Valves, Above Burden probes, Slag granulation unit, Tuyere&Tuyere cooler, Torpedo Ladle Car, BF hearth refractory	50%
8	Direct reduction plant equipment	Charge distributer, Upper & lower seal leg, Reformer & Re-cuperator system, Burden feeders, Turbo-expander, Process Gas Compressor , Seal gas compressors & bottom seal gas compressors, Seal gas generators & driers, Process Gas Heater, CO2 removal plant	50%
9	Basic oxygen furnace equipment	Main and Maintenance equipment comprising of converter, gunning machine, Refractory/ slag monitoring device, converter vessel, trunnion ring and suspension system, trunnion bearings and housing, Converter bull gear unit and tilt drive system, Rotary joint for converter, bottom stirring system, Lance body with clamping, Lance copper tips, Valve stations for oxygen blowing/ bottom stirring, Sub-lance system, Off gas analyzer with process module i.e. Process software/ hardware, container lab Measurement probes, Switch over station, ID fan for primary gas, Hot metal and steel ladle, Ladle Transfer car, Ladle maintenance equipment, Slag pot, Slag pot transfer car, Scrap boxes, Scrap Transfer car, Lance carriage, Lance guide, Crane & hoist, Lance hoist & trolley, Lance tilting device, Traverse for lifting lances, Bunker of various sizes, Bin Vibrator, Weighing Hopper, Maintenance stands, De dusting suction hood, Teeming/HM, ladle relining stands, Stand Cooling stack inspection device, Hood traverse carriage, Refractories, Bypass & isolation valves, Flare stack & ignition system, Scrubbing tower	50%

		shell - Wet gas cleaning system, Dog house, Ladle drier, ladle pre-heater, ladle cooler, Fume collection hoods, Clean gas stack, Dust silo, Weigh Bridge, Slag retaining device	
10	Electric arc furnace	Furnace proper (includes furnace lower shell, upper shell and roof, Tilting platform, Furnace Gantry) and transformer, Electrode regulation system, Hydraulic system, Refractories, Parts of Level I & Level II Automation system. LF - water cooled ladle roof, electrode mast and arms, electrode regulating system, wire feeding system, Bottom inert gas stirring Valve stand for porous plug and top lance, Emergency lance mechanism, Lance carriage system with drive unit, Automatic temperature, sampling & bath level / O2 measurement, Temp. & oxygen immersion lance, lance carriage system with drive unit, Hydraulic system, Refractories, Ladle roof Delta portion, RH proper (includes Ladle transfer car, vacuum vessel, Vessel lifting & lowering system. Hydraulic system, Multi Function lance, Valve racks/station, Electrode clamp unit, conductor of electrode arms, water cooled cable, A R stirring valve rack, lance transport car, Refractory lance, Hydraulic cylinder, Ladle roof lifting cylinder, Lubrication system, Suction hood, damper, Vibro feeder, weighing hopper, wire feeding system, Electrode nipiling stand, Cranes, hoist, Temperature & sampling tips, ladle stands, ESP, Deducting hoods, Refractories, bag filter, Cranes etc.	50%
11	Continuous casting equipment	Ladle turret, ladle cover manipulator, Ladle Shroud manipulator, tundish car, Continuous tundish temperature measurement system, Tundish stopper rod mechanism, emergency cut-off gate, mould assembly, Nozzle quick change device, mould oscillator and EMS system, Electro-Magnetic braking system, Strand guide segment, Withdrawal & Straightening unit (WSU), Roll gap checker, Emergency torch cutter, Torch cutting machine, Deburrer, Marking machine, Technological control system & process models, Black Refractories, strand gunde segment, tundish, ladle cover, roller tables & auxiliaries, mould& segment maintenance equipments, tundish maintenance equipments, EMBR system	50%
12	Flat product mills	Large castings and forgings like mill housing, bed plates, work rolls, backup rolls, end spindles; roller tables, backup roll and work roll chucks, coilers / tension reels / uncoilers, AGC cylinders, shears, levelers, lazer welders, packaging machines, non-contact gauges / profile gauges, anti-friction roll neck bearings, oil film bearings, gear boxes, mill motors	50%
13	Long product mills	Mill housing, bed plates, work rolls, backup rolls, spindles; roller tables, coilers / tension reels / uncoilers, shears, billet welder, packaging machines, non-contact gauges / profile gauges, anti-friction roll neck bearings, oil film bearings, finishing blocks, gear boxes, mill motors	50%

