



KELTRON[®]

(A Govt. of Kerala Undertaking)



KELTRON PURCHASE MANUAL 2026



Kerala State Electronics Development Corporation Ltd.
Keltron House, Vellayambalam
Thiruvananthapuram 695 033

PREFACE

This Purchase Manual serves as the comprehensive guide for all procurement activities within KELTRON. It outlines processes, policies, and controls aimed at ensuring efficiency, transparency, and compliance with both organizational objectives and regulatory requirements.

The manual provides clear instructions for requisitioning, approving, procuring, and receiving goods and services, while maintaining accountability and traceability at every stage of the procurement cycle.

The procedures and guidelines contained herein are based on the Stores Purchase Manual, the Keltron Purchase Procedure 2005 and relevant Government orders, directions and amendments issued from time to time. The aspects in the latest Government Letter No. D1/79/2026/IND dated 24th March 2026 have been incorporated. These have been suitably adapted, as far as possible, to align with our business requirements in a competitive environment. The primary objective is to promote fair, transparent, and competitive procurement practices across all departments and levels of the organization.

This manual is intended strictly for internal and official use. It is not designed to serve as a reference document for contractors, sub-contractors, or members of the public interacting with the Purchase Departments of Keltron.

Any errors, omissions, or suggestions for improvement identified in this manual should be reported to the Corporate Office, Keltron, for appropriate action and revision.

Further, at any time a need for deviations from Stores Purchase Manual procedures are required especially with respect to Electronics Components/ Stores Purchases, the same must be compiled with justification and taken up with Government for approval.

All staff involved in procurement functions are to familiarize themselves thoroughly with the contents of this manual and to apply its principles and procedures diligently in their day-to-day responsibilities.

KELTRON PURCHASE MANUAL 2026

We express our sincere appreciation to Shri. Sanjay N., Manager (Purchase), Keltron Equipment Complex, Karakulam, for the earnest efforts he put into the preparation of this Manual. We are also grateful to CA. Rajeev R., Partner, Varma & Varma, Chartered Accountants, for his valuable suggestions during the review process.

Let us be committed to continuous improvement. Feedback from users of this manual is both encouraged and appreciated. Collegiate decisions, taking into account the timelines required to meet manufacturing or project deadlines (keeping in mind that the customer is the top priority), ensuring quality and timely outcomes is the need. Purchase Committees within every Unit or Strategic Business Unit (SBU) must be constituted and meet weekly to make collegiate decisions and move forward.

This Purchase Manual has been approved by the Board of Directors of Keltron during its 282nd Board Meeting held on 23.01.2026.

Chairperson
KELTRON

Managing Director
KELTRON

Thiruvananthapuram
30.03.2026

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ABBREVIATIONS AND ACRONYMS

AD Code	Authorized Dealer Code
AMC	Annual Maintenance Contract
ASOCHAM	The Associated Chambers of Commerce and Industry of India
BG	Bank Guarantee
BIS	Bureau of Indian Standards
BOC	Bid Opening Committee
BOE	Bill of Entry
BOQ	Bill of Quantity
BU	Business Unit
CA	Competent Authority
CFR	Cost and Freight
CIF	Cost Insurance Freight
CMC	Comprehensive Maintenance Contract
COC	Certificate of Conformance
CPCB	Central Pollution Control Board
CPWD	Central Public Works Department
CVC	Central Vigilance Commission
DC	Delivery Challan
DD	Demand Draft
DSC	Digital Signature Certificate
E-AUCTION	Electronic Auction
EMD	Earnest Money Deposit
ESI	Employees State Insurance
EOI	Expression Of Interest
ESO	Equipment Stock Order
E-Tender	Electronic Tender
FICCI	Federation of Indian Chambers of Commerce & Industry
FM	Force Majeure
FOR	Free On Road/Rail
FOB	Freight On Board
FY	Financial Year
GCC	General Conditions of Contract
GeM	Government E-Market Place
GRCIR	Goods Receipt Cum Inspection Report
GST	Goods Service Tax
GTE	Global Tender Enquiry
HSN	Harmonized System of Nomenclature
IEC	Import Export Code
INCOTERMS	International Commercial Terms
IPR	Intellectual Property Rights
ISI	Indian Standard Institute
ISO	International Organization for Standardization
ISS	Indian Statistical Services
ITB	Invitation To Bidders

KPWD	Kerala Public Works Department
LC	Letter Of Credit
LD	Liquidated Damage
L1	Lowest Tender
LOA	Letter Of Acceptance
LOI	Letter Of Intent
LTE	Limited Tender Enquiry
MOEF	Ministry of Environment, Forest and Climate Change of India
MOU	Memorandum of understanding
MSME	Micro Small and Medium Enterprises
MSTC	Metal Scrap Trade Corporation
NIT	Notice Inviting Tender
NIC	National Industrial Classification
NOC	No Objection Certificate
NPV	Net Present Value
NSIC	National Small Industries Corporation
OEM	Original Equipment Manufacturer
OTE	Open Tender Enquiry
PAC	Proprietary Article Certificate
PBG	Performance Bank Guarantee
PF	Provident Fund
PO	Purchase Order
PQ	Pre qualification
PR	Purchase Requisition
PSU	Public Sector Undertaking
PUC	Pollution Under Control
PVC	Price Variation Clause
QA	Quality Assurance
QCBS	Quality & Cost Based Selection
RA	Registering Authority
RC	Rate Contract
RFP	Request for Proposal
SBD	Standard Bidding Document
SBU	Strategic Business Unit
SC	Scrap Committee
SD	Security Deposit
SPCB	State Pollution Control Board
SPOC	Single Point of Contact
SPV	Special Purpose Vehicle
TDS	Tax Deducted at Source
TT	Telegraphic Transfer
UNCITRAL	United Nations Commission on International Trade Law
WO	Work Order

CHAPTER-1 INTRODUCTION

Business Units under Keltron have to procure different types of Stores and Services to manufacture products, to implement Projects/System integration and to render services to various Stakeholders. It is imperative that uniform, systematic, efficient and cost effective procedures are followed in accordance with the relevant rules and regulations of the Government. The delegated powers for procurement of Stores and Services need to be exercised in conformity with the orders and guidelines issued by the Competent Authorities and at the same time covering the financial, vigilance, security, safety and other regulatory aspects. This Manual is intended to serve as the basic guide on the norms and practices governing procurement activities at KSEDC. The Purchasing function must promote cost effectiveness, transparency, innovation to improve the quality of products or services and create long term partnerships that are beneficial to the Business.

1.1 PROCUREMENT RULES AND REGULATIONS

Keltron Purchase Procedure 2005, Stores Purchase Manual of Government of Kerala and various Government orders and directions issued from time to time governs this Purchase Manual/Policy. This revised manual is incorporated with suitable provisions of procurement of Goods and Services from the Government of Kerala, Government of India, CVC guidelines and various Government orders and directions released as on date. This manual is intended to explain standard practises and instructions for the procurement to obtain the best value for money while meeting the customer expectations and reducing risk in a fair, competitive and transparent manner.

1.2. AUTHORITIES COMPETENT FOR PROCUREMENT

The procurement process for Goods and Services involves a cycle of activities such as Need Assessment, Bid Invitation, Bid Evaluation, Contract Execution and Disposal of Scrap.

The power to accord administrative approval for procurement rests with the Heads of respective Strategic Business Unit (SBU) for items other than Capital items. Administrative approval of Capital items vested with the Corporate office and the requisition for purchase should be issued only after obtaining Capital Sanction from Corporate office.

1.3 DEFINITIONS

AGREEMENT: An agreement is a promise or commitment given by one party to another party. It includes an offer that is made by one person and accepted by the other person. In simple words, an agreement happens when an offer is made by one person and accepted by another person. It consists of two or more parties. It becomes an agreement only if the essential ingredients are fulfilled. There must be a consideration.

APPROVING AUTHORITY: An approving authority is an individual or a group of individuals designated with the responsibility to review and authorize procurement decisions. Their role is vital in maintaining transparency, accountability, and compliance in procurement activities.

BIDDER: A person or company submitting a tender in response to a procurement process.

BOOK VALUE: The value of an asset as per the company's books of accounts after deducting depreciation. The book value is useful when assessing the value of old/used equipment, fixing reserve price for disposal and evaluating replacement decisions.

CAPITAL ITEM: Tangible and intangible assets of a permanent nature (for use in the organization and not for sale in the ordinary course of business) or enhancing the utility of existing assets.

(The capitalization limit for Keltron shall be fixed at ₹10,000/- (Rupees Ten Thousand only) per individual asset/item. Items costing less than ₹10,000/- shall be treated as revenue items/consumables and shall be charged to revenue in the year of purchase. However, physical accountability of such items shall be ensured through proper entry and control in the stock/asset issue register)

COMPETENT AUTHORITY: The Competent Authority (CA) is an authority duly empowered by the Keltron to sanction and approve procurement and expenditure.

CONTRACT: The proposal or offer when accepted is a promise, a promise and every set of promises forming the consideration for each other is an agreement and an agreement, if made with free consent of parties competent to contract, for a lawful consideration and with a lawful object is a contract.

CONTRACTOR: A Contractor is a person, firm, company, or legal entity that enters into a contract with the Government / Department / Organisation to execute works, supply goods, or provide services, in accordance with the terms and conditions of the contract, for an agreed consideration.

E-TENDER: The process of sending and receiving Bids/Tenders using online procurement platforms.

FINANCIAL POWERS: Financial power is the powers vested in an authority by the Keltron or delegated to an authority to approve expenditure from the funds placed at the disposal.

INCOTERM: Incoterm is the standard contract term used in importing /exporting sales contracts. These internationally recognized terms define the responsibilities of the Seller and Buyer.

INDENTING OFFICER: The Indenting Officer is the authorized officer responsible for raising purchase requisitions for goods or services within the Procurement Entity, in accordance with the Purchase Manual and applicable rules.

PROCUREMENT: Procurement refers to acquiring all types of Stores including equipment, spares, goods and services including packing, unpacking, preservation, transportation, insurance, delivery, special services, leasing, technical assessment, consultancy, system study, software, literature, maintenance, updates, conservancy, etc. Procurement is undertaken through various types of Contract, including Rate Contract, Price Agreement and Memorandum of Understanding (MoU) between the purchaser and Supplier as per existing laws and procedures.

PURCHASER/PROCURING ENTITY: Keltron (Kerala State Electronics Development Corporation Ltd.) or its authorized units acting in accordance with delegated powers.

PROCUREMENT AUTHORITY: The officer of the Procurement Entity who is duly authorized to carry out procurement related activities such as processing purchase requisitions, inviting quotations or tenders, coordinating evaluations, negotiating (where permitted), issuing purchase orders, and ensuring compliance with applicable procurement rules, manuals, and delegated financial powers.

PURCHASE REQUISITION (PR): A Purchase Requisition is a requisition placed by the Indenter on the procurement authority to procure an item. PR is the authority for initiating procurement action and may contain one or more items, each with distinct Item Code / Part No. All necessary details of the item including quantity,

denomination, estimated price, specification, scope of supply, date required are to be indicated in the PR to enable prompt procurement of the item.

STORES: The term 'Stores' applies generally to all articles and material purchased or otherwise acquired for the use of the company including not only expendable, consumable, and issuable articles in use or accumulated for specific purposes, but also articles of dead stock of the nature of plant, machinery, tools and spares, instruments, furniture, equipment, fixtures, armaments, live stock and clothing etc., but excluding books publications, periodicals etc., in a library.

SUPPLIER: The Supplier is the party, which contracts to supply goods and services. The term includes his employees, agents, successors, authorised dealers, stockists and distributors.

RATE CONTRACT: A Rate Contract (RC) is an agreement between the Purchaser and the Supplier to supply Stores at specified prices during the period covered by the contract. A RC is in the nature of a standing offer from the Supplier and no minimum drawal need to be guaranteed.

RUNNING CONTRACT: A Running Contract is an agreement which extends over a specified period of time for an estimated or variable quantity of Supplies, or for a specified service.

PUBLIC INTEREST: Public interest refers to the well-being of the general public or the common good. It encompasses matters that are relevant to, and affect, the entire community, rather than just specific individuals or groups. It often involves activities or policies that promote the welfare, health, and safety of the public.

PROPRIETARY ITEM: An item which is manufactured by one and only manufacturer and/or which is a patent speciality and or which only meets the requirement or the only item so specified by the Customer to which tender system cannot be applied with advantage.

1.4 OBJECTIVES

The procurement process is designed to ensure an effective balance between cost, timeliness and requirement fulfilment.

The objectives of all Purchase activities are to ensure that: -

- (a) The required material to prescribed specifications are purchased from reliable sources, in required quantities at appropriate time (as required by the SBU/Department to meet the timelines and quality aspects of the Customer/Contract) and at minimum/optimum prices.

- (b) Necessary clearance to Indents shall be rendered by all supporting Departments/Groups.
- (c) Fair and consistent practices are followed in making the purchases.
- (d) The financial and legal interest of the Organization are safeguarded at all times, and
- (e) **Ensuring the timely availability of the correct material to the Unit/SBU is essential for the smooth and uninterrupted progress of the projects. SBU is the nerve centre of Business and that must be foremost in our procurement actions/decisions.**

CHAPTER 2

SOURCING AND REGISTRATION OF SUPPLIERS

The activity of identifying and evaluating potential Suppliers as well as selecting suitable Suppliers who offer the best value both in terms of product and cost is very important for our business. Good sourcing strategies are indispensable to remain steady and effective in the business operation. Identification of correct Supplier is a crucial component in the procurement process. This stage is decisive in ensuring the company's competitiveness, performance, and sustainability. The contract for the supply of Stores is to be placed on a Supplier who is eligible and qualified in all aspects. Transparent Supplier registration procedures should be followed for granting equal opportunity to all potential firms. Open invitation for registration of Suppliers shall be done at least once in every financial year through advertisements. The Supplier is required to fulfil and follow all applicable rules, regulations and conditions to transact business with Keltron and it should be technically capable and financially sound to deliver the required Stores. No transactions shall be done with the Suppliers/firms whom Government or Keltron have banned/black listed/suspended due to any reason.

Purchase Department of each Business Unit shall maintain an item-wise Register of eligible and capable Suppliers for procurement of Stores. Such approved Suppliers will be known as "Registered Suppliers". Any Business Unit may utilize the services of the Registered Suppliers of another Business Unit as and when necessary. The Supplier credentials, manufacturing capability, quality control systems, past performance with Keltron, facility for after-sales service, financial background, etc., should be carefully verified before registration. Such registered Suppliers are eligible for consideration for procurement of Stores through Limited Tender Enquiry.

The reliable Suppliers list should be maintained in the Purchase Department of every Business Unit for the purpose of notifying Suppliers of both Indian and Foreign origin. The list should be prepared commodity-wise and the same reviewed and revised periodically. The applications received from firms shall be scrutinized thoroughly before inclusion in the Registered Supplier list.

2.1 REGISTRATION OF SUPPLIERS

The registration process of a Supplier involves collecting basic information from the Suppliers, clearing and approving the Supplier for registering their products. Any firm, situated in India or abroad, who are in the business of Manufacturing, Stocking or Marketing of Stores and is an operator of services of specified categories, shall be eligible for registration. Any Supplier desirous to get registered as an authorized Supplier should submit a formal application form for registration (*ANNEXURE1 – REGISTRATION FORM FOR SUPPLIERS*). Every applicant is required to submit all the prescribed documents along with their application.

The Business Unit/SBU may visit and assess the facilities of the Supplier if required. Any shortages/deficiencies in the application of the Suppliers noticed should be intimated to them in writing. All the Supplier registration files shall be forwarded to the Corporate Office for approval. The Supplier becomes registered once approved by the Corporate office. A Registration Certificate shall be issued to all the approved Suppliers (*ANNEXURE2 - REGISTRATION CERTIFICATE*). A record of approved Suppliers should be maintained by the Purchase Department of every Business Unit. The registered Supplier of one Business Unit may be treated as the eligible Supplier to do business in other Business Units also, if necessary.

The classification of Suppliers like Manufacturers and Stockiest shall be maintained in each Business Unit. In addition to the above, the MSME details are to be maintained in each Business Unit.

Initial registration shall be for a period of 3 years. The Registration may be extended for further periods based on the performance of the Supplier. Firm, against whom any punitive action has been taken, shall not be eligible for re-registration for a period of one year from the date of punitive action.

2.2 CAUTIONS DURING REGISTRATION

The below listed cases must not be considered for registration.

- (a) Firms who have been blacklisted by the Central Government or any State Government/Keltron or other PSUs
- (b) Registration may be deferred in the case of newly formed companies who have not commenced any business in supplying Stores.
- (c) Firms who do not furnish the required documents or other information.
- (d) Firms those are bankrupt.
- (e) Commission agents other than sole distributors or territorial agents.

The firms whose registration is refused should be informed of the fact in an appropriate manner stating briefly the reasons thereof. Such firms can apply for re-verification within three months from the date of receipt of communication. Requests for re-verification (or make this and the word in the preceding para review) after expiry of the period would be treated as fresh application.

2.3 CANCELLATION OF REGISTRATION

Keltron at its discretion can cancel the registration of any firm by giving a notice at any point of time, provided there is a valid reason. A registered firm is liable to be removed on the following grounds:-

- (a) Fails to renew registration within the prescribed time as decided by the Business Unit
- (b) Fails to abide by the terms and conditions under which the registration has been given
- (c) Fails to secure a contract consecutively for two years.
- (d) Makes any false declaration to Keltron.
- (e) Supplies material of inferior quality
- (f) Renders services (including after sales services and maintenance services) of inferior quality
- (g) Fails to execute a contract or fails to execute it satisfactorily
- (h) The required technical/operational staff or equipment is no longer available with the firm
- (i) Declared bankrupt or insolvent
- (j) Fails to submit the required documents/information for review of registration
- (k) Adopts unethical business practices.
- (l) Black listing, and
- (m) Any other ground which, in the opinion of the registering authority, is not in the interest of Keltron

The Suppliers in the above category will be moved to a list of Non-active Suppliers. The management should take suitable decision on the removal or retention of Supplier from Vendor list.

2.4 GROUNDS FOR SUSPENSION OR BAN OF BUSINESS DEALINGS

The business dealing with the firm(s) may be suspended on the following grounds:

- (a) If the firm is suspected to be of doubtful integrity
- (b) If the Central Bureau of Investigation(CBI) or any other investigating agency recommends such a course in respect of a case under investigation
- (c) If a prima- facie case is made out that the firm is guilty of an offence with respect to business dealings
- (d) If security considerations including question of loyalty to the State so warrant.

CANCELLATION/SUSPENSION/BAN OF BUSINESS PROCEDURE:

The Head of the Purchase Department shall initiate the process of cancellation, suspension, or ban of business of a registered supplier from the approved supplier list. Such action shall require the approval of the Purchase Committee of the Business Unit and the Corporate Purchase Committee.

