

CHAPTER - 1

PREAMBLE

BSNL's aim is to procure the material of the specified quality, at the most competitive rates, in a fair, just and transparent manner. Procurement is an important activity in BSNL as about 50% of its budget is used for procurement of materials. Consequent upon corporatization of Department of Telecom Services & Department of Telecom Operations into a Corporate Entity i.e. BSNL, a need has been felt to modify the existing procurement procedure being followed by BSNL Corporate Office as well as by Telecom Circles so as to cut down the procurement time in the present liberalized telecom market. This is all the more necessary as BSNL is facing increasing competition in all types of services and has to respond quickly for procurement of materials as well as its utilization so as not only to keep its market share in the emerging telecom scenario but also to expand and acquire new market segments.

The procurement of materials in BSNL is done by inviting tenders and also through PSUs against their reservation quota. The procurement is done at two levels viz.

- BSNL Corporate Office
- Telecom Circle H/Q

The procurement of materials in BSNL Corporate Office is done for high value critical equipments such as large size switching equipment, transmission equipment, PIJF U/G Cables, WLL equipment & terminals, new technology equipments etc. A list of items being procured at the BSNL Corporate Office is enclosed at **Annex-1.1**.

Items not covered in the list given at **Annex-1.1** stands decentralized for procurement by Telecom Circles. In addition, CGM Telecom Stores, Calcutta has been entrusted with the procurement of:

- Batteries & power plants for North Eastern-I, North Eastern-II, North Eastern Task Force, Assam and Andaman & Nicobar Circles.
- Line & Wire materials for the above five circles, Kolkata Telecom District and West Bengal Circle.

Until now, the Government Procurement Policy was being followed i.e. procurement was done either through DG S&D in case items are on the approved list of DG S&D or by calling for limited tenders if the cost of the material being procured was within Rupees Two Lakh or through open tenders if the cost of material being procured was exceeding Rupees Two Lakh.

However, with the formation of BSNL as a corporate entity in a Liberalized Telecom Market where BSNL has to compete with a large number of competitors, it is imperative for BSNL to serve in the competitive environment. For such a scenario, it is essential not only to see the cost of materials being procured but also the time required for its procurement as well as successful implementation so as to make its presence felt among various competitors. Thus, not only the cost and time factor is required to be taken into consideration but at the same time the cost of opportunity lost due to long gestation period of procurement and implementation is also to be taken into consideration i.e., the business opportunity is also one of the most important factors for implementation of any such venture/project. Hence, under such circumstances, it is essential to take an overall view for cost of material, time for procurement, method of procurement as well as business opportunity for any such venture/project. In such a situation, the Management Committee / BSNL Board may decide the methodology to be adopted for such procurement taking into consideration cost, time as well as business opportunities as situation warrants. In addition to open tendering, the following methodologies can be adopted:

- **Negotiations Route:**

In a situation where the requirement is of an immediate nature and it is necessary to ensure continued supplies from the existing vendors, the BSNL management committee may decide to place repeat orders upto 100% of the quantities contained in the running contract and at a rate negotiated with the existing vendors considering the prevailing market conditions. Depending upon the total value of additional procurement, the negotiation committee can be constituted with the approval of competent authority of BSNL. This route will however be resorted to in exceptional circumstances.

- **Limited tender Route:**

There are certain specific provisions for calling the limited tender appearing in para 31 to 36 under Rule 128 in the General Financial Rules (GFRs). The limited tender option has to be exercised in specific circumstances as already provided.

In some cases the equipment is sophisticated and requires thorough technical screening, testing and prototype approval by the Telecom Engineering Center/Quality Assurance to ensure that these equipments are of sufficient quality level to be used in public Telecom Network. In such cases an open tender may result in the participation of unknown bidders in open tenders, whose capability in making such equipment is yet to be established. They may submit unrealistic bids which may cause major difficulties in the tender evaluation process. In such cases, it would be necessary to screen out such bidders so that BSNL could interact only with bidders who have intrinsic capability as well as proven track record of supplying such sophisticated equipment. Where such equipments are required, it would be worthwhile restricting Bids by issue of limited tenders only to those parties who have proven expertise in manufacture and supply of such equipment and who have prototype approval and production clearance. In such tenders it is essential that the reasons for limiting the tenders to proven suppliers needs to be brought out in the NIT itself so that such an action would stand justified. The issue of such limited tender should have the concurrence of Financial Advisor and personal approval by the head of the unit.

- **Expression of Interest Route:**

In situations where BSNL proposes to induct new technology/equipment/new service and the specifications of the new technology/equipment/new service are not firmed up, BSNL may invite Expression of Interest (EOI) from the available vendors of that technology/equipment/new service. Based on the offers received from the bidders who choose to participate in the EOI, the bidders satisfying the terms of EOI will be short-listed. Before short listing the participants for handing over the tender documents, BSNL may freely interact with them, obtain clarifications and feed back on the delivery of similar equipment/services elsewhere. The short listed bidders will be given the tender document containing detailed technical, commercial and financial conditions. After evaluation by a designated committee, the contract shall be awarded with the approval of competent authority to the successful bidder(s) as per the terms and conditions stipulated in the EOI and the technical, commercial and financial bid

This manual contains the detailed procedures, guidelines to be followed by BSNL Corporate Office as well as by Telecom Circles to ensure smoother and faster decision making.

CHAPTER - 2

FORECAST

Need

The starting point of the procurement process for any item is estimation or forecast of its requirements to be reflected in the tender documents. The price of the item has a bearing on the quantity being tendered for example, higher the quantity, more the chances of price being lower for the same item.

Forecasting Methods

For all items being procured by MM Cell, the forecast of the equipment is obtained from the concerned user branches who plan for the induction of such equipment into the network. The requirement of the equipment against each project or by each Circle is worked out after discussion with the concerned Head of the circle and finalized by the Planning Branch. Some of the parameters based on which the forecast is made are as follows.

- a) Target of gross DELs, WLL, Cellular Mobile to be provided.
- b) Target of gross switching equipment, WLL, Cellular Mobile equipment to be installed.
- c) Target of village public Telephones to be provided.
- d) Requirement of transmission media, Power Plants, Batteries and Terminal Equipment.
- e) Requirement under "New Programmes/Services".
- f) Special up-gradation requirements, specially where electronic exchanges or digital transmission systems are planned.
- g) Maintenance Requirements.
- h) Spares.

The lead time for procurement has an important bearing in these requirements e.g. items having longer lead time need to be procured for requirement over a longer time frame whereas items having very short lead time can be procured for commensurately shorter period of requirements.

While forecasting the requirements, it is necessary to keep in mind the necessity of ensuring that the projects covered in the requirements are planned projects which have been approved by the competent authorities, for which funds are provided and are backed-up by estimates sanctioned by the competent authorities.

In the cases where the supplier of the equipment or the production of equipment depends on imported components, it is necessary to have an accurate forecast so that the cost of equipment is shielded from rapid changes in the exchange rate over a longer period of time.

CHAPTER - 3
BID DOCUMENTS

SECTION I

NOTICE INVITING TENDER

BHARAT SANCHAR NIGAM LIMITED

(A Government of India Enterprise)
Bharat Sanchar Bhawan, Janpath, New Delhi - 110 001
[MMT Section]

TENDER NO. & DATE :

DUE DATE OF RECEIPT : TIME UPTO 11.30 HOURS.

DATE OF OPENING : TIME AT 12.00 HOURS.

ON BEHALF OF CHAIRMAN AND MANAGING DIRECTOR, BHARAT SANCHAR NIGAM LIMITED, SEALED TENDERS ARE INVITED FOR SUPPLY OF

THE INDIAN COMPANIES REGISTERED TO MANUFACTURE THE TENDERED ITEM IN INDIA, HAVING VALID TYPE APPROVAL FOR THE TENDERED ITEM AND HAVE EXECUTED EDUCATIONAL/COMMERCIAL ORDERS ARE ELIGIBLE TO PARTICIPATE IN THE TENDER.

BID SECURITY IN THE FORM OF BANK GUARANTEE WILL BE RS..... /- (RUPEESONLY).

INTENDING BIDDERS MAY OBTAIN COPY OF THE COMMERCIAL CONDITIONS ALONG WITH RELEVANT SPECIFICATIONS FROM THE SECTION OFFICER (MMT), 12TH FLOOR, STATESMAN HOUSE, BARAKHAMBA ROAD, NEW DELHI -110 001, ON PAYMENT OF RS..... /- (RUPEES.....ONLY) NON-REFUNDABLE, WITH EFFECT FROM UPTO BETWEEN 15.00 HRS. AND 16.00 HRS ON WORKING DAYS. THE PAYMENT WILL BE ACCEPTED IN THE FORM OF CROSSED DEMAND DRAFT, DRAWN ON ANY SCHEDULED BANK IN DELHI, IN FAVOUR OF ACCOUNTS OFFICER (CASH), BHARAT SANCHAR NIGAM LIMITED, (CORPORATE OFFICE), NEW DELHI.

[Hint: The Notice Inviting Tender (NIT) issued by Corporate office and Telecom Circle H/Q shall be published on the Website of BSNL i.e. www.bsnl.co.in or website of respective circle. BSNL will publish a brief advertisement of equipment / items to be procured, their quantity and specifications for information of perspective bidders in National newspapers in the following format:

"<BSNL Corporate Office/Procurement authority> intends to procure <quantity and name of the item>. For further details kindly visit our website at <address of the website>"

Simultaneously, a copy of NIT will also be sent to Indian Trade Journal, Telecom Equipment Manufacturer's Association (TEMA), Telecom Cable Development Association (TCDA) and other concerned associations.]

“ After issue of NIT, eligibility condition should not be changed”

SECTION II

INSTRUCTIONS TO BIDDERS

A INTRODUCTION

1. DEFINITIONS

- (a) **"The Purchaser"** means the Bharat Sanchar Nigam Ltd. (BSNL), New Delhi
- (b) **"The Bidder"** means the individual or firm who participates in this tender and submits its bid.
- (c) **"The Supplier"** means the individual or firm supplying the goods under the contract.
- (d) **"The Goods"** means all the equipment, machinery, and/or other materials which the Supplier is required to supply to the Purchaser under the contract.
- (e) **"The Advance Purchaser Order"** means the intention of Purchaser to place the Purchase Order on the bidder.
- (f) **"The Purchase Order"** means the order placed by the Purchaser on the Supplier signed by the Purchaser including all attachments and appendices thereto and all documents incorporated by reference therein. The purchase order shall be deemed as "Contract" appearing in the document.
- (g) **"The Contract Price"** means the price payable to the Supplier under the purchase order for the full and proper performance of its contractual obligations.
- (h) **"Validation"** is a process of testing the equipment as per the Generic Requirements in the specifications for use in BSNL network. Validation is carried out in simulated field environment and includes stability, reliability and environmental tests.
- (i) **"Telecom Service Provider"** means any Telecom operator in India, who is licensed by the Department of Telecommunications (DOT), Government of India to provide telecom services to the general public or to the other DOT licensed Telecom operators. **"Telecom Service Provider"** also refers to any Telecom operator in other countries providing telecom services to general public of that country or to other telecom operators of the same country.

2. ELIGIBLE BIDDER:

The eligible bidders should be Indian companies registered to manufacture the tendered item in India, having obtained clearance from Reserve Bank of India wherever applicable. In addition, they should have obtained valid Type Approval Certificate from Department of Telecom (Telecom Engineering Centre) for the tendered item against Technical Specifications given in the bid document and should have successfully executed Educational/ Commercial orders issued by DOT/BSNL. The proof of manufacturing in India, Type Approval Certificate and successful execution of educational/commercial orders shall form part of the bid.

[Hint: The eligibility conditions for procurement of different types of equipment should be decided on case-to-case basis taking into account:

1. *Type of equipment*
2. *First procurement or repetitive procurement*

3. Available base of type approved vendors
4. Status of commercial/Educational order execution

The eligibility conditions need to be clearly defined as follows:

- o That bidders having type approval of the specified GR are eligible to participate in the tender.*
- o The bidders having type approval of the old GR for the same equipment are also eligible to participate. Such bidders have to obtain Type Approval Certificate or get their equipment validated before placement of APO/PO as the case may be. However, the successful bidder will have to supply the equipment as per the technical specifications given in the bid document.*
- o A special condition will be included in Section-IV of the bid document specifying the time frame for obtaining TAC/completion of validation. This will be decided on case-to-case basis.*

For the items, which are being procured for the first time where no vendor or very few vendors have obtained type approval so far, the eligibility conditions may be defined as follows:

- The bidder or his collaborator should have supplied 25% of the tendered quantity to any other telecom service provider and a certificate given by the competent authority to be enclosed along with the bid.*
- In addition, he shall have to get the offered equipment Type Approved/Validated against the specified GR in a time frame to be defined in the bid document.]*

3. COST OF BIDDING

The bidder shall bear all costs associated with the preparation and submission of the bid. The Purchaser will, in no case, be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

B. THE BID DOCUMENTS

4. DOCUMENTS REQUIRED

4.1 The goods required to be supplied, bidding procedures and contract terms and conditions are prescribed in the Bid Documents. The Bid documents include :

- (a) Notice Inviting Tender
- (b) Instructions to Bidders
- (c) General(Commercial) Conditions of Contract
- (d) Special conditions of Contract, if any
- (e) Schedule of Requirements
- (f) Technical Specifications
- (g) Bid Form and Price Schedules

- (h) Bid Security Form
 - (i) Performance Security Bond Form
 - (j) Letter of authorization to attend bid opening.
- 4.2 The Bidder is expected to examine all instructions, forms, terms and specifications in the Bid Documents. **Failure to furnish all information required as per the Bid Documents or submission of the bids not substantially responsive to the Bid Documents in every respect will be at the bidder's risk and may result in rejection of the bid.**

5. CLARIFICATION OF BID DOCUMENTS

- 5.1 A prospective bidder, requiring any clarification on the Bid Documents shall notify the Purchaser in writing or by FAX at the Purchaser's mailing address indicated in the invitation of Bid. The Purchaser shall respond in writing to any request for the clarification of the Bid Documents, which it receives **not later than 21 days prior to the date of opening of the Tenders.** Copies of the query (without identifying the source) and clarifications by the Purchaser shall be sent to all the prospective bidders who have received the bid documents.
- 5.2 Any clarification issued by BSNL in response to query raised by prospective bidders shall form an integral part of bid documents and it may amount to an amendment of relevant clauses of the bid documents.

6. AMENDMENT OF BID DOCUMENTS

- 6.1 At any time, prior to the date of submission of Bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify bid documents by amendments.
- 6.2 The amendments shall be notified in writing or by FAX to all prospective bidders on the address intimated at the time of purchase of the bid document from the purchaser and these amendments will be binding on them.
- 6.3 In order to afford prospective bidders a reasonable time to take the amendment into account in preparing their bids, the purchaser may, at its discretion, extend the deadline for the submission of bids suitably.

C. PREPARATION OF BIDS

7. DOCUMENTS COMPRISING THE BID

The bid prepared by the bidder shall comprise the following components:

- (a) Documentary evidence established in accordance with the clause 2 & 10 that the bidder is eligible to bid and is qualified to perform the contract if his bid is accepted.
- (b) Bid Security furnished in accordance with clause 12.
- (c) A Clause by Clause compliance as per clause 11.2 (c)
- (d) A Bid form and price schedule completed in accordance with clause 8 & 9.

8. BID FORM

The bidder shall complete the bid form and appropriate Price Schedule furnished in the Bid Documents, indicating the goods to be supplied, brief description of the goods, quantity and prices as per section VII.

9. BID PRICES

- 9.1 The bidder shall give the total composite price inclusive of all Levies & Taxes i.e. Sales Tax & Excise, packing, forwarding, freight and insurance etc. but excluding Octroi/Entry Tax which will be paid extra as per actuals, wherever applicable. The basic unit price and all other components of the price need to be individually indicated against the goods it proposes to supply under the contract as per the price schedule given in Section VII. Prices of incidental services should also be quoted. The offer shall be firm in Indian Rupees. No Foreign exchange will be made available by the purchaser.
- 9.2 Prices indicated in the Price Schedule shall be entered in the following manner :
- (i) The Basic Unit price (Ex-Factory Price) of the goods, Excise duty, Sales Tax, Freight, Forwarding, Packing, Insurance and any other Levies/Charges already paid or payable by the supplier shall be quoted separately item wise.
 - (ii) The supplier shall quote as per price schedule given in section VII for all the items given in schedule of requirement.
- 9.3 A bid submitted with an adjustable price quotation will be treated as non - responsive and rejected.
- 9.4 The prices quoted by the bidder shall be in sufficient detail to enable the Purchaser to arrive at the price of equipment/system offered.
- 9.5 **"DISCOUNT, if any, offered by the bidders shall not be considered unless specifically indicated in the price schedule. Bidders desiring to offer discount shall therefore modify their offers suitably while quoting and shall quote clearly net price taking all such factors like Discount, free supply, etc, into account".**
- 9.6 The price approved by BSNL for procurement will be inclusive of levies and taxes, packing, forwarding, freight and insurance as mentioned in clause 9.1 subject to other terms and condition as stipulated in clause 22.2 of Sec. II and clause 11 of Sec. III of Bid-document.
- 9.7 The freight by sea for transportation of equipment/Stores from the nearest port in the main land to Andaman & Nicobar Islands will be reimbursed to the supplier at the concessional rates levied by Ministry of Water and Surface Transport on production of proof.

10. DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY AND QUALIFICATION

- 10.1 The bidder shall furnish, as part of the bid documents establishing the bidder's eligibility, the following documents or which ever is required as per terms and conditions of Bid Documents.
- (i) **Certificate of incorporation.**
 - (ii) **Article or Memorandum of Association or partnership deed or proprietorship deed as the case may be.**
 - (iii) **Registration certificate from State Director of Industries or from Secretariat for Industrial Approval (SIA) , Ministry of Industries, Government of India.**
 - (iv) **Approval from Reserve Bank of India /SIA in case of foreign collaboration.**
 - (v) **Latest and valid NSIC Certificate duly certified by NSIC.**
 - (vi) **Type Approval Certificate given by Telecom Engineering Centre (TEC)/TSEC or proof of having applied for TSEC(Copy of Form QF 103 be attached.**
 - (vii) **Inspection Certificate issued by BSNL (QA) for execution of Educational/ Commercial Order.**
 - (viii) **Undertaking duly signed by front bidder and its technology/consortium partner stating that both of them shall be liable for due performance of the contract jointly and severally.**
- 10.2 (i) The bidder shall furnish Annual Report and /or a certificate from its bankers as an evidence that he has financial capability to perform the contract.
- (ii) The bidder shall furnish documentary evidence about technical and production capability necessary to perform the contract.
- 10.3 In order to enable the Purchaser to assess the provenness of the system offered, the bidder shall provide documentary evidence regarding the system being offered by him.
- 10.4 The offered product has to be type approved. For this purpose, the supplier shall submit a sample type for evaluation. The sample would be evaluated for its ability to meet the technical specifications, manufacturability, reliability, testability, ease of installation, maintainability etc. Necessary documents to substantiate these attributes will have to be submitted at the time of application for approval by the supplier for obtaining type approval.
- Or
- In case goods offered have already been type approved/ validated by the Purchaser, documentary evidence to this effect shall be submitted by the bidder.
- 10.5 A signed undertaking from Authorised Signatory of the bidder that shall certify that all components/parts/assembly/software used in the Desktops and Servers like Hard disk, Monitors, Memory etc. shall be original, new components/parts/assembly/software and that no refurbished/duplicate/second hand components/parts/assembly/software are being used or shall be used.
- 10.6 For supply of any software i.e. operating system or any applications software the bidder should have a Certificate Of Authenticity (COA), signed by Authorised Signatory stating that all Softwares supplied are authentic and legal copy is/are being supplied.

11. DOCUMENTS ESTABLISHING GOOD'S CONFORMITY TO BID DOCUMENTS

- 11.1 Pursuant to clause 7, the bidder shall furnish, as part of his bid, documents establishing the conformity of his bid to the Bid Documents of all goods and services which he proposes to supply under the contract.
- 11.2 The documentary evidences of the "goods and services" conformity to the Bid Documents, may be, in the form of literature, drawings, data etc. and the bidder shall furnish :
- (a) a detailed description of goods with essential technical and performance characteristics;
 - (b) a list, giving full particulars including available sources and current prices of all spare parts, special tools, etc., necessary for the proper and continuous functioning of the goods for a period of three years following commencement of use of the goods by the purchaser, and
 - (c) **a clause-by-clause compliance on the purchaser's Technical Specifications and Commercial Conditions demonstrating substantial responsiveness to the Technical Specifications and Commercial Conditions. In case of deviations, a statement of the deviations and exception to the provision of the Technical Specifications and Commercial Conditions shall be given by the bidder. A bid without clause-by-clause compliance of the Technical Specifications(Section VI), Commercial Conditions (Section III) and Special Conditions(Section IV) shall not be considered.**
- 11.3 For the purpose of compliance to be furnished pursuant to the clause 11.2(c) above, the bidder shall note that the standards for the workmanship, material and equipment and reference to the brand names or catalogue number, designated by the Purchaser in its Technical specifications are intended to be descriptive only and not restrictive.

12. BID SECURITY

- 12.1 (i) Pursuant to clause 7, the bidder shall furnish, as part of his bid, a bid security for an amount of Rs - (RUPEES) ONLY. The bidders (small scale units) who are registered with National Small Scale Industries Corporation UNDER SINGLE POINT REGISTRATION SCHEME are exempted from payment of bid security up to the amount equal to their monetary limit. OR Rs. Fifty lakhs whichever is lower.:
- **A proof regarding current registration with NSIC for the tendered items will have to be attached alongwith the bid.**
 - **The enlistment certificate issued by NSIC will not be permanent and should be renewed within two years of its presentation.**
 - **The unit claiming concession of NSIC is required to submit its monthly turnover in support of its claim for meeting the delivery schedule.**
- (ii) If a vender registered with NSIC under single point registration scheme claiming concessional benefits is awarded work by BSNL and subsequently fails to obey any of the contractual obligation, he will be debarred from any further work/ contract by BSNL for one year from the date of issue of such order.

- 12.2 The bid security is required to protect the purchaser against the risk of bidder's conduct, which would warrant the forfeiture of bid security pursuant to para 12.7.
- 12.3 The bid security shall be in the form of a bank Guarantee issued by a scheduled bank in favour of the purchaser, valid for a period of **180 days from the date of tender opening.**
- 12.4 **A bid not secured in accordance with para 12.1 & 12.3 shall be rejected by the Purchaser being non-responsive at the bid opening stage and returned to the bidder unopened.**
- 12.5 The bid security of the unsuccessful bidder will be discharged/returned as promptly as possible but not later than 30 days after the expiry of the period of the bid validity prescribed by the purchaser pursuant to clause 13.
- 12.6 The successful bidder's bid security will be discharged upon the bidder's acceptance of the advance purchase order satisfactorily in accordance with clause 27 and furnishing the performance security.
- 12.7 The bid security may be forfeited :
- (a) If the bidder withdraws his bid during the period of bid validity specified by the bidder in the Bid form or
 - (b) In the case of successful bidder , if the bidder fails :
 - (i) to sign the contract in accordance with clause 28 or
 - (ii) to furnish performance security in accordance with clause 27.
 - (c) In both the above cases, i.e 12.7 (a) & (b), the bidder will not be eligible to participate in the tender for same item for one year from the date of issue of APO. The bidder will not approach the court against the decision of BSNL in this regard.
 - (d) The front bidder shall submit an irrevocable undertaking duly signed by it and its technology/consortium partner stating that both of them i.e. the front bidder and its technology/consortium partner shall be liable for due performance of the contract jointly and severally, failing which both of them shall be liable to be barred from having any business dealing with BSNL for a period of three years.