^{*}Items in appendix B are an indicative list of capital goods for manufacturing steel, the list is not exhaustive. All capital goods for steel manufacturing shall be considered for purchase preference under the policy with a minimum domestic value addition requirement of 50%

Form-1

	goods to l	be provi	ded on R	ks.100/- St	amp Paper Date:
I		S/o,	D/o,	W/o,	Resident of hereby solemnly affirm and declare as under:
	nat I will a	_	-		and conditions of the policy of Government of India issued vide Notification

That the information furnished hereinafter is correct to the best of my knowledge and belief and I undertake to produce relevant records before the procuring agency (ies) for the purpose of assessing the domestic value addition.

That the domestic value addition for all inputs which constitute the said iron & steel products has been verified by me and I am responsible for the correctness of the claims made therein.

That in the event of the domestic value addition of the product mentioned herein is found to be incorrect and not meeting the prescribed value-addition criteria, based on the assessment of procuring agency (ies) for the purpose of assessing the domestic value-addition, I will be disqualified from any Government tender for a period of 36 months. In addition, I will bear all costs of such an assessment.

That I have complied with all conditions referred to in the Notification No._____ wherein preference to domestically manufactured iron & steel products in Government procurement is provided and that the procuring agency (ies) is hereby authorized to forfeit and my EMD. I also undertake to pay the assessment cost and pay all penalties as specified in the tender document.

I agree to maintain the following information in the Company's record for a period of 8 years and shall make this available for verification to any statutory authority.

- i. Name and details of the Bidder (Registered Office, Manufacturing unit location, nature of legal entity)
- ii. Date on which this certificate is issued
- iii. Iron & Steel Products for which the certificate is produced
- iv. Procuring agency to whom the certificate is furnished
- v. Percentage of domestic value addition claimed and whether it meets the threshold value of domestic value addition prescribed
- vi. Name and contact details of the unit of the manufacturer (s)
- vii. Net Selling Price of the iron & steel products
- viii. Freight, insurance and handling till plant
- ix. List and total cost value of input steel (imported) used to manufacture the iron & steel products
- x. List and total cost of input steel which are domestically sourced.
- xi. Please attach domestic value addition certificates from suppliers, if the input is not in house.
- xii. For imported input steel, landed cost at Indian port with break-up of CIF value, duties & taxes, port handling charges and inland freight cost.

For and on behalf of (Name of firm / entity)

Authorized signatory (To be duly authorized by the Board of Directors)

<Insert Name, Designation and Contact No.>

Appendix-A3

<u>Provisions for procurement of Goods pertaining to Oil & Gas business activities covered under Purchase preference Policy (linked with Local Content) (PP-LC)</u>

Purchase preference policy (linked with Local Content)(PP-LC) notified vide Letter No. O-27011/44/2015-ONG-II/FP dated 25.04.2017 of MoPNG.

- 1.0 Vide Letter No. O-27011/44/2015-ONG-II/FP dated 25.04.2017, MoPNG has notified Govt. Policy for providing Purchase Preference linked with Local Content (PP-LC) in all PSUs under MoPNG for awarding a specified percentage of tender quantity to the lowest technocommercially qualified LC Bidder, subject to meeting certain conditions as stipulated in the Policy.
- 2.0 The said Policy shall be applicable in ICB/NCB Tenders for procurement of Goods, Services and EPC Contracts pertaining to Oil & Gas business activities as mentioned at Enclosure-I of the Policy document. However, the Policy shall not be applicable for HP-HT operations for the time being.
- 3.0 In case a bidder is eligible to seek benefits under PP-LC policy as well as Public Procurement Policy for MSEs-Order 2012, then the bidders should categorically seek benefits against only one of the two policies i.e. either PP-LC or MSE policy. If a bidder seeks free of cost tender document under the MSE policy, then it shall be considered that the bidder has sought benefit against the MSE policy and this option once exercised cannot be modified subsequently. Tenders involving eligible/qualified MSME Vendors as well as LC Vendors, preference regarding placement of order shall be accorded to MSME Vendors in line with Public Procurement Policy over PP-LC Policy.
- 4.0 Bidders seeking Purchase Preference under PP-LC Policy shall be required to meet / exceed the target of Local Content (LC) as on the date of NIT issued by OIL and mandated vide Enclosure-I to the policy notification (Letter No. O-27011/44/2015-ONG-II/FP dated 25.04.2017 including the latest amendment thereto, if any).