The note for cancellation, suspension, or ban shall provide the complete details of the firm, including its name, supplier registration number, registered address, and the items or services for which it is registered, along with reference to the applicable provisions of the Keltron Purchase Manual. It shall clearly articulate the factual reasons for the intended action, supported by documentary evidence, and include details of any show-cause notice issued and the vendor's response, if received. The note shall also assess the impact of the proposed action on ongoing contracts and contain a clear recommendation specifying the nature and effective date of the action, while recording the required post-approval measures, including intimation to the supplier and other Business Units. Upon approval, the Corporate Planning Department shall communicate the decision to all other Business Units.

The Head of Purchase Department of a Business Unit may, with the approval of the Head of the Business Centre, suspend business dealings with a supplier for a period not exceeding six months in cases covered under Cancellation of registration or the Grounds for suspension or Ban of business dealings mentioned above.

APPEAL MECHANISM: Any firm aggrieved by an order of cancellation of registration, suspension, or ban of business dealings may prefer an appeal within 30 days of receipt of the order.

- (a) Appeal against Cancellation of registration or Suspension of business dealings shall lie with the Managing Director
- (b) Appeal against Ban of business dealings shall lie with the Board of Directors or a Board level Committee constituted for the purpose

The decision of the Appeal Authority shall be final, binding and conclusive on all parties.

2.5 ASSESSMENT OF PERFORMANCE OF THE REGISTERED SUPPLIERS

The performance of registered firms must be reviewed by the procurement Authority annually and reported to the Head Corporate Planning. The general criteria for assessing the performance of the registered firms are as follows:

- (a) Quality: Quality has to be assessed from the report from Quality Assurance Department /SBU as well as the feedback from the actual users.
- (b) Delivery: Delivery compliance has to be assessed from the delivery data against Purchase Orders placed on the firm. The purchaser may generate the data to determine the percentage of orders in which delivery was completed within the original delivery date as per the contract/supply order.
- (c) Price: Price competitiveness of a firm has to be assessed against its ability to secure orders on competitive basis. Orders secured as percentage of quotes should indicate the price competitiveness of the Supplier.
- (d) Response: The response analysis of the firms could be carried out in terms of number of quotes submitted against the number of enquiries sent to them. The percentage enquiry attended by the Supplier could be one of the valid criteria for response analysis
- (e) Product Support: Product support record of a firm may be determined on the basis of response to enquiries for spare parts and maintenance services for the equipment originally supplied by that firm

Based on the above reports assessment of Suppliers may be done. The reports from the SBUs/Departments should be taken into account while assessing the fitness of the Supplier to continue as registered firm, at the end of the expiry of the registration period. Those who prove fit should be allowed to renew registrations and the others refused renewal. Business with poor performing Suppliers cannot be done under any circumstances.

Some of the key benefits of the Supplier performance assessments are the Suppliers will be aligned to the best interest of the company, improvement in Supplier quality, elimination of unnecessary costs, scope for identifying new

business opportunities with the Supplier, Risk mitigation, better Supplier relationships and overall better Supplier Performance.

CLASSIFICATION OF REGISTERED FIRMS:

Categorization of Suppliers should be done based on their performance and importance in our business. Supplier ABC Categorization may be incorporated in Business Units. This categorization segments the Suppliers into 3 Categories (A, B&C) against their performance such as delivery period and rejection rate of items supplied.

Class A Supplier: (Extremely important)	Suppliers with 80% on time delivery and less rejection
Class B Supplier: (Moderately important)	Suppliers with 50% and upto 80% on time delivery with moderate/less rejection
Class C Supplier: (Relatedly unimportant)	Suppliers with less than 50% on time delivery/very high rejection

The initial inclusion of Suppliers shall be in Category B. The SBU may insist that Enquiry be send to Class A or Class A&B Suppliers alone. If nothing mentioned in the Purchase Requisition then Enquiry shall be sent to all registered Suppliers in the category.

CHAPTER- 3

PURCHASE REQUISITION

The Purchase action should be initiated only based on an indent from the user SBU/Department. The indenting authority for procurement in the user Department shall first determine the need (including anticipated requirement and taken into consideration existing Stock) for the subject matter. The indenting SBU/Department shall maintain all documents relating to the determination and technical/financial/budgetary details or approvals of the need for procurement. The following must strictly be followed while raising a Purchase Requisition.

- (a) All Purchase Requisitions (PRs) for the procurement of Raw Material, Components, Projects & Resale items and services shall be prepared in the prescribed format (*ANNEXURE 3 – FORMAT OF PURCHASE REQUISITION*), by the indenting SBU/Department. Purchase Requisitions must be appropriately numbered with a unique numbering format for each SBU/Business Unit.
- (b) All Purchase Requisitions must clearly specify the project details, ESO number, and Customer order reference with date, for proper tracking and verification.
- (c) The classification/type of material, mode of purchase, expected date of delivery, sourcing details (Foreign/Indigenous/Proprietary), suggested Suppliers, last purchase details with date and target rate shall be included in the Purchase Requisition.
- (d) The specifications and technical parameters of the items proposed for purchase shall be detailed, precise and exhaustive to ensure clarity and compliance with requirements
- (e) The estimated cost of the item to be purchased shall not be based on arbitrary rates but should be aligned with the overall project costing. The last purchase rates, particularly those within last 1 year, along with market research conducted by the SBU, shall be considered to determine a realistic and meaningful target rate.
- (f) The delivery date shall be clearly specified, and vague terms such as 'immediate' or 'urgent' shall be avoided. The delivery schedule must be realistic and should reflect proper planning by the SBU, taking into consideration the customer's order date, past experience in the procurement of similar items, and potential delays, as far as possible.
- (g) Any special details that are mandatory for the procurement of items such as (Warranty, OEM COC, Proprietary year of manufacture or any other special

directions in the delivery) shall clearly mentioned in the Purchase Requisition.

- (h) The demand for the Stores should preferably not be divided into smaller quantities unless there is sufficient reasons like delivery to customer are of staggered manner, long production schedule etc. Even in such cases also to get better pricing, full quantity order with staggered delivery must be preferred.
- (i) PR for capital items shall be initiated by the SBU/Department concerned subject to the budget allocation and specific Capital sanction from the Corporate Office. A copy of the Capital sanction should be forwarded to the Purchase Department along with the Purchase Requisition. In case the value exceeds the sanction amount, then revised sanction shall be obtained by the concerned SBU/Department.
- (j) The indenting SBU/Department shall generate Purchase Requisitions approved and signed by the Competent Authority (Head Planning/Operation/Head SBU).
- (k) Items falling under different categories shall not be mixed up in the same requisition except in the case of Turnkey projects.
- (l) It should be ensured by the indenting authority that maximum consolidation of the requirement of each item is made as far as possible, to enable the Purchase Department to negotiate and obtain quantity discounts/lowest prices. Staggered delivery schedule shall be indicated as per the production programme of the SBU.
- (m) In case of purchase of Proprietary/specified brand goods, the indenting SBU should indicate that such items are selected/preferred for technical reasons or due to customer specifications or meeting commonality in inventory of Customer and certify on the indents accordingly. All Proprietary Purchase Requisitions must be accompanied by a Proprietary Article Certificate (PAC). The PAC shall be reviewed by the Head of the Business Unit and approved by the Corporate Office. However, the Head of the Business Unit is authorized to approve Proprietary Purchases up to a value of ₹5 Lakhs (*ANNEXURE 4- FORMAT FOR PROPRIETARY ARTICLE CERTIFICATE*). In the case of single vendor purchases based on customer preference, a letter or communication from the customer specifying their choice of item shall serve as supporting documentation.
- (n) All attachments to Purchase Requisitions like drawings, specifications etc., should be preferably in computerized form and downloadable, enabling Purchase Department to host the same on the website. However, bigger drawings of A0/A1 size and bulky specifications may have only reference

number and interested parties may further contact KELTRON to obtain the required documents.

- (o) The SBUs/Departments shall forward Pre-qualification/Eligibility criteria required for the Supplier along with the Purchase Requisition to the Purchase Department.
- (p) If the indenting SBU/Department feels the procurement is to be stopped urgently, then immediate intimation through proper channel to be sent to the Purchase Department for either cancellation or abeyance of purchase till further direction from the Originator.
- (q) The available Stock/indent in pipeline(existing order) must be accounted in the Purchase Requisition(This is to avoid over stocking)
- (r) It is the responsibility of the SBU to ensure timely rising of PR and ensuring correctness in all respects.
- (s) In the case of purchasing computer system hardware items as replacements, the recommendation for replacement submitted by the System Administrator of the Business Unit shall accompany the Purchase Requisition.
- (t) Purchase requisitions for construction, renovation, demolition, patch works of buildings, and other works of a similar nature shall be raised by the HR & Administration Department. These Purchase Requisitions shall be approved by the Head of the Business Unit. A committee under the Chairmanship of the Head of Business Unit may be constituted to oversee matters related to the requirement and execution of such works.
- (u) The Emergent Purchases, Online Purchases and Cash Purchases shall strictly adhere to the allowable purchase limits prescribed for each SBU/Business Unit.
- (v) Purchasing Stores using advances taken by employees of SBUs/Departments is to be minimized/avoided and if undertaken due exigencies must be strictly monitored by the Business Head/SBU Head (both). If any such purchase is made, it must be regularized through a Regularization Purchase Requisition (PR) or Cash PR, as applicable. Similarly, the purchase of materials during installation, commissioning, etc., at the customer's premises shall also be regularized through Regularization PR or Cash PR, whichever is applicable.

3.1 COMMON CAUSES FOR DELAYS IN PROCUREMENT

In order to ensure effective procurement planning and timely execution of purchase actions, it is essential to identify and address the common factors contributing to delays. Based on review and experience, the following factors are generally observed to cause delays in procurement activities within Business Units.

(a) Inadequate procurement planning

Absence of annual procurement plans, improper demand forecasting and initiation of procurement on an urgent basis result in avoidable delays.

(b) Delays in workflow approvals

Procurement actions are delayed due to multiple levels of approval, non-availability of competent authorities, and absence of clearly defined approval timelines.

(c) Inadequate or poorly defined specifications

Ambiguous or incomplete technical specifications result in repeated clarifications, tender amendments, and re-tendering, thereby prolonging the procurement process.

(d) Frequent changes in scope or user requirements

Post-tender changes in specifications, quantities, or scope lead to tender modification or cancellation, causing delays.

(e) Re-tendering due to insufficient or non-responsive bids

Limited vendor participation, receipt of single bids, or non-responsive tenders necessitates re-invitation, impacting procurement timelines.

(f) Prolonged price and contractual negotiations

Lengthy negotiations, particularly in cases of limited competition, single bids, or proprietary procurements, delay finalization of purchase orders or contracts.

(g) Shipping and logistics delays from suppliers

Delays arising from manufacturing constraints, transportation issues, customs clearance, or supply chain disruptions affect timely receipt of Stores.

(h) Supplier performance related issues

Poor supplier capacity, non-adherence to delivery schedules, and quality related deficiencies lead to repeated follow-ups and execution delays.

(i) Market fluctuations and availability constraints

Volatility in market prices, raw material shortages, or foreign exchange variations affect supplier commitments and procurement timelines.

(j) Lack of coordination among internal stakeholders

Delays occur due to differences in priorities, inadequate coordination, or delayed inputs from user SBUs/Departments, Finance Department and Purchase Department.

(k) Regulatory, statutory and compliance requirements

Additional time is required to comply with statutory provisions, audit requirements, vigilance guidelines, and other regulatory approvals applicable to PSU procurements.

(l) Re-tendering due to insufficient or non-responsive bids

Limited vendor participation, receipt of single bids, or non-responsive tenders necessitates re-invitation, impacting procurement timelines.

(m) Delays in technical evaluation and recommendation

Non-availability of committee members, delayed submission of evaluation reports, or prolonged clarification processes delay tender finalization.

(n) Delays in contract finalization and agreement execution

Late submission of Performance Security, statutory documents, or delays in agreement execution affect commencement of supply or services.

CHAPTER 4

METHOD OF PURCHASE

The value of purchase of Stores or the probable amount of contract mainly determines the method of purchase to be followed. The Head of Purchase Department shall select the appropriate mode of purchase depending on the value, nature of the Stores to be purchased, the quantity and the delivery period. The various modes of purchase adopted for this purpose are indicated in the subsequent paragraphs.

4.1 PURCHASE COMMITTEE

Each Business Unit and SBU shall have Purchase Committees to ensure consistent rules and regulation of procurement in the Business Unit. It is the responsibility of the Committee members to monitor, verify and ensure that approved procurement procedures have been applied properly.

Purchase Committee is a group of designated staff established for collective purchasing decisions whose main role is to decide/recommend the most appropriate Supplier or Service provider based on price, quality, stock availability etc., ensuring procedures are followed.

Each Business Unit shall have the 2 (two) Purchase Committees, one with SBU Head as Chairperson and another with Business Unit Head as Chairperson.

The Committee under the SBU Head shall have the Members: - Purchase Head (of the Business Unit), Planning Head (of the SBU), Operation Head (of the SBU), QA Head (of the SBU) and Finance Head (of the SBU).

The Committee under the Chairmanship of Business Unit Head shall have the following members:- Purchase Head (of the SBU), Planning Head (of the SBU), Operation Head (of the SBU), QA Head (of the SBU), Finance Head (of the SBU) and SBU Head (of the SBU) (*ANNEXURE 5-PURCHASE COMMITTEE*). For Capital procurements Head of Administration (of the SBU) will also be a member.

The Corporate Purchase Committee will be under Managing Director with Head Corporate Planning and Head Corporate Finance as members.

- (a) All purchase proposals for order values between ₹15,001 to ₹5 Lakhs shall be approved by the Committee headed by the SBU Head
- (b) All purchase proposals for order values above ₹5 Lakhs up to ₹20 Lakhs shall be approved by a Committee headed by the Business Unit Head
- (c) All purchase proposals for order values exceeding ₹20 Lakhs (or any value as per corporate directions) shall be perused and approved by the Corporate

Purchase Committee Headed by the Managing Director with recommendation of Business Unit level Committee (*ANNEXURE 6-PURCHASE POWERS*).

- (d) Whenever reference is made to Corporate Office, the Comparison sheet, Negotiation details/Minutes, draft PO/WO, correspondence with the Supplier along with the original tender should be forwarded with Corporate Approval form to the Corporate Purchase Committee.
- (e) All capital purchase above ₹10 Crores shall be reported to the Board. Also all major projects will be reported to the Board (above ₹50 Cr)
- (f) The Purchase Committee members shall, write their Name, Designation, Post Held etc. in the Committee files. The Committee members shall only be allowed to approve/record details in a file.
- (g) In the absence of Committee members, the authorized staff from the respective SBU/Departments can sign the file, however the responsibility will remain with the Committee member. In such cases they will be signing for the Committee members and the same should be noted in the file (eg. For Head (SBU), For Head (Finance) etc.)
- (h) Any modification in specifications, quantity, or requirement for additional documents (such as warranty certificates, test reports, etc.) after initiation of the purchase file shall be communicated to the Committee members exclusively by the Head of the SBU who originally approved the purchase requisition.

FUNCTIONS OF PURCHASE COMMITTEE:

The Purchase committee in a Business Unit must strictly follow the aspects stated below towards ensuring timely procurement actions and ensuring that correct Stores/Services are procured at the appropriate time.

- (a) Conducting negotiation with the Supplier

It is the function of the Purchase Committee to negotiate with the supplier for best price, favourable payment terms, and other contractual conditions.

- (b) Regular Meetings

Must convene every week at a pre-decided time and place

- (c) Scrutiny of Purchase Requisitions

Review all Purchase Requisitions(PR) and cross check the availability of items in Stores.

- (d) Resolution of Discrepancies

Address and resolve all necessary corrections, additional inputs, or missing

information in PRs during the meeting itself.

(e) Tender Vetting

Examine and vet the related tender documents for completeness and compliance.

(f) Review of Technical Evaluation

Scrutinize technical evaluation reports of previously tendered items to ensure fairness and accuracy.

(g) Commercial Evaluation

Scrutinize, decide upon, and record the procurement cases where price bids have been opened

(h) Collegiate Decision Making

Ensure decisions are made in a collective manner, incorporating scrutiny from all necessary perspectives.

(i) Verification of Orders and Agreements

Verify the Purchase Order or Contract Agreement to ensure all terms and conditions are properly incorporated.

All Purchase Orders and Work Orders shall be released only after obtaining approval from the competent authority as per the delegated financial powers. The Head of Purchase Department is authorized to issue a Letter of Intent (LOI), if the concerned SBU/Department intends and the same is approved by the Head of Business Unit. In such cases, a written communication shall be provided to the Purchase Department by the Head of the SBU/Department.

4.2 PURCHASE OF STORES BY DIRECT PURCHASE

Purchase of Stores up to a value of ₹15,000/- (Rupees Fifteen Thousand only) on each occasion may be made without inviting any quotation by the Head of Purchase Department on the basis of a certificate to be recorded by him/her in the following format:-

"I, am personally satisfied that the Stores purchased are of the requisite quality and specification and have been purchased from a reliable Supplier at a reasonable price."

The purchase of books and periodicals, Petty purchases, Purchase from Government sources, Purchase of articles covered by rate or running contracts, during the instant of natural calamity or any other emergency as declared by Government, proprietary items etc. may be purchased in this manner. It is the responsibility of the Head of Purchase to protect the interest of the Corporation

against any loss. However this method should be as minimum as possible and only if inescapable. A compilation of monthly purchases so undertaken must be put up to the Head of Business Unit. Total ceiling per month per Unit is ₹50,000/- under this Direct Purchase.

4.3 PURCHASE OF STORES BY PURCHASE COMMITTEE

The quotations shall be invited from the prospective Suppliers if the estimated value of Stores is above ₹15,000/- and up to ₹5 Lakhs. At least 5 working days of time shall be given for submission of quotation by the Supplier from the date of inviting Quotation. In urgent cases, the due date for submission of quotes may be shortened to 3 days with the concurrence of SBU Head (*ANNEXURE 7-FOMAT FOR ENQUIRY*).

The quotations may be received in a sealed cover or to a dedicated E-mail of the Purchase Department. In case of receipt of quotation through a dedicated mail ID, it is the responsibility of the Head of Purchase Department to ensure the secrecy of the quotations received against enquiries. A two level authentication procedure should be used to open the quotations E-mail Id.

Two cover method is preferable in the case of collection of sealed quotations manually. Usually, E-mail quotations are of single cover by which technical, commercial and other aspects are represented together. It is the responsibility of the Purchase Committee to select the Supplies based on the Price, Technical, Delivery, other aspects of the quotations and the need of the project.

4.4 PURCHASES THROUGH TENDER

A Tender purchase is a formal process that involves inviting Suppliers to bid on a Product, Services or Project. Tenders shall be invited, if the estimated value of the Stores to be purchased is above ₹5 Lakhs, through any one of the Tendering methods mentioned below, as the case may be:-

- (a) Open Tender
- (b) Limited Tender
- (c) Single Tender (Proprietary Purchase)

OPEN TENDER:

In an open Tender, it is open to any Supplier/firm to participate and enter in the Supplier selection process provided they meet the qualification criteria. The bidding is transparent and competitive. Except in cases of purchases, declared by the competitive authority to be through Limited Tender or from Proprietary sources, open tender must be undertaken for

cases, when the total estimated value of Stores exceeds ₹5 Lakhs for both Revenue and Capital items. Open tendering is the most preferred public competitive method for procurement for acquiring goods and services. It is executed in accordance with the established procedures set up in the procurement guidelines and terms and conditions in the Standard Bidding Document (SBD). All open Tenders shall be advertised in the company website.