13. PERIOD OF VALIDITY OF BIDS

- 13.1 Bid shall remain valid for **150 days** from the date of opening of bids prescribed by the purchaser pursuant to clause 19.1. **A bid valid for a shorter period shall be rejected by the purchaser being non-responsive.**
- 13.2 In exceptional circumstances, the purchaser may request the consent of the bidder for an extension to the period of bid validity. The request and the response thereto shall be made in writing. The bid security provided under clause 12 shall also be suitably extended. The bidder may refuse the request without forfeiting his bid security. **A bidder accepting the request and granting extension will not be permitted to modify his bid.**

14. FORMAT AND SIGNING OF BID

- 14.1 (i) The bidder shall prepare one complete set of original bid and make 4 copies of the same clearly marking one as '**Original Bid**' and remaining 4 as '**Copy No:1, Copy No:2, Copy No:3, Copy No:4**'. In the event of any discrepancy between the copies, the original shall govern.
- (ii) The copy of quality manual and Article or Memorandum of Association may be provided in **original copy and copy no:1**.
- 14.2 The original and all copies of Bid shall be typed or printed and all the pages numbered consecutively and shall be signed by the bidder or a person or persons duly authorized to bind the bidder to the contract. The letter of authorization shall be indicated by written power-of-attorney accompanying the bid. **All pages of the original bid, except for un-amended printed literatures, shall be signed by the person or persons signing the bid. The bids submitted shall be sealed properly.**
- 14.3 The bid shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the bidder in which case such corrections shall be signed by the person or persons signing the bid.
- 14.4 (i) The power of Attorney should be submitted and executed on the non-judicial stamp paper of appropriate value as prevailing in the respective states(s) and the same be attested by a Notary public or registered before Sub-registrar of the state(s) concerned.
- (ii) The power of Attorney be executed by a person who has been authorized by the Board of Directors of the bidder in this regard, on behalf of the Company/ institution/Body corporate.
- (iii) In case of the bidder being a firm, the said Power of Attorney should be executed by all the partner(s) in favour of the said Attorney.

D. SUBMISSION OF BIDS

15. SEALING AND MARKING OF BIDS

- 15.1 The bid should be submitted in two covers. The first cover shall contain the original and four copies of the bid duly marked 'ORIGINAL' & 'COPY'. The second cover shall contain documents establishing bidder's eligibility as per Clause 2 along with Bid Security as per Clause 12 (refer clause 2 of Section-IV of the Bid Document). Both the covers should be sealed separately by the personal seal of the bidder.
- 15.2 (a) The envelopes shall be addressed to the purchaser at the following address:
- Jt.DDG (MMT),
Bharat Sanchar Nigam Limited (Corporate Office),
2nd Floor, Bharat Sanchar Bhawan, Janpath, New Delhi-110001.
- (b) The envelope shall bear (the project name), the tender number and the words 'DO NOT OPEN BEFORE' (due date & time).

- (c) The inner and outer envelopes shall indicate the name and address of the bidders to enable the bid to be return unopened in case it is declared 'late' or rejected.
- (d) Tender may be sent by registered post or delivered in person on above mentioned address (address is given in Clause 15.2 (a) above). The responsibility for ensuring that the tenders are delivered in time would vest with the bidder.
- (e) Bids delivered in person on the day of tender opening shall be delivered upto 11.30 Hrs. to Section Officer (MMT) {at the venue (address is given in clause 15.2 (f) below} of the tender opening. The purchaser shall not be responsible if the bids are delivered elsewhere.
- (f) Venue of Tender Opening: Tender will be opened in Conference Hall, Ground Floor, Bharar Sanchar Bhawan, Janpath, New Delhi-110001 at 12.00 Hrs. on the due date. If due to administrative reason, the venue of Bid opening is changed, it will be displayed prominently on Ground Floor at reception office of Bharar Sanchar Bhawan, and notice board on 2nd Floor.

15.3 **If both the envelopes are not sealed and marked as required at para 15.1 and 15.2, the bid shall be rejected.**

16. SUBMISSION OF BIDS

16.1 **Bids must be received by the Purchaser at the address specified under para 15.2 not latter than 11:30 hrs. on due date.**

16.2 The Purchaser may, at its discretion, extend this deadline for the submission of bids by amending the Bid Documents in accordance with clause 6 in which case all rights and obligations of the purchaser and bidders previously subject to the deadline will thereafter be subjected to the deadline as extended.

16.3 The bidder shall submit his bid offer against a set of bid documents purchased by him for all or some of the systems/equipment as per requirement of the Bid Documents. He may include alternate offer, if permissible as per the bid. However not more than one independent and complete offer shall be permitted from the bidder.

17. LATE BIDS

Any bid received by the purchaser after the deadline for submission of bids prescribed by the purchaser pursuant to clause 16, **shall be rejected and returned unopened to the bidder.**

18. MODIFICATION AND WITHDRAWAL OF BIDS

18.1 The bidder may modify or withdraw his bid after submission provided that the written notice of the modification or withdrawal is received by the purchaser prior to the deadline prescribed for submission of bids.

18.2 The bidder's modification or withdrawal notice shall be prepared, sealed, marked and despatched as required in the case of bid submission in accordance with the provision

of clause 15. A withdrawal notice may also be sent by FAX but followed by a signed confirmation copy by post **not later than the deadline for submission of bids.**

- 18.3 Subject to clause 20, no bid shall be modified subsequent to the deadline for submission of bids.

E. BID OPENING AND EVALUATION

19. OPENING OF BIDS BY PURCHASER

19.1 The purchaser shall open bids in the presence of bidders or their authorized representatives who chose to attend, at 12:00 hrs on due date. The bidder's representatives, who are present, shall sign in an attendance register. Authority letter to this effect shall be submitted by the bidders before they are allowed to participate in bid opening (A Format is given in section X).

19.2 A maximum of two representatives of any bidder shall be authorized and permitted to attend the bid opening.

19.3 The bidder's names, Bid prices, modifications, bid withdrawals and such other details as the purchaser, at its discretion, may consider appropriate will be announced at the time of opening.

19.4 The date fixed for opening of bids, if subsequently declared as holiday by the BSNL, the revised date of schedule will be notified. However, in absence of such notification, the bids will be opened on next working day, time and venue remaining unaltered.

20. CLARIFICATION OF BIDS

To assist in the examination, evaluation and comparison of bids, the purchaser may, at its discretion ask the bidder for the clarification of its bid. The request for the clarification and the response shall be in writing. **However, no post bid clarification at the initiative of the bidder shall be entertained.**

21. PRELIMINARY EVALUATION

21.1 Purchaser shall evaluate the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed and whether the bids are generally in order.

21.2 Arithmetical errors shall be rectified on the following basis. If there is a discrepancy between the unit price and total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected by the purchaser. If there is a discrepancy between words and figures, the amount in words shall prevail. **If the supplier does not accept the correction of the errors, his bid shall be rejected.**

21.3 Prior to the detailed evaluation pursuant to clause 22, the Purchaser will determine the substantial responsiveness of each bid to the Bid Document. For purposes of these clauses, a substantially responsive bid is one which confirms to all the terms and conditions of the Bid Documents without material deviations. The purchaser's determination of bid's responsiveness shall be based on the contents of the bid itself without recourse to extrinsic evidence.

21.4 **A bid, determined as substantially non-responsive will be rejected by the purchaser and shall not subsequent to the bid opening be made responsive by the bidder by correction of the non-conformity.**

- 21.5 The Purchaser may waive any minor infirmity or non-conformity or irregularity in a bid which doesn't constitute a material deviation, provided such waiver doesn't prejudice or effect the relative ranking of any bidder.

22. EVALUATION AND COMPARISON OF SUBSTANTIALLY RESPONSIVE BIDS

- 22.1 The Purchaser shall evaluate in detail and compare the bids previously determined to be substantially responsive pursuant to clause 21.

- 22.2 (a) The evaluation and comparison of responsive bids shall be done on the basis of Net cost to BSNL on the prices of the goods offered inclusive of Duties and taxes (but excluding CENVAT-able Duties & Taxes), Sales Tax, Packing, Forwarding, Freight and Insurance charges etc. as indicated in Col. 17 of the price schedule in the Sec.VII part II of the Bid-document. As stipulated in clause 9.1, Octroi/Entry Taxes are not to be included in the composite price and hence the same will not be considered for the purpose of evaluation and comparison of responsive bids. However, Octroi/Entry Taxes will be paid extra. as per actuals wherever applicable on production of proof of payment/relevant invoices/documents.

- (b) (i) "Duties & Taxes for which the firm has to furnish Cenvatable Challans/Invoices will be indicated separately in the PO/APO.

- (ii) Vendors should furnish the correct E.D./Customs tariff Head in the price Schedule. If the credit for the Duties and Taxes under CENVAT Credit Rules, 2004 is found to be not admissible at any stage subsequently owing to wrong furnishing of Tariff Head, then the vendors will be liable to refund such non-admissible amount, if already paid, along with penalty if charged by the concerned authority.

- (iii) In case the Duties & Taxes which are non CENVAT-able as per the quotes indicated in the price schedule by the vendors and subsequently at any stage it is found that Credit for such Duties & Taxes is admissible as per CENVAT Credit Rules, 2004, then the vendors will be liable to refund the amount equivalent to such Duties & Taxes if already paid to them. However, the purchaser may allow the supplier to submit necessary documents in this regard which may enable the purchaser to avail the CENVAT credit provided such credit is still available for the amount so paid as per CENVAT Credit Rules 2004.

- (iv) The purchaser reserves the right to ask the bidders to submit documentary proof confirming the correct Tariff Head from the E.D./ Customs authority where the Tariff Head furnished against the particular tendered item by different bidders differs from each other or the same is found apparently not furnished in accordance with E.D./Customs Tariff notifications.

- (v) "If the supplier fails to furnish necessary supporting documents i.e. Excise/Customs invoices etc. in respect of the Duties/taxes which are Cenvatable, the amount pertaining to such Duties/Taxes will be deducted from the payment due to the firm."

23. CONTACTING THE PURCHASER

- 23.1 Subject to Clause 20, no bidder shall try to influence the Purchaser on any matter relating to its bid, from the time of the bid opening till the time the contract is awarded.

- 23.2 **Any effort by a bidder to modify his bid or influence the purchaser in the purchaser's bid evaluation, bid comparison or contract award decision shall result in the rejection of the bid.**

F. AWARD OF CONTRACT

24. PLACEMENT OF ORDER

The Purchaser shall consider placement of orders for commercial supplies only on those eligible bidders whose offers have been found technically, commercially and financially acceptable and whose goods have been type approved/validated by the purchaser. **The Purchaser reserves the right to counter offer price(s) against price(s) quoted by any bidder.**

25. PURCHASER'S RIGHT TO VARY QUANTITIES

(a) **BSNL will have the right to increase or decrease up to 25% of the quantity of goods and services specified in the schedule of requirements without any change in the unit price or other terms and conditions at the time of award of contract or upto 25% of the additional quantity can be ordered within 2 (Two) months of the placement of purchase order and supplies obtained within the original scheduled delivery period.**

(b) In exceptional situation where the requirement is of an emergent nature and it is necessary to ensure continued supplies from the existing vendors, the purchaser reserves the right to place repeat order up to 50% of the quantities of goods and services contained in the running tender /contract within a period of twelve months from the earliest date of acceptance of APO at the same rate or a rate negotiated (downwardly) with the existing vendors considering the reasonability of rates based on prevailing market conditions and the impact of reduction in duties and taxes etc.

26. PURCHASER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS

The Purchaser reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of contract without assigning any reason whatsoever and without thereby incurring any liability to the affected bidder or bidders on the grounds of purchaser's action.

27. ISSUE OF ADVANCE PURCHASE ORDER

27.1 The issue of an Advance Purchase Order shall constitute the intention of the Purchaser to enter into contract with the bidder.

27.2 The bidder shall within 14 days of issue of the advance purchase order, give his acceptance along with performance security in conformity with section IX provided with the bid document.

28. SIGNING OF CONTRACT

28.1 The issue of Purchase order shall constitute the award of contract on the bidder.

28.2 Upon the successful bidder furnishing performance security pursuant to clause 27, the Purchaser shall discharge the bid security in pursuant to clause 12.

29. ANNULMENT OF AWARD

Failure of the successful bidder to comply with the requirement of clause 28 shall constitute sufficient ground for the annulment of the award and the forfeiture of the bid security in which event the Purchaser may make the award to any other bidder at the discretion of the purchaser or call for new bids.

30. QUALITY ASSURANCE REQUIREMENTS

The supplier shall have Quality Management System supported and evidenced by the following :

- A Quality Policy.
- A management representative with authority and responsibility for fulfilling QA requirements and for interfacing with purchaser in the matters of Quality.
- Procedure for controlling design/production engineering, materials, choice of components/vendors, manufacturing and packaging process for supplying quality products.
- System of Inward Good Inspection.
- System to calibrate and maintain required measuring and test equipment.
- System for tracing the cause for non-conformance (traceability) and segregating product which don't conform to specifications.
- Configuration management and change-control mechanism.
- A quality plan for the product.
- Periodical internal quality audits.
- A 'Quality Manual' detailing the above Or infrastructure assessment certificate and Type Approval Certificate issued by "TEC" shall be furnished.

31. While all the conditions specified in the Bid documents are critical and are to be complied, special attention of bidder is invited to the following clauses of the bid documents. **Non-compliance of any one of which shall result in out right rejection of the bid.**

- (i) **Clause 15.1 of Section II : The bids will be recorded/returned unopened if covers are not properly sealed with 'PERSONAL SEAL' of the bidder.**
- (ii) **Clauses 12.1, 12.3 & 13.1 of Section II :** The bids will be rejected at opening stage if Bid security is not submitted as per Clauses 12.1 & 12.3 and bid validity is less than the period prescribed in Clause 13.1 mentioned above.
- (iii) **Clause 2 & 10 of Section II :** If the eligibility condition as per clause 2 of Section II is not met and/or documents prescribed to establish the eligibility as per Clause 10 of section II are not enclosed, the bids will be rejected without further evaluation.
- (iv) **Clause 11.2 (c) of Section II :** If clause-by-clause compliance and deviation statements as prescribed are not given, the bid will be rejected at the stage of primary evaluation. In case of no deviations, a statement to that effect must be given.

(v) **Section III Commercial conditions, Section IV Special Conditions of Contract & Section VI Technical Specifications** : Compliance if given using ambiguous words like "Noted", "Understood", "Noted & Understood" shall not be accepted as complied. Mere "Complied" will also be not sufficient, reference to the enclosed documents showing compliances must be given.

(vi) **Section VII Price Schedule** : Prices are not filled in as prescribed in price schedule.

(vii) **Section II clause 9.5 on discount which is reproduced below:**

"Discount, if any, offered by the bidder shall not be considered unless specifically indicated in the price schedule. Bidders desiring to offer discount shall therefore modify their offer suitably while quoting and shall quote clearly net price taking all such factors like Discount, free supply etc. into account".

(viii) Before outright rejection of the Bid by Bid-opening team for non-compliance of any of the provisions mentioned in clause 31(i), 31(ii) of Section II and clause 2(i) of Section IV though, the bidder company is given opportunity to explain their position, however if the person representing the company is not satisfied with the decision of the Bid opening team, he/they can submit the representation to the Bid opening team immediately but in no case after closing of the tender process with full justification quoting specifically the violation of tender condition if any.

Bid opening team will not return the bids submitted by the bidders on the date of tender opening even if it is liable for rejection and will preserve the bids in sealed cover as submitted by taking the signatures of some of the desirous representatives of the participating bidder/companies present on the occasion.

The in-charge of Bid opening team will mention the number of bids with the name of the company found unsuitable for further processing on the date of tender opening and number of representations received in Bid opening Minutes and if Bid opening team is satisfied with the argument of the bidder/company mentioned in their representation and feel that there is prima-facie fact for consideration, the in-charge of the bid opening team will submit the case for review to competent authority CGM in circles and Director (Plg. & NS) in corporate office as early as possible preferably on next working day and decision to this effect should be communicated to the bidder company within a week positively. Bids found liable for rejection and kept preserved on the date of tender opening will be returned to the bidders after issue of P.O. against the instant tender.

If the reviewing officer finds it fit to open the bid of the petitioner, this should be done by giving three (working) days notice to all the participating bidders to give opportunity to desirous participants to be present on the occasion.

32. Purchaser reserves the right to disqualify the supplier for a suitable period who habitually failed to supply the equipment in time. Further, the suppliers whose equipment do not perform satisfactory in the field in accordance with the specifications may also be disqualified for a suitable period as decided by the purchaser.

33. Purchaser reserves the right to blacklist a bidder for a suitable period in case he fails to honour his bid without sufficient grounds.

- 34.** The bidder should give a certificate that none of his/her near relative is working in the units as defined below where he is going to apply for the tender. In case of proprietorship firm certificate will be given by the proprietor. For partnership firm certificate will be given by all the partners and in case of limited company by all the Directors of the company excluding Government of India/Financial institution nominees and independent non-Official part time Directors appointed by Govt. of India or the Governor of the state and full time Directors of PSUs both state and central. Due to any breach of these conditions by the company or firm or any other person the tender will be cancelled and Bid Security will be forfeited at any stage whenever it is noticed and BSNL will not pay any damage to the company or firm or the concerned person.

The company or firm or the person will also be debarred for further participation in the concerned unit.

The near relatives for this purpose are defined as:-

- (a) Members of a Hindu undivided family.
- (b) They are husband and wife.
- (c) The one is related to the other in the manner as father, mother, son(s) & Son's wife (daughter in law), Daughter(s) and daughter's husband (son in law), brother(s) and brother's wife, sister(s) and sister's husband (brother in law).

The format of the certificate to be given is "I.....s/o.....r/o..... hereby certify that none of my relative(s) as defined in the tender document is/are employed in BSNL unit as per details given in tender document. In case at any stage, it is found that the information given by me is false/incorrect, BSNL shall have the absolute right to take any action as deemed fit/without any prior intimation to me."

SECTION III

GENERAL (COMMERCIAL) CONDITIONS OF CONTRACT

1. APPLICATION

The general condition shall apply in contracts made by the purchaser for the procurement of goods.

2. STANDARDS

The goods supplied under this contract shall conform to the standards prescribed in the Technical Specifications mentioned in section VI.

3. PATENT RIGHTS

The supplier shall indemnify the purchaser against all third-party claims of infringement of patent , trademark or industrial design rights arising from use of the goods or any part thereof in Indian Telecom Network.

4. PERFORMANCE SECURITY

4.1 All suppliers (including small scale units who are registered with the National Small Scale Industries Corporation under Single point registration scheme) shall furnish performance security to the purchaser for an amount equal to 5% of the value of purchase order within 14 days from the date of issue of Advance Purchase Order by the Purchaser.

4.2 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the supplier's failure to complete its obligations under the contract.

4.3 The performance security Bond shall be in the form of Bank Guarantee issued by a scheduled Bank and in the form provided in 'Section IX' of this Bid Document.

4.4 The performance security Bond will be discharged by the Purchaser after completion of the supplier's performance obligations including any warranty obligations under the contract.

5. INSPECTION AND TESTS

5.1 The Purchaser or his representative shall have the right to inspect and test the goods as per prescribed test schedules for their conformity to the specifications. Where the Purchaser decides to conduct such tests on the premises of the supplier or its subcontractor(s), all reasonable facilities and assistance like Testing instruments and other test gadgets including access to drawings and production data shall be furnished to the inspectors at no charge to the purchaser.

5.2 Should any inspected or tested goods fail to conform to the specifications the purchaser may reject them and the supplier shall either replace the rejected goods or make all alterations necessary to meet Specification requirements free of cost to the purchaser.

5.3 Notwithstanding the pre-supply tests and inspections prescribed in clause 5.1 & 5.2 above, the equipment and accessories on receipt in the Purchaser's premises will also

be tested during and after installation before "take over" and if any equipment or part thereof is found defective, the same shall be replaced free of all cost to the purchaser as laid down in clause 5.4 below.

- 5.4 If any equipment or any part thereof, before it is taken over under clause 5.5, is found defective or fails to fulfill the requirements of the contract, the inspector shall give the Supplier notice setting forth details of such defects or failure and the supplier shall make the defective equipment good, or alter the same to make it comply with the requirements of the contract forthwith and in any case within a period not exceeding three months of the initial report. These replacements shall be made by the supplier free of all charges at site. Should it fail to do so within this time, the purchaser reserves the discretion to reject and replace at the cost of the supplier the whole or any portion of equipment as the case may be, which is defective or fails to fulfill the requirements of the contract. The cost of any such replacement made by the purchaser shall be deducted from the amount payable to the supplier.
- 5.5 When the performance tests called for have been successfully carried out, the inspector / ultimate consignee will forthwith issue a Taking Over Certificate. The inspector /ultimate consignee shall not delay the issue of any "taking Over Certificate" contemplated by this clause on account of minor defects in the equipment which do not materially affect the commercial use thereof provided that the supplier shall undertake to make good the same in a time period not exceeding six months. The Taking Over Certificate shall be issued by the ultimate consignee within six weeks of successful completion of tests. In this case, BCPC (Bills Copy Payable Challan) shall be equivalent to "Taking Over Certificate", issuance of which shall certify receipt of goods in safe and sound condition. However, they shall not discharge the supplier of their warranty obligation. BCPC in respect of last consignment against the purchase order will be equivalent to "Taking Over Certificate".
- 5.6 Nothing in clause 5 shall in any way release the Supplier from any warranty or other obligations under this contract.

6. DELIVERY AND DOCUMENTS

- 6.1 Delivery of the goods and documents shall be made by the supplier in accordance with the terms specified by the purchaser in its schedule of requirements and special conditions of contracts, and the goods shall remain at the risk of the supplier until delivery has been completed. The delivery of the equipment shall be to the ultimate consignee as given in the purchase order.
- 6.2 The delivery of the goods and documents shall be completed within 6 months from the date of issue of Advance Purchase Order. First two months are for lead period and evenly distributed supplies are expected in remaining four months. The actual delivery schedule will be given in purchase order.
- 6.3 All Technical assistance for installation, commissioning and monitoring of the equipment shall be provided by the Supplier at no extra cost during laboratory evaluation, validation/ type approval and field trial, if any.
- 6.4 The extension of delivery period against the purchase order, if any, should be granted subject to the condition that BSNL shall have the absolute right to revise the price(s) and also to levy penalty for the delayed supplies.

(Hint: Generally six months delivery time is envisaged. The delivery period will be decided on case-to-case basis considering TAC & PQT requirement as well as requirements of BSNL in the competitive environment. The delivery period for procurement will be four months for store items where TAC & PQT are available, six months where TAC is available but PQT is required. The PQT shall be completed in maximum period of two months. This will be in addition to six months time for delivery of materials. CGM QA will certify additional time taken if any for PQT to be added to delivery period. The delivery period will be eight months in case validation of new technology equipments is involved. Early deliveries may be accepted as per requirement of BSNL on case-to-case basis. In case of New technology local switches, the practice of eight months delivery period shall be continued)

7. TRAINING

- 7.1 The bidder shall provide training for installation and maintenance staff of the purchaser free of cost where required.
- 7.2 The bidder shall specify in his bid the number of trainees, quantum of proposed training, pre-training qualifications required of the trainees and duration of the proposed training.
- 7.3 The bidder shall provide all training material and documents.
- 7.4 Conduct of training of the purchaser's personnel shall be at the suppliers' plant and/or on-site in assembly start-up operation, maintenance and/or repair of the supplied goods.

8. INCIDENTAL SERVICES

- 8.1 The supplier may be required to provide any or all of the following services:
 - (a) Performance or supervision of on-site assembly and/or start-up of the supplied Goods;
 - (b) Furnishing of tools required for assembly and/or maintenance of supplied Goods;
 - (c) Performance of supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties provided that this service shall not relieve the supplier of any warranty obligations under this contract.