4.1	Such bidders, alongwith their techno-commercial bid, must furnish following undertaking from the manufacturer on Manufacturer's letter head. The undertaking shall become a part of the contract.
	"We (Name of Manufacturer) undertake that we meet the mandatory minimum Local Content (LC) requirement i.e% (to be filled as notified at Enclosure-I of the policy) for claiming purchase preference linked with Local Contents under the Govt. policy against OIL's Tender No"
4.2	Above undertaking shall be supported by the following certificate from Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor.
	"We the statutory auditor of M/s (name of the bidder) hereby certify that M/s (name of manufacturer) meet the mandatory Local Content

requirements of the Goods and/or Services i.e. _____ (to be filled as notified at Enclosure I of the policy) quoted vide offer No._____ dated ____ against OIL's Tender No.____ by

M/s _____ (Name of the bidder).

NOTE:

- a. In case of bidder(s) for whom Statutory Auditor is not required as per law required certificates shall be provided by a practicing Chartered Accountant.
- b. In case the manufacturer himself is bidding, then the certificate shall be submitted by the Statutory Auditors of the manufacturer who shall provide the break-up of the cost component as per Enclosure II of the policy documents.
- c. In case of bidder is a supplier quoting on behalf of manufacturer, then the certificate shall be submitted by the Statutory Auditors of the supplier who shall provide the break-up of the cost component of the manufacturer as per Enclosure II of the policy documents. The responsibility for the certificate provided by the statutory auditor of the supplier shall be that of the supplier.
- d. In case the tender scope covers testing, installation and commissioning and any other services in respect of the supplied goods/equipment, then such costs shall also be considered in LC for which the bidder shall provide certificate from the Statutory Auditors or the Chartered Accountants as the case may be.
- 4.3 At the bidding stage, the bidder shall provide Break-up of "Local Component" and "Imported Component" in the prescribed format enclosed as Enclosure-II of the policy document and submit / upload (in the e-procurement portal in case of e-tender) along with their price.
- 5.0 Eligible (techno-commercially qualified) LC bidder shall be granted a Purchase Preference of 10% i.e. where the evaluated price is within 10% of the evaluated lowest price of Non-Local Content (NLC) bidder, other things being equal. Accordingly, Purchase Preference shall be granted to the eligible (techno-commercially qualified) LC bidder concerned, at the lowest valid i.e. NLC price bid.
- 5.1 Only those LC bidders whose bids are within 10% of the NLC L1 bid would be allowed an opportunity to match with L1 bid. All the eligible LC bidders shall be asked to submit their confirmation to match their price in sealed envelopes. Envelopes of the bidders shall be opened and award shall be made to the lowest evaluated TA/CA (Techno-Commercially Acceptable) bidder among the eligible LC bidders. In case the lowest eligible LC bidder fails to match L1 price, the next eligible LC bidder will be awarded the prescribed quantity and so on. In case none of the eligible LC bidders matches the L1 bid, the actual bidder holding L1 price will secure the order.
- 6.0 Order for supply of 50% of the tendered quantity (if splitable/dividable) would be awarded to the lowest techno-commercially qualified LC bidder, subject to matching with valid NLC L1 price. The remaining quantity will be awarded to L1 (i.e. NLC bidder). Prescribed 50% tendered quantity for LC bidders shall not be further sub-divided among eligible LC bidders.
- 6.1 However, if L1 bidder happens to be a LC bidder, the entire procurement value shall be awarded to such bidder.
- 6.2 When the tendered goods/services cannot be divided in the exact ratio of 50% / 50%, then OIL reserves the right to award on lowest eligible PP-LC bidder for quantity not less than 50% as may be divisible.

For example:

In case tendered quantity is 3 Nos. (not divisible in the ratio of 50:50), PP-LC bidder shall get order for 2 Nos. only and the rest will go to L-1 (NLC bidder).

OR

(Alternate clause applicable for cases where tendered quantity cannot be divided).

- 7.0 Tender in which it is categorically stipulated that the tendered quantity is not splitable / non-dividable / cannot be procured from multiple sources, the entire procurement value shall be awarded to the lowest techno-commercially qualified LC bidder, subject to matching with valid NLC L1 rates. Else, the entire tender quantity shall be awarded to valid NLC L1 Bidder.
- 8.0 All terms used herein above shall be interpreted/governed by the definitions provided at para 2.0 of the policy document notified by MoPNG vide letter No. O-27011/44/2015-ONG/II/FP dated 25.04.2017.
- 9.0 The successful bidder shall be obliged to fulfill the requirements of quality and delivery time in accordance with the provisions of the Purchase order/contract. OIL shall have the right to satisfy itself of the production capability and product quality of the manufacturer.