NOTE: All Open Tenders above the estimated value of ₹5 Lakhs shall be through online E-Tender portal of Government of Kerala (<https://www.etenders.kerala.gov.in>). The prospective bidders willing to participate in the E-Tender should register themselves in the above mentioned e-procurement portal. Bidders should have a Class II or above Digital Signature Certificate (DSC) to be procured from any Registration Authorities (RA) under the Certifying Agency of India. Details of RAs will be available on www.cca.gov.in. Once, the DSC is obtained, bidders have to register on the website for participating in E-tenders. Bidders may contact e-Procurement support desk of Kerala State IT Mission for assistance in this regard.

The invitation to tender by public advertisement should be done as a general rule and must be adopted whenever the estimated value of the contract is ₹200 Lakhs or more. The open tender should be published in at least two newspapers, one in English and the other in one leading regional language news paper.

In cases where Public Tender is dispensed with, the reasons shall be clearly recorded in writing by the Head of Indenting Department and Head of Purchase Department.

In the case of purchases of manufactured goods, invitation of tenders may be restricted to OEMs and OEM authorized Suppliers. In the case of purchases of heavy machinery, imported Stores and other Stores which cannot be obtained without wide publicity at all India level, the tender notices may be published in English National Newspapers. The Registered Suppliers may be notified. However there is no objection to sending enquires to firms outside the Approved List of Suppliers.

There are items for which there is no list of registered firms in the Business Unit, e.g. Glass bottles, Earthenware jars, Ayurveda medicines, Food material etc.. In such cases when tenders are invited the Purchasing Departments should see that notices are sent directly to all known Suppliers, particularly to reputed manufacturers and stockist and any others wherever possible.

LIMITED TENDER:

This refers to the type of Tender process which is undertaken through a few selected Suppliers. The limited Tender can be either an E-Tender or manual. Limited tender system may be adopted whenever the estimated value of procurement is up to a maximum ₹10 Lakhs in normal case. All the Limited Tender decisions must be approved by the Head of the Business Unit with the recommendation of Head of the SBU and associated Finance Department. Also Limited Tender can be resorted to where the Customer has indicated preferred sources (for even above ₹10 Lakhs). Limited Tender can also be used where with experience (for repetitive name of business) Keltron has identified sources that only can meet our requirement especially where commonality of item is necessary (for the Customer). Such approvals can be taken from Corporate Purchase Committee.

The limited tender system may also be adopted instead of the open tender system even when the estimated value of the Stores is above ₹10 Lakhs in the following cases:-

- (a) In case material/service are very critical in nature with respect to specification/customer requirement/previous track record/workmanship etc, limited tender may be preferred.
- (b) When there are sufficient reasons for holding that it is not in the interest of Keltron to call for an open tender by advertisement.
- (c) When there is serious risk or inconvenience or loss to the company by arranging the purchase by the Open Tender system or when the articles are urgently required. In every such case the nature of the urgency and the reasons why a deviation from the general rule has been rendered necessary must be placed on record.

Limited tender enquiries shall be issued to all sources as indicated in Purchase Requisition by the SBU. In view of the technological advancement /urgency of requirements, enquiries can be issued by e-mail. The hard copies of such e-mails should be authenticated by the Head of the Purchase Department. Normally, the number of Supplier firms in the Limited Tender shall be more than three. Efforts should be made to identify a higher number of approved Suppliers to obtain more eligible bids on competitive basis. However Limited Tender may be proceeded with 2 Suppliers also providing there is sufficient justification and approval from Competitive Authority. The Department shall limit the access of the tender documents to the prospective Suppliers only.

Limited Tender from Authorized Distributors: Some authorized global and national distributors of Electronic Components are hesitant to participate in our e-Tendering system due to various reasons. These include their internal company policies, focus or dominance on non government business, perception that the e-Tendering system is not user-friendly, complex and inflexible.

Limited Tendering from reliable global or national authorized distributors may be undertaken for the procurement of Electronic Components even above ₹10 Lakhs, if it is found to be beneficial to the Company. Prior approval from Corporate Office, along with a detailed justification for adopting the Limited Tendering process shall be obtained.

SINGLE TENDER (PROPRIETARY PURCHASE):

Single Tender means an invitation to tender sent to a single party only. Obtaining quotation by issuing single tender enquiry to a selected source amounts to purchase without generating competition. Therefore this mode of purchase should be resorted to only in unavoidable situations. The Single Tender system may be adopted in the following cases:

- (a) When the articles required are of a Proprietary character and competition is not expected to be advantageous.
- (b) When, owing to the greater promptitude of supply by particular agencies (special manufacturer of some articles) by certain firms, substantial savings in time and cost can be obtained by deviating from the tender system, Purchasing officers may purchase such articles directly from the firms or agencies concerned based on the prior approval from Competent Authority.
- (c) For standardization of machinery or components or Spare parts to be compatible to the existing sets of machinery/equipment (on the advice of a competent technical expert and approved by the Competent Authority). In such cases, the required Stores are to be purchased only from a selected firm.
- (d) In cases where the Customer has nominated specific sources or where maintaining inventory commonality is essential, particularly for the supply of items of a repetitive nature to Customers.
- (e) There may also be instances where procurement of Sweets or Dry fruits is required for distribution to our Human Resources, Customers, or Senior officials on occasions such as achieving sales targets etc.. Additionally, identifying suitable venues with food arrangements for training programs related to Human Resource

development may be necessary. For such purposes, a Committee comprising five (05) Executives, headed by the Managing Director (MD), may be constituted to make decisions on which Venue/ Source. This Committee is only for such purposes strictly to the specific purposes outlined in this paragraph.

4.5. IMPORTS PURCHASE

Import purchases shall be made in exceptional cases, such as when the required goods or services of the specified quality or technology are not available within the country, when the item is proprietary and available only from a foreign manufacturer, when technical or project requirements so require, or when import is mandated under an externally funded project or international agreement. Import may also be considered if it is found to be more economical or technically superior after considering all applicable duties, freight, insurance, and foreign exchange costs. In all cases, import purchases shall be made only with the approval of the competent authority, and every effort shall be made to avoid imports as far as possible.

The bare minimum requirements for import purchase are (a) Import Export Code (IEC) (b) GST Number (3) Authorized Dealer Code (AD Code) of Bank and CPCB/SPCB certificate, as applicable. The services of a Freight Forwarder and Clearing Agent are essential for businesses engaged in international trade in India, particularly for managing imports and exports efficiently and in compliance with regulatory requirements.

Import Purchase Enquiry shall be invited only in exceptional cases where Keltron feels that there are special reasons for the same and must be record with detailed justification. Such procurement may become necessary when Electronic Components, Electronic Boards, or Control Components are required for Defence and Space Electronic Systems. The approval for Import Purchase is detailed in the subsequent Paragraphs.

IMPORT PURCHASE ENQUIRY: Enquiry shall be sent to all the registered Import Suppliers. In case of new Suppliers, the genuity of the Supplier shall be verified by the Purchase Committee. Import Purchases should be done from OEM or OEM authorized Suppliers as far as possible. The Comparative Price Statement must clearly indicate the applicable Incoterms, payment terms, and the prevailing exchange rates of all relevant currencies at the time of evaluation. The Committee members shall select a most favourable Incoterm (*ANNEXURE 8 -INCOTERM*).

Each Business Unit shall select a Freight Forwarder and Clearing Agent for their Import Purchase activities. Transporting item through a Freight Forwarder is the safest mode of transport. The Freight Forwarder works in collaboration with a network of carriers, airlines, shipping companies, and truckers to ensure goods

are transported efficiently and safely to the destination. The responsibilities of the Freight Forwarder include Customs Clearance at the Supplier end ,transportation, route planning, consolidation, deconsolidation, cargo insurance and documentation.

The Clearing Agents are primarily used to manage the Customs Clearance process, lodging a Customs Clearance Declaration and providing services to clear the item from Customs. The Clearing Agent ensures that all paperwork is accurate and complete. The Business Units shall mandate the Freight Forwarder to import the item at the nearest Air or Sea Ports. Sea/Ocean freight shall be the preferred mode of transport for bulk consignments. For smaller or time-sensitive items, Air freight is preferred. High-value or critical items must be shipped via air through our regular or an approved reliable Freight Forwarder. There is also a factor of risk associated with the Import Purchase and hence must be tracked carefully. The details of Bill of Entry (BOE), Airway bill against the Purchase Order should be recorded in a register by the Purchase Department. All necessary Customs clearances obtained must be placed on file for record keeping for minimum of 30 years.

All Strategic Business Units (SBUs) are using the Company's common Importer Exporter Code (IEC), registered under the name 'KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD', for all import and export activities. Any unresolved issue or non-compliance related to import/export in any one SBU may adversely affect the import/export operations of the entire Company.

For effective monitoring and timely corrective action, comprehensive details of all import and export transactions shall be maintained at a centralized location accessible to authorized stakeholders. Copies of all Bills of Entry (BOE) pertaining to import purchases shall be forwarded to Corporate Finance on a monthly basis. These records shall be preserved for a minimum period of 30 years, as such information may be requisitioned by Government authorities at any time, irrespective of the elapsed period.

Note: Import purchases shall be carried out exclusively by the Purchase Department of the concerned Business Unit. No SBU/Department is permitted to execute import purchases directly.

MATERIAL CLEARANCE: The Imported goods are authorized by Customs authorities for entry in our country. It involves a series of checks, procedures, and documentation to ensure that the cargo complies with the respective laws and regulations of India.

It should be ensured that the Freight Forwarder details shall be mentioned in the Purchase Order. The Freight Forwarder collects the item from the Supplier

premises directly or through their associates. The transportation is then under the scope of the Freight Forwarder. The insurance of the transported material may be arranged by us or the Freight Forwarder. The Purchase Department shall submit all required documents to the Freight Forwarder on receipt of the despatch intimation from them. IEC Copy, GST registration copy ,AD Code details, Technical write-up, Bureau of Indian Standards (BIS) certificate(if not available that is to be declared), Authorization letter, Copy of PO & Invoice etc. are the normal documents required at this stage. The Technical write up of the items to be arranged by the indenting SBU/Department. The HSN Code mentioned in the invoices shall be verified by the Purchase Department, the Customs Duty will be in accordance with the HSN code.

As soon as the item reaches India, the Customs will inspect the item and charge the Duty. In case of any queries raised by the Customs Department, it shall be settled by the Purchase Department without delay. The Purchase Department may avail the assistance from indenting SBU/Department if the queries raised by the Customs are not resolved at the first attempt. The Bill Of Entry and Airway Bill No. are the important documents to track an item and the same shall be recorded for future reference. Once the Customs formalities are over, the items should be delivered to the respective Stores of the indenting SBU or Department.

CHAPTER 5

TENDERING PROCESS

The Tender document serves as the foundation for competitive bidding. It mainly includes the details of Client/our needs, project specification, evaluation criteria, pricing schedules, Technical specification, and Compliance requirements. The preparation of Tender documents, its publication, receipt and opening of bids shall be carefully done in a controlled and transparent manner.

5.1. PREPARATION OF TENDER DOCUMENT

All the essential information, which a bidder needs for submitting a responsive bid, should be clearly spelt out in the Tender document. A Standard Tender Document(STD) may be used for this purpose (*ANNEXURE 9 – FORMAT FOR MODEL TENDER DOCUMENT*). The Tender document should carefully be prepared to avoid delays and complaints. The STD ensures uniformity in the Tender documents of Business Units. The standard provisions in most of the sections in the STD are to be used unaltered. The document must necessarily address the following essential aspects:-

- a) Description of the subject matter of procurement, its Technical details/Specifications including the nature, quantity, time and place or places of delivery.
- b) Limitation or preference for participation by bidders in terms of the Government policies if any.
- c) The Eligibility criteria and Qualification to be met by the bidder. The Qualification criteria should assess the Suppliers past Performance, Experience, Technical competence and Production capacity of the subject goods, Financial strength to handle the contract successfully, Compliance with Environmental protection Regulations/ Environment Management System and so on.
- d) The details of procedure, date, time, place for obtaining documents (if any), submission and opening of the bids.
- e) Terms of delivery/completion, Payment terms and mode of payment.
- f) Suitable provisions for enabling a bidder to question the bidding conditions, bidding process and/or rejection of its bid.
- g) Criteria for determining the response to bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the bidder should be clearly indicated in the Tender documents.

- h) Suitable provision for settlement of disputes (if any) emanating from the resultant contract, should be kept in the Tender document
- i) The General Conditions of Contract (GCC) should not be altered and changes, if any, in conditions of contract should only be made through the Special Conditions of Contract.
- j) Provision of Price Variation (if any), wherever considered appropriate, as well as methodology for calculation of the same shall be clearly stipulated in the tender document.
- k) Technical and Financial Eligibility Criteria for the bidders are important in the procurement process. They shall be clear and fair, with regard to the specific circumstances of the procurement.
- l) Open online tendering should be the default method of procurement. The experience criteria should be broad so that the bidders with experience in similar nature of items/ goods can participate in the Tender.
- m) Pre-bid meeting may be conducted for large value tenders. The Place and time of pre-bid meetings should be mentioned in the tender document and/ or publicized through the website of the company/ or through other modes if required.

5.2. CONTENTS OF TENDER DOCUMENTS

The main sections of the Standard Tender Document:

- a) Notice Inviting Tender (NIT)
- b) Instructions to Bidders (ITB)
- c) Eligibility and Qualification Criteria
- d) General Conditions of Contract (GCC)
- e) Special Conditions of Contract (SCC)
- f) Schedule of requirements
- g) Technical Specifications (including Drawings) and Quality Assurance (Inspections and Tests)
- h) Standard formats (Bid Form, Delivery timelines, Unpriced BOQ, Bank Guarantees Contract format etc.)

5.3. NOTICE INVITING TENDER

The Notice Inviting Tender (NIT) is crucial for attracting wide competition in the tender. Standard Bid document should be used for publishing the Tender Notice. To ensure competition, attention of all likely tenderers, registered Suppliers, past Suppliers and other known potential Suppliers, should be invited to the NIT through email/other modes. In e-procurement, the registered Suppliers will get alerts automatically from website. The NIT should be brief but must contain sufficient detail for a prospective bidder to decide whether to participate in the tender or not.

5.4. INFORMATION TO BIDDERS

The Information To Bidders (ITB) must contain all relevant information as well as guidance to the prospective tenderers regarding all aspects of obtaining tender documents, and preparation of bids and submission of a responsive bid. Important clauses of ITB which may require attention are:-

- a) Purchase Preference Policies
- b) Details of the subject of the Tender Document
- c) Sealing and marking of Tenders (Offline bids)
- d) Bid Validity
- e) Withdrawal, Substitution and Modification of Tenders
- f) Eligibility/Evaluation/Qualification criteria
- g) Schedule of requirements
- h) Management of OEM/ Authorized dealer/Agents of Supplier
- i) Any Amendments

5.5 PREQUALIFICATION GUIDELINES

The prequalification should clearly be specified, not made very stringent or very liberal. The prequalification criteria are a yardstick to allow or disallow the firms to participate in the Tender. The PQ criteria must appropriately use the different parameters according to the requirements of the present work. It is, necessary to fix in advance the minimum qualification, experience and number of similar works of a minimum magnitude satisfactorily executed in terms of quality and period of execution.

CIVIL/ELECTRICAL/SYSTEM INTEGRATION/MANUFACTURING WORKS:

- (i) Average Annual financial turnover during the last 3 years, ending 31st March of the previous financial year, should be at least 30% of the estimated cost.
- (ii) Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following: -
 - a) Three similar completed works each costing not less than the amount equal to 40% of the estimated cost. or
 - b) Two similar completed works each costing not less than the amount equal to 50% of the estimated cost. or
 - c) One similar completed work each costing not less than the amount equal to 80% of the estimated cost.
- iii) Definition of “similar work” should be clearly spelt out. In addition to above, the criteria regarding satisfactory performance of works, personnel employed, plant, equipment etc. available may be incorporated according to the requirement of the Project.

STORE/PURCHASE CONTRACTS: Prequalification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their (i) experience and past performance on similar contracts for last 2 years (ii) capabilities with respect to personnel, equipment and manufacturing facilities (iii) Audited Financial Statements of last 3 years. The quantity, delivery and value requirement shall be kept in view, while fixing the PQ criteria. No bidder should be denied prequalification for reasons unrelated to its capability and resources to successfully perform the contract.

5.6 GENERAL AND SPECIAL CONDITIONS OF CONTRACT

The General Terms and Conditions clause outlines the foundational rules and principles governing a contractual agreement, ensuring both parties understand their rights, responsibilities, and the procedural framework of the contract. The GCC covers all information on aspects after the announcement of the tender award till the closure of the contract and dispute resolution.

Any changes warranted by special circumstances may be indicated in a separate Special Contract Condition (SCC) and GCC may be included unchanged in every tender document. It is also to be indicated therein that the provisions in the SCC will supersede the corresponding provisions in the GCC.

5.7 SINGLE AND TWO COVER SYSTEMS

SINGLE COVER SYSTEM: The submission of both the Technical and Financial proposals, submitted together as a single package. The process is simple and less time-consuming. All information is submitted at once, making it easier for both the tendering authority and the bidders. Due to its simplicity, the evaluation process is faster, leading to quicker decision-making and contract awarding. This Single Cover System is advisable for the purchase of low valued items up to ₹5 Lakhs only and not suitable for complex projects where a detailed evaluation of technical capabilities and financial aspects included.

In Single Cover Tender Fee, EMD Fee, Technical and Financial bid are in one cover. All Suppliers names will appear in the comparative statement, but their bids may or may not be technically suitable. The Purchase Committee shall select the qualified bidder meeting our requirements.

TWO COVER SYSTEM: It is also known as two-stage tender, in which separate Technical proposal and the Financial proposal are submitted in two different covers. The covers are opened and evaluated at different stages. In two cover system the Tender Fee, EMD and Technical bid in the first cover & Financial bid in the second cover.

For the procurement of high-value items such as plant, machinery, equipment, IT and communication systems, as well as for Turnkey projects, especially those that are complex and critical in nature, bids should normally be invited in two parts, as detailed below. This procedure shall also apply to all procurements exceeding 5 lakhs.

- (a) Technical bid consisting of all technical details along with commercial terms and conditions; and
- (b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

Detailed evaluation and fair competition may be ensured in the Two Cover System. The technical proposal is to be evaluated first without considering the financial aspects. This ensures that the bidder's technical capabilities meet the project requirements before financial considerations are made .By evaluating technical proposals independently, this method reduces the risk of financial bias and ensures that only technically competent bids are considered for the financial evaluation. For complex projects, this approach mitigates the risk of awarding the contract to a bidder who might not fully meet the technical requirements but has a lower financial bid.