9. SPARES

- 9.1 The supplier shall be required to provide a list of the following material and notifications pertaining to spare parts manufactured or distributed by the supplier of spares including cost and quantity considered for arriving at the price of spares in sec. II, clause 9.
 - (a) Such spare parts as the purchaser may elect to purchase from the supplier provided that such purchase shall not relieve the supplier of any warranty obligation under the contract.
 - (b) In the event of termination of production of the spare parts, the supplier shall :

- i) give advance notification to the purchaser pending termination (not less than 2 years), in sufficient time to enable the purchaser to procure life time spare; and
- ii) following such advance intimation of termination, furnish at no cost to the purchaser, the blue prints, drawings and specifications of spare parts, if and when requested.

9.2 Over a period of three years starting from the date of final acceptance, the supplier shall supply, at his own cost, all necessary spares which have not been included in the offer as part of the requirement. These spares should be supplied within a maximum period of 30 days from the notification by the purchaser of his need.

10. WARRANTY

10.1 The supplier shall warrant that the stores to be supplied shall be new and free from all defects and faults in materials used, workmanship and manufacture and shall be of the highest grade and consistent with the established and generally accepted standards for materials of the type ordered and shall perform in full conformity with the specifications and drawings. The supplier shall be responsible for any defect that may develop under the conditions provided by the contract and under proper use, arising from faulty material, design or workmanship such as corrosion of the equipment, inadequate quantity of material to meet equipment requirements, inadequate contact protection, deficiencies in circuit design and/or otherwise and shall remedy such defects at his own cost when called upon to do so by the Purchaser who shall state in writing in what respect the stores are faulty. This warranty shall survive inspection or payment for / and acceptance of goods, but shall expire (except in respect of complaints notified prior to such date) twelve months after the stores have been taken over under clause 5.5 above.

10.2 If it becomes necessary for the Supplier to replace or renew any defective portion(s) of the equipment under this clause, the provisions of the clause 10.1 shall apply to the portion(s) of the equipment so replaced or renewed or until the end of the above mentioned period of twelve months, whichever may be later. If any defect is not remedied by the supplier within a reasonable time, the Purchaser may proceed to get the defects remedied from other supplier etc., at the supplier's risk and expenses, but without prejudice to any other rights which the purchaser may have against the supplier in respect of such defects.

10.3 Replacement under warranty clause shall be made by the supplier free of all charges at site including freight, insurance and other incidental charges.

11. PAYMENT TERMS

11.1 Payment of 95% of the price shall be made on receipt of goods by consignee. For claiming this payment the following documents are to be submitted to the paying authority.

- (i) Invoice clearly indicating break up details of composite price i.e. Basic, E.D., Sales Tax, any other Duties and Taxes, Freight/Packing Charges, Service Tax etc.
- (ii) Delivery Challan

- (iii) Supplier certificate for despatch
- (iv) Excise gate pass / invoice or equivalent document
- (v) Inspection certificate of QA
- (vi) Consignee receipt
- (vii) The sea freight receipt as per the rates approved by the Ministry of Water and Surface Transport, if any
- (viii) Proof of payment of octroi/entry tax etc., if any
- (ix) "If the supplier fails to furnish necessary supporting documents i.e. excise/ Customs invoices etc. in respect of the Duties/taxes which are Cenvatable, the amount pertaining to such Duties/Taxes will be deducted from the payment due to the firm."

Price schedule formats for Indigenous and Impoted equipments are accordingly modified and enclosed.

- 11.2 (i) The balance 5% payment shall be released within 6 months from the date of supply of the equipment in case there are no damage/shortages. In those cases where such shortages/damages are intimated to the supplier in writing, the balance payment shall be released only after the cases are settled in accordance with the provision of the P.O.
- (ii) 100% payment (in place of 95%) may be made on delivery, provided that an additional Bank Guarantee for an amount equivalent to 5% of the value of supplies valid for a minimum period of seven months is furnished by the supplier along with an undertaking that the equipment/stores supplied shall be free from damages/ shortages. In those cases, where such shortages/damages are intimated to the supplier in writing, the Bank Guarantee shall be extended without fail by the supplier for a suitable period at the request of purchaser in writing. Failure to do so shall result in forfeiture of Bank Guarantee. The Bank Guarantee shall be accepted at Circle Head Quarter and shall be released only after the cases are settled in accordance with the provisions available in the Bid Document/Purchase Order. In case, where the additional Bank Guarantee for 5% is not provided, then the payment will be settled as per clauses 11.1 & 11.2 (i) mentioned above.

[Hint: The actual payment conditions for new products or procurements having installation and AMC services may be decided on case to case basis and incorporated in special conditions of the contract]

- 11.3 (i) Form C and also a certificate stating that the tendered item (stores) are meant for the use of BSNL shall be provided by the purchaser on the request of the bidder as and when asked for.

(ii) **No payment will be made for goods rejected at the site on testing.**

- 11.4 The bidder has to give the mandate for receiving payment costing Rs.5 lacs and above electronically and the charges, if any, levied by bank has to be borne by the bidder/ contractor/supplier. The bidder company are required to give the following information for this purpose:-

- (i) Beneficiary Bank Name:
- (ii) Beneficiary branch Name:
- (iii) IFSC code of beneficiary Branch
- (iv) Beneficiary account No.:

- (v) Branch Serial No. (MICR No.):

12. PRICES

- 12.1 (i) Prices charged by the supplier for goods delivered and services performed under the contract shall not be higher than the prices quoted by the Supplier in his Bid.
- (ii) (a) Prices will be fixed at the time of issue of purchase order as per taxes and statutory duties applicable at that time
- (b) In case of reduction of taxes and other statutory duties during the scheduled delivery period, purchaser shall take the benefit of decrease in these taxes/duties for the supplies made from the date of enactment of revised duties/taxes.
- (c) In case of increase in duties/taxes during the scheduled delivery period, the purchaser shall revise the prices as per new duties/taxes for the supplies, to be made during the remaining delivery period as per terms and conditions of the purchase order.
- (iii) Any increase in taxes and other statutory duties/levies after the expiry of the delivery date shall be to the supplier's account. However, benefit of any decrease in these taxes/duties shall be passed on to the Purchaser by the supplier.

13. CHANGES IN PURCHASE ORDERS

- 13.1 The purchaser may, at any time, by a written order given to a supplier, make changes within the general scope of the contract in any one or more of the following:
 - (a) drawings, designs or specifications, where Goods to be supplied under the contract are to be specifically manufactured for the Purchaser;
 - (b) the method of transportation or packing;
 - (c) the place of delivery; or
 - (d) the services to be provided by the supplier.
- 13.2 If any such change causes an increase or decrease in the cost of, or the time required for the execution of the contract an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall accordingly be amended. Any proposal by the supplier for adjustment under this clause must be made within thirty days from the date of the receipt of the change in order.

14. SUBCONTRACTS

The Supplier shall notify the Purchaser in writing of all subcontracts awarded under this contract if not already specified in his bid. Such notification, in his original bid or later shall not relieve the supplier from any liability or obligation under the Contract.

15. DELAYS IN THE SUPPLIER'S PERFORMANCE

15.1 Delivery of the Goods and performance of the services shall be made by the Supplier in accordance with the time schedule specified by the purchaser in its purchase order. In case the supply is not completed in the stipulated delivery period, as indicated in the Purchase Order, purchaser reserves the right either to short close /cancel this purchase order and/or recover liquidated damage charges. The cancellation/short closing of the order shall be at the risk and responsibility of the supplier and purchaser reserves the right to purchase balance unsupplied item at the risk and cost of the defaulting vendors.

15.2 Delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to any or all of the following sanctions: forfeiture of its performance security, imposition of liquidated damages and/or termination of the contract for default.

15.3 (i) If at any time during the performance of the contract, the supplier encounters condition impeding timely delivery of the goods and performance of service, the supplier shall promptly notify to the Purchaser in writing the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at its discretion extend the period for performance of the contract (by not more than 20 weeks or as per provisions of clause 16.2, Section-III) as per provision given below :

(ii) The vendor has to submit their request for extension along with the undertaking as per clause 24 Section-III (Fall Clause) and a copy of QA inspection certificate at least two weeks before the expiry of delivery period. The decision regarding extension shall be communicated within two weeks of the receipt of request.

(iii) In case extension is being granted beyond 20 weeks then the vendor shall submit additional BG while seeking extension. For piecemeal items the amount of additional BG shall be 5% of the value of balance quantity of items to be supplied for which extension in delivery period has been sought. In case of infrastructure/turnkey projects other than as stated above, 1% of the total project value shall be the value for additional BG. The additional BG shall be valid for six months beyond extension of delivery period sought and shall be discharged after the full ordered quantity has been supplied to the ultimate consignee within the last extended delivery period on submission of inspection certificate from QA and consignee receipt without prejudice to the other remedies available to the purchaser.

(iv) If the vendor fails to deliver the full ordered quantity even during extended delivery period then the PO shall be short-closed and the Performance Bank Guarantee as well as additional BG shall be forfeited.

Format of (i) letters conveying conditions of DP extension and (ii) DP extension letter are in appendix.

15.4 If the supplies are not completed in the extended delivery period, the purchase order shall be short-closed and both the Performance securities shall be forfeited.

16. LIQUIDATED DAMAGES

- 16.1 The date of delivery of the stores stipulated in the acceptance of the tender should be deemed to be the essence of the contract and delivery must be completed not later than the dates specified therein. Extension will not be given except in exceptional circumstances. Should, however, deliveries be made after expiry of the contracted delivery period, without prior concurrence of the purchaser and be accepted by the consignee, such delivery will not deprive the purchaser of his right to recover liquidated damage under clause 16.2 below. However, when supply is made within 21 days of the contracted original delivery period, the consignee may accept the stores and in such cases the provision of clause 16.2 will not apply.
- 16.2 (i) Should the supplier fails to deliver the store or any consignment thereof within the period prescribed and agreed for delivery, the purchaser, without prejudice to other remedies available to the purchaser shall be entitled to recover, as agreed liquidated damages for breach of contract, a sum equivalent to 0.5% of the value of the delayed supply and/or undelivered material/ supply for each week of delay or part thereof for a period up to 10 (TEN) weeks, and thereafter at the rate of 0.7% of the value of the delayed supply and/ or undelivered material/ supply for each week of delay or part thereof for another TEN weeks of delay.
- (ii) DP extension beyond 20 weeks would not be generally allowed. The extension beyond 20 weeks may be decided in most exceptional circumstances on case to case basis, by the CGM concerned in case of tenders floated by Circles and by the Functional Director concerned in case tenders floated by Corporate Office, stating reasons and justifications for grant of extension of delivery period beyond 20 weeks.
- (iii) In the case of package supply/turnkey projects when the delayed portion of the supply materially hampers installation and commissioning of the systems, LD charges shall be levied as above on the total value of the concerned package of the Purchase Order.
- (iv) Quantum of liquidated damages assessed and levied by the purchaser and decision of the purchaser thereon shall be final and binding on the supplier, further the same shall not be challenged by the supplier either before Arbitration tribunal or before the court. The same shall stand specifically excluded from the purview of the arbitration clause, as such shall not be referable to arbitration. However, when supply is made to the ultimate consignee within 21 days of QA clearance in the extended delivery period and the goods were despatched within this delivery period, the consignee may accept the stores and in such cases the LD shall be levied up to the date of dispatch after QA clearance only.
- (v) The total value of the liquidated damages as per above sub-clauses shall be limited to a maximum of 12% (Twelve percent) i.e. LD shall be levied upto 20 weeks only as per provision at para (i).

The amended clause 16.2 of Section-III for capping of LD at 12% will have retrospective effect from 13.06.2006 i.e. the date of last amendment of this clause.

{Hint : 1. In case of turnkey projects, the additional BG and LD clauses related to delay in Installation & commissioning activities, shall be fine-tuned to meet the requirements of the project and shall be included in the special conditions (Section IV of the concerned bid document) after approval of the Management. In these caes, the tender approving authority as per delegation of financial powers shall be competent

authority to decide applicability of LD on the Installation and commissioning portion in case delay is on part of BSNL. However, for supply of equipment in such projects, the terms and conditions shall be the same as mentioned in clauses 15.3 and 16.2 of Section III }.

17. FORCE MAJEURE

17.1 If, at any time, during the continuance of this contract, the performance in whole or in part by either party of any obligation under this contract is prevented or delayed by reasons of any war or hostility, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts or act of God (hereinafter referred to as events) provided notice of happenings of any such eventuality is given by either party to the other within 21 days from the date of occurrence thereof, neither party shall by reason of such event be entitled to terminate this contract nor shall either party have any claim for damages against other in respect of such non-performance or delay in performance, and deliveries under the contract shall be resumed as soon as practicable after such an event come to an end or cease to exist, and the decision of the Purchaser as to whether the deliveries have been so resumed or not shall be final and conclusive. Further that if the performance in whole or part of any obligation under this contract is prevented or delayed by reasons of any such event for a period exceeding 60 days, either party may, at its option, terminate the contract.

17.2 Provided, also that if the contract is terminated under this clause, the Purchaser shall be at liberty to take over from the Supplier at a price to be fixed by the purchaser, which shall be final, all unused, undamaged and acceptable materials, bought out components and stores in course of manufacture which may be in possession of the Supplier at the time of such termination or such portion thereof as the purchaser may deem fit, except such materials, bought out components and stores as the Supplier may with the concurrence of the purchaser elect to retain.

18. TERMINATION FOR DEFAULT

18.1 The Purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default, sent to the supplier, terminate this contract in whole or in part

- a) if the supplier fails to deliver any or all of the goods within the time period(s) specified in the contract, or any extension thereof granted by the purchaser pursuant to clause 15;
- b) if the supplier fails to perform any other obligation(s) under the Contract; and
- c) if the supplier, in either of the above circumstances, does not remedy his failure within a period of 15 days (or such longer period as the purchaser may authorize in writing) after receipt of the default notice from the purchaser.

18.2 In the event the purchaser terminates the contract in whole or in part pursuant to para 18.1 the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods similar to those undelivered and the supplier shall be liable to the Purchaser for any excess cost for such similar goods. However the supplier shall continue the performance of the contract to the extent not terminated.

19. TERMINATION FOR INSOLVENCY

The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, without compensation to the supplier. If the supplier becomes bankrupt or otherwise insolvent as declared by the competent court provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

20. ARBITRATION

- 20.1 In the event of any question, dispute or difference arising under this agreement or in connection there-with (except as to the matters, the decision to which is specifically provided under this agreement), the same shall be referred to the sole arbitration of the CMD, BSNL or in case his designation is changed or his office is abolished, then in such cases to the sole arbitration of the officer for the time being entrusted (whether in addition to his own duties or otherwise) with the functions of the CMD, BSNL or by whatever designation such an officer may be called (hereinafter referred to as the said officer), and if the CMD or the said officer is unable or unwilling to act as such, then to the sole arbitration of some other person appointed by the CMD or the said officer. The agreement to appoint an arbitrator will be in accordance with the Arbitration and Conciliation Act 1996. There will be no objection to any such appointment on the ground that the arbitrator is a Government Servant or that he has to deal with the matter to which the agreement relates or that in the course of his duties as a Government Servant he has expressed his views on all or any of the matters in dispute. The award of the arbitrator shall be final and binding on both the parties to the agreement. In the event of such an arbitrator to whom the matter is originally referred, being transferred or vacating his office or being unable to act for any reason whatsoever, the CMD, BSNL or the said officer shall appoint another person to act as an arbitrator in accordance with terms of the agreement and the person so appointed shall be entitled to proceed from the stage at which it was left out by his predecessors.
- 20.2 The arbitrator may from time to time with the consent of both the parties enlarge the time frame for making and publishing the award. Subject to the aforesaid, Arbitration and Conciliation Act, 1996 and the rules made there under, any modification thereof for the time being in force shall be deemed to apply to the arbitration proceeding under this clause.
- 20.3 The venue of the arbitration proceeding shall be the office of the CMD, BSNL, New Delhi or such other places as the arbitrator may decide.

21. SET OFF

- Any sum of money due and payable to the supplier (including security deposit refundable to him) under this contract may be appropriated by the purchaser or the BSNL or any other person(s) contracting through the BSNL and set off the same against any claim of the Purchaser or BSNL or such other person or person(s) for payment of a sum of money arising out of this contract or under any other contract made by the supplier with the Purchaser or BSNL or such other person(s) contracting through the BSNL.
22. The bidders, who are given Purchase Orders, must give the details of the supplies made against all the Purchase Orders every month on the first working day of the following month to MM and the concerned Planning Branches of BSNL (Corporate Office).
23. The bidder should furnish the name of his collaborator (if applicable), brand name, model no. and type of the products offered in this tender. The technical literatures of the products should also be submitted. No change in either technology or product shall be permitted after opening of bids.

24. Fall Clause

24.1 The prices once fixed will remain valid during the scheduled delivery period except for the provisions in clause 12.1 of Section III. Further, if at any time during the contract

- (a) It comes to the notice of purchaser regarding reduction of price for the same or similar equipment/ service;

And /or

- (b) The prices received in a new tender for the same or similar equipment/ service are less than the prices chargeable under the contract.

The purchaser, for the purpose of delivery period extension, if any, will determine and intimate the new price, taking into account various related aspects such as quantity, geographical location etc., and the date of its effect for the balance quantity/ service to the vendor. In case the vendor does not accept the new price to be made applicable during the extended delivery period and the date of its effect, the purchaser shall have the right to terminate the contract without accepting any further supplies. This termination of the contract shall be at the risk and responsibility of the supplier and the purchaser reserves the right to purchase the balance unsupplied quantity/ service at the risk and cost of the defaulting vendor besides considering the forfeiture of his performance security.

24.2 (a) The vendor while applying for extension of time for delivery of equipment/ services, if any, shall have to provide an undertaking as "We have not reduced the sale price, and/ or offered to sell the same or similar equipment/ service to any person/organization including Department of central/state Government or any central/state PSU at a price lower than the price chargeable under the contract for scheduled delivery period."

- (b) In case under taking as in Clause 24.2(a) is not applicable, the vendor will give the details of prices, the name(s) of purchaser, quantity etc. to the purchaser, while applying extension of delivery period.

25. Court Jurisdiction:-

- (i) Any dispute arising out of the tender/bid document/ evaluation of bids/issue of APO shall be subject to the jurisdiction of the competent court at the place from where the NIT/tender has been issued.
- (ii) Where a contractor has not agreed to arbitration, the dispute/claims arising out of the Contract/PO entered with him shall be subject to the jurisdiction of the competent Court at the place from where Contract/PO has been issued. Accordingly, a stipulation shall be made in the contract as under.

“This Contract/PO is subject to jurisdiction of Court at only”.

(Appendix (i) to clause 15.3 Of Section III

Model Amendment Letter Intimating Conditions for Extension of Delivery Period

Registered Acknowledgement Due

Address of the purchaser

To
M/s
.....

Sub : This office contract no..... dated placed on you for supply of

Ref : Your letter no..... dated

You have failed to deliver the goods/ entire quantity of the goods/ execution/ installation/ commissioning of the entire project within the contract delivery period/ delivery period as agreed schedule or last extended up to _____. In your above referred letter, you have asked for extension/ further extension of time for delivery/ execution/ installation/ commissioning. In view of the circumstances stated in your above referred letter, the time of delivery can be extended from _____ (original/ last delivery period) to _____ (presently agreed delivery period) subject to your unconditional acceptance of the following terms and conditions:

1. That, liquidated damages shall be levied in accordance with agreed clause 16.2 Section III of terms and conditions of the tender/ PO.
2. That, notwithstanding any stipulation in the contract for increase in price on any ground, no such increase, whatsoever, which takes place after zzz shall be admissible on such of the said goods as are delivered after the said date as per clause 12 Section III.
3. That, the prices during this extended delivery period shall be provisional and shall be governed as per agreed clauses 12 and 24 of Section III and shall be finalized in accordance with the current PO price or the current PO price with latest budget/ duty impact or the prices in the new tender (T.E. no.) from the date of its opening, on whichever is lower basis.
4. An additional BG of Rs. _____in accordance with clause 15.3, Section III of the contract with validity upto _____.
5. An undertaking as required vide clause 24, Section III.

Please intimate your unconditional acceptance of this letter alongwith the additional BG within ten days of the issue of this letter failing which the contract will be cancelled

at your risk and expense without any further reference to you. This letter shall form part and parcel of the agreement/ contract/ APO/ PO and all other terms & conditions of the contract remain unaltered.

Yours faithfully,
(.....)
for and on behalf of.....

zzz Original delivery date or the last extended/ re-fixed delivery period (as the case may be)
NB : The entries which are not applicable for the case under consideration are to be deleted.

Appendix (ii) to clause 15.3 Section III

Model Amendment Letter for Extension of Delivery Period

Registered Acknowledgement Due

Address of the purchaser

To

M/s

.....

Sub : This office contract no..... dated placed on you for supply of

- Ref : 1. Your letter no..... dated requesting DP extension
2. This office letter no. dated intimating conditions for DP extension
3. Your letter no..... dated accepting the conditions for DP extension

You have failed to deliver the goods/ entire quantity of the goods/ execution/ installation/ commissioning of the entire project within the contract delivery period/ delivery period as agreed schedule or last extended up to _____. In your above letter under reference (1), you have asked for extension/ further extension of time for delivery/ execution/ installation/ commissioning. The terms and conditions for extension of delivery period were conveyed to you vide this office letter under reference (2). In view of the circumstances stated in your above referred letter, and upon your unconditional acceptance of the terms and conditions of this extension vide your letter under reference (3), the time of delivery is hereby extended from _____ (last delivery period) to _____ (presently agreed delivery period) on the terms and conditions in letter under reference (2) above and agreed by you vide letter under reference (3) i.e.:

- (a) Liquidated damages shall be levied in accordance with agreed clause 16.2 Section III of terms and conditions of the tender/ PO.
- (b) Notwithstanding any stipulation in the contract for increase in price on any ground, no such increase, whatsoever, which takes place after zzz shall be admissible on such of the said goods as are delivered after the said date as per clause 12 Section III.
- (c) The prices during this extended delivery period shall be provisional and shall be governed as per clauses 12 and 24 of Section III and shall be finalized in accordance with current PO price or the current PO price with latest budget/ duty impact or the prices in the new tender (T.E. no.) from the date of its opening, on whichever is lower basis.

The letters under reference above and this letter shall form part and parcel of agreement/ contract/ APO/ PO and all other terms & conditions of the contract remain unaltered.

Yours faithfully,
(.....)
for and on behalf of.....

Copy to :

.....
.....
.....

(All concerned)

zzz Original delivery date or the last unconditionally re-fixed delivery date (as the case may be)

NB : The entries which are not applicable for the case under consideration are to be deleted.

SECTION IV

SPECIAL CONDITIONS OF CONTRACT

1. The special conditions of contract shall supplement the '**Instructions to the Bidders**' as contained in Section II & "**General (Commercial) Conditions of the Contract**" as contained in Section III and wherever there is a conflict, the provisions herein shall prevail over those in Section II and Section III.
2.
 - (i) The bank guarantee for bid security or NSIC certificate for claiming exemption from submission of bank guarantee against bid security, as prescribed in clauses 12.1 & 12.3 of Section II of the bid document and the Type Approval Certificate and Proof of Execution of E.O / C.O as required under clause 2 of Section II shall be submitted along with the bids in a separate cover. The bank guarantee so submitted shall be as per the format given in Section VIII on prescribed judicial paper with stamps of proper value and should contain full address of the issuing branch of the bank with its telephone number and FAX number. This cover should be superscribed as "**BID SECURITY & TYPE APPROVAL CERTIFICATE FOR TENDER No----- issued on-----**".
 - (ii) In case where the document of bid security and type approval etc. are not submitted in the manner prescribed under clause 2 (i) above, cover containing the commercial, technical and financial offers **SHALL NOT BE OPENED AND THE BID SHALL BE REJECTED AND RETURNED TO THE BIDDER UNOPENED.**
3. The small scale industries registered with National Small Scale Industries Corporation(NSIC) for the tendered item under single point registration scheme and desirous of claiming concessions available to such units inclusive of bid security should submit their latest NSIC certificates and documents in respect of their monetary limit and financial capability **duly certified by NSIC.**
4.
 - (i) The supply will be accepted only after quality assurance tests are carried out by the Quality Assurance Wing of BSNL as per prescribed schedule and material passing the test successfully and after authenticated excise gate pass issued by Excise Authorities.
 - (ii) The QA units of BSNL while clearing the equipment/stores will strictly adhere to the package discipline as described in Purchase Order. Supplies made in full, as per Purchase Order, of all the packages during delivery period only will be deemed to have been supplied within the scheduled delivery period.