10.0 **Determination of LC:**

- 10.1 LC shall be computed on the basis of the cost of domestic components in goods compared to the whole cost of product. The whole cost of product shall be constituted of the cost spent for the production of goods, covering direct component (material) cost, direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods.
- 10.2 The criteria for determination of the Local Content cost shall be as follows:
 - a) In the case of direct component (material), based on country of origin.
 - b) In the case of manpower based on INR component and
 - c) In the case of working equipment/facility, based on the country or origin.
- 10.3 The calculation of LC of the combination of several kinds of goods shall be based on the ratio of the sum of the multiplication of LC of each of the goods with the acquisition price of each goods to the acquisition price of the combination of goods.
- 11.0 Calculation of LC and Reporting
- 11.1 LC shall be calculated on the basis of verifiable data. In the case of data used in the calculation of LC being not verifiable, the value of LC of the said component shall be treated as NIL.
- 11.2 Formats for the calculation of LC of goods is given in this document.
- 12.0 Certification and Verification
- 12.1 Bidder seeking Purchase Preference under the policy, shall be obliged to verify the LC of goods as follows:

12.1.2 At bidding stage:

- a) Price Break-up:
 - (i) The bidder shall provide break-up of "Local Component" and "Imported Component" along with the price bid as per provisions under clause No. 4.3 above.
 - (ii) Bidder must have LC in excess of the specified requirement.
- b) Undertaking by the bidder:
 - i. The bidder shall submit undertaking along with the techno-commercial bid as per clause No. 4.1 above, such undertaking shall become a part of the contract.
 - ii. Bidder shall also submit the list of items / services to be procured from Indian manufacturers / service providers.
 - iii. The Bidder shall submit undertaking alongwith the techno-commercial bid categorically confirming that in the event of an order under PP-LC, they will furnish additional bank guarantee pursuant to clause No. 13.5 below.
- c) Statutory Auditor's Certificate:

The Undertaking submitted by the bidder shall be support by a certificate from Statutory Auditor as per clause No. 4.2 above.

12.1.3 After Contract Award:

- a) In the case of procurement cases with the value less than Rs. 5 crore (Rupees Five Crore), the LC content may be calculated (self-assessment) by the supplier of goods and/or the provider of services and certified by the Director/Authorized Representative of the Company.
- b) The verification of the procurement cases with the value Rupees Five Crore and above shall be carried out by a Statutory Auditor engaged by the bidder.
- c) Bidder must submit Additional Bank Guarantee pursuant to clause No. 13.5 within 30 days of award of contract under PP-LC.
- 12.2 Each supplier shall provide the necessary Local Content documentation to the statutory auditor, which shall review and determine the local content requirements have been met and issue of local content certificate to that effect on behalf of OIL, stating the percentage of local content in the good or service measured. The Auditor shall keep all necessary information obtained from suppliers for measurement of Local Content confidential.
- 12.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with invoice while maintaining the overall % of local content for the total purchase of the pro-rata local content requirement. In case, it is not satisfied cumulatively in the invoices raised up to that stage, the supplier shall indicate how the local content requirement would be met in the subsequent stages.
- 12.4 Where currency quoted by the bidder is other than Indian Rupee then the bidder claiming benefits under PP-LC shall consider exchange rate prevailing on the date of notice inviting tender (NIT) for the calculation of Local Content.

- 12.5 OIL shall have the authority to audit as well as witness production processes to certify the achievement of the requisite local content.
- 13.0 **Sanctions**:
- 13.1 OIL shall impose sanction on bidder/manufacturers/service providers for not fulfilling LC of goods/services in accordance with the value mentioned in certificate of LC.
- 13.2 The sanctions may be in the form of written warning, financial penalty and blacklisting.
- 13.3 If the bidder does not fulfill his obligation after the expiration of the period specified in such warning. OIL shall initiate action for blacklisting such bidder/ successful bidder.
- 13.4 A bidder who has been awarded the contract after availing Purchase Preference is found to have violated the LC provision, in the execution of the procurement contract of goods and/or services shall be subject to financial penalty over and above the PBG value prescribed in the contract and shall not be more than an amount equal to 10% of the Contract Price.
- 13.5 In pursuance of the clause No.13.4 above, towards fulfillment of conditions pertaining to Local Contents in accordance with the value mentioned in the certificate of LC, the bidder shall have to submit additional Bank Guarantee (format attached at Enclosure B) equivalent to the amount of PBG.
- 14.0 Bidders should note that PP LC policy shall not be extended for procurement of goods / services falling under the list of items reserved to be purchased exclusively from Micro and Small Enterprise (MSEs) or Domestically Manufactured Electronic Products (DMEP).