5.8 PRE-BID MEETING

Pre-bid conference is necessary in case of the projects like:-

- (a) Turnkey contracts
- (b) Facilities of a special nature for procurement of sophisticated and costly equipment
- (c) Large works and complex consultancy assignments

A suitable provision is to be kept in the bidding documents for one or more pre-bid conference for clarifying issues/clearing doubts, if any, about the specifications and other allied technical/commercial details of the plant, equipment and machinery projected in the bidding document and for ensuring that the technical requirements provide a level playing field. The date, time and place of the pre-bid conference should be indicated in the Tender enquiry.

Bidders should be asked to submit written queries in advance of the conference. After the conference, the techno-commercial requirements may be revised if considered necessary by way of issue of a formal corrigendum (mere minutes of the meeting of pre-bid conference would not suffice) and shared with all the prospective bidders who purchase or have approached for the bidding process.

5.9 MANNER OF SUBMISSION OF BIDS IN TWO BID SYSTEM

The Technical bid and the Financial bid should be sealed by the bidder in separate covers duly superscribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed. The technical bids are to be opened and evaluated in the first instance. The firms who are technically disqualified must be intimated so. At the second stage, financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

In E-Tender, the portal (<http://etenders.kerala.gov.in>) will provide the necessary details of bid submission.

5.10 EXTENSION OF TENDER OPENING DATE

In certain situations, it may become necessary to modify or amend the tender documents already issued. Such situations may arise either due to requirements identified by the Company or upon receipt of representations from tenderers pointing out genuine errors or omissions in the tender documents. In such cases, the tender documents shall be suitably amended or modified prior to the due date for submission of bids. All such amendments/modifications shall be simultaneously intimated to all prospective suppliers who have received the tender documents. Where required, the time and date for submission of tenders shall be

suitably extended, along with corresponding revisions to the timelines for receipt of tenders, tender validity period, and the validity period of the Earnest Money Deposit (EMD)/Bid Security. Depending on the nature and extent of the amendment, fresh publication may also be carried out, following the same procedure adopted for publication of the original tender enquiry. Any extension of the due date shall be carried out with the concurrence of the concerned SBU.

5.11. SUBMISSION, RECEIPT AND CUSTODY OF TENDERS

In e-procurement, all tenders uploaded by tenderers are received, safeguarded and opened online on the portal. In offline tenders, receipt and custody of bids shall be done in a transparent manner to maintain the credibility of the process. The following guidelines should be adhered to for receipt and custody of bids:

- (a) The Purchase Officer shall maintain tenders in a secured manner.
- (b) The officials authorised to receive such bids (Head of Business Unit shall authorize yearly) shall maintain proper records and provide a signed receipt with date and time to the bearer of the bid.
- (c) The officials authorized to receive the bids shall sign on the cover, duly indicating the date and time of receipt of the tender(s). Names and designations of at least two such authorised officers should be mentioned in the bid documents

5.12. WITHDRAW/ AMENDMENTS / MODIFICATIONS TO BIDS BY BIDDERS

The tenderer, after submitting its tender is permitted to withdraw/ alter/modify its tender as long as such withdrawal/ alterations/modifications are received duly sealed and marked like original tender, up to the last date & time of receipt of tender. Any withdrawal/amendment/modification received after the prescribed date & time of receipt of tenders are not to be considered.

5.13. PROCEDURES TO BE FOLLOWED DURING BID OPENING

Immediately after the deadline for bid submission, procuring entity shall proceed to the bid opening. In e-procurement, bids are opened online. In offline tenders, the Bid Opening Committee (BOC) shall comprise one officer each from the Purchase Department and Associated/Integrated Finance.

- (a) The authorised representatives of bidders, who intend to attend the tender opening are to bring with them letters of authority from the corresponding bidder. All bid-opening activities should be carried out demonstrably before such a gathering.
- (b) At a prescheduled date and time, the BOC of the day should get the particular tender box opened, after ensuring and demonstrating that the

seal on the box has not been tampered with. All bids should be collected from the tender box. Bids for tenders not opening on that day should be put back into the box and the box resealed. Sometimes, there would be tenders dropped wrongly into this tender box. Such wrongly dropped tenders with appropriate endorsement should be put into the appropriate box. The bids for different tenders opening on the day (including oversized bids, which were submitted to designated officers) should be sorted, and a count for each tender should be announced and recorded, particularly noting any modifying/altering/withdrawal of bids. BOC should ensure and demonstrate that bid envelopes are duly sealed and untempered. Late bids should be separately counted but kept aside and not opened.

- (c) After opening, every tender shall be numbered serially and initialled. Each page of the price schedule or letter attached to it shall also be similarly initialled, particularly the prices, delivery period, and so on, which shall also be circled and initialled along with the date. Any other page containing significant information should also be dealt with similarly. Blank tenders, if any, should be marked accordingly. The original (and duplicate, if any) copies in a tender set are to be marked accordingly.
- (d) A bid opening report containing the names of the tenderers (serial number wise), salient features of the tenders, as read out during the public opening of tenders, will be prepared by the tender opening officers, and duly signed by them along with the date and time.

5.14. RE-TENDERING

The Re-tendering may be recommended by the concerned SBU/Department with the knowledge of Head of Business Unit with utmost caution. Re-tender may be done under the following circumstances:-

- (a) Offer(s) do not conform to qualitative requirements and other terms and conditions set out in the RFP.
- (b) There are major changes in specifications and quantity, which may have considerable impact on the price.
- (c) Prices quoted are unreasonably high with reference to assessed reasonable price or there is evidence of a sudden slump in prices after receipt of the bids.
- (d) Where there is lack of competition and there are clear and reasonable grounds to believe that the lack of competition was due to restrictive specifications, which did not permit many Suppliers to participate. In such cases, which should, however, be rare as the specifications should normally be formulated with due care and after pre-bid conference, wherever required, the indenting SBU/Department should consider if there is a

possibility of reviewing the specifications to facilitate wider and adequate competition.

- (e) Non-receipt of the required minimum number of qualified bids. (The minimum number of qualified bids shall be three. However, in cases of urgency and for recorded and justifiable reasons, the procurement may be proceeded with a minimum of two qualified bids, subject to proper justification being recorded in the file)

CHAPTER -6

TENDER FEE, EMD AND PERFORMANCE SECURITY

6.1 TENDER FEE

Tender fee is a charge for the evaluation of documents. The Tender fee is not refundable, regardless of whether the contract is awarded or not. The Tender Fee is compulsory and if a bidder fails to make the deposit, their bid will not be considered or opened.

The Tender fee should be 0.15% of the estimated value of the tender to be published, rounded to the nearest multiple of Rs.100, subject to a maximum ceiling of ₹25,000/- plus applicable taxes. MSMEs are exempted from Tender Fee. The Tender Fee may also be varied from time to time based on the prevailing Government orders.

6.2 EARNEST MONEY DEPOSIT (EMD)

Earnest Money Deposit (EMD), also known as bid security is charged to ensure that the bidder does not modify or withdraw their offer once the Contract is awarded. EMD is to be obtained from the bidders in order to safe guard the interest of the company against a bidder's withdrawing/altering its bid during the bid validity period in the case of Open or Limited tender enquiry. If the prospective Supplier does not accept our Order or change their offer, then the EMD shall be forfeited.

The bidders are required to furnish EMD along with their bids. Earnest money should ordinarily be taken for every tender involving ₹1 Lakhs or more. The amount of EMD shall be 1% (rounded to the nearest multiple of hundred) of the total estimated basic cost of the Stores fixed by the Competent Authority for Purchase. EMD is compulsory in the Tendering process and GST is not applicable to the EMD.

In certain special cases, a lump sum earnest money may be prescribed with reference to the nature of Stores required and to the extent of possible competition. The Complex Head reserves the right to exempt or reduce the amount of EMD in any tender.

EXEMPTION FROM PAYMENT OF EMD: Micro, Small & Medium Enterprises registered with the National Small Industries Corporation Limited, New Delhi and in respect of which competency certificates are issued by the Corporation will be exempted from payment of earnest money deposits.

NOTE: Under e-procurement system the authorized exemption list will be published in the e-procurement portal.

PAYMENT OF EMD: Earnest money may be accepted either in crossed Bank Drafts or Government Promissory Notes or Bank Guarantee or National Savings Certificate. The tenderers should be specially instructed in the advertisement not to enclose in the envelope any Earnest Money in cash, but only in crossed drafts. Fixed deposit in the Nationalized Bank in the name of Keltron or in the name of the depositor with due endorsement thereon to the Head of Purchase of the concerned Business Unit may also be accepted provided the period is not less than six months.

The Finance Departments of the Business Unit shall verify the genuinity of the Guarantee submitted by the Contractor by contacting to the Bank from where the BG is issued. The format of the received BG and its encashable aspects shall be verified by the Finance Department.

NOTE: Under e-procurement system the Tender Fee and Earnest Money Deposit will be through Electronic mode only.

VALIDITY OF EMD: The EMD should be valid at least 30 days beyond the expiry date of the Tender validity.

FORFEITURE OF EMD: EMD of a tenderer will be forfeited, if the tenderer withdraws or amends its tender or impairs or derogates from the tender in any respect within the period of validity of its tender. Further, if the successful tenderer fails to furnish the required performance security within the specified period, its EMD will be forfeited.

REFUND OF EMD: EMD furnished by all unsuccessful tenderers should be returned to them without any interest whatsoever, at the earliest after expiry of the tender validity period but not later than 30 days after conclusion of the contract. EMD of the successful tenderer should be returned, without any interest whatsoever, after receipt of performance security from it as called for in the contract.

6.3 PERFORMANCE SECURITY

The purpose of Performance Security is to ensure due performance of the contract. The successful bidder who is awarded the contract must submit this. Performance Security is to be obtained from every successful bidder for a contract value above ₹10 Lakhs. Performance Security (in favour of Keltron) may be furnished in the form of a Bank Guarantee, Account payee Demand Draft, Fixed Deposit Receipt from a Commercial bank.

Performance Security is to be submitted by the Supplier within 21 days on award of contract. The Performance Security should be valid for a period of 60 days beyond the date of completion of Supply / Work order and of all

contractual obligations of the Supplier, including warranty obligations.

The Performance Security should be equivalent to 5% of the total value of the contract rounded to the nearest rupee. The most preferred form of Security Deposit is Bank Guarantee (*ANNEXURE 10 – FORMAT FOR BANK GUARANTEE*). The Security may be taken in any of the below mentioned forms from the Supplier.

- (a) Demand Draft from Nationalised Banks
- (b) Bank Guarantee from Scheduled Banks in India issued as per prevailing RBI Guidelines.
- (c) National Savings Certificates, Government of India 12 years National Plan Savings Certificates and 10 year Treasury Savings Certificate
- (d) Post Office Savings Bank Deposits
- (e) Post Office Cash Certificates
- (f) Deposit receipts of recognized bank and co-operative societies approved by Government for the purpose

EXEMPTION FROM PERFORMANCE SECURITY: Keltron may, when desirable, exempt a firm of established repute from the obligation to furnish security in respect of contracts or for a particular contract or class of contracts made with Keltron, providing sufficient justification and approval from Competitive Authority.

No Security should be demanded or taken from any Government institutions or Business Units under Keltron including subsidiaries and associated companies under KELTRON Group. This provision will apply in the matter of purchase of Stores from Government of India undertakings as well.

No exemption shall be given to MSMEs for the submission of Performance Guarantee as the company is working on competitive basis.

Keltron at its discretion may demand for fresh performance guarantee from firms for extension in period of the contract originally concluded with them. The earnest money deposit may also be treated as part of performance security of the successful bidder and only the balance amount of performance security need be called for from the firm.

FORFEITURE OF PERFORMANCE SECURITY: Performance Security shall be forfeited and credited to KELTRON in the event of a breach of contract by the Supplier, as defined in the terms and conditions of the relevant contract. The

encashment of the Bank Guarantee (BG) towards forfeiture of the Performance Security shall be carried out only upon a joint decision taken by the Head of SBU, Finance Department and Purchase Department, with the concurrence of the Head of the Business Unit. This ensures a fair and transparent process while safeguarding the interests of the organization.

VERIFICATION OF THE BANK GUARANTEES: Bank Guarantees submitted by the tenderers/Suppliers as EMD/Performance Security need to be immediately verified from the issuing Bank before acceptance. It is the responsibility of the Finance Department to verify the Performance Security submitted by the Supplier.

SAFE CUSTODY AND MONITORING OF EMD, PERFORMANCE SECURITIES & OTHER INSTRUMENTS:

EMDs, Performance Securities and other instruments shall be under the safe custody of the Finance Department of each Business Unit. It is the joint responsibility of the Finance Department, Purchase Department and SBU for the on time extension or encashment or refund of EMDs and Performance Securities, as the case may be. The Finance Department shall monitor the expiry of the Security Deposits and the same should be intimated to the Purchase Department, SBU and the Head of Business Unit before 3 months of expiry of the instrument. The Purchase Department shall contact the Supplier to renew the Security Deposit. In case, the Supplier fails to renew the Security Deposit, the same shall be encashed without any delay. The encashment intimation shall be given to the Supplier in advance. The encashment of the Security Deposit should be done as a joint decision of SBU, Finance Department, Purchase Department and Head of Business Unit.

The Performance security should be released to the Supplier after the warranty period and receipt of No Obligation Certificate from the SBU (*ANNEXURE 11- FORMAT FOR NO OBLIGATION CERTIFICATE*)

CHAPTER-7 EVALUATION OF BIDS

The bid evaluation process is a critical step in procurement, determining which supplier is awarded the contract for goods, services, or projects. The most commonly used method is price-based evaluation, where the contract is awarded to the lowest bidder (L1), provided they meet all the minimum technical and eligibility requirements specified in the tender. Alternatively, a Quality and Cost-Based Selection (QCBS) method may be used, where both technical merit and price are considered. However, this approach must be clearly mentioned in the tender along with defined evaluation criteria and weightages. The choice between price-based and QCBS evaluation methods shall be made by the indenting SBU/Department, depending on the nature and complexity of the procurement. All evaluations must be conducted in a transparent, objective, and auditable manner to ensure fairness and value for money.

7.1 EVALUATION OF TENDER BIDS

The first step in bid evaluation is to ensure that the Supplier complies with all mandatory requirements outlined in the Tender document. The compliance check includes verifying the completeness of submitted documents and its adherence to bid submission guidelines and confirmation of eligibility requirements. The prequalification criteria shall be verified by the Purchase Department. However Purchase Department should obtain assistance from the Finance Department to verify the financial aspects of the Supplier like Networth, Audited Balance Sheet, Turn over etc. Evaluating financial stability of bidder helps to ensure that they have the necessary financial resources to complete the contract successfully. Financially unstable bidders pose a significant risk to the successful completion of the project. The Non-complied bids should be disqualified from further evaluation. The Technical bid along with Pre-qualification evaluation report should be forwarded to the SBU.

TECHNICAL CONCURRENCE: Each SBU should formulate a Technical Committee of minimum 3 technically competent staff for the evaluation of bids. Technical concurrence of the bids rests with the SBUs. The Technical Committee should clarify, any observation, directly with the Supplier or with the assistance of Purchase Department. The decision of the Technical Committee should be final in Technical matters. The Technically qualified Suppliers will be considered for the commercial opening

FINANCIAL CONCURRENCE: The Finance Department shall verify the commercial bids. Suppliers may use different tax rates in their commercial bids, Finance Department has to verify the same. There also chances for not to include tax portions in the commercial bid. If a Supplier quoted an amount without Tax portion, the quoted amount shall be treat as inclusive of Tax.

7.2 EVALUATION OF QUOTATIONS

SINGLE COVER: The initial evaluation of quotations shall be done by the Purchase Department. Purchase Department shall prepare a comparison chart of the prices quoted by various bidders, taxes quoted and various terms and conditions based on which L1, L2,..rating shall be done. The Head of Purchase Department shall place the proposal file to the Purchase Committee after verification of the received quotations. Each Committee members can indicate their remarks. In case the quotations are not meeting the desired attributes the same shall be returned to the Purchase Department with detailed reasons and recommendations to proceed further. The Technical aspects and other terms and conditions shall be verified by the indenting SBU/Department. The financial aspects of the quotations shall be verified by the Finance Department.

TWO COVER: The technical bid is opened first and technical concurrence by the SBU Head(SBU Committee plus SBU Head)).The Commercial bid will be opened by the Purchase Department and placed before the Purchase Committee and follow the processes above.

All Purchase Orders of value exceeding ₹15,000/- shall be released after obtaining financial concurrence of the Finance Department of the Business Unit post verifying the pre-audit as well as funds availability. Stock in hand and under order must also be considered before granting concurrence. The Finance Section/Department should dispose of all such cases most expeditiously and in any case within three working days. It is the responsibility of the Purchase Committee is to verify the rate of the item to be purchased is reasonable.

Finance Department shall confirm the taxes quoted for the item(s) by all bidders are existing rates in the comparison chart and ultimate rate is compared before according financial concurrence .All observations of the Finance Department shall be resolved by the Heads of Purchase and Indenting SBU/Departments before final issue of the Purchase Orders.

In cases where a difference of opinion arises between the Heads of Purchase, Finance, and the Indenting SBU/Departments, the matter shall be referred to the Head of the Business Unit. The Business Unit Head shall provide a written decision, which shall be final and binding.

All the above processes must be carried out in a collegiate manner through meetings of the Purchase Committees, as outlined in Chapter 4. These meetings should be held on a weekly basis or earlier, as necessary, to prevent any delays.

7.3 QUALITY AND COST BASED SELECTION (QCBS) EVALUATION

In this method the Bids are evaluating both in terms of 'Quality' as well as 'Quoted Price'. The Tender document must clearly specify the Criteria, marks for each Criteria and weightage for the 'Quality' and 'Price' if QCBS is to be followed and approval for the same shall be obtained from Corporate Office.