[Hint: Generally equipment (indigenous or imported) upon completion of TAC/Validation shall have to be supplied after successful testing by Quality Assurance Wing of BSNL. However, BSNL Board may relax this condition on case-to-case basis.]
5.
 - (i) The Purchaser intends to limit the number of technically and commercially responsive bidders to () from the list of such bidders arranged in increasing order of their evaluated prices starting from the lowest for the purpose of ordering against this tender. The bidder with the lowest evaluated price will be considered for about ()% of the tendered quantity and the balance quantity will be ordered on the remaining selected bidders inversely proportional to their quoted prices. However, the purchaser reserves the right for the placement of order of entire tendered quantity on the bidder with the lowest evaluated price.

- (ii) In the event of any of the eligible bidder(s) not agreeing to supply the equipment or not being considered by BSNL for ordering the equipment, interse ranking of the bidders below the aforesaid bidder(s) will be recast to fill up the vacated slot(s). This will be done to ensure that the number of bidders supplying the equipment remains same as earlier.
- (iii) PPP Clause to be added if required Refer Letter File No. 3-10/04-MMT dated 29.8.2005.)

[Hint: See guidelines for distribution of quantity in Annex-9.1]

6. Spares:

[Hint: The clause regarding spares may be included considering the following aspects:

- (i) The supplier shall be required to provide a list of spare parts recommended for maintenance for three years along with rates at card/ module level. The purchaser may elect to purchase the recommended spares from the supplier at any time including at the end of warranty/ AMC, provided that such purchase shall not relieve the supplier from any warranty/ AMC obligations under the contract.
- (ii) The cost of spares shall be discounted @ 15% over warranty/ AMC period (if there is a provision for AMC in the contract) to arrive at the final price of the equipment for the purpose of tender evaluation.
- (iii) Over a period of three years starting from the date of final acceptance of the equipment or after the procurement of spares, supplier shall supply at his own cost, spare parts needed which have not been included in the offer. These spares should be supplied within a maximum period of thirty days from the notification by the purchaser of his need, without demur.
- (iv) In the event of termination of production of the equipment/ spare parts, the supplier shall notify the purchaser at least two years in advance of the impending termination to enable the purchaser to procure life time spares. The supplier shall also provide at his own cost to the purchaser, the blue print drawings and specifications of spare parts if and when requested.
- (v) Period warranty & AMC (if any) shall also be prescribed.]

7. Repair of faulty equipment and setting up of Repair Facilities:

[Hint: The clause regarding repair of faulty equipment and setting up of Repair Facilities may be included considering the following aspects:

- (i) The supplier shall establish adequate repair facilities for repair of faulty equipment in India within a period six months from the date of purchase order. The number and location of repair facilities should be such as to meet the requirement of repairs and turn around time provided in the special conditions in Section IV. The performance bank guarantee shall not be released until the purchaser is satisfied that sufficient repair facilities have been established in addition to the fulfillment of other conditions of the contract. The purchaser reserves the right to blacklist a supplier who does not meet the repair obligation as per the conditions of contract.
- (ii) The supplier shall quote rates for repair of each card/ module in schedule VII as a percentage of the cost of that module and also in value in rupees. Total cost of repair for each type of module shall be loaded for the purpose of evaluation.]

Other clauses may be defined as per the need.

SECTION V

SCHEDULE OF REQUIREMENTS

S.No.	GOODS	QUANTITY
--------------	--------------	-----------------

SECTION VI

TECHNICAL SPECIFICATIONS

The following Technical Specifications which form part of the bid documents are annexed separately.

Item	Tech. Spec. Nos.
------	------------------

[Hint: After the issue of NIT, Specifications should not be changed.]

SECTION VII

PART-I

BID FORM

Tender No.

Date :

To

Jt DDG (MMT)
Bharat Sanchar Nigam Limited,
(Corporate Office)
2nd Floor, Bharat Sanchar Bhawan,
Janpath, New Delhi - 110001.

Dear Sir,

1. Having examined the conditions of contract and specifications including addenda Nos.....the receipt of which is hereby duly acknowledged, we, undersigned, offer to supply and deliver in conformity with the said drawings, conditions of contract and specifications for the sum shown in the schedule of prices attached herewith and made part of this Bid.
2. We undertake, if our Bid is accepted , to commence deliveries within () months and to complete delivery of all the items specified in the contract within () months calculated from the date of issue of your advance purchase order.
3. If our Bid is accepted, we will obtain the performance guarantees of a Scheduled Bank for a sum @ 5% of the contract value for the due performance of the contract.
4. We agree to abide by this Bid for a period of ----- days from the date fixed for Bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Until a formal Purchase Order of Contract is prepared and executed, this Bid together with your written acceptance thereof in your notification of award shall constitute a binding contract between us.
6. Bid submitted by us is properly sealed and prepared so as to prevent any subsequent alteration and replacement.
7. We understand that you are not bound to accept the lowest or any bid, you may receive.

Dated this day of 200

Name and Signature -----

In the capacity of -----

Duly authorised to sign the bid for and on behalf of

witness

Address

Signature

SECTION VII
PART II
Price Schedule for Indigenous Equipment
(A)

Sl No.	Item description	Total Qty.		Ex-factory Price (Basic Unit Price exclusive of all levies & charges)		Excise Duty		Sales Tax		F.P. Png & I		Other levies & charges, if any		Unit Price (all inclusive (4+5+6+10+11))	Duties & Taxes CENVAT-able on unit price	Unit Price excluding Duties & Taxes CENVAT-able (12-15)	Total Price inclusive of all levies & charges excluding Duties & Taxes (13X14)	Discount offered, if any	Total discounted price excluding Duties & Taxes CENVAT-able (15-16)	E.D. Tariff Head	Import content	Percentage (%) of Customs duty	Customs Tariff Head
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21			

Note :

1. "We hereby declare that in quoting the above prices, we have taken into account the entire credit on inputs available under the MODVAT SCHEME introduced w.e.f. 1st March 1990 and further extended on more items till date".
2. If Annual maintenance Contract charges are required to be quoted as per SOR, basic charges should be shown in column-4 & the service tax in column 11 & 13.
3. "We hereby certify that E.D/Customs Tariff Head shown in column 18/21 are correct & CENVAT Credit for the amount shown in column 13 above are admissible as per CENVAT Credit Rules 2004".
4. The bidder shall quote separately for hardware and software as per special conditions of the contract.
5. The bidder submitted the offer with concessional E.D/Sales tax shall submit the proof of applicable concessional E.D/Sales Tax.

**SECTION VII
Part II
Price Schedule for Imported Equipment
(B)**

S. L. No.	1	2	3	4A	4B	5	6	7	8	9	10	11	12	13	14	15	16	17	18
		Item Description	Total Qty.	Ex-factory Price (Basic Unit Price exclusive of all levies & Charges)	Unit price per Unit CIF	Custom Duty	Custom Duty	Sales Tax	Sales Tax	Pkg. & Inland freight	Other levies & charges, if any	Price per Unit for site (all inclusive) (4B+6+8+10+11)	Duties & Taxes CENVAT-able on unit price	Unit Price excluding Duties & Taxes CENVAT able (12-13)	Total Price Inclusive of all levies & charges excluding Duties & Taxes (3X14)	Discount offered, if any	Total discounted price excluding Duties & Taxes CENVAT-able (15-16)	Custom Tariff Head	
						%	Amt.	%	Amt.										

Note :

1. "We hereby declare that in quoting the above prices, we have taken into account the entire credit on inputs available under the MODVAT SCHEME introduced w.e.f. 1st March 1986 and further extended on more items till date".
2. If Annual maintenance Contract charges are required to be quoted as per SOR, basic charges should be shown in column-4B & the service tax in column 11 & 13.
3. "We hereby certify that E.D./Customs Tariff Head shown in column 18 are correct & CENVAT Credit for the amount shown in column 13 above are admissible as per CENVAT Credit Rules 2004".
4. The bidder shall quote separately for hardware and software as per special conditions of the contract.
5. The bidder submitted the offer with concessional E.D./sales tax shall submit the proof of applicable concessional E.D./Sales Tax

SECTION VIII

BID SECURITY FORM

Whereas (hereinafter called "the Bidder") has submitted its bid dated.....for the supply of vide Tender No..... dated..... KNOW ALL MEN by these presents that WE OF having our registered office at(hereinafter called "the Bank") are bound unto Bharat Sanchar Nigam Limited (hereinafter called "the Purchaser") in the sum of Rs..... for which payment will and truly to be made of the said Purchaser, the Bank binds itself, its successors and assigns by these present.

THE CONDITIONS of the obligation are :

1. If the Bidder withdraws his bid during the period of bid validity specified by the Bidder on the Bid form or
2. If the Bidder, having been notified of the acceptance of his bid by the Purchaser during the period of bid validity
 - (a) **fails or refuses to execute the Contract, if required; or**
 - (b) **fails or refuses to furnish the Performance Security, in accordance with the instructions to Bidders.**

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

This guarantee will remain in force as specified in clauses 12 and 28.2 of section II of the Bid Document upto and including THIRTY (30) days after the Period of bid validity and any demand in respect thereof should reach the Bank not later than the specified date/dates.

Signature of the Bank Authority.

Name

Signed in Capacity of

Name & Signature of witness

Full address of Branch

Address of witness

Tel No. of Branch

Fax No. of Branch

SECTION IX

PERFORMANCE SECURITY GUARANTEE BOND

In consideration of the CMD, BSNL (hereinafter called 'BSNL') having agreed to exempt _____ (hereinafter called 'the said contractor(s)') from the demand under the terms and conditions of an agreement/Advance Purchase Order No _____ dated _____ made between _____ and _____ for the supply of _____ (hereinafter called "the said agreement"), of security deposit for the due fulfillment by the said contractor (s) of the terms and conditions contained in the said Agreement, on production of the bank guarantee for _____ we, (name of the bank) _____ (hereinafter refer to as "the bank") at the request of _____ (contractor(s)) do hereby undertake to pay to the BSNL an amount not exceeding _____ against any loss or damage caused to or suffered or would be caused to or suffered by BSNL by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We (name of the bank) _____ do hereby undertake to pay the amounts due and payable under this guarantee without any demure, merely on a demand from the BSNL by reason of breach by the said contractor(s)' of any of the terms or conditions contained in the said Agreement or by reason of the contractors(s)' failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee where the decision of BSNL in these counts shall be final and binding on the bank. However, our liability under this guarantee shall be restricted to an amount not exceeding _____.

3. We under take to pay to the BSNL any money so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any court or tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We(name of the bank)_____ further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the BSNL under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till _____(office/Department) BSNL certifies that the terms and conditions of the said Agreement have been fully or properly carried out by the said contractor(s) and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the expiry of TWO/TWO AND HALF/THREE YEARS (as specified in P.O) from the date hereof, we shall be discharged from all liabilities under this guarantee thereafter.

5. We (name of the bank)_____ further agree with the BSNL that the BSNL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the BSNL against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or

extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of the BSNL or any indulgence by the BSNL to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

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

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

Dated the _____ day of _____

for _____
(indicate the name of bank)

SECTION X

LETTER OF AUTHORISATION FOR ATTENDING BID OPENING

(To reach Jt DDG (MMT) before date of bid opening)

To

The Jt DDG (MMT),
Bharat Sanchar Nigam Limited,
(Corporate Office),
2nd Floor, Bharat Sanchar Bhawan,
Janpath, New Delhi - 110 001

Subject : Authorisation for attending bid opening on _____(date)
in the Tender of _____.

Following persons are hereby authorised to attend the bid opening for the tender mentioned above on behalf of _____ (Bidder) in order of preference given below.

Order of Preference	Name	Specimen Signatures
---------------------	------	---------------------

I.

II.

Alternate
Representative

Signatures of bidder

Or

Officer authorized to sign the bid
Documents on behalf of the bidder.

Note : 1. Maximum of two representatives will be permitted to attend bid opening. In cases where it is restricted to one, first preference will be allowed. Alternate representative will be permitted when regular representatives are not able to attend.

2. Permission for entry to the hall where bids are opened, may be refused in case authorization as prescribed above is not recovered.

CHAPTER 4

CHECK POINTS FOR PREPARATION OF TENDER INQUIRY

While preparing a tender inquiry, it is necessary to check the following point in order to ensure that the tender can be processed smoothly:

S.N.	Item	Status	Response
			Yes / No
1.	Standard format		
2.	TEC Approved specification(latest) available		
3.	Schedule of requirements given		
4.	List of potential Bidders who have prototype approval available		
5.	Projects sanctioned or taken up for sanction.		
6.	Funds for procurement allocated		
7.	Date & time for submission of bids given		
8.	Period of validity of bids is specified.		
9.	Amount of bid Bond		
10.	Date, time and venue of opening of bids		
11.	Approved commercial document is available.		
12.	In case of limited tenders, reason for limiting the tender and approval of the competent authority has been obtained.		
13.	In case of short notice Limited tenders, reason for issue and approval of the competent authority has been obtained.		
14.	For open tenders, advertisements should appear in wide circulation newspaper, covering all states.		
15.	NIT given for publication in ITJ.		
16.	Reasonable time allowed between the date of start of sale of tender documents and date of Bid opening to enable preparation of Bids.		
17.	The complete set of Bid documents, comprising of commercial conditions, technical specification & schedule of requirements, drawings if any available in adequate numbers, etc.		
18.	Tender Inquiry signed for and by the appropriate authority.		
19.	Special conditions of tenders, if any, listed out.		
20.	Date of last tender, giving quantities tendered & ordered price.		

CHECK-LIST FOR REQUISITION FOR PROCUREMENT OF MATERIAL

PART - A

Information to be given by planning cell along with requisitions for tender to be issued

1. Administrative approval of competent authority
2. Technical specification No(s) (sufficient copies of each Tech. Spec. to be given)
3. Delivery Schedule (in case any specific schedule is desired)
4. Details of items along with quantity
5. Certificate regarding availability of Funds
6. (a) Whether indigenous or import through global Tender
(b) In case of import through global tender
 - (i) Against rupee payment or foreign exchange.
 - (ii) Source of Foreign Exchange Funding (Free or Credit).
7. Concurrence from finance for the quantity to be tendered
8. Evaluation of Tender on package basis/individual item basis (package to be defined in case of package evaluation)
9. Approximate financial implications of procurement.
10. Training requirement: No.of trainees, type of Training, duration of each type of training, place of training, etc.
11. Requirement of spares, tools & testers etc.
12. Any special conditions to be added in the Bid Document

This issues with the Approval of Sr DDG () / DDG ()

Signature

ADG()/Jt DDG()

- Note :
1. Incomplete requisitions not containing above data will be returned forthwith.
 2. This checklist duly filled in and approved by the concerned Sr DDG / DDG should be signed by an officer not lower than ADG and submitted along with the Requisition by concerned Planning Branch.

CHECK LIST FOR REQUISITIONS FOR PROCUREMENT OF MATERIAL

PART B

Information to be given by planning cell before placement of Purchase Orders

1. Sanction particulars of P/E with date of Sanction
2. Head of Account
3. Particulars of Paying Authority
4. Full details of Consignee/ultimate Consignee with complete address and Pin Code
5. Detailed Material List clearly indicating the Quantity.
6. Certificate regarding availability of Funds

This issues with the Approval of Sr DDG () / DDG ()

Signature

ADG () / Jt DDG ()

- NOTE: 1. Incomplete Requisition not containing above Data will be returned forthwith.
2. This check list duly filled in and approved by concerned Sr DDG / DDG should be signed by an officer not lower than ADG and submitted along with the Requisition by concerned Planning Branch.

CHAPTER - 5

BID SECURITY BOND

Purpose

The purpose of Bid Security Bond is to get a commitment by the Bidder to honour his bid during the validity of the Bid.

Value

The value of Bid Security will be equal to 2% of the estimated cost of the equipment/stores proposed to be procured from technically and commercially compliant L-1 bidder (V-1 bidder incase vendor rating is used) in the tender subject to a maximum of two crore rupees.

Validity Period

The validity period of the Bid Security Bond is kept 30 days beyond the Bid validity e.g. 150 +30 = 180 days, if the bid validity period is 150 days.

Extension of Validity

In case, where the letter of intent cannot be placed within the validity period of the bid, the BSNL can request all Bidders to extend the validity of their respective bids and the Bid Security Bonds by a reasonable period. In such cases, extension of validity of Bid Security Bond by 30 days beyond The extended validity date of bids should also be asked for. While BSNL can make the request for extension, the bidder is free to either extend the validity or refuse the request to extend the Validity.

Release of Bid Security Bond

Bid Security Bonds of all unsuccessful Bidders should be released on placement of Advance Purchase Order (APO) on the successful bidders. This should be done within one week of release of Advance Purchase Order.

In case of successful Bidders, the Bid Security Bond is released on receipt of their acceptance of Advance Purchase Order and submitting performance bank guarantee.

Where the BSNL requests the Bidder to extend the validity of the Bid beyond the stipulated period given in the Bid documents, and the bidder refuses to extend the validity of his bid, the Bid Bond of such Bidders is returned forthwith.

Encashment of Bid Security Bonds

When BSNL places an Advance Purchase Order on the successful Bidder on his quoted price and he refuses to accept it, BSNL shall encash his Bid Security Bond and the bidder shall not be eligible to participate in the tender for the same item for one year from the date of issue of APO. The bidder will not approach the court against the decision of BSNL in this regard.

Bid Security Bond Register

A record of all Bid Security Bonds should be kept in Bid Security Bond Register in standard format (**Annex - 5.1**). The register should be scrutinized monthly to ensure currency of validity of Bids, extensions asked and acceded by Bidders, Bid encashed, Bid refunded etc.

CHAPTER - 6

OPENING OF BIDS

1. Opening of bids

The guidelines for conducting the opening of commercial bids and the various steps to be taken by the tendering authority are given in this chapter. The bid opening is an important occasion when all the bidders, who have participated in the tender, assemble, their bids opened formally in their presence and certain information e.g. price are read out in this open session. Proper bid opening procedure ensures an impartial and fair approach to all bidders so that complaints on this account do not arise. The various steps to ensure these are now described.

2. Formation of Bid opening Team

Since bid opening is an important responsibility, it is necessary that a bid opening team be formed formally, commensurate with the estimated value of the tender. It is recommended that composition of the bid opening team be as follows :

Estimated value of the tender	Level of the Bid opening officer	Other members of the bid opening team
3 Crores and above	Divisional Engg. or Equivalent	Asstt. Engineer or equivalent + One dealing Asstt.
Less than 3 Crores	Asstt. Engineer or equivalent	Accounts Officer + one dealing Asstt.

Proposal for formation of bid opening team would be approved by the Jt DDG (MMT) in charge of the tendering, well in advance of the bid opening. Any change in the constitution of the Committee would need the approval of CGM/DDG(MM). The officer nominated for the bid opening is normally different from the officer who has to process the procurement case.

3. Preparations By the Bid Opening Team

The Bid Opening Team should equip itself adequately in advance, to enable it to carry out its function efficiently during bid opening. These advance preparation would comprise of the following :

- a) Preparing Attendance Register for recording attendance of Bidders.
- b) Preparing list of bidders who have purchased the bid documents.
- c) Providing adequate number of mazdoors for shifting the documents form the point of acceptance to the bid opening venue.
- d) Ensuring security at the bid opening venue.
- e) Making adequate arrangements for issue of passes to enable smooth entry of the bidders to the bid opening venue.
- f) Ensuring provision of public address system to enable the bidders to hear information being read out.
- g) Making suitable sealing arrangements
- h) Making suitable arrangement for receipt, recording and stocking of the documents.
- i) Preparing formats in advance for recording information to be read out at the time of opening of Bids and preparing its minutes.

- j) Preparing direction pointers, notice etc. for display at prominent location to guide bidders to Bid Opening venue.

4. Venue

The Bid Opening would generally be conducted in a hall, which can accommodate comfortably, BSNL officers forming the Bid opening Team as well as bidders, who participate in the tender. The venue should preferably have an ante-room where the bids can be received from the bidders and certain formalities carried out before the bidders are formally allowed entry into the bid opening hall.

5. Essential Requirements to enable a Bidder to Participate in Bid Opening

The participation of bidders in bid opening would be restricted to those Bidder, who fulfill all the following conditions:

1. Bidders, who have purchased the Bid documents from the source authorized by the Department along with proof of such purchase.
2. Representative of Bidders, who have been authorized in writing by their principals to participate in the bid opening and possess such letters of authorization in original.
3. Bidders, who are submitting/have submitted their Bids, as required by the bid documents.

Those, who do not meet the above conditions would be deemed to be unauthorized and would not be allowed to enter the Bid Opening Venue and participate in the bid opening.

6. Bid Opening Process

- 6.1 The Bid opening process should start at the time/date given in the NIT. The bidder would be asked to enter the ante room first, produce their letters of authorization to enable them to participate in the bid opening and provide proof of having purchased the bid document from the official sources to enable their bids to be accepted. After ensuring these, the bid would be accepted. Suitable entries made in the Bid Receipt Register and the Attendance Register along with the signature of the authorized participating bidders. Passes would then be provided to those bidders, who are entitled to participate in the bid opening, to enable them to enter into the bid opening venue.

For the bidders who submit their bids earlier to the date of bid opening, bids having letter of authorization for submission of the bids and the bids themselves being submitted as required by the bid documents, would be accepted by the Section Officer(MMT), Tendering section and a receipt to this effect issued by him to the bidder. In case such bidders wish to participate in the Bid Opening, the production of this receipt along with the authorization for the participation in the bid would enable the Bid Opening Officer to issue a pass to the Bidders to enable him to participate. In such cases, it is the responsibility of the Bid Opening Officer to ensure that such bids are available, suitably numbered, at the Bid Opening Venue at the time of Bid Opening. Any bids submitted after the due time as per NIT would be returned unopened by the Bid Opening Officer.

6.2 Information to be read out in Bid Opening

The following information should be read out in the bid opening.

- a) Name of the Bidder
- b) Name of the item
- c) Quantities/prices quoted in the bid
- d) Discount, if offered
- e) Taxes and levies

The Bid Opening Official should politely and firmly turn down queries of any other nature from any bidder. No argument should be entertained on this account by the Bid Opening Officer.

- 6.3 Actual process of Opening of Bids should start only after the process of acceptance of Bids has ended and all the accepted bids shifted to the Bid Opening Hall under supervision and responsibility of Bid Opening Officer. Each and every Bid should be numerically and serially numbered, entered in the Bid Opening Register, super scribed on the Bid and this entry encircled in red and initialed by the Bid Opening Officer. The bids should be numbered in the sequence of receipt of bids. Entry of the Bidders to the bids opening venue would strictly be regulated by passes and would be the responsibility of the Bids opening officer. Entry of unauthorized person to Bid Opening Venue is prohibited. The number of representatives per bidder should not ordinarily be more than two and should be well within the seating capacity of the hall. Where the response to the tender is very extensive, the Bid opening Officer may restrict entry to the venue to only one representative per bidder. The decision of the Bid Opening Officer would be final.

At the start of the Bid Opening and prior to opening the first bid, the Bid Opening officer should clearly state the information which will be read out by him and should firmly state that no other information would be read out by him or queries entertained by him.

Bids should be opened in the numerical sequence. The Bid Opening Officer should display the intactness of the seal of the bid being opened, prior to opening it, to all the participant, record this and initial this entry and should thereafter open the Bid. He should check up and ensure that the number of copies and the mode of submission of the bid are as per the Bid Documents. Bids not confirming to this should be rejected then and there and recorded and initialed, giving reasons for such rejection. After opening the Bids, he should read out the information as given in para 7, from the original copy of the bid, record the information read ought in the appropriate format, encircle the entries in the Bid in red ink and initial these in the Bid before proceeding to the next item to be read out. The Bid should be sealed thereafter and initialed by the Bid Opening Officer.