Enclosure-B

<u>Proforma of Bank Guarantee towards Purchase Preference – Local Content</u>

Ref. N	No Bank Guarantee No
	Dated
To	
Oil In	dia Limited
India	
Door	Zien.
Dear :	5115,
1.	In consideration of
	(hereinafter referred to as OIL, which expression shall, unless repugnant to the context or
	meaning thereof, include all its successors, administrators, executors and assignees)
	having entered into a CONTRACT No dated
	(hereinafter called 'the CONTRACT' which expression shall
	include all the amendments thereto) with M/s having its
	registered/head office at(hereinafter referred to as the
	'CONTRACTOR') which expression shall, unless repugnant to the context or meaning
	thereof include all its successors, administrators, executors and assignees) and OIL having
	agreed that the CONTRACTOR shall furnish to OIL a Bank guarantee for India
	Rupees/US\$ for the faithful fulfillment of conditions pertaining to Local
	Content in accordance with the value mentioned in the certificate of Local Content
	submitted by the contractor for claiming purchase preference under the Purchase
	Preference Policy (linked with Local Content).
	, and the same and
2.	We (name of the bank) registered under the laws of
	having head/registered office at (hereinafter
	referred to as "the Bank", which expression shall, unless repugnant to the context or
	meaning thereof, include all its successors, administrators, executors and permitted
	assignees) do hereby guarantee and undertake to pay to OIL immediately on first demand
	in writing any / all money to the extent of Indian Rs./US\$ (in figures)
	(Indian Rupees/US Dollars (in words))
	without any demur, reservation, contest or protest and/or without any reference to the
	CONTRACTOR. Any such demand made by OIL on the Bank by serving a written
	notice shall be conclusive and binding, without any proof, on the bank as regards the
	amount due and payable, notwithstanding any dispute(s) pending before any Court,
	Tribunal, Arbitrator or any other authority and/or any other matter or thin whatsoever, as
	liability under these presents being absolute and unequivocal. We agree that the
	guarantee herein contained shall be irrevocable and shall continue to be enforceable until
	it is discharged by OIL in writing. This guarantee shall not be determined, discharged or
	affected by the liquidation, winding up, dissolution or insolvency of the CONTRACTOR
	and shall remain valid, binding and operating against the bank.

3. The Bank also agrees that OIL at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the CONTRACTOR and notwithstanding any security or other guarantee that OIL may have in relation to the CONTRACTOR's liabilities.

- 4. The Bank further agrees the OIL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said CONTRACT or to extend time of performance by the said CONTRACTOR(s) from time to time or to postpone for any time or from time to time exercise of any of the powers vested in OIL against the said CONTRACTOR(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relived from our liability by reason of any such variation, or extension being granted to the said CONTRACTOR(s) or for any forbearance, act or omission on the part of OIL or any indulgence by OIL to the said CONTRACTOR(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
- 5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the CONTRACT and all dues of OIL under or by virtue of this CONTRACT have been fully paid and its claim satisfied or discharged or till OIL discharges this guarantee in writing, whichever is earlier.
- 6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of OIL or that of the CONTRACTOR.
- 7. The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.
- 8. The Bank also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian Courts of the place from where the purchase CONTRACT has been placed.

9.	Notwithstanding anything contained herein above, out liability under this Guarantee is
	limited to Indian Rs./US\$(in figures) (Indian Rupees/US Dollars (in words)
) and our guarantee shall remain in force until
	(indicate the date of expiry of bank guarantee).