QCBS Evaluation Methodology: The bids conforming to the technical specifications, terms and conditions stipulated in the bidding document are considered to be responsive after subjecting to Bid Rejection Criteria will be considered for further evaluation. The evaluation method for a set of sample criteria is given below:-

- a. The weightage for the 'Quality' is **70 (seventy)** and the weightage for the 'Quoted' price is **30 (thirty)**.
- b. The marks allocated against various sub-sections under 'Quality' of Bid is given hereunder as example:

#	Criteria	Marking Scheme	Max. Marks
1	The bidder should possess proven experience of successfully completing projects in the Electrical & Electronics industry during the last seven (07) years in India or globally.	≥2 projects: 5 marks 2 additional marks for each project (10 marks max.)	15
2	The bidder should possess proven experience in fields other than Electrical & Electronics industry over the last seven (07) years in India or globally.	≥3 projects: 5 marks 2 additional marks for each project (10 marks max.)	15
3	Bidder should have the experience of having successfully completed SAP ERP implementation in PSU organization in last 07 (Seven) years in India/globally.	≥2 projects: 4 marks 2 additional mark for each implementation project (6 marks max.)	10
4	Bidder should have the experience of having successfully completed SAP ERP implementation with > 500 SAP users in 07 (seven) years in India/globally.	≥2 projects: 5 marks 2 additional marks for each project (10 marks max.)	15
5	The bidder should be minimum CMMI Level 3 (Three)	Level3 :10 marks Level3+:15 marks	15

6	Number of full Time consultants on its payroll in India who are dealing in Advisory/Implementation/Post-implementation support services for SAP S/4 HANA as on bid closing date	≥ 50 and < 80 : 5 Marks ≥ 80 and < 100 : 10 marks ≥ 100 : 15 marks	15
7	Understanding of Scope, Deliverables Approach, Methodology & Past Success Stories(To be evaluated on the basis of presentation)	Presentation covering the bidder's understanding of the requirements, including the scope of work, deliverables, and business context; the proposed approach and methodology; the plan for ensuring quality and timeliness of deliverables; and the value proposition.	15
Total Marks			100

1. To demonstrate experience against criteria specified above, bidder must submit relevant documents
2. A bid shall have to meet the Minimum Qualifying Marks of 50 (fifty) marks in 'Quality' Criteria. Bids not meeting the minimum qualifying marks in 'Quality' Criteria shall be rejected. The Bids meeting the minimum qualifying marks shall be called 'Qualified Bids' and shall be eligible for financial evaluation of the bid.
3. 'Qualified Bids'(meeting the minimum Qualifying Marks of in Quality Criteria) and conforming to the technical specifications, terms and conditions stipulated in the bidding document and considered to be responsive after subjecting to Bid Evaluation Criteria shall be considered for further evaluation as per the Evaluation Criteria given below:
 - a) Price Bids shall be evaluated taking into account the Price quoted for all services including applicable GST (CGST& SGST/UTGST or IGST).
 - b) Quoted price must include all liabilities and taxes including statutory liabilities but excluding GST, which shall be quoted separately in the Price Bid format
4. To ascertain the Inter-se-ranking of the bids, the Quality & Cost Based Selection (QCBS) methodology as mentioned below shall be adopted:
 - a) An Evaluated Bid Score(B)will be calculated for each bid, which meets the minimum Qualifying marks of 50 (fifty)in 'Quality' Evaluation Criteria ,using the following formula in order to have a comprehensive assessment of the Bid price and the Quality of each bid:

$$B = (C_{low}/C) \times 100 \times X + (T/T_{high}) \times 100 \times Y$$

Where

- C = Evaluated Bid Price of the bidder
 C_{low} = The lowest of the evaluated bid prices among the responsive bids
 T = The total marks obtained by the bidder against "Quality" criteria
 T_{high} = The highest mark scored against "Quality" criteria
 X = 0.3 (The weightage for 'Quoted price' is 30%)
 Y = 0.7 (The weightage for 'Quality' is 70%)

Note: The Evaluated Bid Score(B) shall be considered up to two decimal places.

- b) Contract shall be awarded to the bidder with the highest Evaluated Bid Score (B)
- c) In the event of two or more bids having the same highest Evaluated Bid Score (B), the bid scoring the highest marks against 'Quality' Criteria will be recommended for award of contract. Even if there is a tie 'draw of lots' will be resorted to arrive at the recommend bidder
- d) To ascertain the inter-se-ranking, the comparison of the responsive bids will be made subject to loading for any deviation

7.4 PURCHASE / WORK ORDER NUMBERING SYSTEM

To ensure uniformity, easy identification, traceability, and to avoid duplication across all Business Units, the following standard numbering system may be adopted for all Purchase/Work Orders issued by the Company.

The numbering format may be followed as: UNIT / PROJECT / ESO / ABCDEF

Where:

Code	Description
UNIT	3 to 4 alphabetic code indicating the Unit
PROJECT	3 to 4 alphabetic code identifying the Project
ESO	3 to 4 digit/letter code representing the Customer Order
A	Numeric code (1-9) indicating the Strategic Business Unit (SBU)
B	Last two digits of the Financial Year
C	Numeric code (1-9) indicating the classification of the item
D,E,F	Sequential running number (000-999)

Suggested Item Classification Codes(C):

Code	Category
1	Import items
2	Mechanical
3	Electrical/Electronics
4	Consumables
5	Trading
6	Capital Equipment
7	Stationery
8	Service Contracts
9	Miscellaneous

This format ensures a logical, auditable, and standardized sequence that can be uniformly followed across all Business Units of the Company.

7.5 SIGNING OF PURCHASE/WORK ORDERS

- (a) Purchase Orders is to be signed by the Head of Purchase Department or the officers who have the delegated authority to sign the Purchase Order. Head Purchase can delegate the power to sign (after the Committee approval and scrutiny by Purchase Officer) up to an amount up to ₹2 Lakhs.
- (b) Amendment to the Purchase Orders shall be signed by an officer one step above the Officer who originally approved the Purchase Order or by the Head of the Purchase Department/Business Unit.
- (c) All Purchase Orders exceeding ₹2 Lakhs in value shall invariably be signed by the Head of Purchase Department. In the absence of Head of Purchase, the same may be signed by the concerned Head of SBU/Business Unit (after the Committee approval).

The hard copies of the signed Purchase Orders (POs) / Work Orders (WOs) shall be sent to the Supplier's designated office via Post or Courier. However, in the case of digitally signed Orders, the despatch of hard copies to the Supplier shall not be necessary. Copies of the POs/WOs shall be circulated internally to the Planning, QA, Stores, and Engineering Departments of the SBU, as well as to the Finance Department. Additionally, soft copies of the POs/WOs shall be emailed to the

Supplier's official email ID. Order acceptance shall be obtained from the Supplier for each PO/WO. The Supplier is required to sign and return the duplicate copy of the Purchase Order/Work Order within 3 days as a token of acceptance of the order. The Purchase Department shall ensure that the order acceptance is obtained and properly recorded.

Agreement shall be executed for all Turnkey Projects and Work Orders where the contract value exceeds ₹10 Lakhs. Additionally, agreements may be executed in other cases wherever the SBU or the Purchase Department considers it necessary in the interest of the Company. The concerned SBU shall be execute agreements with suppliers for all Turnkey Projects. The Purchase Department shall execute agreements with Suppliers for all Work Orders and Supply Orders, wherever necessary, to safeguard the Company's interests. (*ANNEXURE 12 – FORMAT OF SUPPLY AGREEMENT*)

CHAPTER – 8

OTHER MODES OF PURCHASE

8.1 CASH PURCHASE

Small amount of Cash kept on hand for incidental purchases of low value goods and services (ie. postage, office Suppliers, reimbursement for out of pocket expenditure) which cannot be accommodated through other purchasing methods which are known as Petty Cash Purchase. The Cash Purchase should be avoided as far as possible. Even in case of urgent necessity, Cash Purchases should be limited to ₹2,000/- per item up to ₹10,000/- in a day for a Business Unit. The Cash Purchases should be made only through the Purchase Department and against indents from SBU/Departments. The indents shall include all relevant details and Specifications of the material to be purchased. The maximum limit per month for Cash Purchases is ₹1,50,000/- for a calendar month for a Business Unit. Cash Purchases should be against “approval or return” basis as far as possible so that, if not approved for quality reasons, they could be returned to the Supplier without any delay and refund/replacement obtained.

All material purchased on cash basis must be physically brought to the stores, along with the cash memos/vouchers duly certified by the Indenting Department Head. Stores shall verify such material and ensure that the items mentioned in the cash memos/ vouchers tally both in terms of description and quantity. After the above verification the details will be recorded in a Register maintained in the Stores. The Stores will, then, put a rubber stamp on the face of the cash memo/ voucher and enter the serial number which will be called the “Control No.”, the date and the storekeeper will sign on the cash memo/ voucher. This stamp with the details/ signature as above will be the proof for the receipt of material. Thereafter the Stores will hand over the material and the duly stamped cash memos/ vouchers to the person concerned (indenter) after obtaining the signature of such person in the register.

Before raising a Cash Purchase requisition, the indenter shall ensure that the required material is not available in the Stores and that the purchase is of urgent necessity. In the case of Cash Purchase requisitions, the Purchase Department, at its discretion, may also obtain quotations prior to making the purchase. All Cash Purchase requests must be authorized by the Head of the concerned SBU, and such purchases shall be settled within 2 working days. Any Cash purchase of a value exceeding ₹2,000/- must have expense approval of the Head of Business Unit.

Note: *If a purchase is made at site due to urgent installation, commissioning, or servicing requirements, and obtaining prior approval is not feasible, such purchase shall be proposed for regularization with ex-post-facto approval, in the interest of timely completion of the project, in line with the provisions for emergent procurement. The SBU Head shall certify the invoice/bill and the Head of the Business Unit shall subsequently ratify the procurement after examining the justification. Based on the value of the procurement, a regularization Cash PR or normal PR as applicable shall be raised by the concerned SBU.*

8.2 RATE/RUNNING CONTRACT (RC)

Items of repetitive purchase in nature may be considered for entering into Rate/Running Contracts with the Suppliers. The period of the Rate/Running Contracts may be considered for contract for a period of 12 to 36 months, at a time provided, the Head of SBU/Business Unit feels it is advantageous to meet project timelines. The Contract may be extended for a maximum period of 6 months from the date of expiry of the initial Contract, if the same seems to be advantageous to the company. Consent from the Supplier and approval from the Purchase Committee is required for such extensions.

Purchase Department shall assess the possibility of getting better rates/ other Suppliers with better quality before proceeding renewal of RC.

8.3 EMERGENT PURCHASE

There are situations in business operations that necessitate the expeditious procurement of materials, equipment or services to address urgent or unforeseen requirements. In certain cases, the required Stores may have to be purchased from a particular source due to the nature of the urgency. In such instances, emergent purchases may be made based on quotations obtained through hand delivery or email.

The Emergent purchases may be undertaken up to a limit of ₹1 Lakh per calendar month per Strategic Business Unit (SBU). The reason for the emergent purchase shall be clearly specified in the Purchase Requisition by the Indenting Department. For purchases beyond the above limit, prior approval of the competent authority shall be obtained before raising the Purchase requisition, clearly recording the reasons and justifications for such purchase.

Acceptable justifications include, but are not limited to, the following:

- (a) The material is urgently required, and its absence will halt production or maintenance.
- (b) The item cannot be procured through the standard tendering process due to time constraints, and its absence may result in significant revenue loss.

- (c) The material is urgently required due to safety concerns
- (d) The material is essential to continue critical services.
- (e) The item is needed to address special circumstances arising from natural calamities, epidemics, pandemics, or any unforeseen event.

While emergent purchases are permissible under the conditions outlined above, they should be minimized through effective planning and timely procurement via standard procedures. These purchases are intended strictly for exceptional and unavoidable circumstances.

8.4 ONLINE PURCHASE

There are situations where online purchases may be considered, such as:-

- (a) The item is not available with regular suppliers and available at online Stores.
- (b) The online rates are lower than those quoted by our existing Suppliers.
- (c) The item is available on the OEM's or their authorized Suppliers E-Commerce website.
- (d) The lead time for delivery is shorter when purchased online.
- (e) Other favourable conditions exist that make online procurement more efficient and cost-effective.

All online purchase requires prior approvals from Head of Purchase, SBU and Business Unit. The maximum amount of purchase is set as ₹2 Lakhs for a calendar month for a Business Unit. However, purchase in higher amounts may be done with the approval from Competitive Authority (Corporate Office/ MD). Items with cost and lead time advantage may also be considered for online purchase, but the purchase limit and approvals remains same. A Corporate Debit or Credit card shall be used by Finance/ Purchase Department for this purpose.

8.5 PURCHASES THROUGH GeM

“Government e-Market Place (GeM): Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV (Special Purpose Vehicle) will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective Suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of Suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal may be utilized for direct on-line purchases.

GeM Portal: <https://gem.gov.in>. Detailed instructions for user organization registration, Supplier registration, listing of products, terms and conditions, online bidding, reverse auction, demand aggregation, call centre, etc. are available on this portal. The guidelines for procurements on GeM are as under.

- (a) Upto ₹25,000/- through any of the available Suppliers on the GeM, meeting the requisite quality, specification and delivery period (in case of procurement of Automobiles, the ceiling of direct purchase will be ₹30 Lakhs instead of ₹25,000/-). However, any automobile purchase needs expense permission of the Government.
- (b) Above ₹25,000/- and up to ₹5 Lakhs/- through the GeM Seller having lowest price amongst the available sellers (excluding Automobiles where current limit of ₹30 Lakhs/- will continue), of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer.
- (c) Above ₹5 Lakhs through the Supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding Automobiles where current limit of ₹30 Lakhs will continue).
- (d) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM. The above mentioned monetary ceiling is applicable only for purchases made through GeM.

Custom Bid: A "custom bid" on the GeM (Government e-Marketplace) portal allows buyers to procure items or services that are not readily available in the platform's standard categories, especially when the estimated order value exceeds ₹5 Lakhs. This feature enables buyers to create a unique bid with detailed specifications, allowing sellers to submit custom offers to meet specific needs.

Reverse Auction: Reverse auctions are e Auctions where Suppliers submit online bids to compete against each other. Unlike forward auctions, where bids increase as the auction progresses, in reverse auctions, bidding starts with the highest possible price and decreases gradually. The lowest bid wins.

Government buyers create a bid for a product or service on GeM and specify the eligibility criteria, technical specifications, and quantity required. If the bid qualifies for a reverse auction, the system enables this feature automatically.

CHAPTER – 9

TERMS OF PAYMENT

The payment terms applicable to the Supplier may vary depending on several factors, including the nature of procurement, value of the contract, level of risk involved, delivery and completion period, nature of the supplier, mode of procurement, whether the purchase is indigenous or imported, warranty and after-sales obligations, availability of budget, urgency of requirement, applicable statutory and financial rules, the past performance of the supplier etc.

The Payment terms must be clearly specified in the tender and Purchase/Work Order. The Advance payments should be avoided and properly justified. All payments are released only after certification by the competent authority. Deviations require proper approval and file justification. All payments should be through electronic mode (NEFT/RTGS/PFMS) as far as possible.

The following are the commonly permitted types of payment terms:

1. 100% Payment after Receipt & Acceptance

- Payment is made after complete supply, inspection, and acceptance of goods.
- This is the normal and preferred payment term.
- Applicable for routine purchases where risk is low.

(Example clause: 100% payment shall be made after receipt, inspection, and acceptance of the goods in good condition.)

2. Stage-wise / Milestone-based Payment

- Payment is released in stages, linked to defined milestones.
- Used for turnkey projects, works, and complex supplies.

(Example clause: 30% on supply, 60% after installation & commissioning and 10% after final acceptance)

3. Part Payment on Delivery, Balance after Installation

- Common for machinery and equipment
- Reduces supplier cash flow burden while protecting purchaser interests.

(Example clause: 90% on delivery and acceptance, 10% after successful installation/commissioning)

4. Payment Against Proof of Dispatch (Limited Use)

- Payment is released against Railway Receipt/Lorry Receipt/Airway bill.
- Generally discouraged under SPM
- Allowed only with adequate safeguards and competent authority approval.

5. Advance Payment (Exceptional)

- Permitted only in exceptional cases, such as
 - Proprietary items
 - Import purchases
 - Items made to order
- Must be backed by Bank Guarantee (BG) of equivalent amount.

(Example clause: 30% advance against Advance Payment BG, Balance after supply)

6. Payment Through Letter of Credit (LC)

- Mainly for import purchases
- Ensures payment security to foreign suppliers
- Terms defined in the contract (sight LC/Usance LC)

7. Retention Money / Performance-linked Payment

- A portion of payment is retained to ensure performance
- Usually linked to warranty or defect liability period.

(Example clause: 95% payment after supply, 5% retained till completion of warranty period or submission of PBG)

9.1 PAYMENT TO FOREIGN SUPPLIERS

Normally terms of payment to foreign Suppliers should be against LC. However, Sight Draft payment may be established wherever the foreign Supplier insists on such payment mode. Credit should be negotiated wherever possible. In exceptional circumstances, advance payment by TT could be resorted to the Supplier, with the prior approval of Competent Authority.

The rate of import duties charged by the Customs shall be verified by the Purchase Department and Finance Department. In case any discrepancy in the rate of Duty imposed is noted, immediate action shall be initiated by the Purchase Department to lodge necessary refund claims or appeals. Duty must be paid in such cases under protest.

9.2 BACK TO BACK PAYMENTS

Back to Back Payment refers to a payment arrangement wherein payment to a Contractor or Service provider is linked to, and contingent upon, the receipt of corresponding payment by Keltron from its end Customer, either partially or fully, for the same scope of work or supply.

Back-to-Back payment provisions may be adopted only in justified cases, such as:-

- (a) Engineering Procurement and Construction (EPC), Turnkey, or System Integration projects
- (b) Rate contracts or project based procurements funded by external agencies
- (c) Consultancy or project management services linked to customer payments
- (d) Contracts where Keltron functions as an intermediary or executing agency

Back to Back payment shall not be the default mode of payment and shall be adopted only with due justification and approval. The following principles shall govern such arrangements:

- (a) Back-to-Back payment clauses shall be explicit, unambiguous, and disclosed upfront in the tender documents
- (b) Such clauses shall not be used to transfer unreasonable financial risk to vendors
- (c) Statutory payment obligations shall prevail over contractual provisions

Mandatory Disclosures: All tenders and Purchase Orders involving Back to Back payment arrangements shall clearly specify:-

- (a) The nature and extent of Back-to-Back linkage
- (b) Milestone-wise payment structure
- (c) Documents required for release of payment

The payment clause shall clearly indicate whether the linkage is:

- Conditional – payment only after receipt of corresponding payment from the customer, or
- Deferred – payment within a defined time period after receipt of customer payment.

Inclusion of Back-to-Back payment clauses for MSME vendors shall be avoided as far as possible.

Payment Processing: Upon receipt of payment from the Customer, the contractor's invoices shall be processed on priority, and no avoidable administrative delays shall be permitted. In no case shall payment be withheld for reasons not attributable to the contractor, including but not limited to:

- (a) Customer-side procedural delays

- (b) Funding cycle delays
- (c) Internal administrative or documentation delays within Keltron

Keltron's Obligations: Back to Back payment clauses shall not absolve Keltron of its primary contractual obligations, including Liability arising from acceptance of goods or services and Compliance with statutory and regulatory requirements

Prohibited Practices:

The following practices are strictly prohibited:-

- (a) Inclusion of Back-to-Back payment clauses without disclosure in tender documents
- (b) Retrospective insertion of Back-to-Back payment conditions
- (c) Use of such clauses to indefinitely withhold payments
- (d) Application of Back to Back payment clauses to routine supply contracts without justification

Dispute Resolution: Any dispute arising out of Back-to-Back payment arrangements shall be resolved in accordance with the dispute resolution mechanism specified in the contract.