- 6.4 The bids should be rejected at opening stage itself if bid security is not submitted as per clause 12.1 & 12.3 of Section-II of the Bid Document or bid validity is less than the time prescribed in clause 13.1, Section-II of the Bid Document.

7. Minutes of the Bid Opening

In all cases, it should be ensured that the bid opening is completed on the same calendar day. The bid opening official would be responsible for preparation of the minutes on the same day of the bid opening or maximum the next day to the bid opening, in case the bid opening drags on well beyond the closing hours of the office. In case the minutes are issued the next day, reason should be recorded by the Bid Opening Officer for examination and acceptance by his superior officer.

The bid opening minutes should comprise of the following :

- a) List of participants who attended the bid opening.

- b) Report on the bid opening duly prepared by the bid opening official and signed by him along with other members of the bid opening team certifying that only those bidders who were eligible to participate, were allowed to participate.
- c) Information regarding item read out.
- d) Submission of Bid documents, bidder-wise were as per Bid conditions to be indicated.
- e) Statement that all steps taken to preserve the sanctity of the Bids.
- f) Certificate regarding proper storage of Bids, after the Bid opening, in secured area.

8. Submission of Bid Opening Minutes

The Bid Opening officer should submit the minutes of the Bid Opening, duly signed by all members of the Bid Opening Team to the Director in charge of tendering for information, record and follow up action.

9. Making Over of Bids

The Bid Opening officer should make over the complete set of the bids along with the minutes of the bid opening and other documents after the opening of the bids to all the members of the Committee for Evaluation of Tender (CET).

CHAPTER - 7

FORMATION OF COMMITTEE FOR EVALUTION OF TENDER

Tenders issued by the MM Cell are evaluated by a Committee called Committee for Evaluation of Tender. Their formation and constitution is covered in this chapter. The Committee for Evaluation of Tender (CET) is constituted for the evaluation of each and every tender. This duly constituted CET evaluates the tender as per the terms and conditions and other clauses stipulated in the tender document. The Committee submits its recommendations in the form of a report. This report is thereafter examined by the procurement branch of the BSNL. The proposals emerging out of the recommendations of the Committee for Evaluation of Tender are submitted to the competent authority for approval.

1. Formation of Committees For Evaluation of Tender

Each tender is evaluated by a Committee for Evaluation of Tender set up for this purpose. The formation of the Committee is proposed by the MM branch and approved by Director (Planning) BSNL Board. This should be done well in advance of the opening of the Bids.

2. Constitution

A Committee for Evaluation of Tender basically comprises of three members representing the Technical, Commercial and Finance Wings, so that bids could be evaluated technically, commercially and financially. In addition, when the item under procurement is new, a member from the Telecom Engineering Centre is inducted into the committee. Similarly, when the item is likely to have impact on the quality of service, a member from the Operations Branch is inducted.

The Technical Member Would be from the concerned User Wing and who would be generally the convenor and who would have the prime responsibility for preparation of the report.

The commercial member would be from the MM Cell.

The Finance member would be from 'Finance Cell'

Constitution of CET

Technical	Planning / Service/technology cell	Convenor
Commercial	MM cell	Member
Finance	Finance Cell	Member

In addition depending upon the nature of the tender, officer(s) from TEC /Operation Branch could also form part of the Committee for Evaluation of Tender.

3. Level of Committee for Evaluation of Tender

The level of the Committee for Evaluation of Tender depends upon the value of the Tender. The levels for different value are given below :

Value of the Tender**Members**

	<u>Technical</u>	<u>Commercial</u>	<u>Finance</u>
Upto Rs 10 Crores	Jt DDG	ADG	ADG
> Rs 10 Cr & upto Rs 50 Cr	Jt DDG	Jt DDG	Jt DDG
> Rs 50 Cr & upto Rs 100 Cr	Sr DDG / DDG	Jt DDG	Jt DDG
> Rs 100 Cr	Sr DDG / DDG	DDG	DDG

4. Working Groups

For the Purpose of evaluating complex telecommunication system or those costing more than 100 Crores, it may be necessary to provide the main Committee for Evaluation of Tender with the assistance of the Technical Working Group, Commercial and Finance Working Groups. Such Tenders are high value Tenders, where the Evaluation Committee level would be at DDG and above. The Working Groups would be at Jt DDGs' level. The setting up of such Groups would require approval of Director (Planning) BSNL Board. However, the necessity of forming such Groups should be decided by the Committee for Evaluation of Tender.

CHAPTER - 8

REVISED GUIDELINES TO COMMITTEE FOR EVALUATION OF TENDER (CET)

DEPARTMENT OF TELECOMMUNICATIONS
SANCHAR BHAWAN, NEW DELHI-110001

No. 3-6/93-MMT

Dated: 09.05.94

The following guidelines are hereby issued for information and guidance to the Committee for Evaluation of Tender (CET). The Guidelines provide broad procedures to enable the evaluation process. Correct evaluation decision will continue to depend upon the experience and good judgment of those who are responsible for evaluation.

1. The following document should be handed over to the CET members by MM Cell :
 - a) All bids accepted at the time of bid opening.
 - b) Bid document along with technical specification(s).
 - c) Guidelines for CET.
 - d) Minutes of the bid opening, if any.

The above document should be received by CET members personally.

2. Wherever there is any variation between the Technical Compliance Statement and the Drawings / Literature attached in support of or merely with Technical Compliance Statement the bidders should be asked to clarify/confirm specifically the technical compliance. In cases where offered product is under-provided the CET should load the quoted price appropriately so as to bring it to the desired level of technical compliance.
3. Determination of the bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence. Queries to or from bidders should generally be avoided.
4. Any document which has an impact on price of the bidders and which is submitted by the bidder after opening of the tenders should not be considered and should be ignored.
5. Only responsive bids should be evaluated in detail. A responsive bid is a bid which satisfies following conditions of the bid documents :
 - a) It meets all the major technical clauses.
 - b) It meets commercial clauses.

- c) The offer is accompanied by a bid security deposit on the prescribed proforma as indicated in the bid document and valid for 30 days beyond the validity of the bid. The validity of the bid as per current tender documents is 210 days from the date of bid opening.

- 6.1 The CET should hold a preliminary meeting within one week of handing over of the tender Documents. The activity as per 6.2.1, 6.2.2 and 6.2.3 below should commence immediately. The convenor of the CET may coordinate to ensure that the statements relating to 6.2.1, 6.2.2 & 6.2.3 are handed over to the Finance representative so that finance vetting can start.

- 6.2 In order to help the Committee for Evaluation of Tender to formulate its recommendations within a reasonable time frame the following allocation of responsibilities for different actions are indicated herein.

- 6.2.1 The technical evaluation and preparation of comparative statement of value of bids:-

This work is to be carried out by the technical branch representative(s) on the CET. The technical comparative assessment of the material list is required to be done along with the corresponding prices to be taken for evaluation. Vetting of such comparative list will be done by the Finance representative on CET.

- 6.2.2 Commercial Evaluation:-

The commercial evaluation is to be carried out by the MM Cell representative in CET and vetted by the Finance representative.

- 6.2.3 Vetting of the comparative statements of bids and commercial evaluation statement:-

This is to be done by the Finance representative on the CET.

- 7. Once finally vetted statements become available (within per-determined time frame), CET may finalize its recommendations within further TEN days.

- 8. In case the committee has listed out major technical and commercial conditions as evaluation criteria, the same should be clearly indicated in the report.

- 9. The CET should clearly spell out its recommendations in its report about technically acceptable bids, listed in an order starting from the lowest technically acceptable bid(L-1) upwards or as per vendor rating starting from V-1. The report should contain complete technical, commercial and financial appraisal, the logic leading to the recommendations themselves and reason for rejecting bids lower than the lowest technically acceptable bids.

- 10.1 (i) After consideration of all the above aspects the CET shall determine the ordering price of the equipment and take into consideration the reasonableness of this price.

(ii) The procurement is to be done on reasonable rates. The reasonableness of

the rates obtained in the tenders shall be assessed by comparing with the rates of previous procurement and also current market trend for the same.

- (iii) In order to have consistency and transparency while evaluating the tender price, the CET in its report should record the reasons for accepting or rejecting previous tender prices for similar items.
- 10.2
- (i) As post tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
 - (ii) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
 - (iii) Counter-offers to L-1 in order to arrive at an acceptable price, shall amount to negotiations. However, any counter-offer thereafter L-2, L-3 etc. (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.
 - (iv) It is reiterated that in case L-1 backs-out, there should be a re-tender.
11. The tender shall be evaluated for the quantities indicated in the schedule of requirements. In normal purchase procedure, the orders will go in favour of the lowest acceptable bidder for the full quantity. Apportioning the quantities may arise due to certain limitations or considerations. As most of the items procured by the DOT are specialized products it becomes necessary to sustain multiple vendors/suppliers through distribution of quantities.
12. Distribution of the tendered quantities amongst the various supplier:-
- 12.1 The total quantity of the order should be distributed amongst different bidders who meet the technical and commercial specifications when such distribution is in the long term interest of the department. It is desirable that the BSNL sustains multiple vendors through distribution of order to promote competition as in most of the cases the Department is the sole user of such equipment/materials.
- 12.2 It may not be practicable to distribute the orders to all the bidders who meet the technical specifications and commercial conditions, as in some case the quantity ordered on each supplier will be too small to be viable, both for supply and use by the Department. The distribution of orders, therefore should normally be restricted to the bidders who are within 50 to 60% of the lowest bid. It is, however, to be conceded that where the

quantity to be ordered is very large or very small the number of bidders to be accommodated may have to be worked out differently.

- 12.3 To meet the above objectives, guidelines have been issued in the Revised Tender Procedure promulgated in Oct'94 . As per this, the quantity to be allocated to L-1 and number of suppliers on whom orders shall be placed would be specified in the tender document. The CET thus should act as per these guidelines for distribution of the quantities amongst the various eligible suppliers.
- 12.4 In case no mention is made in the documents then, it should be in the inverse ratio of their price quotation. This will ensure that there is incentive for the bidders to quote their lowest price from tender to tender. While deciding the quantities technical feasibility of distribution and the capability of each of the supplier has to be kept in view.
- 12.5 All the bidders should be offered uniform price for supply.
13. The recommendations of the Committee for Evaluation of Tender are essentially internal document. Final decisions are taken by the competent authority on the basis of CET recommendation. The confidentiality of the CET document from outsider is, therefore, to be maintained. No information to substance, examination, clarification or evaluation of bids and recommendations should be communicated to persons other than those officially concerned.
- 14. All the pages and enclosures of the CET report should be numbered consecutively and signed by all CET members.**
15. The CET recommendations in duplicate should be received in MM Cell within 4 to 6 weeks of handing over the documents to the CET members. The responsibility for ensuring this vests with Chairman / Convenor of the CET.
16. If CET needs additional time to complete the work, permission of extension may be obtained from Member (P) by the Chairman of CET specifically indicating the reason for the same. Permission of extension, if granted, may be intimated to Director (MMT) for the purpose of record and taking further suitable action.
17. The meetings of Committee for Evaluation of Tender should be fixed with prior consultation with its members. They should be contacted on telephone as well. If any of the members appointed to the committee for tender evaluation fails to attend the meetings for more than one occasion consecutively the chairman of CET should bring it to the notice of concerned Member of the Commission.

These guidelines have the approval of Telecom Commission.

(ARUN KUMAR)
DY. DIRECTOR GENERAL (MM-II)

"THE TENDER EVALUATION REPORT SHOULD CLEARLY INDICATE DEVIATIONS RECOMMENDED VIS-A-VIS TENDER CONDITIONS ALONGWITH REASONS FOR SUCH DEVIATIONS. WHEN THERE ARE NO DEVIATIONS FROM TENDER CONDITIONS, A DECLARATION TO THIS EFFECT SHOULD BE INCLUDED IN THE REPORT OF THE RECOMMENDATIONS OF TENDER EVALUATION COMMITTEE".

[Hint: Normally package discipline will be followed for evaluation of the bids.]

CHAPTER - 9

ACCEPTANCE OF EVALUATION REPORTS AND FRAMING OF PURCHASE PROPOSALS

The Chairman/Convenor of the Committee for Evaluation of Tender should formally submit the report of the committee to the MM Branch. Within 7 days of the receipt of Report, MM Branch should put up the purchase proposal for according administrative approval along with a self-contained note comprising of the following :

- a) Brief background
- b) Salient features of the tender giving description of the equipment, quantities and composition of the CET, dates of NIT, Bid Opening, Receipt of evaluation committee Report.
- c) Summary of the recommendations of the CET report.
- d) Confirmation regarding validity of the bids.
- e) Comments of the recommendations by MM Cell.
- f) The purchase proposals should be based on the quantities, distribution and price as given in the Committee for Evaluation of Tender Report and incorporating the comments of MM Cell.
- g) Formal purchase proposal giving the justification, ordering quantities bidder-wise, unit rates, total rates, discount if any, counter-offer if proposed, financial implication of the proposal, advances, if payable, Bank Guarantee proposed, consignee & paying authority. The proposal would be sent to the competent authority(s).
- h) **Annex-9.1** may be referred for distribution of quantities for ordering to the selected bidders of a tender.
- i) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intensions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tendering and a definite timeframe should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher level, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframes exceed the validity period of the tender and it should be ensured that tenders are invariably finalized within their validity period.

CHAPTER - 10

PERFORMANCE BANK GUARANTEE

Purpose

Performance Bank Guarantees are obtained from suppliers to ensure performance of the contract as specified in the purchase order including warranty for satisfactory working of the equipment and stores during the warranty period. This also serves to cover the risk of the BSNL during the performance of the contract.

When Required

After a tender has been evaluated and the purchase proposal of the BSNL to place orders on the bidders has been approved by the competent authority, a formal letter of intent is placed on the supplier. The supplier is required to furnish bank guarantee for an amount equal to 5% of the value of purchase order on a Nationalized / Scheduled Bank in a standard format within two weeks from the date of issue of letter of intent. The acceptance of the letter of intent by the supplier as well as furnishing of the Bank Guarantee would result in the issue of formal purchase orders.

Validity of Performance Security

The validity period of Performance Security in the form of Performance Bank Guarantee should be in proportion to the delivery period as per the details given below :

<u>Sl.No.</u>	<u>Delivery Period</u>	<u>Validity Period of Performance BG</u>
1.	Upto 6 months	2 Years
2.	6 months to 1 year	2 years and 6 months
3.	More than 1 year	3 years

However, in no case the validity period of the PBG should be less than the period by which all the contractual obligations of the bidders in the respective tenders are likely to be fulfilled.

Action to be taken on Receipt of Bank Guarantee from the Supplier

- a) Examination for Accuracy : The first action to be taken on receipt of bank guarantee from the supplier is to examine the genuineness of the bank guarantee in the light of standard format prescribed as well as a formal check with the bank.
- b) Acceptance of Bank Guarantee : Acceptance of Bank Guarantee is issued to the concerned bank after its genuineness has been examined and entries made in the Register. The acceptance letter is issued to the concerned bank with a copy to the supplier.
- c) Entry in Bank Guarantee Register : After the genuineness has been established, it is entered in the Bank Guarantee Review Register with reference to the amount and the date of validity supplier-wise. The format of the register is enclosed. The entry of the bank Guarantee in the Register is done in the space allocated to the month and year on which it expires and not the month and year of the issue of the Bank Guarantee i.e. entries in the register indicate expiry date

of the bank guarantee, thereby enabling them to be monitored in case renewals are required.

- d) Periodic Monitoring of Register : A periodic monitoring of the status of the validity of the bank guarantee vis-à-vis the performance of the supplier against the contract is necessary to ensure that the bank guarantee is available to BSNL, if required.

Importance of Bank Guarantee Register

Bank Guarantees are one of the remedies available to the BSNL for covering risk during the performance of the contract. It is therefore necessary that bank guarantee be properly entered in the register and monitored so that these remedies are available. A monthly check of all the pending bank guarantees which expire in the next three months are necessary. All bank guarantees which are likely to expire during the next three months, should be followed up with regard to the performance of the supplier against the contract. In case the supplier has satisfactorily performed this contract, then no further action will be taken. However, in case the supplier has not performed satisfactorily, then it would be necessary to ask for an extension of validity of bank guarantee for a further period of 6 months to 1 year so that these remedies would continue to be available to the BSNL. Therefore, when the monthly check-up of the bank guarantee register is carried out, the bank guarantees likely to expire in the next three months needs to be separated out in two categories viz.

- a) which are by and large OK and
- b) where extensions need to be asked for immediately.

Operation of the Set-off Clause

Till now the suppliers are being asked to furnish bank guarantee for each purchase order. At present, there is no practice for an omnibus bank guarantee, covering say one year. In order to cover risk element, the purchase order should contain a set-off clause which will enable BSNL to encash any bank guarantees against any other purchase order given by the same supplier. Therefore, it is prudent to keep all the bank guarantees of a supplier recorded at the same place in the register so that the operation in the set-off clause wherever felt necessary could be under taken without any problem.

Release of Bank Guarantee

Before bank guarantee is released, it should be ensured that the equipment has been taken over satisfactorily by BSNL, no claim is pending against the supplier and that the equipment are working satisfactorily during warranty period. The combination of "taken over" certificate and "no claim" certificate will lead to release of the bank guarantee to the supplier.

Encashment of Bank Guarantee

This is resorted to where the supplier fails to honour his contractual obligations. The precaution to be taken is to ensure that the bank guarantee is still valid. A formal letter to the bank giving particulars of the guarantee number asking for revocation of the Bank guarantee in favor of the BSNL, needs to be issued.

Even in case where BSNL has asked for extension well in advance, the extension has not been given by the bank, then it is within the rights of the BSNL to encash the bank guarantee just prior to the date of expiry and the bank is bound to honour this revocation.

CHAPTER - 11

ADVANCE PURCHASE ORDER

Purpose

The purpose of the Advance Purchase Order (APO) is to formally intimate the successful bidder/bidders of the intention of the BSNL to procure the equipment.

Contents

The APO shall contain the following information :

- a) Equipment to be procured with quantities/price.
- b) File number and date of reference.
- c) Commercial conditions governing the contract.
- d) Finance aspects such as advance payable (if any), amount of Performance Bank Guarantee along with format of the Bank Guarantee.
- e) Delivery Schedule.
- f) Period within which the Bidder has to confirm acceptance to the APO along with the performance bank guarantee in enclosed approved format from a Nationalized / Scheduled Bank.

Format

Format of the APO is given in Annex 11.1 for ready reference.

CHAPTER - 12

PURCHASE ORDER

Conditions for issue

The issue of Purchase Order in any procurement is contingent to the following conditions being met:

1. The Committee for Evaluation of Tender recommendations, including any modifications, where felt necessary, being approved by the competent authority.
2. The purchase proposal being approved and concurred by the competent administrative authority and finance advice.
3. The successful bidder/bidders accepting the Letter of Intent/Advance Purchase order containing all the commercial clauses and prices unconditionally.
4. The successful bidders providing the required Bank Guarantee from the Nationalised/Scheduled Bank.
5. The issue of Purchase Order, in the approved format being approved by the Jt.DDG in charge of procurement.
6. The Purchase Order shall be issued on firm prices only.

Competent Authority to Issue Purchase order

On the fulfillment of the conditions necessary to issue the Purchase Order, the designated ADG of the MM Branch would be competent authority to issue the Purchase Order.

Purchase Order Format

A sample format of purchase Order is given in **Annex 12.1** for ready reference.

TERMS AND CONDITIONS OF THE PURCHASE ORDER

1.0 Payment Terms :

1.1 Payment of 95% of the price shall be made on receipt of goods by consignee. For claiming this payment the following documents are to be submitted to the paying authority.

- (i) Invoice
- (ii) Delivery Challan
- (iii) Supplier certificate for despatch
- (iv) Excise Invoice or equivalent document
- (v) Inspection certificate of QA
- (vi) Consignee receipt
- (vii) The sea freight receipt as per the rates approved by the Ministry of Water and Surface Transport, if any
- (viii) Proof of payment of octroi/entry tax etc., if any

1.2 (i) The balance 5% payment shall be released within 6 months from the date of supply of the equipment in case there are no damage/shortages. In those cases where such shortages/damages are intimated to the supplier in writing, the balance payment shall be released only after the cases are settled in accordance with the provision of the P.O.

- (ii) 100% payment (in place of 95%) may be made on delivery, provided that an additional Bank Guarantee for an amount equivalent to 5% of the value of supplies valid for a minimum period of seven months is furnished by the supplier along with an undertaking that the equipment/stores supplied shall be free from damages/ shortages. In those cases, where such shortages/damages are intimated to the supplier in writing, the Bank Guarantee shall be extended without fail by the supplier for a suitable period at the request of purchaser in writing. Failure to do so shall result in forfeiture of Bank Guarantee. The Bank Guarantee shall be accepted at Circle Head Quarter and shall be released only after the cases are settled in accordance with the provisions available in the Bid Document/Purchase Order. In case, where the additional Bank Guarantee for 5% is not provided, then the payment will be settled as per clauses 1.1 & 1.2 (i) mentioned above.

[Hint: *The actual payment conditions for new products or procurements having installation and AMC services may be decided on case to case basis and incorporated in special conditions of the contract]*

1.3 Form C and also a certificate stating that the tendered item (stores) are meant for the use of BSNL shall be provided by the purchaser on the request of the bidder as and when asked for.

1.4 Any increase in taxes and other statutory duties/levies after the expiry of the delivery date shall be to the Supplier's account. However, benefit of any decrease in the taxes/duties shall be passed on to the purchaser by the supplier.

- 1.5 The supplier / bidder shall give the mandate for receiving payment costing Rs. 5 lacs and above electronically and shall furnish the following information:
- (i) Beneficiary Bank Name:
 - (ii) Beneficiary branch Name:
 - (iii) IFSC code of beneficiary Branch
 - (iv) Beneficiary Account No.:
 - (v) Branch Serial No. (MICR No.)

2.0 Delivery :

- 2.1 The equipment supplied shall confirm strictly to the BSNL specs. The delivery of the equipment ordered herein shall be made to station/stations of destination on freight paid basis. In case of any difficulty the Supplier may please contact concerned planning cell/MM Cell.
- 2.2 The supplier shall furnish the up- to-date supply position every month to the Jt DDG (MMC) / (MMD) / (MMS) or concerned Jt DDG Planning, BSNL, New Delhi, Consignee's controlling officers i.e. CGM/GM and the paying Authority for review by these authorities.

3.0 Technical Literature :

The Supplier shall supply technical literatures of each item free of cost in sets as indicated below:

- 1. Consignee : One set for each item/equipment
- 2. ADG(Plg.) BSNL, New Delhi : One set for each item/equipment
- 3. DET(QA) Concerned : One set for each item/equipment
- 4. CGM(QA) 61, Cock Burn Road : One set for each item/equipment
Shivaji Nagar, Bangalore-51
- 5. Controlling Officer : One set for each item/equipment

4.0 Inspection :

- 4.1 Inspection of the equipment shall be carried out by CGM (QA), Bangalore or his representatives as per the prescribed test schedule before the equipment is packed for dispatch by the supplier.
- 4.2 The equipment shall be sealed by the supplier before dispatch to the consignee.

5.0 Packing :

The supplier shall ensure that the equipment is securely and adequately packed to ensure safe arrival at the destination fully withstanding all hazards such as rough handling etc. during transit.

6.0 Insurance :

The equipment shall be got insured by the supplier upto the time it is delivered to the consignee. The supplier will be responsible, till the entire quantity of stores ordered, for arrival in good working condition at destination is received by the consignee. The consignee will immediately but not later than the prescribed period of insurance on arrival of the stores at the destination notify the supplier of any loss/damage to the stores that may have occurred during transit. The period of insurance cover will be indicated by the supplier to the consignee/Paying authority. In case of any loss/damage during the transit, the case will be lodged by the supplier with the concerned authority on receipt of report from the consignee/paying authority. The stores should on no account be dispatched/delivered without getting the same tested/accepted by the QA(Inspection & Testing) wing of BSNL.