Any claim under this Guarantee must be received by us before the expiry of this Bank Guarantee. If no such claim has been received by us by the said date, the rights of OIL under this Guarantee will cease. However, if such a claim has been received by us within the said date, all the rights of OIL under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

c satisfica that c	ruiii.	
	•	authorized officer has set its hand and stamp on
S NO.1		
re)		
e and official ad	dress	(Signature)
e letters)		Full name, designation and address
Stamp		(in legible letters)
S NO.2		With Bank Attorney as per power of Attorney No
		Dated
	whereof, the Bandard date of S NO.1 e) e and official ade letters)	and official address e letters)

Appendix-A3

(Signature)
Full name and official address
(in legible letters)

Formats for calculation of Local Content in Goods:

A. GOODS: (As per Enclosure II of PP-LC Policy)

CALCULATION OF LOCAL CONTENT- GOODS

Name of Manufacturer	Calculation by manufacturer			
	Cost per one unit of product			
Cost component	Cost (Domestic component)	Cost (Imported component) b	Cost Total Rs./Foreign Currency (To be specified by the manufacturer) $c = a + b$	%Domestic Component d = a/c
I. Direct material cost			0 4 7	
II. Direct labour cost				
III. Factory overhead				
IV. Total production cost				

Note:	Total aget (IV a) Total immented common and aget (IV b)
% LC Goods=	Total cost (IV.c) – Total imported component cost (IV.b) X 100
	Total Cost (IV.c)
	Total domestic component cost (IV.a)
% LC Goods=	X 100
	Total Cost (IV.c)

As regards cases where currency quoted by the bidder is other than Indian Rupee, exchange rate prevailing on the date of notice inviting tender (NIT) shall be considered for the calculation of Local Content.

Enclosure-I

Table 1: TARGET OF LOCAL CONTENT OF GOODS/SERVICE IN UPSTREAM OILGAS BUSINESS ACTIVITIES

Sl No.	Item		Local Content (%)		
		2017- 2018	2018- 2020	2020- 2022	
A.	Goods				
1	Tubular (Drilling Pipe, Drill Collar, Casing, Line Pipes, Tubing etc.)	50	55	60	
2	Drilling Mud/ Chemicals /Oil Well Cement	40	45	50	
3	Pumping Unit	30	35	40	
4	Machinery & Equipment	20	25	30	
5	Premium Bits	10	15	20	
6	Wellhead & X-mass tree				
	a) Onshore	40	45	50	
	b) Offshore	10	10	15	
7	Down Hole Tools				
	a) Onshore	20	25	30	
	b) Offshore	10	10	15	
8	Well Completion / Artificial Lift Equipment				
	a) Onshore	20	25	30	
	b) Offshore	10	10	15	
9	Fuel Oil	5	10	10	
10	Lubricant	5	10	10	
11	Other Goods	30	35	40	
B.	Services				
1	Survey, Seismic and Geology Studies				
	a) Onshore	50	50	55	
	b) Offshore	10	10	15	
2	Logging Services				
	a) Onshore	20	25	30	
	b) Offshore	10	10	15	
3	Mud Logging	40	45	50	
4	Chartering of Rigs				
	a) Onshore	50	60	70	
	b) Offshore	20	25	30	
5	Specialized Drilling and Completion Services	10	15	20	
6	Engineering Procurement Construction & Installation (EPCI)				
	a) Onshore				
	b) Offshore	50	55	60	
	i) Pipeline Projects	20	30	35	
	ii) Well Platform Projects	20	30	35	
	iii) Process Platform Projects	20	30	35	
	iv) Revamp Projects	20	30	35	
7	Logistics (including FPSO and Tankers)				
	a) Onshore	75	75	80	
	b) Offshore	15	20	25	

Appendix-A3

Sl	Item	Local Content (%)		
No.				
		2017-	2018-	2020-
		2018	2020	2022
8	Air Logistics	15	20	25
9	Dry –docking	50	55	60
10	Other Services	30	35	40
C.	Fabrications			
1	Drilling/Workover Rigs/WSS units Construction			
	a) Onshore	50	60	70
	b) Offshore	20	25	35
2	Offshore Vessels/ Rigs Construction	20	25	35

- a) *Specialised Drilling and Well completion services include Direction Drilling, Whip-stock, Miling, Coring, Cementing Services, Drilling Fluid services, Completion & Production Services, Drilling fluid services, Completion & Production Services, WSS, Well Intervention Services, Fracturing and ROV etc.
- b) The policy is not applicable for HP-HT operations for the time being.
- c) The Charter Hiring of offshore vessels shall continue to be governed by DG, Shipping Guidelines. Indian Flag Vessels shall be considered as having 100% LC.

Note: The prescribed local content in the above Table 1 shall be applicable on the date of Notice inviting Tender.