Illustrative Clause (Indicative): *“Payment to the Supplier shall be made on a Back to Back basis, subject to receipt of corresponding payment from the Customer, as per the terms specified in this contract.”*

9.3 PRICE ESCALATION

Purchase should normally be made on firm price. In exceptional cases where the rates quoted depends on statutory or otherwise controlled prices etc. or in case where material costs are liable to wide fluctuations, or cases where staggered delivery spread over more than a Financial Year or in RCs spread over more than a year price escalation may be considered. Escalation if accepted, the Purchase Orders should clearly specify the escalation basis/formula and supporting documents to be produced. However, price escalation occurring during extended delivery period should not be allowed or accepted.

9.4 PRICE INCREASES DUE TO STATUTORY LEVIES

Where the price increase is demanded by the Suppliers arise from any Governmental action or are due to statutory variations in the rate of Customs Duty, Excise Duty, GST etc. beyond the control of the Supplier, rate increase as applicable may be considered at actual, if sought by Supplier, provided such a stipulation had been made in the original quotation and the Purchase Order issued. The increase of price on account of statutory levies during the extended

delivery period beyond the originally agreed delivery date should not be considered except for reasons of force majeure.

9.5 REJECTION/ SHORT RECEIPTS

- (a) Value of rejections/ short receipts against particular Goods Receipt Cum Inspection Report (GRCIR) on which payment is still due to the Supplier, should be adjusted from the relevant bill of the Supplier.
- (b) Stores Department shall ensure that rejected material is returned to the parties within the time stipulated by the Supplier and in other cases within 7 days of receipt of the material under intimation / acquaintance.
- (c) The Finance Department shall issue the Debit note without any delay in case of rejection.
- (d) It should be ensured that the replacements of items against rejections are done immediately. If the Supplier is not able to replace the items against the rejection, then Credit Note shall be obtained from the Supplier.

9.6 VERIFICATION & CERTIFICATION OF SUPPLIER'S BILLS

On receipt of the bill from Supplier, the Purchase Department has to obtain certification from the user Department, and scrutinize the bills for its authenticity and certify the bills after due consideration of all terms & conditions of Purchase Order. After certification, Purchase Department shall forward the bills to the Finance Department for arranging payment.

9.7 TIMELY PAYMENT

The Purchase Department shall coordinate with the SBU/Department and Finance Departments to release the payments to the Supplier. Payment shall be released by the Finance Department as per the due dates after receipt of GRCIR/WCAR. The Purchase Department/SBUs can prioritize the payments in case of necessity. The consolidated report of payment made to the Supplier should be done once in every week by the Finance Department.

While releasing payments by the Finance Department, the details such as POs/WOs/Invoices against which payment made, GST TDS, Deduction if any such as LD, the details such as part or full payment against invoices shall clearly be mentioned in the payment voucher. E-payment is to be used for paying the Suppliers as far as possible.

9.8 PAYMENT OF BANK CHARGES

Payment of bank charges and interest, if any, has to be on the Supplier's account. However, the same can be negotiated with the Supplier on a case to case basis, based on the requirement of the items being ordered and nature of the tenders received.

9.9 PAYMENT TO MSME

Business Units shall give due preference for the release of payments to MSMEs. The payments cannot be delayed more than 45 days without proper justification. In order to ensure payments to MSMEs on time, Business Units shall take suitable steps.

CHAPTER-10

CONTRACT MANAGEMENT

A Purchase Order or Work Order or a Contract agreement becomes a legally binding document after the seller accepts the same. Once accepted, the buyer is legally obligated to submit payment for the product as per the agreed terms, and the seller is legally obligated to deliver or produce the product / Service. Contract management is the function to ensure the desired outcomes as per the terms and conditions of contract. It also ensures that the payments made to the Contractor are only after matching the performance. Implementation of the contract should be strictly monitored and notices issued promptly whenever there is a breach of provisions occurs. Monitoring should ensure that Contractor adhere to contract terms such as timely deliveries, quality of goods supplied, adherence to proper procedure for submitting invoices, and so on. The problems should be identified and resolved in a timely manner. A sound monitoring is required to get the desired output. The weekly Purchase Committee meetings must ensure these are all monitored.

10.1 PURCHASE/WORK ORDERS

Purchase Orders and Work orders play a very important role in Procurement. The difference between the two resides in the fact that Purchase Orders deal with the supply of parts and items while Work order typically deals with execution of tasks. Often, Purchase Orders may be part of work order, which require items to accomplish the tasks outlined in the work order vice-versa.

Each Business Unit should use a standard format for Purchase Orders/ work order. A unique well defined PO number shall be assigned to the Purchase Orders. A well defined Purchase Order number can itself provide various details such as Business Unit, Project, Customer Order, SBU, Financial year, category and type of item.

PURCHASE ORDERS: A Purchase Order is a legal document form used by a buyer and sent to a Supplier as an order. A Purchase Order specifies items, quantities, units, prices, and payment term for a purchase from the Supplier. A PO becomes a legally binding contract when a Supplier accepts the Purchase Order (*ANNEXURE 13 – FORMAT FOR STANDARD PURCHASE ORDER*).

All Purchase Orders shall include the following bare minimum details:-

- Supplier Address
- Purchase Order No. and Date
- Supplier Quotation or offer reference with date
- Name of Product/Items and its Specification

- The unit, Quantity and rate
- Payment Term and Tax details
- Price basis
- Warranty
- LD clause
- Consignee details
- Mode of despatch
- Delivery schedule
- Our GST details

Any additional details if required should be mentioned as Notes and Annexures.

WORK ORDER: Work orders are documents that summarize a particular task that must be performed. Work order includes all details of the task or work, outlines the process of completing the task, its location, instructions etc. and may include parts and tools required for the completion of the task. (*ANNEXURE 14 – FORMAT FOR STANDARD WORK ORDER*)

Information that appears on a Work-Order

- Supplier Address
- Work Order No. and Date
- Supplier Quotation or offer reference with date
- Description of the task and scope of work
- The unit Quantity and rate
- Price basis
- Warranty
- LD clause
- Detailed location of where work is to be done
- Mode of despatch
- Schedule of completion of work
- Our GST details
- List of parts, tools, or documentation needed to perform tasks (if required)
- Payment Term and Tax details
- Terms and Conditions

10.2 PURCHASE/WORK ORDER AMENDMENTS

Once a PO/WO has been concluded, the terms and conditions thereof should not be varied. No amendment to the contract should be made that can lead to a difference from the original tender decision or bestow an undue advantage on the Contractor. However, due to various reasons, changes and modifications may need in the contract. Where it becomes necessary /inescapable, any modification will be carried out with the prior approval from the Competent Authority.

Requests for such changes and modifications mostly emanate from the Supplier. Any amendment to the contract may have, inter alia, financial/ technical/ legal implications. The Head of SBU must be consulted regarding the technical implications. Financial concurrence should be obtained before issuing any amendment that has financial implications/repercussions. Further, if considered necessary, legal opinion may also be sought.

An amendment can concern any of the clauses of the contract but, in supply contracts, amendments often relate to the following:

- (a) Increase or decrease in the quantity required
- (b) Changes in schedule of deliveries and terms of delivery
- (c) Changes in inspection arrangements
- (d) Changes in terms of payments and statutory levies
- (e) Change due to any other situation not anticipated

PO/WO amendments must be approved by the competent authority as per the Delegation of Financial Powers. Where financial implication exists, approval shall be by an authority one level higher than the officer who approved the original PO/WO. Amendments without financial implication may be approved by the Business Unit Head, irrespective of PO/WO value.

The Head (Purchase) is authorized to issue amendments without prior Committee approval, in cases of variation in the supply of raw materials (such as fasteners, Sleeves, Sheets, rods, and other items of similar nature), provided such variations do not exceed 5% of the original order value. All other amendments, including those involving financial implications beyond the above limit, shall require prior approval of the Purchase Committee.

10.3 OPERATION OF OPTION CLAUSE

Under this clause, the purchaser retains the right to place orders for an additional quantity up to a specified percentage of the originally contracted quantity at the same rate and terms of the contract (during the validity of the Contract). This clause and percentage should be part of the Tender document and the Contract, ideally it should not exceed 50% of the original order quantity. Approval should be taken from the Competent Authority to exercise the Option Clause based on the value of the contract with the increased quantity.

Normally, for raw material/consumables of regular and year-on-year recurrent requirements, all tenders of value above ₹50 Lakhs should invariably include this clause. However, the Competent Authority may approve the inclusion of such a clause in lower denomination tenders if such items have a history of frequent disruptions in continuity of supplies.

10.4 REPEAT ORDERS

Repeat Orders may be placed where the original order (if the original Tender/PO had a repeat order clause) was finalized on the lowest quotation within 6 months from the date of issue of the original order and not exceeding 50% of the original ordered value. Before the issue of the repeat order, Purchase Department should be satisfied that there has been no downward trend in the market price of the material involved. The original order shall not be an emergency order. Efforts should invariably be made to obtain quantity discounts from the Supplier wherever possible.

To place repeat order for 100% of the Purchase Order quantity and for a period of up to 12 months, this provision must be explicitly mentioned in original Tender and Purchase Order. Additionally, prior approval from the Competent authority is required to initiate such procurement.

10.5 SAFEGUARDS FOR HANDING OVER PROCURING ENTITY'S MATERIALS / EQUIPMENTS TO CONTRACTORS

For performance of certain contracts, company may have to loan Stores, drawings, documents, equipment and assets (such as accommodation, identity cards and gate passes, and so on) to the Contractor. In certain situations, the Contractor may also be supplied electricity, water, cranes, and weighing facilities on payment/hire basis. As a measure of transparency, the possibility of provision of such resources by the Procuring Entity should be announced in the tender and written in the contract. Whenever Stores or prototypes or sub-assemblies are required to be issued to the firm/Contractor for guidance in fabrication, these should be issued against an appropriate safety against loss of money. A bank guarantee or appropriate insurance may be asked for if it is considered necessary. Before the final payment or release of PBG/SD, a certificate may be taken from the concerned Department that the Contractor has returned all documents, drawings, protective gear, material, equipment, facilities and assets loaned, including all ID cards and Gate passes, and so on, in good condition. Further, it should be verified that payment from the Contractor has been received for usage of electricity, water, crane, accommodation, weighing facility, and so on. For low value items of less than ₹1 Lakhs or for sending spares for repairs to the OEMs, this guarantees may be waived off and assurance of return in safe mode may be obtained.

10.6 PAYMENTS TO THE CONTRACTOR AND HANDLING OF SECURITIES

It should be ensured that all payments due to the firm, including release of the Performance Security, are made on a priority basis without delay as per the tender/contract conditions. Before the payment is made, the invoice should be

cross-checked with the actual receipt of material to ensure that the payment matches the actual performance.

Proper procedures for safe custody, monitoring and return of Bank Guarantees and other instruments may be followed. Before making a final payment or before releasing the performance bank guarantee, a 'No Claim Certificate' may be insisted upon from the Supplier to prevent future claims (*ANNEXURE15- FORMAT FOR NO CLAIM CERTIFICATE*). Whenever a bank guarantee is released following due procedure and safeguards, acknowledgement thereof should also be taken from the Contractor.

10.7 MONITORING OF SUPPLIER PERFORMANCE

Monitoring should be robust to ensure that Suppliers adhere to contract terms, performance expectations are achieved (such as timely deliveries, quality of goods supplied, and adherence to proper procedure for submitting invoices, and so on) and any problems are identified and resolved in a timely manner. Without a sound monitoring process, there can be no assurance that the buyer has received what was contracted. This monitoring must be at three levels- Production Head, SBU Head and Business Unit Head.

10.8 DELAYS IN PERFORMANCE OF CONTRACT

DELIVERY PERIOD: The period for delivery of the ordered goods and completion of any allied services thereof (such as installation and commissioning of the equipment, operators' training, and so on) are to be properly specified in the contract with definite dates and these shall be deemed to be the essence of the contract. The delivery period stipulated in contracts should be specific and practical. Vague and ambiguous terms such as 1,000 – 5,000 (One thousand to Five thousand) numbers per month, 2 to 16 (Two to Sixteen) weeks from the date of receipt of order, 'immediate', 'exstock', 'as early as possible', 'off the shelf', 'approximately' and the like should be scrupulously avoided as these will not be legally binding.

In case of items such as raw material which is delivered throughout the year, a delivery schedule of the monthly rate of supply should be specified. It is usual in such cases that there is a slight deviation from such monthly rate of supply. It should be clarified in such cases that the variation in the periodic rate of supply beyond +/- 10% in any calendar month; or +/- 7% cumulative in any calendar quarter; or +/- 5% cumulative in any calendar year would be considered as delay in delivery attracting imposition of LD. Unless otherwise agreed, the buyer of goods is not bound to accept the delivery thereof in instalments.

TERMS OF DELIVERY: Terms of delivery (FOR, FOB, CIF, and CFR, and so on), inter alia, determine the delivery point of the ordered goods from where the purchaser is to receive/collect the goods. It also decides the legally important issue of when the 'titles of the goods' have passed to the purchaser. The delivery period is to be read in conjunction with the terms of delivery, therefore the delivery is taken to have been made at the time when goods reach the delivery point as per the delivery terms.

10.9 SEVERABLE AND ENTIRE DELIVERY CONTRACTS

Such contracts, where instalments are not specified or not intended, are known as entire contracts. In such cases, even non-delivery of a part quantity can lead to a breach of contract. However, a variation of five per cent (5%) of the contract quantity is usually exempted in the contract conditions. In the case of an entire contract, even if providing a delivery schedule, it is not necessary to grant an extension in the delivery period in the case of delay in intermediate instalments. Such extension would be necessary only in case of a delay beyond the final date for the completion of the delivery.

Contracts with clearly laid out instalment deliveries mentioning the exact dates and where each instalment is paid for separately are known as severable contracts. In effect, each of such instalments is a separate independent contract by itself. In severable contracts, delay or breach of one instalment does not affect other instalments, since each instalment is considered as a separate contract. In the case of severable contracts, extension in the delivery period is necessary for each instalment separately.

The legal position, however, is not very straightforward, since the mere mention of monthly/quarterly rate of delivery, called delivery schedule, is not sufficient to make it a severable contract. However, instalments specifying exact dates would be amounting to a severable contract.

The delivery cannot be re-fixed to make a contract a 'severable' contract without the specific agreement of the Supplier, if the delivery originally stipulated in the contract was in the form of an 'entire' contract.

10.10 EXTENSION OF DELIVERY PERIOD

Suppliers shall be required to adhere to the delivery schedule specified in the Purchase Order and, if there is delay in supplies, LD shall be levied wherever there is failure by the party. Extension of the delivery date amounts to amendment of the contract. Such an extension can be only done with the consent of both parties (that is, the purchaser and Supplier). No extension of the delivery date is to be granted suomotu unless the Supplier specifically asks for it and concurrence of SBU Head is obtained. However, in a few cases, it may be necessary to grant an extension of the delivery period suomotu in the interest of the company, however this must have concurrence of SBU Head.

No correspondence should be entered into with the Supplier after expiry of the contract delivery period or towards the end of it, which has the legal effect of condoning the delay/breach of contract. When it is necessary to obtain certain information regarding past supplies, it should be made clear that calling for such information is not intended to keep the contract alive and that it does not waive the breach and that it is without prejudice to the rights and remedies available to the purchaser under the terms of the contract.

If at any time during the contract, the Supplier encounters conditions hindering timely delivery of goods, the Supplier shall promptly inform the concerned officer in writing. The Supplier should mention its likely duration and make a request for extension of the schedule accordingly. On receiving the communication of Supplier, the Procuring Authority shall examine the proposal and, on approval from the Competent Authority, may agree to extend the delivery schedule, with or without LD and with or without the denial clause, for completion of the Contractor's contractual obligations.

When it is decided to extend the delivery period subject to recovery of LD for delay in supplies, Contractors must be given as in writing at the time of granting extensions. It is not correct to grant extensions without any mention of the LD if it is proposed to recover such charges eventually.

10.11 DELAYS IN SUPPLIES NOT ATTRIBUTABLE TO THE SUPPLIER

Normally, in the following circumstances, the contractual delivery period needs to be re-fixed to take care of the lost period, without imposing any penalty to the Supplier:

- (a) Cases where the manufacture of stores is dependent on the approval of the advance sample and delay occurs in approving the sample though submitted by the Supplier in time;
- (b) Where extension in the delivery period is granted on account of some omission on the part of the purchaser which affects the due performance of the contract by the Supplier; and

- (c) Cases where the purchaser controls the entire production.

A situation may delay and the negligence of Supplier also arise where the supply/services has not been completed within the stipulated period due to negligence/fault of the Supplier; however, the Supplier has not made any request for extension of the delivery period but the contracted goods/services are still required by the purchaser and the purchaser does not want to cancel the contract at that stage. In such a case, a performance notice (also known as notice-cum-extension letter) may be issued to the Supplier by suitably extending the delivery date and by imposing LD with denial clauses stated above (*ANNEXURE 16 – FORMAT FOR PERFORMANCE NOTICE*). The Supplier's acceptance of the performance notice and further action thereof should also be processed for approval of the Competent Authority.

10.12 FORCE MAJEURE CLAUSE

A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrongdoing, predictable/seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organisation only. In such a situation, the purchase organisation is to communicate with the Supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.

Notwithstanding the punitive provisions contained in the contract for delay or breach of contract, the Supplier would not be liable for imposition of any such sanction so long as the delay and/or failure of the Supplier in fulfilling its obligations under the contract is the result of an event covered in the FM clause.

10.13 DENIAL CLAUSE

Since delay in delivery is a default by the seller, the buyer should protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the Supplier of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in prices due to the PVC clause and/or any adverse fluctuation in

foreign exchange are to be borne by the seller during the extended delivery period, while the purchaser reserves his right to get any benefit of a downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period.

10.14 LIQUIDATED DAMAGES (LD)

Compensation of loss on account of late delivery (actually incurred as well as notional) where loss is pre-estimated and mutually agreed to is termed as LD. Law allows recovery of pre estimated loss provided such a term is included in the contract and there is no need to establish actual loss due to late supply

QUANTUM OF LD: While granting extension of the delivery period, where the delivery of stores or any instalment thereof is accepted after expiry of the original delivery period, the Competent Authority may recover from the Contractor, as agreed, the LD a sum equivalent to 0.5 (Half) per cent of the prices of any portion of Stores delivered late, for each week or part thereof of delay. The total damages shall not exceed 10% (Five per cent) of the value of delayed goods. The LD cannot exceed the amount stipulated in the contract.

In contracts governed by any type of variation (Price Variation Clause, Exchange Rate Variation or statutory variations), LDs (if a percentage of the price) will be applicable on the price as varied by the operation of the PVC. LDs accrue only in case of delayed supplies. Where or in so far as no supplies have been made under a contract, upon cancellation, recovery of only the loss occasioned thereby can be made, notwithstanding the fact that prior to the cancellation one or more extensions of the delivery period with reservation of the right to LD are granted.

Relaxations allowed to Government establishments/Departments, as above, will not apply to PSUs as a matter of course. Each case should be decided on merits and the decision to waive the recovery of LDs or risk purchase expenditure should be taken on merit. In the case of development/indigenisation contracts, LDs are not levied. However, the nature of such contracts should be declared at the time of placing them.