7.0 Forwarding dispatch documents etc. to the Consignee :

7.1 A dispatch advice shall be sent to the consignee by Fax or letter immediately after dispatch of the equipment. The Railway Receipt/Lorry receipt as the case may be, shall be sent on the same day by registered post to the consignee.

7.2 Intimation of dispatch shall also be given to C.G.M. Telecom , concerned Jt DDG Planning and MM Cell, BSNL Corporate Office, New Delhi.

8.0 Replacement of Defective Equipment :

8.1 If any equipment or any part thereof, is found defective or fails to meet the requirements of the contract before it is taken over as per clause 10 below, the Inspector shall give the supplier a notice setting forth details of such defects or failures and the supplier shall forthwith arrange to set right the defective equipment or replace the same by the good one to make it comply with the requirements of the contract. This in any case shall be completed within a period not exceeding three months from the date of the initial report pointing out the defects. The replacement or rectification shall be made at site by the supplier free of cost. Should the supplier fails to do the needful within this stipulated time frame, the purchaser reserves the right to reject the equipment in full or in part and replace the same at the cost of the supplier. The cost of any such replacement made by the purchaser shall be deducted from the amount payable to the supplier against this purchaser order.

8.2 If any equipment or part thereof is lost or rendered defective during transit, pending settlement of the insurance claim, fresh order shall be placed on the supplier for such loss or defective equipment and the supplier shall arrange to supply the same within three months of such order at the same prices and on the same general terms and conditions as mentioned in this purchase order.

9.0 Taking Over :

After all performance tests have been successfully carried out and equipment received by the consignee in good condition, the consignee will issue 'Taking Over Certificate'. The consignee shall not delay the issue of the Taking Over Certificate on account of

minor defects in equipment which do not materially affect the commercial use thereof provided that the supplier shall undertake to make good the same in due course. The Taking Over Certificate shall be issued by the ultimate consignee within six weeks of successful completion of tests.

10.0 Warranty for the Quality of Equipment Supplied :

10.1 The supplier shall warrant that all the equipment to be supplied against this purchase order shall be new and free from all defects and faults in materials used, workmanship and manufacture and shall be of the highest grade/quality and consistent with the established and generally accepted standards for the equipment of the type ordered and shall perform in full conformity with DOT/BSNL specifications and drawings. The supplier shall be responsible for rectification of any defect that may develop under proper use, arising from the faulty materials used, design defect or bad workmanship in the manufacture of the equipment and shall remedy such defects at the site at his own cost when called upon to do so by the Purchaser who shall state in writing as to in what respect the equipment supplied by the supplier is faulty. This warranty shall survive inspection or payment for /and acceptance of Goods, but shall expire(except in respect of complaints notified prior to such date) twelve month from the date of commissioning or 18 months from the date of supply, whichever is earlier.

10.2 If it becomes necessary for the supplier to replace or renew any defective portion/portions of the equipment under clause 8.1 above, the provision of the clause 10.1 shall apply to the portion/portions of the equipment replaced or renewed until the expiration of six months from the date of replacement or renewal of equipment or until the end of the above mentioned period of twelve months, whichever is later. If any defect(s) is not remedied by the supplier within three months of the intimation by the purchaser, the Purchaser may proceed to get the defects remedied from other supplier etc. at the supplier's risk and expenses, without prejudice to any other rights which the Purchaser may have against the supplier in respect of such defects.

10.3 Replacement under the warranty clause shall be made by the supplier at site free of all charges to the purchaser, including freight, insurance and other incidental charges.

11.0 Liquidated Damages :

11.1 The date of delivery of the equipment stipulated in the clause 2.1 above shall be deemed to be the essence of the contract and supply of the equipment must be completed not later than the date specified therein. Extension of delivery schedule shall not be given except in exceptional circumstances. Should however, deliveries be made after expiry of the contracted delivery period, without prior concurrence of the purchaser and be accepted by the consignee, such deliveries will not deprive the purchaser of his right to recover liquidated damages under the clause 11.2 below. Where however, supplies are made within 21 days of the contracted delivery period, the consignee may accept the equipment and in such cases the provision of the clause 11.2 will not apply.

11.2 (i) Should the supplier fails to deliver the store or any consignment thereof within the period prescribed and agreed for delivery, the purchaser, without prejudice to other remedies available to the purchaser shall be entitled to recover, as agreed liquidated damages for breach of contract, a sum equivalent to 0.5% of the value of the delayed supply and/or undelivered material/supply for each week of delay or part thereof for a period upto 10 (TEN) weeks, and thereafter at the rate of 0.7% of the value of the delayed supply and/or undelivered material/supply for each week of delay or part thereof for another TEN weeks of delay.

- (ii) DP extension beyond 20 weeks would not be generally allowed. The extension beyond 20 weeks may be decided in most exceptional circumstances on case to case basis, by the CGM concerned in case of tenders floated by Circles and by the Functional Director concerned in case tenders floated by Corporate Office, stating reasons and justifications for grant of extension of delivery period beyond 20 weeks.
- (iii) In the case of package supply/turnkey projects when the delayed portion of the supply materially hampers installation and commissioning of the systems, LD charges shall be levied as above on the total value of the concerned package of the Purchase Order.
- (iv) Quantum of liquidated damages assessed and levied by the purchaser and decision of the purchaser thereon shall be final and binding on the supplier, further the same shall not be challenged by the supplier either before Arbitration tribunal or before the court. The same shall stand specifically excluded from the purview of the arbitration clause, as such shall not be referable to arbitration. However, when supply is made to the ultimate consignee within 21 days of QA clearance in the extended delivery period and the goods were despatched within this delivery period, the consignee may accept the stores and in such cases the LD shall be levied up to the date of dispatch after QA clearance only.
- (v) The total value of the liquidated damages as per above sub-clauses shall be limited to a maximum of 12% (Twelve percent) i.e. LD shall be levied upto 20 weeks only as per provision at para (i)

The amended clause 11.2 of Section III for capping of LD at 12% will have retrospective effect from 13.06.2006.

12.0 Set off :

Any sum of money due and payable to the supplier (including security deposit refundable to him) under this contract may be appropriated by the purchaser or the BSNL or any other person or persons contracting through the BSNL and set off the same against any claim of the purchaser or BSNL or such other person or persons for payment of a sum of money arising out of this contract or under any other contract made by the supplier with the purchaser or BSNL or such other person or persons contracting through BSNL.

13.0 Force Majeure :

If at any time, during the continuance of this contract, the performance in whole or in part by either party under obligation as per this contract is prevented or delayed by reasons of any war or hostility, act of public enemy, civil commotion, sabotage, fire, flood, explosion, epidemic, quarantine restrictions, strike, lockout or acts of God(herein after referred to "eventuality"), provided notice of happening of any such eventuality is given by either party to the other within 21 days of the date of occurrence thereof, neither party shall by reason of such an "eventuality" be entitled to terminate this contract nor shall either party have any claim or damages against the other in respect of such non-performance or delay in performance and deliveries under the contract. The contract shall be resumed as soon as practicable after such "eventuality" has come to an end or cease to exist. In case of any dispute, the decision of CMD, BSNL, shall be final and conclusive, provided further that if the performance in whole or part of any obligation under this contract is prevented or delayed by reason of any such eventuality for a period exceeding 60 days, either party may at its option, terminate the contract. Provided also that if the contract is terminated under this clause the purchaser shall be at liberty to take over from the Supplier at a price to be fixed by the Purchaser, which shall be final, all unused, undamaged and acceptable materials, bought out components and other stores

in the course of manufacture which may be in the possession of the Supplier at the time of such termination, or such portion thereof as the purchaser may deem fit, except such materials, as the Supplier may, with the concurrence of the Purchaser, elect to retain.

14.0 Arbitration :

In the event of any dispute or difference arising under this agreement or in connection therewith (except as to the matters, the decision to which is specifically provided under this agreement), the same shall be referred to the sole arbitration of the CMD, BSNL or in case his designation is changed or his office is abolished, then in such cases to the sole arbitration of the officer for the time being entrusted (whether in addition to his own duties or otherwise) with the functions of the CMD, BSNL or by whatever designation such officer may be called (hereinafter referred to as the said officer), and if the CMD or the said officer is unable or unwilling to act as such then to the sole arbitration of some other person appointed by the CMD or the said officer. The agreement to appoint an arbitrator will be in accordance with the Arbitration and Conciliation Act 1996.

There will be no objection to any such appointment on the ground that the arbitrator is a Government servant or that he has to deal with the matter to which the agreement relates or that in the course of his duties as a Government servant he has expressed his views on all or any of the matters in dispute. The award of the arbitrator shall be final and binding on both the parties to the agreement. In the event of such an arbitrator to whom the matter is originally referred, being transferred or vacating his office or being unable to act for any reason whatsoever, the CMD, BSNL or the said officer shall appoint another person to act as an arbitrator in accordance with the terms of the agreement and the person so appointed shall be entitled to proceed from the stage at which it was left out by his predecessor.

The arbitrator may from time to time with the consent of both the parties, enlarge the time frame for making and publishing the award. Subject to the aforesaid, Arbitration and Conciliation Act 1996 and the rules made there under, any modification thereof for the time being in force shall be deemed to apply to the arbitration proceeding under this clause.

The venue of the arbitration proceeding shall be the office of the CMD, BSNL at New Delhi or such other places as the arbitrator may decide.

CHAPTER - 13

GUIDIELINES FOR PLACEMENT OF EDUCATIONAL ORDERS

The Need

The purpose of educational order is to develop new potential source of commercial supplies by broadening the supply base and encourage competition so that BSNL could have the benefit with regard to quality, delivery and price and break possible cartilization among the established vendors. This needs to be done where the capacity of the industry is inadequate to meet the requirements of the BSNL. However, there are some items for which the existing established base is much greater than the total requirement of the BSNL and such production units are already under loaded and in such cases there is no need for development of new supply sources for placement of educational order.

Nomenclature

The nomenclature of "educational order" will include what is currently known by the name of trial order or experimental order.

Type Approval

An educational order would be given only to a vendor who has obtained type approval of the equipment or item of store concerned from the TEC or the QA as the case may be.

Quantity of Order

The educational order for an item in favour of any vendor will be restricted in a year to a maximum of one per cent of the total requirement for the year or an amount of Rs.25 lakhs. In case the requirement for the current year is not available, it will be restricted to one per cent of actual purchases made in the previous year.

Price

A vendor seeking to obtain an educational order will not be expected to participate in a bid for a tender. The order can be placed upon him subject to various restrictions given above or below at a price which is at least 10% less than the latest tender price for the concerned item. In case, the tender price for the current year is not yet available, the price would be fixed provisionally at 75% of the last year's price which will be suitably adjusted to 90% of the current price when it becomes available.

Applicability

The above guidelines will apply to educational orders in respect of such items of telecom equipment and stores as are the subject of central purchase by the BSNL Corporate office or the CGM, Stores at Calcutta.

Exceptions

Any exception to the above guidelines will be made only in very exceptional cases under the authority of BSNL Corporate Office.

CHAPTER - 14

PRICING AND PRESERVATION OF THE TENDER DOCUMENTS

1.0 Pricing of the tender documents

- 1.1 The company incurs expenditure for the preparation of bid documents. It is also desirable that only the genuine prospective bidders should acquire these bid documents to avoid wastage. With this in view, it is decided that the bid documents to be issued to the prospective bidder must be sold at the pre-determined price. The price of the document is determined on an estimated cost of procurement and is indicated below:

S.N.	Estimated cost of tender	Bid document price
i.	Upto Rs 1 Lakh	Rs 100/-
ii.	Above Rs 1 Lakh and upto Rs 50 Lakh	Rs 500/-
iii.	Above Rs 50 Lakh and upto Rs 1 Crore	Rs 1,000/-
iv.	Above Rs 1 Crore and upto Rs 10 Crores	Rs 2,000/-
v.	Above Rs 10 Crores and upto Rs 50 Crores	Rs 4,000/-
vi.	Above Rs 50 Crores and upto Rs 150 Crores	Rs 8,000/-
vii.	Above Rs 150 Crores	Rs 10,000/-

Note: Bid documents for **limited tenders** of estimated cost upto Rs 50,000/- (Rupees Fifty Thousand Only) may be issued free of cost. However, bid documents for limited tenders of estimated cost above Rs 50,000/- may be priced as per the details given above.

- 1.2 However, the Tender documents to NSIC registered Small Scale Industries may be given free of cost if the value of procurement is less than or equal to their monetary limit. Before issue of such Tender documents free, they should be asked to submit details of their registrations with NSIC for the tendered item along with their approved 'Monetary Limit'. Their eligibility as per terms and conditions of the tender in question should also be examined and if they meet the conditions stipulated, they may be issued the Tender Documents Free. **If the value of procurement is more than their monetary limits, they are not entitled to get Free Tender Documents.**

2.0 Preservation of tender documents

As per the bid documents a bidder submits 5 copies including the original bid document. 4 copies of the bid documents are distributed among the members of the Committee for Evaluation of Tender. Each member of the Committee for Evaluation of Tender will preserve his copy up to a month after the purchase orders are issued against a tender enquiry. One month after the issue of the purchase orders the bid document may be disposed off by the member themselves. MM Cell will continue to keep the original copy till the contractual obligations are over.

CHAPTER - 15

CONCESSIONS TO SSI UNITS

- I. The guidelines issued by NSIC regarding concessions for Small Scale Industrial Units registered with NSIC under single point registration scheme were considered by the BSNL (Corporate Office) and it has been decided that these units may be allowed the following concessions.

1. **Supply of Tender Documents:**

The tender documents may be issued to eligible bidders free of cost. Before issue of such documents free, the bidder should be asked to submit details of their registration with NSIC for the tendered item along with their approved 'Monitory limit'. Their eligibility as per the terms and conditions of the tender in question should also be examined, and if they meet the conditions stipulated, they may be issued the documents free. If the value of procurement is more than their monitory limit, they are not entitled to free tender document.

2. **Exemption from payment of Bid Security deposit :**

The SSI units registered with NSIC may be given exemption from payment of Bid Security to the extent of their approved 'monitory limit' or Rs. 50 (Fifty) lacs whichever is lower.

- The unit claiming concession of NSIC is required to submit its monthly turnover in support of its claim for meeting the delivery schedule.
- A proof regarding current registration with NSIC for the tendered items will have to be attached alongwith the bid.
- The enlistment certificate issued by NSIC will not be permanent and should be renewed within two years of its presentation.

CHAPTER - 16

VENDOR RATING SYSTEM

1. INTRODUCTION

The BSNL is procuring equipment and materials worth thousands of crores of rupees every year through its PSUs, Telecom Factories and open tenders. It is therefore necessary that the BSNL procures only quality products at competitive prices with deliveries at stipulated pace for achieving planned and operational targets. Keeping this in view BSNL has decided to introduce Vendor Rating System for procurement of materials with effect from January' 97.

2. VENDOR RATING

The philosophy of Vendor Rating aims to help the BSNL to procure equipment/stores from a vendor who is able to deliver the products of good quality and at competitive prices with deliveries at a stipulated pace for achieving planned and operational targets. Assessment of these qualifications of a vendor, on a single point scale, to help grading the performance of a vendor is called Vendor Rating.

The vendor getting the highest rating will be regarded as V-1 (similar to L-1) and the others in the descending order of their rating for the purpose of distribution of quantities of equipment / materials to be ordered. However, the ordering rate (price) for procurement will be the lowest evaluated price out- of the rates quoted by the vendors selected for ordering on Vendor Rating basis.

2.1 VENDOR RATING (VR) :

Vendor Rating will be calculated as per the formula given below:-

$$VR = 0.6 PR + 0.3 DR + 0.1 QR$$

Where PR = Price Rating
 DR = Delivery Rating
 QR = Quality Rating

2.2 PRICE RATING (PR) :

Price Rating is worked out as follows:

$$PR = \frac{PL}{PQ}$$

Where PL = Lowest price quoted by a vendor for the product being tendered.
 PQ = Price quoted by the vendor being evaluated for the tendered item.

2.3 DELIVERY RATING (DR) :

The Delivery Rating will be calculated as per the formula given below:

$$DR = 0.7 \frac{Q1}{Q} \left[\frac{T}{T.R + 1.5 \frac{\sum Tx \cdot Qx}{Q}} \right] + \frac{0.3}{P} \sum \frac{Qi}{Qp}$$

Where

$Qi < Qp$

If $Qi > Qp$, then take $Qi = Qp$

Q1 = Quantity supplied within Scheduled delivery period.

SDP = Scheduled Delivery Period or Initial Delivery Period(IDP)

Q = Total ordered quantity

T = Scheduled delivery period in months.

Tx = Time taken beyond Scheduled D.P. in months for each extension including Scheduled D.P.

$$R = \frac{Q1}{Q}$$

Qx = Quantity supplied during each extended period.

P = Number of supply segments or slots (within SDP)

Qi = Quantity delivered in a particular supply segment (within SDP)

Qp = Quantity to be delivered in every supply segment (within SDP)

For calculation of DR, the following procedure as per above formula will be adopted.

2.3.1. The period for calculation of Delivery Rating will be two years as specified in Bid Documents. It is defined as "WINDOW".

2.3.2 All purchase orders issued during the "WINDOW" will be considered for calculation of Delivery Rating. However, if in respect of any such P.O. the scheduled delivery date extends beyond the "WINDOW", then in respect of such P.O (s), the Delivery Rating shall be calculated taking into account the supplies required to be made within the period common to both the "WINDOW" and the scheduled delivery period that shall be taken on prorata basis.

2.3.3 All supplies made within any period of the "WINDOW" in respect of P.Os issued prior to the commencement of the "WINDOW" shall be considered for the calculation of DR, provided such period of the "WINDOW" falls within original scheduled delivery date stipulated in the P.O and not any further extensions accorded and this shall be further subject to the following proviso:

From out of supplies actually made during the "WINDOW", shortfall if any in the supplies to be made prior to the commencement of the "WINDOW" shall be offset and the balance quantity alone shall be taken as effective supply during the "WINDOW".

2.3.4 The formula for computing overall DR taking into account the DR for every P.O is given below:

$$\text{Overall Delivery Rating (ODR)} = \frac{\sum_{i=1}^n Q_{oi} \cdot DR_i}{\sum_{i=1}^n Q_{oi}}$$

Where Q_{oi} = Quantity ordered for the i th P.O
 DR_i = Delivery Rating for the i th P.O.
 n = No:of P.Os

2.3.5 The Delivery Rating of vendors who have not executed any commercial order during "**WINDOW**" will be rated based upon their past performance. In case their past performance is equal to or above the average DR of the firms under consideration, then they will be given average delivery rating. However, if their past performance is below average delivery rating, the actual performance will be taken for calculation of Delivery Rating. The "**WINDOW**" for this purpose shall be of same duration.

2.3.6 In case of the vendors who have executed only Educational Orders, a Delivery Rating equal to Average Industrial Rating or Delivery Rating earned by them in Educational Orders whichever is less will be given.

2.3.7 If the delay is caused due to departmental reasons as certified by competent authority or Force Majeure conditions, it will not be taken into account in computing delays in supply.

2.3.8 For the purpose of **calculation of Delivery Rating only**, the date of delivery will be taken as the date of issue of **Inspection Certificate by QA Wing**. However, for the purpose of payments and liquidated damage, the delivery will continue to be as stipulated in the Purchase Order.

2.3.9 The supplies should be spread evenly over the scheduled delivery period. An uniform 60 days of initial segment (including lead period) and 30 days or part thereof for subsequent segments (slots) are presumed, irrespective of time allotted for the initial segment in P.O in order to observe an uniform supply principle for computing DR.

2.4 Clarifications on VRS

2.4.1 Clarification for Clause 2.3.3 :

- a) The Purchase Order issued prior to commencement of "WINDOW" whose extension period alone lies within the "WINDOW" will not be considered for DR calculation.
- b) A Purchase Order which has got an extension in addition to a part of Scheduled Delivery Period in the "WINDOW" will be considered for the purpose of DR. In such cases the supplies effected during the extension period also will be taken into account.

2.4.2 In respect of POs issued during "WINDOW" for which the Scheduled Delivery Period closes within "WINDOW" and extension is issued by the purchasing authority which

may extend beyond "WINDOW", the DR in such cases will be calculated on prorata basis taking into account the supplies supposed to be made during "WINDOW".

- 2.4.3. Purchase Orders issued against BSNL (Corporate Office), tenders only will be considered for calculation of Delivery Rating.
- 2.4.4 Any modification obtained by supplier on his request made after the date of NIT which are in the nature of affecting the existing DR will not be taken into account.
- 2.4.5. Advancing of supplies between segments, within Scheduled Delivery Period will be reckoned for calculation of DR subject to the condition that the supplies made in excess of the quantity that is required to be supplied in that segment will be carried over to the next segment and so on. This procedure will be uniformly applied for all POs whose Scheduled Delivery Periods lies either fully or partly within "WINDOW".
- 2.4.6. In respect of PIJF cable only, irrespective of the group, the quantity of cables supplied will be taken in terms of CKM (conductor Km) for the purpose of DR calculation subject to the condition that the quantity so calculated in CKM will be limited to the quantity of the cable to be supplied in each size, as specified in the P.O.
- 2.4.7. DR for all the cases will be calculated by CGM (QA), Bangalore and his decision is final.

3. QUALITY RATING :

The Quality Rating will be awarded in the following manner, if the bidder submits valid ISO 9001 / 9002 Certificate.

Certification	Quality Rating
ISO 9001	1
ISO 9002	1

4. ORDERING PRICE :

Vendor with the highest Vendor Rating will be regarded as the V-1 bidder and the others listed in the descending order of their vendor rating for the purpose of distribution of the quantities to be ordered. However, the ordering rate (price) for procurement will normally be the lowest one out of the rates (prices) quoted by the vendors selected for ordering on Vendor Rating basis.

5. IMPLEMENTATION METHODOLOGY

Role of different Wings of BSNL

I BSNL Corporate Office

- i) It would be the nodal point with regard to all matters related to Vendor Rating System.
- ii) The MM Branch shall incorporate all aspects of Vendor Rating that are required to be spelt out clearly in appropriate clauses of the tender documents.

- iii) The MM Branch shall also ensure transparency of Vendor Rating System to all concerned as per provisions contained in the tender documents.
- iv) The MM Branch shall evolve a Grievance redressal Mechanism and be responsible for redressing any grievances of vendors with regard to Vendor Rating issues.
- v) The Committee for Evaluation of Tender would be responsible for final computation of the Vendor Rating figures in respect of POs placed by BSNL Corporate Office, based on the Delivery Rating figures received from BSNL QA and the Price Rating and Quality Rating.

II. QA CIRCLE

Responsible for collection and processing of the Delivery Rating data from various QA centres and consolidation of the same as per various clauses of tender documents and submit Delivery Rating of all bidders participating in a tender to the Purchasing Authority.

III. ROLE OF CGMTS

- i) CGM (TS), Calcutta, would be the nodal officer with regard to all procurements done through CGM(TS).
- ii) He is responsible for incorporating suitable clauses in the tender documents with regard to the Vendor Rating System in all tenders to be issued in future, for the products on which Vendor Rating system is to be applied.
- iii) He is to ensure transparency of Vendor Rating system to all concerned as per provisions in the tender documents.
- iv) He has to evolve grievance redressal mechanism and be responsible for redressing any grievance of vendors with regard to Vendor Rating issues.
- v) He is to do final computation of Vendor Rating figures while finalizing the tenders based on Delivery Rating received from BSNL QA and his own price and quality rating calculations.

CHAPTER - 17

BHARAT SANCHAR NIGAM LTD.
(A Govt. of India Enterprise)
SANCHAR BHAWAN, 20-ASHOKA ROAD, NEW DELHI-110001
(MMS SECTION)

No.60-8/2000-MMS/508

Dated : 21.6.2001

To

1. All Heads of Telecom Circles.
2. All CGMs Telecom Project/Maintenance Regions.
3. CGM Telecom Stores, Calcutta.
4. CGM Telecom Districts Chennai/ Calcutta.
5. CGM Task Force, Guwahati.
6. CGM QA/ALTTC/BRBRAITT

Sub: Guidelines for procurement of Decentralized items.

Kindly refer to this office letter of even No. dated 11.4.2001 wherein the decision of BSNL, Board was intimated to Heads of Telecom Circles for the items required to be purchased through centralized / decentralized procurement.

It has now been decided that the following guidelines may be followed by the Circles for procurement of the decentralized items :

- a) Procurement shall be done following transparent tendering procedure in consistence with the overall procurement policy of the BSNL.
- b) While procuring, the existing inventory and inventory in the pipeline should also be accounted for. Circles should take into account their consumption pattern while assessing their requirements. Utmost care should be taken to ensure that piling up the inventory is avoided. Care is also to be exercised in assessing the requirement of items where no norms are prescribed. Rate List number in respect of stocked items will continue to be retained till further instructions.
- c) Procurement will be as per technical specifications (GR) applicable at the time of calling of the tenders. The applicable specification with Amendment No. should be indicated in the tender as decided by the BSNL HQ.
- d) For all purchases made, the deliveries should be accepted after appropriate inspection and testing by QA Wing.
- e) The procurement is to be done on reasonable rates. The reasonableness of the rates obtained in the tenders shall be assessed by comparing with the rates of previous procurement and also current market trend for the same.
- f) Telecom Circles shall procure these items to meet their annual requirements keeping available inventory in view.
- g) Procurement should be made with the concurrence of Circle IFA. The quantities to be procured, should be recommended by the high power Circle Committee consisting of IFA of Circle, GM(D), GM(O) & DGM(MM) for approval of CGM.

- h) The orders would be placed against sanctioned estimates and approved budget and in a manner that supplies are received regularly instead of bunching towards the end of the year.
- i) Powers for decentralized procurements are not to be further delegated to the lower formations. The powers should be exercised by the Heads of the Circles only.
- j) No ordering shall be done on the basis of tenders finalized and purchase orders issued by either BSNL HQ or any other Circle except in the cases where special authorization has been given by BSNL HQ.
- k) The reservation for Telecom Factory, ITI and HTL for certain items would continue till further orders. Specific quantities of the reservation for these organizations shall be indicated by MM Cell based on their manufacturing / supply capacity. However, for ITI, the maximum reservation quantity will be 30% and if the item is reserved for both ITI and HTL, the reserved quantity will be 35% to be distributed in the ratio of 20:15 respectively subject to their manufacturing / supply capacity.
- l) The Telecom Circles will ensure proper and expeditious utilization of the material procured by them.
- m) The Circles will submit a report about procurement under the decentralization scheme every six months in the prescribed formats as Annexure-I & II (Copies enclosed). They shall convey details of procurement made by them to the Planning Cells with budget details for monitoring of progress. They will also send a copy of the orders placed to the MM and Planning Cells of BSNL.
- n) Any other rules/instructions on the procurement issued by the BSNL shall be observed.

This issues with the approval of Competent Authority of BSNL Board.

**(C.V. RAMANA BABU)
Jt.DDG (MMS)**

Copy for information to :

1. CMD, BSNL
2. Director(Plg.)/ Director(F)/ Director(HRD)/ Director (OP), BSNL.
3. All Sr.DDGs / DDGs, BSNL
4. Jt.DDG(MMC)/ Jt.DDG(MMD)/ Jt.DDG(MMT)

ANNEXURE - I to letter No. 60-8/2000-MMS/508 Dated : 21.6.2001

Bharat Sanchar Nigam Limited.
Circle-wise Half Yearly Monitoring Statement for Procurement of
Decentralized Items, FY 200 - 0
Period Ending 30.09.200 .

Circle Name : _____.

Sl. No.	Item	Gross Quantity Required for 2001-02	Quantity available on 01.04.2001	Balance pending supplies against 2000-2001 order	Additional quantity required for 2001-2002	Orders placed during 2001-2002	Supplies received against 2000-2001 orders	Supplies received against 2001-2002 orders	Remarks
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									

Circle/District Reference No. Dated :

Copy to :

1. DDG(MM-I)/DDG(MM-II), BSNL HQ
2. Sr.DDG(SW/TX/MS), DDG(RN), BSNL HQ
3. DDG(PF)/ DDG(Accounts), BSNL HQ.

Chief General Manager
Telecom Circle

BHARAT SANCHAR NIGAM LTD
(A Govt. of India Enterprise)
SANCHAR BHAVAN, 20-ASHOKA ROAD, NEW DELHI-110001
(MMS SECTION)

No. 60-8/2000-MMS

Dated : 27.05.2002

To

All Heads of Telecom Circles.
All CGMs Telecom Project/ Maintenance Regions
CGM Telecom Stores, Calcutta.
CGM Telecom Districts Chennai /Calcutta.
CGM Task Force, Guwahati.
CGM QA/ALTTC/BRBRAITT.

SUB: Review of Decentralized procurement of DLC Equipment Reg.

Various Telecom Circles from time to time have conveyed their difficulty in finalization of Tenders for some of the items like DLC Equipment etc. owing to availability of a very few eligible vendors and also in consideration of the decision taken in the Heads of Circles meeting held on 10th & 12th April, 2002, it has been decided that henceforth procurement of DLC on SDH shall be done centrally by BSNL Corporate office

The orders for decentralized procurement of DLC Equipment issued vide this office letter of even no. dated 23.8.2001 stands withdrawn with immediate effect. However following conditions will apply in respect of procurement action already initiated by the Telecom Circles for DLC Equipment:

1. The Telecom Circles which have already opened their tenders may continue with the procurement process at their own level.
2. However, in cases where only NIT has been issued and tenders are yet to be opened, Circles are directed to withdraw the NIT & no procurement action against NIT may be initiated. They are also advised to send their requirements of DLC on SDH along with requisite information to the Switching Planning Cell, BSNL Corporate office.

This issues with the approval of CMD, BSNL.

(C.V. RAMANA BABU)
Jt. DDG (MMS)

Copy for information to :

1. CMD, BSNL
2. Director (PLG)/ Director (F)/ Director (HRD)/ Director (OP), BSNL
3. All Sr. DDsG / DDsG, BSNL
4. Jt. DDG (MMC) / Jt. DDG (MMD) / Jt. DDG (MMT)
5. ADG(ST)/(SE)/ (MMX)/(MMY)/(MT)/(CT)/(CE)
6. Resident Audit Officer

BHARAT SANCHAR NIGAM LTD
(A Govt. of India Enterprise)
SANCHAR BHAVAN, 20-ASHOKA ROAD, NEW DELHI-110001
(MMS SECTION)

No. 60-8/2000-MMS/423

Dated : 19.06.2002

To

All Heads of Telecom Circles.
All CGMs Telecom Project/ Maintenance Regions
CGM Telecom Stores, Calcutta.
CGM Telecom Districts Chennai /Calcutta.
CGM Task Force, Guwahati.
CGM QA/ALTTC/BRBRAITT.

SUB: Review of Decentralized procurement of STM-1/ STM-4 & SDH Analyzers Reg.

In continuation to this office letter of even no. Dated 27th May 2002 reverting decentralized procurement of DLC on SDH to centralized procurement, it has been decided that the BSNL Corporate office shall make the procurement of following equipment centrally:

1. **STM-1 and STM-4 Equipment**
2. **SDH Analyzers**

However, following conditions will apply in respect of procurement action already initiated by the Telecom Circles for the above equipment:

- The Telecom Circles, which have already opened their tenders, may continue with the procurement process at their own level.
- However, in cases where only NIT has been issued and tenders are yet to be opened, Circles are directed to withdraw the NIT & no procurement action against NIT may be initiated. They are also advised to send their requirements of STM-1, STM-4 equipment & SDH Analyzers alongwith requisite information to the Transmission Planning Cell, BSNL Corporate office.

This issues with the approval of CMD, BSNL and shall come into force with immediate effect

(C.V.RAMANA BABU)
Jt. DDG (MMS)

Copy for information to:

1. CMD, BSNL
2. **Director (PLG)/ Director (F)/ Director (HRD)/ Director (OP), BSNL**
3. All Sr. DDsG / DDsG, BSNL
4. Jt. DDG (MMC) / Jt. DDG (MMD) / Jt. DDG (MMT)
5. ADG (ST)/(SE)/ (MMX)/(MMY)/(MT)/(CT)/(CE)
6. Resident Audit Officer

BHARAT SANCHAR NIGAM LTD.
(A Govt. of India Enterprise)
12th Floor, Statesman House, Brarakhamba Road, NEW DELHI-110001
(MMS SECTION)

No. 60-8/2000-MMS

Dated : 21.08.2002

To

1. All Heads of Telecom Circles.
2. All CGMs Telecom Project/ Maintenance Regions
3. CGM Telecom Stores, Calcutta.
4. CGM Telecom Districts Chennai /Calcutta.
5. CGM Task Force, Guwahati.
6. CGM QA/ALTTC/BRBRAITT.

SUB: Reservation quota for decentralized items.

Kindly refer to this office letter of even no. dated 21.6.2001 relating to guidelines for procurement of decentralized items were issued wherein applicability of reservation quota for PSUs i.e. M/s ITI & HTL was defined under Para (k). On disinvestments of HTL, it has been decided to reserve 10% quota to M/s HTL Ltd. on the items wherever applicable (as against 15% being considered earlier). The instructions for which have since been issued by BSNL HQs. Vide letter No. 115-149/98-MMD/Vol.II dated 08.11.2001.

In view of the above development, the following policy for reservation to aforesaid Firms shall be followed henceforth :

1. For the products being manufactured by M/S ITI Ltd. as well as HTL Ltd, reservation to the extent of 35% of the total requirement is to be done in the ratio of 25:10 to M/s ITI & HTL respectively
2. For the products being manufactured by either of the firm:
 - a) Reservation to the extent of 30% of the total requirement will be given to M/s ITI if it is a sole manufacturer of the product.
 - b) Reservation to the extent of 10% of the total requirement will be given to M/s HTL if it is a sole manufacturer of the product.
3. Due to disinvestments of HTL w.e.f. 16.10.2001, reservation @ 10% is to continue for this Company only for 2 years i.e. 2002-03 & 2003-04.

(C.V.RAMANA BABU)
Jt. DDG (MMS)

Copy for information to :

1. CMD, BSNL
2. Director (PLG)/ Director (F)/ Director (HRD)/ Director (OP), BSNL
3. All Sr. DDsG / DDsG, BSNL
4. Jt. DDG (MMC) / Jt. DDG (MMD) / Jt. DDG (MMT)
5. M/S ITI Ltd. New Delhi, w.r.t. their letter No. Mktg./Sw/601 dated 16th August,2002.
6. M/S HTL Ltd.

BHARAT SANCHAR NIGAM LTD.
(A Govt. of India Enterprise)
12th Floor, Statesman House, Brarakhamba Road, NEW DELHI-110001
(MMS SECTION)

No. 60-8/2000-MMS

Dated : 20.09.2002

To

1. All Heads of Telecom Circles.
2. All CGMs Telecom Project/ Maintenance Regions
3. CGM Telecom Stores, Calcutta.
4. CGM Telecom Districts Chennai /Calcutta.
5. CGM Task Force, Guwahati.
6. CGM QA/ALTTC/BRBRAITT.

SUB: Reservation for Switching and Transmission Equipment for decentralized items.

Kindly refer to this office letter of even no. dated 21.6.2001 issuing guidelines for procurement of decentralized items wherein applicability of reservation quota for PSUs i.e. M/s ITI & HTL was defined under Para (k). On disinvestments of HTL, it has been decided to reserve 10% quota to M/s HTL Ltd. on the items wherever applicable (as against 15% being considered earlier). The instructions for which have since been issued by BSNL, HQs. Vide letter No. 115-149/98-MMD/Vol.II dated 08.11.2001.

In view of the above development, the following policy of reservation for Switching as well as Transmission Equipment to aforesaid Firms shall be followed henceforth:

1. For the products being manufactured by M/S ITI Ltd. and for HTL Ltd., reservation to the extent of 35% of the total requirement is to be done in the ratio of 25:10 to M/s ITI & HTL respectively.
2. For the products being manufactured by either of the firm:
 - a) Reservation to the extent of 30% of the total requirement will be given to M/s ITI if it is a sole manufacturer of the product.
 - b) Reservation to the extent of 10% of the total requirement will be given to M/s HTL if it is a sole manufacturer of the product.
3. Due to disinvestments of HTL w.e.f. 16.10.2001, reservation @ 10% is to continue for this Company only for 2 years i.e. 2002-03 & 2003-04.

The above instructions shall also be applicable for centralized items.

(C.V.RAMANA BABU)
Jt. DDG (MMS)

Copy for information to : -

1. CMD, BSNL
2. Director (PLG)/ Director (F)/ Director (HRD)/ Director (OP), BSNL
3. All Sr. DDsG / DDsG, BSNL
4. Jt. DDG (MMC) / Jt. DDG (MMD) / Jt. DDG (MMT)/ All ADGs of MM Section.
5. All IFAs of Head of Telecom Circles/Districts.
6. Audit P&T.
7. M/S ITI Ltd. New Delhi, w.r.t. their letter No. Mktg./Sw/601 dated 16th August, 2002.
8. M/S HTL Ltd.



Bharat Sanchar Nigam Ltd.

(A Govt. of India Enterprise)

[B-148, Statesman House, Barakhamba Road, New Delhi-1]
(MMT Section)

No.60-8/2000-MMS/365

Dated: 20.05.2003

To

All Heads of Telecom Circles,
All CGMs Telecom Project/Maintenance regions.
CGM Telecom Stores, Calcutta.
CGM Telecom Districts Chennai/Calcutta.
CGM Task Force, Guwahati.
CGM QA/ALTTC/BRBRAITT.

Sub: Decentralization of SMPS Power Plants and VRLA Battery of all sizes; Reg.

- (a) It has been decided that SMPS Power Plant and VRLA Batteries of **all sizes** which were hitherto being procured by CGMTS, Kolkata centrally stand decentralized for all Telecom Circles **except for the designated Circles viz. Assam, NE-I, NE-II, A & N, NTF for which procurement shall be continued by CGMTS, Kolkata with immediate effect.**

All Telecom Circles, except the aforementioned designated Circles, can now procure Power Plants/Battery of all sizes themselves under their delegate financial powers.

- (b) The procurement of these items shall be made as per the existing guidelines issued by this office vide No.60-8/2001-MMS dated 21.6.2001.
- (c) Availability of funds shall be ensured with the concurrence of IFAs. Tender document/ conditions shall be vetted by IFAs.

This issues with the approval of BSNL Board.

(C.V. RAMANA BABU)
Jt. DDG(MMS)

Copy for information to:

1. CMD, BSNL.
2. Director(PLG.)/Director(F)/Director(HRD)/Director(OP), BSNL.
3. All Sr. DDsG/DDsG BSNL.
4. Jt.DDG(MMC)/Jt.DDG(MMD)/Jt.DDG(MMT).
5. **CGM(TS), Kolkata:-for information.** With the enforcement of above referred orders, he may continue to procure Power Plant and Batteries of all sizes for the designated Circles i.e **Assam, NE-I, NE-II, A&N, NTF.**
6. Jt.DDG(WS) for information.



Bharat Sanchar Nigam Ltd.

(A Govt. of India Enterprise)

[Statesman House, B-148, Barakhamba Road, New Delhi - 110 001]

(MMT Section)

File No.10-10/2003-MMT

Dated:19.06.2003

To

All Chief General Managers Telecom.,
Territorial Circles/Metro Distts./Telecom Region/Telecom Projects/
Training Centres/Task Force /Telecom Stores/NCES/Data Network/
Telecom Factories.

Subject: Acceptance of additional 5% Bank Guarantee

As per the payment terms of various tenders 100% payment (in place of 95%) may be made on delivery, provided that an additional Bank Guarantee equivalent to 5% of the value of supplies valid for a minimum period of seven months is furnished by the supplier along with an undertaking that the equipment/stores supplied shall be free from damages/shortages. In those cases, where, such shortages/damages are intimated to the supplier in writing, the Bank Guarantee shall be extended without fail by the supplier for a suitable period at the request of purchaser in writing. Failure to do so shall result in forfeiture of Bank Guarantee. The Bank Guarantee will be released only after the cases are settled in accordance with the provisions available in the Bid Document/Purchase Order.

TEMA has represented that the said additional 5% of Bank guarantee should be accepted at circle level instead of SSA level.

The case has been examined and it has been decided that 5% bank guarantee for release of 100% payment (in place of 95%) may be accepted at circle level.

The Bank guarantee will be released only after the cases are settled in accordance with the provision available in Bid document/Purchase Order after getting clearance from the respective SSAs that there is no liability towards the supplies against PO terms and conditions.

However, all payment will be released at SSA level only.

(S.K.Bhattacharjee)
ADG(MMX)

Copy to:

1. All Sr. DDGs/DDGs in BSNL, Corporate office, New Delhi.
2. Jt. DDG(MMC)/MMD/MMS/MMT, BSNL, Corporate office, New Delhi.
3. All ADGs/ADs/SOs in MM Cell, BSNL, Corporate office, New Delhi.
4. President, TEMA.

Centralized Items to be procured by BSNL Corporate Office

S.N.	Item
1	Digital Wave Division Multiplexing (DWDM) equipment and associated test and measuring instrument
2	Synchronous Transport Mode (STM)-1,4,16 Equipment and associated test and measuring instrument
3	Digital cross connect systems.
4	Cellular Mobile Service Expansion Equipment
5	Extra Large Digital Switches, C-DOT MAX-XL & TAX including RSUs & RLUs
6	PIJF Cables except 5 Pair Cables
7	National Internet Backbone Equipment(NIB)-II
8	WLL Service Expansion Equipment
9	Voice Over Internet Protocol(VOIP) Equipment
10	International Gateway Equipments
11	Optical Fibre Cables. 24 Fibre & higher
12	Any new Technology or new services items
13	Digital Satellite Public Phone(DSPT)
14	Digital Loop Carrier(DLC)
15	Line Multiple Distribution System(LMDS)
16	Digital Circuit Multiplexing Equipment(DCME)
17	Intelligent Network(IN)
18	Managed Leased Line Network (MLLN) Equipment
19	Any New Technology or New Services Item or Item not established in the network being introduced for the first time and items for which quality has not stabilized

BID BOND REGISTER

Name of the Bidder	Bid Bond Number	Amount of Bid Bond	Name of the Banker	Date					
				Opening	Valid upto	Extension asked for	Extended	Returned to the Bidder	Encashment where Resorted

**DISTRIBUTION OF QUANTITIES FOR ORDERING TO THE SELECTED
BIDDERS OF A TENDER**

Number of Bidders on whom the Order is proposed to be placed	Distribution of Quantity
2	L - 1 should be given 70% L - 2 should be given 30%
3	L - 1 should be given 50%. Remaining quantities to other selected Bidders in INVERSE RATIO of their Evaluated price or in direct proportion to VR.
4	L - 1 should be given 40%. Remaining quantities to other selected Bidders in INVERSE RATIO of their Evaluated price or in direct proportion to VR..
5 to 9	L - 1 should be given 30%. Remaining quantities to other selected Bidders in INVERSE RATIO of their Evaluated price or in direct proportion to VR..
10 and Above	L - 1 should be given 20%. Remaining quantities to other selected Bidders in INVERSE RATIO of their Evaluated price or in direct proportion to VR..

**ADVANCE PURCHASE ORDER
(Format)**



BHARAT SANCHAR NIGAM LIMITED
(A Government of India Enterprise)
Statesman House, Barakhamba Road, New Delhi - 110001
(MM Cell)

File No. _____

Dated _____

Subject : Placement of Advance Purchase Order for supply of

Reference : Your letter No. _____ Dated _____

Dear Sir,

On behalf of BSNL, an Advanced Purchase Order(APO) is hereby placed on you for the supply of the subject items. This APO is being placed under the following terms and conditions :

1. The APO is likely to be converted into detailed PO after your acceptance of the APO and furnishing performance Bank Guarantee of Rs. _____ valid for a period of _____. The said BG shall be furnished by you from a Scheduled Bank strictly in accordance with the BSNL format(a copy of the format is enclosed). The BG should be accompanied with the photo copy.
2. Unit rate of the item shall be as per annexure, thereby total value of the order shall be Rs _____ (as per Annexure). The prices are firm, inclusive of all Levies & Taxes, Packing, Forwarding, Freight, Insurance charges and are F.O.B./Destination.
3. The equipment supplied will be strictly in accordance with the specifications laid down by the BSNL. The supply shall be made only after QA (BSNL) have carried out necessary inspection/testing and approved the equipment for supply to BSNL.
4. The supply shall start in _____ months and have to be completed within _____ months from the date of issue of detailed PO.
5. The BSNL reserve the right to cancel Purchase Order if the agreed delivery schedule is not adhered to by the supplier. Any loss arising out of such delays in the supply of the equipment shall be on the supplier account.
6. _____% advance shall be payable against this order.(If applicable)

7. You are requested to convey your acceptance of this Advance Purchase Order and to submit the desired information at an early date and submit the required Bank Guarantee in the attached prescribed format within a period of 14 days from the date of placement of this APO failing which this APO is likely to be treated as cancelled.

Yours faithfully
()
Assistance Director General

Copy to :

1. Sr. DDG, TEC, Khurshid Lal Bhawan, New Delhi
2. DDG (User Group), BSNL, New Delhi
3. CGM QA , 61, Cock Burn Road, Bangalore
4. ADG (User), BSNL, New Delhi, w.r.t. his U.O. Note No. _____Dt

Yours faithfully
()

**PURCHASE ORDER
(Format)**



BHARAT SANCHAR NIGAM LIMITED
(A Government of India Enterprise)
Statesman House, Barakhamba Road, New Delhi - 110001
(MM Cell)

File No. _____

Dated _____

General

1. Name and Address of Supplier :
2. Purchaser : Bharat Sanchar Nigam Limited
(Hereinafter referred to as Purchaser)
3. Supplier's Reference :
4. Purchaser's Reference :
5. Scope of the Purchase Order :
6. Particulars of route/Scheme/Project : AS PER ANNEXURE

Commercial

- i) Consignee details : As per Annexures.
- ii) Delivery Schedule : _____
- iii) Mode of Transport : By road or rail
- iv) Inspection :

Financial

- i) Total cost of P.O :

The price details are given in annexure :
(The prices are firm and inclusive of all the Taxes/Levies, packing & forwarding charges freight, Insurance and other statutory duties etc. but excluding octroi/entry tax which will be paid extra as per actuals, wherever applicable)

- ii) Performance Bank guarantee :
- iii) Payment :

- iv) Paying Authority :
- v) Sanction particulars of Project Estimate : AS PER ANNEXURE.....
- vi) Head of Account :
- vii) Certificate about availability of funds : FUNDS ARE AVAILABLE

Technical : Annex attached

- i) Technical Specifications :
- ii) Terms and conditions of the P.O.
- iii) Annexures .

()

Assistant Director General

Copy forwarded for information and necessary action to :

1. Supplier
2. DDG(User), BSNL, New Delhi
3. Sr. DDG (TEC), Khurshid Lal Bhavan, New Delhi.
4. CGM QA, 61, Cock Burn Road, Bangalore-51.
5. CGMT T&D Circle, Jabalpur.
6. Director of Audit, P&T, Shyam Nath Nagar, Delhi-54.
7. Audit Officer, P&T, 1210, Sanchar Bhawan New Delhi.
8. ADG (User) BSNL, New Delhi with respect to his U.O.Notice No.
9. Sr. A.O (MMD), BSNL, New Delhi.
10. Consignee
11. Paying authorities as per P.O.