In case of entire (non-severable) contracts, even where staggered deliveries have been indicated, it may happen that supplies are not received according to the delivery schedule. In such cases, keeping in mind the fact that the deliveries indicated under the contract are non-severable, no question of LDs or enforcement of risk purchase would arise so long as there has been no delay in the completion of supplies with reference to the total delivery period.

WAIVER OF LD: There should normally be no system of waiver of LDs for delayed supplies in supply contracts and it may be strictly be an exception rather than a rule. For an extension of the delivery date with waiver of LD, approval of the

Competent Authority with consultation of associated SBU/Purchase/Finance may be taken and justifications recorded.

10.15 HANDLING DELIVERIES AFTER THE EXPIRY OF DELIVERY PERIOD

As per law, if stores are accepted after expiry of the delivery date of a particular instalment without extension in delivery period having been given, duly reserving our rights to levy LD, it amounts to voluntary abrogation of our legal rights under the contract to claim LDs or other remedies.

If the Contractor makes supplies locally after the expiry of delivery period, the supplies may be provisionally retained under a franking clause reserving rights and the Contractor may be asked to obtain an extension of the delivery period from an authorised officer with or without any LD/ denial clause.

If the material has been supplied after the expiry of contracted delivery date and its provisional retention does not acquiesce or condone the late delivery and does not intend or amount to an extension of the delivery period or keeping the contract alive, the Supplier may apply for an extension of delivery date from the Procuring Entity.

If the Contractor/Supplier dispatches the stores after expiry of the delivery period, the consignee should, after the receipt of the railway receipt or lorry receipt or goods consignment note or airway bill, send an intimation to the Contractor stating that the action taken by him in dispatching the goods after expiry of delivery date is at his own risk and responsibility, and that the consignee is not liable for any demurrage, wharfage and deterioration of goods at the destination station and, in his own interest, the Contractor should get an extension of the delivery period from the purchasers. A copy of the communication sent to the Contractor should also be sent to the SBU concerned.

In case of imports, the Contractor must not dispatch the consignment after expiry of the delivery period without taking prior extension of the delivery period. In any case, the terms of LC should be such that if there are dispatches beyond the delivery period, payment should be denied without levy of full LD and without formal extension of the delivery period by the purchaser.

10.16 BREACH OF CONTRACT, REMEDIES AND TERMINATION

In case the Contractor is unable to honour important stipulations of the contract, or gives notice of his intention of not honouring or his inability to honour such a stipulation, a breach of contract is said to have occurred. Mostly, such breaches occur in relation to the performance of the contract in terms of inability to supply the required quantity or quality. It could also be due to breach of ethical standards or any other stipulation that affects Procuring Entity seriously.

The purchaser or its authorised representative is not to enter into correspondence after expiry of the delivery date stipulated in the contract because such a correspondence will keep the contract alive and would amount to abrogation of the purchaser's right and remedies for delays by the Contractor. This situation will not allow the purchaser to cancel the contract straight away without first serving a performance notice to the Supplier. As soon as a breach of contract is noticed, a show cause notice should be issued to the Contractor reserving the right to implement contractual remedies. If there is an unsatisfactory resolution, remedial action may be taken immediately.

CANCELLATION OF CONTRACT FOR DEFAULT:

The contract with the Supplier may be terminated in whole or in part under the below circumstances :(Such decisions/actions must be in a collegiate manner by the Purchase Committee)

- (a) If the Supplier fails to deliver any or all of the Stores within the time period(s) specified in the contract, or any extension thereof granted; and
- (b) If the Supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted.
- (c) If the contract is terminated in whole or in part, recourse may be taken to any one or more of the following actions:
 - 1) Forfeiture of the performance security.
 - 2) Upon such terms and in such manner as it deems appropriate, goods similar to those undelivered may be procured and the Supplier shall be liable for all available actions against him in terms of the contract (popularly called risk purchase).
 - 3) However, the Supplier shall continue to fulfil the contract to the extent not terminated. Before cancelling the contract and taking further action, it may be desirable to obtain legal advice.

TERMINATION OF CONTRACT FOR INSOLVENCY:

If the Supplier becomes bankrupt or becomes otherwise insolvent or undergoes liquidation or loses substantially the technical or financial capability (based on which he was selected for award of contract), at any time, the contract may be terminated, by giving a written notice to the Supplier, without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to Procuring Entity.

TERMINATION OF CONTRACT FOR CONVENIENCE:

There may be an unforeseen situation compelling Procuring Authority to cancel the contract after the placement of order. In such a case, a suitable notice has to be sent to the Supplier for cancellation of the contract, in whole or in part, for its convenience, inter alia, indicating the date with effect from which the termination will become effective. This is not Procuring Entity's legal right– the Contractor has to be persuaded to acquiesce. Depending on the merits of the case, the Supplier may have to be suitably compensated on mutually agreed terms for terminating the contract. Suitable provisions to this effect should be incorporated in the tender document as well as in the resultant contract.

10.17 DISPUTE RESOLUTION

Normally, there should not be any scope for dispute between the purchaser and Supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to a disagreement between the purchaser and Supplier. Therefore, the conditions governing the contract should contain suitable provisions for settlement of such disputes or differences binding on both parties. The mode of settlement of such disputes/differences should be through arbitration. However, when a dispute/difference arises, both the purchaser and Supplier should first try to resolve it amicably by mutual consultation. If the parties fail to resolve the dispute within 21 days, then, depending on the position of the case, the purchaser or Supplier should give notice to the other party of its intention to commence arbitration. When the contract is with a domestic Supplier, the applicable arbitration procedure shall be as per the Indian Arbitration and Conciliation Act, 1996. While processing a case for dispute resolution/ litigation/arbitration, the Procuring Entity is to take legal advice, at appropriate stages.

ARBITRATION CLAUSE: If an amicable settlement is not forthcoming, recourse may be taken to the settlement of disputes through arbitration as per the Arbitration and Conciliation Act 1996. For this purpose, when the contract is with a domestic Supplier, a standard arbitration clause may be included in the standard bidding document indicating the arbitration procedure to be followed. The venue of arbitration should be the place from where the contract has been issued.

FOREIGN ARBITRATION: The Arbitration and Conciliation Act 1996 has provisions for international commercial arbitration, which shall be applicable if one of the parties has its central management and control in any foreign country. When the contract is with a foreign Supplier, the Supplier has the option to choose either the Indian Arbitration and Conciliation Act, 1996 or arbitration in accordance with the provisions of the United Nations Commission on International

Trade Law (UNCITRAL) arbitration rules. This is true especially for large value contracts or those for costly plant and machinery. The venue of arbitration should be in accordance with UNCITRAL or arbitration rules of India, whereby it may be in India or in any neutral country.

10.18 CLOSURE OF CONTRACT

It shall be the responsibility of the SBU/Purchase Department/ Finance Department to ensure that there is nothing outstanding from the Contractor before releasing PBG, because it would be difficult to retrieve such amounts after releasing the bank guarantee/final payment. Before the bank guarantee is released a “No Claim Certificate” may be taken from the Contractor. At least in large contracts (above ₹25 Lakhs), it should be ensured that before the release of the bank guarantee (final payment, if there is no bank guarantee), reconciliations should be done across Departments involved in the execution of the contract:

10.19 MATERIAL RECONCILIATION

The indenter should confirm that all material ordered in the contract have been received in good condition and there is no shortfall. Full reconciliation of all raw material, part, assembly provided to the Contractor should be done including wastages and return of scrap/off-cuts.

10.20 PAYMENT RECONCILIATION

The Intender/Purchase/Finance Departments has to ensure that there is no liability outstanding against the Contractor on account of:

- (a) Liquidated Damages
- (b) Price reduction enforced on account of shortfall in performance of material/equipment
- (c) Variations/deviations from the scope of the contract
- (d) Overpayments/duplicate payments, if any
- (e) Services availed from Procuring Entity and vacation thereof such as accommodation
- (f) electricity, water, security, transport, cranes and other machinery, and so on
- (g) Demurrage, insurance premiums or claims, Customs duties, and so on
- (h) Material reconciliation
- (i) Price and exchange rate variations
- (j) Statutory duties paid on behalf of the Contractor by Procuring Entity
- (k) Inspection charges or loss of material in testing

On satisfactory reconciliation and against a “No Claim Certificate” from the Contractor, the bank guarantee may be released and its acknowledgement taken

from the Contractor. On completion of all activities against a contract, the purchase file should be preserved for a period of 10 years in the record room and then destroyed with the approval of the Competent Authority. However, Procuring Entity, at its discretion, may retain important records for future reference.

CHAPTER-11

DISPOSAL OF SCRAP GOODS

A large quantity of material often accumulates in Business Units that is either unusable or holds no operational value, this is referred to as Scrap. Scrap can also be generated from procured material or components that become defective during assembly. Such material must be clearly distinguished from other store items or component parts that can be reused after repair or refurbishment. Occasionally, scrap may include second hand items, materials under repair, or surplus stock originally purchased for the company or its sister concerns. Some of these items may still hold value and command a fair price in the market.

11.1 FORMATION OF SCRAP COMMITTEE

A Scrap disposal Committee shall be established in each Business Unit by the Head of the Business Unit to oversee the proper disposal and management of Scrap generated in the Business Unit. The Committee should ensure environmentally responsible practises and efficient methods to dispose the Scrap items in the Business Unit. The Committee must be formed as a Standby Committee with a validity of two years (at the beginning of the FY Cycle)

FUNCTIONS AND RESPONSIBILITIES OF THE SCRAP COMMITTEE

- (a) **Identification and Classification of Scrap:** The Committee is responsible for identifying and classifying various types of Scrap generated across the Business Unit, including but not limited to electronic waste (e-waste), metal scraps, wooden packing waste, paper waste and obsolete equipment.
- (b) **Establishing Disposal Guidelines:** Develop and implement guidelines for the proper disposal of different categories of Scrap. This includes defining procedures for handling hazardous material and complying with the relevant environmental regulations.(This aspect is covered in Keltron Safety Manual)
- (c) **Supplier Management:** Engage with authorized Scrap disposal agents or Recycling agencies for the collection and disposal of scrap material. The Committee should establish relationship with reputed Suppliers who adhere to ethical and environmental standards.
- (d) **Monitoring Disposal Process:** Regularly monitor the Scrap disposal process to ensure compliance with established guidelines and conduct periodic audits or inspections of disposal activities.
- (e) **Environmental Compliance:** Ensure that all Scrap disposal activities align with environmental regulations and sustainability goals set by the Government/Keltron.

- (f) **Documentation and Reporting:** Maintain records of Scrap disposal activities, including quantities disposed, disposal methods, and associated costs.

STANDARD PRACTISES:

- (a) **Segregation of Waste:** Encourage segregation of Scrap material at the source to facilitate efficient disposal and recycling.
- (b) **Compliance with Regulations:** Ensure compliance with local, state and national regulations governing the disposal of different types of waste, especially hazardous material
- (c) **Ethical Disposal Practices:** Emphasize ethical disposal practices, avoiding methods such as illegal dumping or unauthorized export of e-waste.
- (d) **Promotion of Sustainability:** Promote sustainable practices such as reuse, repair, and recycling of Scrap material wherever feasible

11.2 CLASSIFICATION AND CATEGORISATION OF SCRAP

It is very important to categorise the Scrap items under different categories based on the use to which the scrap purchaser can put it for commercial use like melting, re-rolling, burning, recycling, and so on. Properly grouped and sorted scrap is likely to attract better value. Before any item of Stores can be sold as 'Scrap', it should be declared as such by the Scrap Committee (SC) appointed by the Head of Business Unit and the sanction of the Competent Authority required for such a sale.

The Competent Authority may relax this need for survey by a Scrap Committee, as a Standing Order, in the case of a list of known items of Scrap like Newspapers, containers etc. of small value (₹5,000/-). Lots of small value items also not require to be condemned by the Scrap Committee, on which the Head of Business Unit can declare such material as Scrap without survey Committee. However, the Scrap value of the item may be fixed as 5% (Five percent) of the original/market value of new goods, if Book value of the item is either not available or has become negligible.

SURVEY OF SCRAP: The concerned SBU or Department of a Business Unit should identify the Scrap item and report to the Scrap Committee. The aspects like whether the item has completed its expected useful life or not, factors such as norms for maintenance cost, norms for utilisation of such equipment, usability in the organisation or any other office must also be considered before deciding on scrapping the equipment/item.

Generally, items may be identified as Scrap in any of the following cases:

- (a) The item has a limited shelf life, exists in surplus quantities and there is likely to be no future use of the item during the remaining period of its useful life;
- (b) Packing material/removed items from old machinery (no longer in use) etc.
- (c) Non moving Stores(for more than 04 year)
- (d) Waste from metal process/Electronic items includes Computers, Printers, Mouses etc.
- (e) Old project items, the project has been completed and no more in use by the customer.

The reasons for declaring the item surplus or obsolete or unserviceable should be recorded by the Scrap Committee. The Scarp Committee should submit a report to the Competent Authority with the concurrence of the associated Finance Department.

11.3 MODES OF DISPOSAL

The Competent Authority shall determine the mode of disposal, keeping in view the necessity to avoid accumulation of such goods, consequent blockage of space and also deterioration in value of goods to be disposed of. The usual modes of disposal of Scrap that should be adopted as follows:

- (a) Small value Scrap such as waste paper or industrial sweepings, and so on, up to a value of ₹5,000/- (Rupees Five thousand) in each case may be sold directly to the local scrap dealers on a single quotation basis.
- (b) Scrap up to ₹2 Lakhs may be sold on a Limited Tender basis to locally known Scrap Dealers of relevant category. E- waste should not form part of this.
- (c) Sale through the e-auction portal, or a tender for disposal or traditional public auction may be resorted to for Scrap value above ₹2 Lakhs. E-Auction should be the preferred mode for such disposals, using the e-Auction platforms of NIC, MSTC, Indian Railways or any other appropriate portal. Disposal through MSTC must be the preferred option.
- (d) Certain machinery/Spare may still be usable by other PSUs/Government Departments, these should be disposed to the requiring PSU at book value plus 20% [freight (7.5%) + handling charges (12.5%)] directly to the concerned organisation.
- (e) Disposal may also be done by submitting bids in response to public invitations for tenders, whether such invitations are issued by Government Departments, PSUs or by private bodies. This method of sale is particularly

suitable where it is proposed to dispose of its 'overstocks' and 'surplus Stores' which are in fit to use condition.

- (f) Scrap which is a security or safety risk (stamps, negotiable instruments, money value documents, security press items) may be destroyed suitably in an eco-friendly manner in accordance with guidelines of Central Pollution Control Board (CPCB) or State Pollution Control Board (SPCB) in the presence of the Scrap Committee after obtaining approval from a Competitive Authority. The Committee should issue a certificate of having destroyed such Scrape. Video recording may also be done of such disposal.
- (g) Sale of hazardous waste items would be governed by the following procedures in addition to guidelines/notifications issued by the Central Pollution Control Board (CPCB)/Ministry of Environment and Forests (MoEF) from time to time:
 - (i) Sale of old batteries/lead acid batteries will be governed by the Batteries (Management & Handling) Rules, 2001 or as amended from time to time;
 - (ii) Sale of other categories of hazardous waste items will be governed by the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 or as amended from time to time;
 - (iii) Sale of e-waste shall be governed by E-Waste (Management) Rules, 2016 or as amended from time to time;
 - (iv) Bidders must submit a copy of the valid registration certificates issued by the State (or Union Territory) Pollution Control Board (SPCB) and produce it at the time of taking delivery of the material, failing which their bid will be liable for rejection. In case of lead acid batteries, used/waste oils and nonferrous metal wastes, in addition to submitting necessary valid registration from the SPCB, the bidder must also submit a notarized copy of the valid registration certificate from CPCB (or MoEF); and
 - (v) In case of a sale involving inter-state movement of goods, the buyer shall also submit an NOC from the concerned SPCB, with whom the buyer is registered, to the seller before taking delivery, failing which the buyer will be responsible for the consequences and the seller shall take further decision as may be deemed fit.

CHAPTER-12

OTHER KEY ASPECTS

12.1. NEGOTIATIONS

Negotiation shall be conducted only when the rates quoted are found to be high in comparison with the estimate rate of the SBU/Unit, prevailing market rate, or last purchase rate. Negotiation may be held only with the lowest eligible tenderer (L1) and with other tenderers or with all tenderers collectively are strictly prohibited.

The reasons for negotiation should be clearly recorded in writing. Negotiation shall be conducted by the Purchase Committee, authorized by the competent authority and as per his direction of the competent Authority. A complete record of the negotiation including the date, venue, participants, and final agreed rate, shall be properly documented.

If negotiation fails to bring the rate to a reasonable level, repeated or multiple rounds of negotiation may be done with the direction of the next higher authority. If the price remains unjustifiable or un-reasonable and re-tender resorted to.

12.2 SPLIT PURCHASE

The split purchase refers to the practice of dividing the total quantity of Stores or Works among two or more Suppliers instead of placing the entire order with the lowest tenderer (L1). The Split purchase should not be resorted to as a matter of routine and may be done only in exceptional cases, where it is considered necessary in the interest of the company (to ensure timely delivery, to mitigate supply risk, or when the L1 bidder cannot supply the full quantity within the required time). When a split purchase is proposed, the reasons must be clearly recorded in writing, and the approval of the competent authority shall be obtained before placing the orders.

Normally, the major portion of the order (not less than 60%) should be placed with the lowest eligible tenderer (L1), and the balance quantity may be distributed among the other tenderers who have quoted reasonable rates, provided their rates do not exceed the L1 rate. The other tenderers must agree to match the L1 rate, and a written confirmation to this effect should be obtained before finalizing the split order. Split purchase shall not be adopted merely to favour multiple suppliers or to distribute orders arbitrarily. The decision and justification for split purchase shall be properly documented in the tender file.

It is advisable to include a standard clause in all tender documents giving the Purchaser the right to split the order. This ensures flexibility and transparency in procurement, especially in cases where distribution of quantity among more than

one supplier becomes necessary due to urgency, supply constraints, or risk management considerations. The inclusion of such a clause enables the Purchaser to place orders on more than one firm at the lowest accepted rate, if it is found to be in the public interest or operational convenience.

12.3 SINGLE BID ACCEPTANCE

Consequent to the invitation of tenders, if only one bid is received or only one bid is found eligible after technical evaluation, such a bid shall be termed as a Single Bid. In such cases, the tendering authority may either opt to re-tender the same or extend the last date for submission of bids (if possible) to elicit responses from other prospective bidders.

If any additional bids are received during the extended period, all such bids, including the one received earlier, shall be evaluated together. However, if no new bid is received during the extended period, re-tendering shall be resorted to, and the single bid received earlier shall not be opened.

Acceptance of a single bid shall be made only with the approval of the Competent Authority, after recording detailed justification for the same.

12.4 BUYBACK OFFER

The Department may trade the existing old Stores while purchasing the new ones when it is decided to replace some existing old Stores with their newer and better versions/substitutes. For this purpose, suitable clauses are to be incorporated in the tender enquiry document so that the interested tenderers formulate and submit their tenders accordingly. There shall be Provision in the tender documents to permit the interested tenderers to inspect the old Stores to be traded through this transaction.