()

Assistant Director

No.OFF-1-CTE-1(Pt.) VIII
Government of India
Central Vigilance Commission

**Satarkta Bhawan, Block-A,
4th Floor, GPO Complex,
INA, New Delhi**

Dated: 02 May, 2005

To

Shri Avinash Agarwal,
Jt. DDG (MMT),
Bharat Sanchar Nigam Ltd.
Statesman House, Barakhamba Road,
New Delhi-110001

Sub: Procurement of Materials through open tender – counter offers procedure.

Sir,

Please refer to your letter No.3-2/2004-MMT dated 9/10-3-2005 on the subject cited above. In this connection, it is informed that the procedure being adopted by BSNL in case order is to be placed on more than one bidder, does not appear to be in order. Counter offer simultaneously to L-2, L-3 bidders alongwith L-1 bidder is against the Commission's guidelines of negotiations with L-1 bidder only. Further as per BSNL procedure, if lower quoting firm backs out, inter-se ranking is recast and counter offer is made to next eligible bidder in the ranking, while as per Commission's instructions, in a situation where L-1 backs out re-tendering is to be done.

2. It is therefore, advisable that even in case where order is to be placed on more than one bidder, counter offer is initially made to L-1 bidder only. Only after L-1 bidder accepts the counter offer, L-2 bidder is offered the counter offered rate and so on.

3. Please acknowledge the receipt.

Yours faithfully,

(P.K. Kanchan)
Technical Examiner

No.OFF-1-CTE-1(Pt.) VIII
Government of India
Central Vigilance Commission

**Satarkta Bhawan, INA,
GPO Complex, Block-A
New Delhi:110023**

Dated: 17 Aug, 2005

To

Shri Avinash Agarwal,
Jt. DDG (MMT),
Bharat Sanchar Nigam Ltd.
Statesman House, B-148, Barakhamba Road,
New Delhi-110001

Sub: Procurement of Materials through open tender – Counter offers Procedure.

Sir,

Please refer to your letter No.3-2/2004-MMT dated 5-7-2005 on the subject cited above. In this connection, it is stated that the post tender negotiations include counter offers also.

Yours faithfully,

(P.K. Kanchan)
Technical Examiner
For Chief Technical Examiner



BHARAT SANCHAR NIGAM LIMITED

(A Government of India Enterprise)

Statesman House, B-148, Barakhamba Road, New Delhi-110001

(MMT Section)

F.No. 3-10/2004-MMT

Dated: 29.08.2005

To

All Chief General Manager's,
Telecom Circles/Telecom Districts/Telecom Projects/
Maintenance Regions/Task Force/Telecom Stores, Kolkata/
NCES/DATA Networks/Training Centres/Telecom Factories/
QA Circle/T&D Circle.

Sub:- Extension of Purchase Preference Policy (PPP) for products and services of Central Public Sector Enterprises (CPSEs) beyond 31.03.2005.

Purchase preference for Central Public Sector Enterprises (CPSEs) in tenders was extended up to 31.03.2005 in response to the instructions contained in the OM No.DPE/13(12)/2003-Fin. Dated 26.10.2004 issued by Department of Public Enterprises and circulated to field units vide this office letter of even number dated 8.12.2004.

The decision of the Department of Public Enterprise communicated vide Letter No. DPE/13(12)/2003-Fin. Vol.II dated 18.07.2005 for extending Purchase Preference policy for products and Services of Central Public Sector Enterprises (CPSEs) was examined in BSNL Corporate Office and it was decided to extend this policy as stipulated in the aforesaid instruction for **three years up to 31.03.2008** with following modifications and conditions.

- (i) PPP will continue for a further period of three years, with clear stipulation that it will be terminated with effect from 31.3.2008.
- (ii) PPP support will be extended to the contracts of the value of Rs.5 crore and above but not exceeding Rs. 100 crore. If civil works are included as part of the contract for supply of goods and/or if the contract is a turnkey contract, such contracts would also be covered by the PPP, subject to the condition that the total value of the contract does not exceed Rs.100 crore.
- (iii) PPP will apply only to CPSEs and their subsidiaries (i.e. where PSE owns 51% of above shareholding), but not to joint venture owned by a PSE and a private sector partner.
- (iv) A minimum value addition of 20% by the CPSEs/subsidiaries companies by way of manufacturing and/or services would be a prerequisite for availing of purchase preference.
- (v) **The provisions relating to purchase preference should be specified in the Notice Inviting Tenders (NIT) for Rs. 5 crore and above but not exceeding Rs.100 crore.**
- (vi) PSEs should be subject to the same qualification process as any other bidder. If the PSE does not meet the minimum qualification. It should be subject to disqualification.

However, in suitable cases, the purchasers/clients may relax the condition of "net worth" from the list of minimum qualifications.

- (vii) If the PSE, which has had the benefit of the Purchaser Preference Policy, **fails to perform, it should also be subject to payment of liquidated damages or any other penalty included in the contract.**
- (viii) The cases which were under consideration from 1.4.2005 till the date of issue of this order would stand covered under the policy except those which have already been decided otherwise.

However, if the order is to be placed on one successful bidder only, then the purchase preference policy to CPSEs will not be applicable. Provision of the clause is applicable only if the tendered item is being manufactured by CPSE concerned and the procurement is for the value of Rs. 5 (five) crores and above but not exceeding Rs.100 (one hundred) crore.

Accordingly a clause 5 (iii) will be incorporated in Section IV of Procurement Manual as under:-

Existing clause 5 of Section IV

- (i) The Purchaser intends to limit the number of technically and commercially responsive bidders to () from the list of such bidders arranged in increasing order of their evaluated prices starting from the lowest for the purpose of ordering against this tender. The bidder with the lowest evaluated price will be considered for about ()% of the tendered quantity and the balance quantity will be ordered on the remaining selected bidders inversely proportional to their quoted prices. However, the purchaser reserves the right for the placement of order of entire tendered quantity on the bidder with the lowest evaluated price.
- (ii) In the event of any of the eligible bidder(s) not agreeing to supply the equipment or not being considered by BSNL for ordering the equipment, interse ranking of the bidders below the aforesaid bidder(s) will be recast to fill up the vacated slot(s). This will be done to ensure that the number of bidders supplying the equipment remains same as earlier.

Portion added in this clause

- (iii) **If the quoted price(s) of the technically and commercially responsive Central Public Sector Enterprise(s) which is (are) not appearing in the list of bidders short listed for placement of order but eligible for purchase preference as per the guidelines contained in the Department of Public enterprises OM No. DPE/13(12)/2003-Fin. Vol.II Dated 18.07.2005 is (are) within 10% of the lowest evaluated price in the tender then, such PSE(s) will also be considered for placement of order in addition to the bidders short listed for placement of orders in accordance with the clause (i) stated above. In such cases too, the quantity to be ordered on the bidder with lowest evaluated price will remain the same as indicated in clause (i) above. The balance quantities will be ordered on the other short listed bidders including the selected PSEs in the inverse ration of their evaluated prices.**

This sub-clause will be applicable upto 31.3.2008 only and may be extended further as per advice from DOT/DPE.

(S.P. Singh)
ADG (MMY)

Copy to :

1. CMD, BSNL.
2. Director (Plg. & NS)/(Operations)/(HRD)/C&M)/(Finance), BSNL.
3. All Sr. DDGs/DDGs of BSNL, CO.
4. Jt. DDG (MMT) / (MMD) / (MMC) / (MMS) / (PF-I) / (PF-II).
5. ADG (CE) / (CT) / (IT) / (MT) / (SE) / (SL) / (ST)/(MMX).
6. SO (SU-I) / SO (IP) DOT, Sanchar Bhawan.
7. SO (MMT) / (MMC) / (MMD) / (MMS).



BHARAT SANCHAR NIGAM LIMITED

(A Government of India Enterprise)

Statesman House, B-148, Barakhamba Road, New Delhi-110001

(MMT Section)

F.No. 3-2/2004-MMT/Pt.-II

Dated: 10.11.2005

To

All Chief General Manager's,
Telecom Circles/Telecom Districts/Telecom Projects/
Maintenance Regions/Task Force/Telecom Stores, Kolkata/
NCES/DATA Networks/Training Centres/Telecom Factories/
QA Circle/T&D Circle.

Sub:- Frequent violation of tender procedure – Issue of instructions – Regarding.

Union Public Service Commission has adversely commented against the violation of tender procedure in BSNL and emphasised the need of a deterrent mechanism to check the possibility of any irregularity in purchase of equipment/stores.

The BSNL has already updated its Manual of Procurement in the June 2003 to cope with the need of PSU taking care & incorporating views of various field units, guidelines/instructions of CVC/DOT and other Govt. agencies and issued to all field units, alongwith its availability on BSNL website for strict adherence. The guidelines/instructions received from CVC and DOT are also issued to all field units from time to time and posted on BSNL website.

Once again it is reiterated to make all efforts for bringing transparency & probity in purchase and strictly follow the norms stipulated in Procurement Manual & Addendum/Amendment issued thereof, and also guidelines/instructions issued from this office regarding procurement, which can be downloaded from BSNL website also for ready reference.

Responsibility should be fixed and deterrent action may be initiated for any procedural lapse and deviation from norms of procurement. Matter may also be reported to this office for information and further action if needed in the matter.

This issues with the approval of competent authority.

(S.P. Singh)
ADG (MMY)

Copy to :

- (i) CMD, BSNL Corporate Office, New Delhi.
- (ii) Director (Plg. & NS)/(Operations)/(HRD)/C&M)/(Finance).
- (iii) Director (VM), DOT, Snachar Bhavan, N. Delhi-1
- (iv) All Sr. DDGs/DDGs in BSNL, Corporate Office.
- (v) Jt. DDG (MMT) / (MMD) / (MMC) / (MMS) / (PF-I) / (PF-II).
- (vi) Jt. DDT (IT-II) for putting on BSNL website.
- (vii) Guard File / Master Copy.



BHARAT SANCHAR NIGAM LIMITED

(A Government of India Enterprise)

Statesman House, B-148, Barakhamba Road, New Delhi-110001

(MMT Section)

F.No. 3-2/2004-MMT/Pt.-II

Dated: 05.08/09.2005

To

All Chief General Managers,
Telecom Circles/Telecom Districts/Telecom Projects/
Maintenance Regions/Task Force/Telecom Stores, Kolkata/
NCES/DATA Networks/Training Centres/Telecom Factories/
QA Circle/T&D Circle.

Subt:- Procurement of material/stores in emergent cases.

It has been brought to the notice of BSNL H/Q by different field units that the flow chart of Procurement existing in our Procurement Manual does not cater for the procurement of materials/stores in limited time i.e. in emergent cases such as meeting the needs in natural calamity and to provide specialized services to valuable customers on demand in their specified time frame.

The case was examined in BSNL H/Q and the position is clarified as under :-

The time limits prescribed for various activities in the flow chart existing in the Procurement Manual are the maximum limits. These can always be suitably compressed by field units as per need and circumstances. In fact, every effort must be made to finalise the tenders as early as possible. However the minimum time from issue of NIT to opening of tender may be kept as 21 (twenty one) days. Any clarification to the queries of any prospective bidder may be replied atleast one week before the date of tender opening. Accordingly tenders may be finalized expeditiously.

(S.P. Singh)

ADG (MMY)

Copy to :

1. CMD, BSNL.
2. Director (Plg. & NS)/(Operation)/(HRD)/C&M)/(Finance), BSNL.
3. All Sr. DDGs/DDGs of BSNL, CO, ND-1.



BHARAT SANCHAR NIGAM LIMITED

(A Government of India Enterprise)

Statesman House, B-148, Barakhamba Road, New Delhi-110001

(MMT Section)

No. BSNL/SECTT./21-1/2002

Dated: 03.04.2007

Sub:- Procedures to be followed while signing/sending the files containing agreements/contracts etc., for the signature of the authorized signatory.

Ref:- Circulars of even number dated 7.11.2003, 16.4.2004, 30.6.2004, 18.1.2005, issuing guidelines on the above subject.

As all concerned are kindly aware, Powers of the Company are vested in the Board, which are exercised by the Board in accordance with the provisions of the Companies Act 1956, Memorandum and Articles of Association of the Company and the guidelines issued by the Government. Accordingly, the Board of Directors, for smooth operation of the company's business, delegated some of the powers of routine management to the officers below the Board level. Such of the officers piloting the agreements/contracts are, responsible and liable for ensuring performance of the obligations that may/will arise from such agreements, contracts etc., in the paramount interest of the Company. Therefore, vide the circulars of this unit, detailed procedural compliance to be adopted by various units were issued time to time.

3. With the introduction of the e-governance and compulsory e-filing of statutory documents, (i) each of the Director of a Company has been allotted a unique Director Identification Number [DIN]; and (ii) each of the company registered under the provisions of the Companies Act 1956 has been assigned a unique Corporate Identity Number [CIN] by the Ministry of Company Affairs. With this, now, quoting of the DIN and CIN – which are the unique numbers identifying the Directors and the corporate entity - has become imperative in all the company related statutory documents filed with the appropriate authorities.

4. Agreements, Contracts and MoUs etc., are being entered into/signed/proposed routinely. With a view to protect and further strengthen the commercial interests of the BSNL, it has been decided that, in future, in addition to the procedural requirements laid down earlier, the piloting/nodal officers of such Agreements, Contracts, MoUs shall also obtain the Director Identification Number [DIN] and the Corporate Identity Number [CIN] of such other body corporate and place them in the respective files. For the sake of reference, the procedural compliance to be followed is enclosed as Annexure A, which needs to be followed conscientiously.

5. This issues with the approval of Chairman and Managing Director

[H.C. Pant]
Co. Secretary & GM [Legal]

To

1. All the Chief General Managers.
2. All Sr. DDGs/DDGs
3. Chief Vigilance Officer.
4. All the functional Directors for reference and record.

ENCL : As above.

PROCEDURAL COMPLIANCE TO BE ENSURED BY EACH OF THE UNIT PILOTING AGREEMENTS, CONTRACTS, MOUS TO BE ENTERED INTO OR TO BE SIGNED WITH OTHER BODY[IES] CORPORATE

A. DOCUMENTS TO BE KEPT IN THE RESPECTIVE FILES

1. A printed copy of the latest Annual Report of such Other Body Corporate(s)/Firm(s) 'or' Association(s) of Persons etc. with whom the Agreement / MoU is contemplated to be entered into/to be signed, in case the printed copy is not available, Xerox copy of the same duly certified by the Company Secretary/Director/Managing Director/Partner of such Company/Firm;
2. An updated copy of the Memorandum of Association and Articles of Association of the Company;
3. List of all the Directors including their name(s) and address(es) alongwith contact telephone numbers of office and residence;
4. Certified true copy of the Board's Management's Resolution authorizing the official of such other Body Corporate(s) / Firm(s) 'or' Association of Persons etc. to sign. Agreement/Contract/MoU on their behalf by the such Other Body Corporate(s) / Firm(s) 'or' Association of Persons etc. to sign Agreement/Contract/MoU;
5. Specimen signature(s) of such authorized official duly attested by such Company's/Firm's Banker; and
6. Director Identification Number [DIN] of all the Directors of such other body corporate; &
7. Corporate Identity Number[CIN] of such other body corporate

B. ACTION TO BE COMPLETED BEFORE SIGNING/BEFORE SENDING THE FILE TO THE AUTHORISED SIGNATORY/DIRECTOR(S) FOR SIGNATURE

A self contained note, indicating the (i) approval of the competent authority for the proposed agreement, contract, expression of interest, MoU etc., (ii) certificate evidencing the receipt of the documents prescribed at [A] above, (iii) and a copy of the document duly initialled on each page by the head of the respective nodal branch piloting/executing the agreement concerned; and the signature of the such other body's authorized signatory duly witnessed, shall be sent, with the following certificate at the close of the note sheet:-

"The unit concerned has satisfied itself with regard to (i) the particulars of the entity with whom the agreement is proposed to be entered into; (ii) the authorization of the signatories of such other entity; and that, (iii) the said document / agreement is in accordance with the draft approved by the competent authority; and each page of the document has been initialled by the CGM/GM/SR. DDG/DDG. Further certified that the officer next in charge has been briefed about the contents of the agreements and the legal obligations/compliances to be fulfilled, so as to protect the interests of the BSNL"

[Annexure to Circular No.BSNL/SECTT/21-1/2002, dated 03.04.2007]



BHARAT SANCHAR NIGAM LIMITED
(A Government of India Enterprise)
Bharat Sanchar Bhawan, Janpath
New Delhi-110001
(MMT Section)

F.No. 3-2/2004-MMT/Pt.-II

Dated: 27.07.2007

To

All Chief General Managers,
Telecom Circles/Telecom Districts/Telecom Projects/
Maintenance Regions/Task Force/Telecom Stores, Kolkata/
NCES/DATA Networks/Telecom Factories/
QA Circle/T&D Circle.

Subject:- Tender process – Negotiations with L-1.

Kindly find enclosed herewith a Circular No. 4/3/07 of letter No. 005/CRD/012 dated 03.03.2007 from Central Vigilance Commission, Govt. of India, Satarkta Bhawan, Block-A, GPO Complex, INA, New Delhi-110023 on the above cited subject for necessary action please.

Encl. – As above.

(S.P. Singh)
ADG (MMY)

Copy for kind information to :—

1. PS to CMD, BSNL Corporate Office, New Delhi.
2. Director (Plg. & NS)/(Operation)/(HRD)/C&M)/(Finance), BSNL CO.
3. All Sr. DDGs/DDGs of BSNL Corporate Office.
4. Jt. DDG (MMT)/(MMD)/(MMC)/(MMS)
5. ADG (MMX)
6. OSD to DDG (mM) for putting on BSNL Intranet.
7. Office Copy/Guard File.

No.005/CRD/012

Government of India

Central Vigilance Commission

**Satarkta Bhawan, Block-A,
GPO Complex, INA**

New Delhi- 110023

Dated the 3rd March, 2007

Circular No. 4/3/07

Sub:- Tendering process - negotiations with L-1.

Reference is invited to the Commission's circulars of even number, dated 25.10.2005 and 3.10.2006. on the above cited subject. In supersession of the instructions contained therein, the following consolidated instructions are issued with immediate effect:—

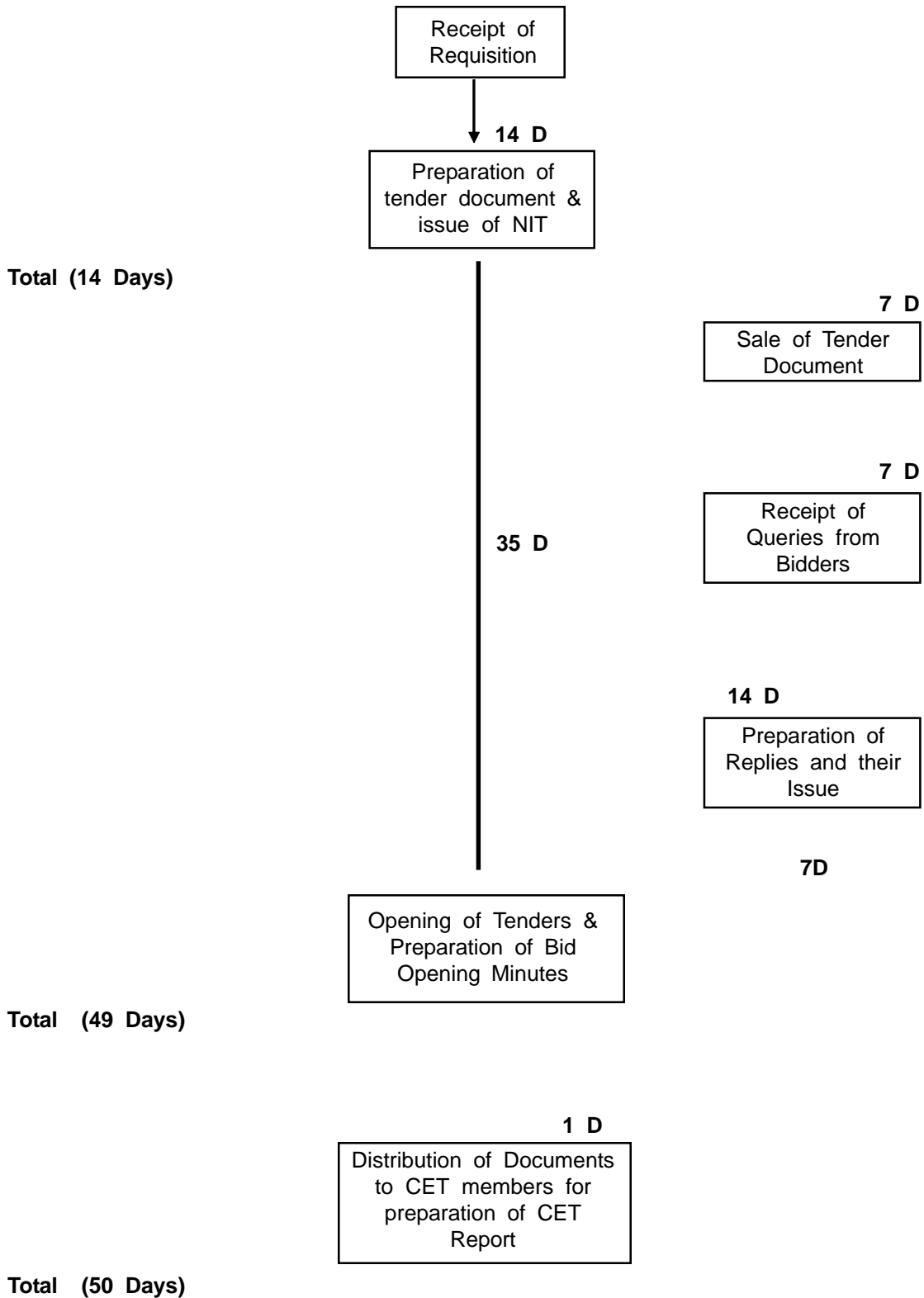
- (i) As post tender negotiations could often be a source of corruption, it is directed that there should be no post-tender negotiations with L-1, except in certain exceptional situations. Such exceptional situations would include, procurement of proprietary items, items with limited sources of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiations should be duly recorded and documented without any loss of time.
- (ii) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
- (iii) Negotiations should not be allowed to be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. Competent authority should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite time frame should be indicated so that the time taken for according requisite approvals for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In cases where the proposal is to be approved at higher levels, a maximum of 15 days should be assigned for clearance at each level. In no case should the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalised within their validity period.

- (vi) As regards the splitting of quantities, some organisations have expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L-1 firm may not be known in advance. It may be stated that if, after due processing, it is discovered that the quantity to be ordered is for more than what L-1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable. It is essentially in cases where the organisations decide in advance to have more than one source of supply (due to critical or vital nature of the item) that the Commission insists on pre-disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.
 - (v) Counter- offers to L-1, in order to arrive at an acceptable price, shall amount to negotiations. However, any counter-offer thereafter to L-2, L-3, etc., (at the rates accepted by L-1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.
2. It is reiterated that in case L-1 backs-out, there should be a re-tender.
 3. These instructions issue with the approval of the Commission and may please be noted for immediate compliance.

(Vineet Mathur)
Deputy Secretary

All Chief Vigilance Officers

FLOWCHART OF PROCUREMENT PROCESS



Continued to next page.....

.....Continued from previous page

		28 D	
	Receipt of CET Report		
Total (78 Days)		1 D	
	CET Report sent to MMT Cell		
Total (79 Days)		7 D	
	Preparation of Purchase Proposal		15 D
	Vetting of Purchase Proposal by Finance	5 D	
			Receipt of material list, consignee and paying authority details from requisiting Cell
	Approval of Purchase Proposal by Competent Authority	5 D	
Total (96 Days)		5 D	
	Issue of APO		
	Submission of Performance Bank Guarantee by Vendors	14 D	
	Placement of Purchase Order	5 D	
Total (120 Days)			

BHARAT SANCHAR NIGAM LIMITED
(A Government of India Enterprise)

**MANUAL OF PROCUREMENT
OF
TELECOM EQUIPMENT
AND
STORES**

(Corrected up to 15th September 2007)
(Effective from 1st November 2007)

Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan, Janpath
New Delhi - 110001

Visit us at : www.bsnl.co.in

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