Appropriate provision should also be kept in the tender document allowing the Purchase Department to reserve its right to trade or not to trade the old Stores while purchasing the new ones and the tenderers are to be asked to frame their quotations accordingly covering both the options. Depending on the value and condition of the old Stores to be traded, the time frame for as well as the mode of handing them over to the successful tenderer should be decided and relevant details in this regard suitably incorporated in the tender document.

12.5 PRICE VARIATION, FALL AND RISK PURCHASE CLAUSES

PRICE VARIATION: A Price Variation Clause is a provision included in a Contract that allows for a change in the price of goods or services over time due to factors such as inflation, changes in market conditions, or changes in the cost of raw material.

FALL CLAUSE: The fall clause could generally be described a legally enforceable assurance to the buyer that it would not end up paying more than the price at which the same Supplier may have sold or be selling a similar product to another Government sector buyer under a separate contract. It is advisable to include such clauses in the contract with the Supplier.

RISK PURCHASE CLAUSE: The Purchaser may go for procurement from elsewhere of the undelivered Stores/ Similar items due to failure of the Supplier within the stipulated delivery period at his own Risk and Cost with prior notice as per the agreement with the Supplier.

12.6 ANNUAL MAINTENANCE CONTRACT (AMC)

Some goods, especially sophisticated equipment and machinery (like Machineries, Electric/Electronics equipment, Computer Hardware, Software, all kinds of vehicles, etc.), need proper maintenance for trouble free service. The Purchase Department may enter into maintenance contract after the warranty period for the above purpose.

While an annual maintenance contract is a great way to cover basic service on products, a comprehensive service contract (CMC) covers any additional spare parts, labour, or transportation costs that come up for replacement/work while servicing those products. A non-comprehensive agreement will only cover the services themselves—any other expenses that might come up during the process are the business's responsibility. Given this breadth of coverage, comprehensive contracts often cost more than an AMC would. CMCs are typically for a year after signing, but occasionally, both parties agree to extend the range up to between three and five years. To get maximum coverage, many businesses will choose CMCs over AMCs, though AMCs require less commitment on the service provider side

Maintenance contract may be entered into either with the manufacturer/Supplier of the goods or with a competent and eligible firm, not necessarily the manufacturer/ Supplier of the goods in question but nominated by the manufacturer preferably. The Purchase Department should decide this aspect on a case to case basis on merit. If the Contractor is not a manufacturer/ Supplier, the Purchasing Officer should verify whether the Contractor is an authorized one/ reputed for the service and the maintenance contract is inclusive of the cost of Consumables and spares or not.

If the maintenance contract is to be awarded to the supplier of the goods, suitable provisions shall be included in the original tender enquiry document. The maintenance cost shall be added to the evaluated tender value while assessing bids in order to determine the inter se ranking of eligible tenderers. Equipment with a lower quoted price may carry a higher maintenance liability. Therefore, total

cost on purchase and maintenance of the equipment over its projected lifecycle can be assessed to consider its suitability for purchase. However, if the maintenance contract is to be entered into with a competent and eligible Supplier separately, then a separate tender enquiry is to be floated for this purpose and tenders evaluated and ranked accordingly for placement of maintenance contract. Here, the Supplier of the goods may also quote and its quotation, if received, is to be considered along with other quotations received. While evaluating the tenders for maintenance of goods covering a longer period (say, more than one year), the quoted prices pertaining to maintenance in future years are to be discounted to the Net Present Value (NPV) as appropriate for comparing the tenders on equitable basis and deciding the lowest evaluated eligible tender.

The details of the services required for maintenance of the goods, the required period of maintenance and other relevant terms & conditions including payment terms are to be incorporated in the tender enquiry document. The terms of payment for the maintenance service will depend on the nature of the goods to be maintained as well as the nature of the services desired. Generally, payments for maintenance are made on half yearly or quarterly basis.

If the goods to be maintained are sophisticated and costly, the tender enquiry document should also have a provision for obtaining performance security. The amount of performance security should be 5 % of the value of the equipment to be maintained. Sometimes, the maintenance Contractor may have to take the goods or some components of the goods to its factory for repair, etc. On such occasions, before handing over the goods or components, suitable bank guarantee/other guarantee is to be obtained from the firm to safeguard our interest.

12.7 EXPRESSION OF INTEREST (EOI)

It is the preliminary step in the Tendering process often utilized to survey the market for qualified participants. There has been instances where the equipment/plant to be procured is of complex nature and the procuring organization may not possess the full knowledge of the various technical solutions available in the market to meet the desired objectives of the transparent procurement that ensures value for money spent simultaneously ensuring upgradation of technology and capacity building.

It would be prudent to invite expression of interest and proceed to finalize specifications based on Technical discussions/presentations with the experienced manufacturers/Suppliers in a transparent manner. In such cases, two stage tendering process may be useful and be preferred. During the first stage of tendering, acceptable technical solutions can be evaluated after calling for EOI from the leading experienced and knowledgeable manufacturers/Suppliers in the field of the proposed procurement.

Once the technical specifications and evaluation criteria are finalized, the second stage of tendering could consist of calling for techno- commercial bids as per the usual tendering system under two bid systems as per the requirement of each case.

12.8 REQUEST FOR PROPOSAL (RFP)

A request for proposal is a solicitation by a Government entity, PSU or agency for products or services from Suppliers/Contractors/Service Providers. Due publicity required to be done whenever there is a need of a specific product or service. Selection of a Supplier is based on adherence to specifications, quality, and price, and must consider which Supplier can provide the best solution at a competitive price and quality level. Documents and procedures to be followed for the selection of Suppliers have to be as per the Tender.

12.9 TURNKEY CONTRACTS

The turnkey contract specifies that the Contractor is responsible for the integral management of the project. This includes obtaining permits, managing material, hiring Sub-Contractors, supervising construction and delivering the completed project. This type of contracts can be applied in other sectors such as engineering and manufacturing. One of the main advantages of the turnkey projects is the reduction of risk for the Purchaser. By delegating all responsibilities to a single company, the purchaser does not have to deal with multiple Contractors and Suppliers. This minimizes the risks associated with coordination and communication between different parties and reducing the possibility of delays and quality problems.

The turnkey contracts usually include a turnkey budget agreed at the start of the project. This means that the Contractor assumes the risk of any cost overruns, providing the customer with greater certainty as to the total cost of the project. This cost control is especially beneficial on large and complex projects where budget variations can be significant.

The turnkey project management involves comprehensive supervision by the Contracting Business Unit, ensuring that all phases of the project are carried out in an efficient and coordinated manner. This comprehensive management includes everything from initial design drawings, material finalization/ implementation/ construction and final handover, providing a complete and seamless solution for the client.

It is crucial to evaluate the experience and reputation of the contracting company. It is important to ensure that the company has a proven track record of delivering projects on time and on budget, as well as the ability to handle the scale and complexity of the specific project.

A critical aspect in the turnkey contracts is the clarity and precision of the contract. It should clearly specify the scope of work, deadlines, price schedule and any other relevant conditions. This will help to avoid misunderstandings and disputes during project execution.

There are various long-term benefits to the purchaser in a Turnkey project, such as quality assurance and minimization of future operating costs. Having a single point of contact and accountability, ensures greater consistency in quality and easier maintenance of the finished project.

12.10 CARTEL FORMATION/POOLRATES

Sometimes a group of tenderers quote identical rates against a rate contract tender. Such Pool/Cartel formation is against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices should be severely discouraged with strong measures. Suitable administrative actions like rejecting the offers, reporting the matter to Registrar of Companies, Monopolies Commission, National Small Industries Corporation etc. should be initiated against such firms, on case to case basis, as decided by the Competent Authority. Departments/ Business Units may also bring such unhealthy practice to the notice of the concerned trade associations like FICCI, ASOCHAM, NSIC, etc. requesting them, inter alia, to take suitable strong actions against such firms. The Departments/ Business Units may also encourage new firms to get them registered for the subject goods to break the monopolistic attitude of the firms forming cartel.

12.11 REJECTION MANAGEMENT

All items ordered shall be delivered directly to the respective Stores of each SBU/Business Unit. The consignee address must be clearly mentioned in the Purchase/Work Order. A valid Delivery Challan (DC) and Invoice are mandatory for the Stores to accept the items. Stores reserve the right to reject damaged packages or those lacking the required documents.

Before opening the packages, a visual inspection must be conducted to ensure there is no visible damage. Any discrepancy or damage noticed during this inspection must be immediately reported to the Purchase Department.

The responsibility for issuing the Material Arrival Report and preparing the Goods Receipt cum Inspection Report (GRCIR) lies with the Stores Department.

Rejected items must be returned to the Supplier within 7 days of receipt at Stores, along with a Rejection Intimation Report issued by the Purchase Department. It is the responsibility of the Purchase Department to ensure that suitable replacements are obtained for all rejected items.

12.12 QUALITY ASSURANCE (QA) DEPARTMENT

The QA Department plays a multi-functional role within each Business Unit, ensuring the quality of outgoing products through stringent checks across the production process from raw materials to the final product.

All incoming components are inspected during Inward Inspection, and only accepted items are stored in the Holding Stores.

The key responsibilities of the QA Department include:

- (a) Inspection of incoming materials
- (b) Stage inspection of different assemblies
- (c) Inspection at Supplier premises
- (d) Final Inspection of Products
- (e) Maintaining test reports, approved QAP, reference books etc.
- (f) Calibration of test equipments/instruments

The QA Department is responsible for accepting the GRCIR. All the above activities are to be completed within 5 days of receipt of the item at the Stores.

12.13 INSURANCE

It shall be the Supplier's responsibility to insure the goods until delivery to the consignee at the destination, unless otherwise specified in the Purchase Order. The Supplier shall bear all risks during transit up to the point of delivery. Goods shall normally be insured under All Risks transit insurance, covering loss or damage during transportation. The insurance shall cover the full value of the goods, including freight and handling charges.

In the case of CIF (Cost, Insurance & Freight) contracts, the Supplier shall arrange the insurance. In FOB (Free on Board) or FAS (Free Alongside Ship) contracts, the purchaser shall be responsible for arranging insurance from the port of shipment to the final destination in India. If the goods are received in a damaged or short-supplied condition, Keltron shall report the loss or damage immediately and initiate insurance claim procedures without delay. Supporting documents such as the Delivery Challan, Inspection Report, and Survey Certificate (where applicable) shall be enclosed with the claim.

When transport is arranged departmentally or by Keltron, suitable transit insurance shall be taken to cover risks during transportation, unless the risk is minimal and specifically exempted by the competent authority. Insurance may be waived only in cases where goods are of low value or are transported over short distances, and such waiver shall be duly recorded and approved by the competent authority. It shall be the responsibility of the Finance Department to arrange and maintain insurance coverage for the company's goods. The Purchase and Finance

Department shall jointly ensure that all purchase orders are adequately covered under insurance wherever necessary.

12.14 DEMURRAGE

Demurrage charges should ordinarily be avoided. However, in exceptional cases where such charges are un-avoidable, they shall be kept to the minimum and paid only with the approval of the Head of the Business Unit/ Business Centre.

All ordering activities must be planned in advance to prevent the occurrence of demurrage. A quarterly of all instances where demurrage charges exceed ₹10,000/, along with an explanation of the reason for incurring such charges, shall be submitted to the Corporate Office by the Finance Department.

12.15 MANAGEMENT REPORTING

The Head of the Purchase Department in each Business Unit shall ensure the submission of monthly reports to the Corporate office covering all significant aspects of the purchasing activity, including the following:

- (a) ABC analysis of the items purchased.
- (b) Details of purchase orders placed for Class - A items, along with the name and address of Suppliers and the terms of payment.
- (c) Specification of the items purchased.
- (d) Names and addresses of all new sources developed during a financial year for any item.
- (e) Details of purchase of proprietary articles.

12.16 TRAINING

Purchase management/Contract management is a specialized subject and, therefore, the officials entrusted with purchase work should be adequately trained at the entry level itself to avoid mistakes in tendering evaluation, placement of contract/Work order, contract management etc., because any mistake in public procurement may cause financial repercussions, operational hold-ups, and unwarranted legal complications for the Business Units. In addition to entry level training, the purchase officials should also be sent for in-service training periodically to keep them abreast with the changing scenario and latest techniques of Purchase Management taking place within as well as outside the country

12.17 DEVIATION

In case where deviation from the prescribed purchase procedure are considered necessary, prior approval from Corporate office shall be obtained by furnishing sufficient justification for such deviation and the reasons thereof should be recorded in writing. All such proposals shall be routed through the Head of Finance Department and Head of Business Unit.

ANNEXURE 1-REGISTRATION FORM FOR SUPPLIERS

REGISTRATION FORM FOR NEW/RENEWAL OF SUPPLIERS			
KERALA STATE ELECTRONICS DEVELOPMENT CORPORATION LTD.			
a) Note: Answers should be complete, definite and legible. b) Separate sheets may be used where space provided is not sufficient.	Contact Person: Head (Purchase)		
	Telephone	:.....	
	Fax	:	
	e-mail	:.....	
ISO Reference No.			
1	Name of the Firm and Address of the Office from which this Registration is applied for:	1.b. Address of Head Office (if different from the Office from which this Registration is applied for):	
2	a) Year of Establishment		
	b) Registration Details		
3	Other Offices /Branches/Units	(Attach Details)	
4	Name and Location of Associated/Allied Firms	(Attach Details)	
5	Your Contact Details:		
	Particulars	Registering Office	Head Office (if different from Registering Office)
	Telephone Nos.		
	Fax No.		

	e-mail addresses		
	Name of Contact Person (1)		
	Designation		
	Mobile Phone No.		
	e-mail id		
	Name of Contact Person (2)		
	Designation		
	Mobile Phone No.		
	e-mail id		
6	Company Promoters list		
7	Website, if any		
8	Category of the firm If manufacturer, furnish separately details of Plant & Machinery, Test Equipments and Employees (category-wise with split up of technical /non-technical personnel)	Manufacturer / Local Agent / Distributor / Dealer / Service Provider/ Any Other (Pl. Specify)	
9	Turnover for past 3 years	<u>Year</u>	<u>Turnover (Rs. In Lakhs)</u>
10	Name and Full Address of your Bankers and the name in which the Account stands	Bank Address:	Account Name and No.:
11	i) Are you in the Approved List of any State Govt. or any Authority?	Yes / No (If yes, give details)	
	ii) Do you have ISO Certification?	Yes / No (If yes, attach certificate)	

	iii) Are your products ISI marked?	Yes / No (If yes, give details) [Copies of valid certificates to be send to us as and when validity of the submitted certificates expire]	
12	Is your firm registered under (a) Indian Companies Act (b) Indian Partnership Act 1932 or (c) Any Act (Pl. Specify) [If yes, attach copies of relevant documents and a list of the Board of Directors . If not Provide Full address of Owners.]	<u>Documents attached</u>	<u>Address of Owners</u>
13	<i>Other registration details</i> 1. Income Tax – PAN 2. GST No. 3. Udyam registration No.		
14	List of Major Orders executed in the last 2 years	(Attach separately giving details of Customer, Item, Value) (Copy of major orders may be shared)	
15	Customer References	(Give at least 2 references. Attach commendation letters, if any)	
16	Items for which you intend to register as supplier:		
	<u>Items Manufactured by you</u>	<u>Items Marketed by you</u>	<u>OEMs</u>
17	Normal Lead Time for Supply of the above items		
18	Payment terms/ Credit Period offered for Supplies to us		

LIST OF DOCUMENTS

Sl. No.	Description	Documents required	Submitted
1	Request letter from the Supplier	Original signed	
2	Filled Vendor Registration form	Original signed	
3	Plant , List of Machineries, test equipments	Declaration	
4	Man power details	Number of Managers, executives, supervisory and Work men	
5	Sales and Service offices contact details	Copy self certified	
6	Facility inspection Report	Report from SBU	
7	Company registration Details	Copy self certified	
8	MSME Vendor?	Copy self certified	
9	GST Registration certificate	Copy self certified	
10	Audited Balance sheet for the previous three years	Copy self certified	
11	PAN Card	Copy self certified	
12	Copy of Aadhaar card	Copy self certified	
13	ESI Registration details/Number	Copy self certified	
14	Brochure of the Company / Product details/ Product Catalog	One set	
15	Brief write up about the company	Original signed	
16	Black listed	Declaration	
17	Previous PO copy	Copy self certified	
18	Any tax exemption	Declaration	

ANNEXURE 2- REGISTRATION CERTIFICATE

Registration No. _____

M/s _____ (Full Name & address including GST & PAN No.) is registered as approved Supplier to KELTRON. The registration is subject to the conditions stipulated as in the subsequent paras.

The registration is valid till _____ unless terminated earlier.

Place:

Name and Signature of the Officer

Date:

CONDITIONS OF REGISTRATION

1. The registration should be renewed before the validity expires.
2. Any change of address should be notified promptly.
3. The registration No. may be quoted in all tenders/quotations submitted by the firm.
4. Registration may be cancelled for any of the following reasons:-
 - a. Failure to renew registration within the prescribed time.
 - b. Failure to observe the instructions given in the tender notices including schedule.
 - c. Failure to quote in response to invitations to tender for a period of 6 months.
 - d. Failure to secure a contract during the first 2 years period after registration.
 - e. Failure to perform a contract or contracts satisfactorily and in accordance with the obligations of the contract.
 - f. Any grounds which in the opinion of Keltron render the retention of the Suppliers name on the list of approved Suppliers undesirable in the interest of Keltron.

ANNEXURE 4- FORMAT FOR PROPRIETARY ARTICLE CERTIFICATE

Customer Order / ESO No. & Date: _____

Description of Goods/Services : _____

It is certified that:

- i. The goods are manufactured/ services are provided by
_____ (name of the OEM)
- ii. No other make or model/service provider is acceptable for the following reasons:
 - (a) _____
 - (b) _____
 - (c) _____
- iii. M/s. _____ (name of the firm) are the authorized dealer/ stockist/ distributor of the OEM/original service provider.

Initiated by :

_____ (Signature with date, name & designation)

Recommended by:

Head SBU : _____ (Signature with date, name & designation)

Head Finance Dept : _____ (Signature with date, name & designation)

Head Business Unit : _____ (Signature with date, name & designation)

Approved by:

Head Corporate Planning: _____ (Signature with date, name & designation)

Head Corporate Finance : _____ (Signature with date, name & designation)

Executive Director : _____ (Signature with date, name & designation)

Managing Director : _____ (Signature with date, name & designation)

ANNEXURE 5- PURCHASE COMMITTEE

COMMITTEE	MEMBERS
COMMITTEE 1	HEAD PURCHASE HEAD PLANNING HEAD QA HEAD OPERATION <i>HEAD ADMINISTRATION (In case of Capital Procurement)</i> HEAD FINANCE HEAD (SBU) – (CHAIRPERSON)
COMMITTEE 2	HEAD PURCHASE HEAD PLANNING HEAD QA HEAD OPERATION <i>HEAD ADMINISTRATION (In case of Capital Procurement)</i> HEAD FINANCE HEAD (SBU) HEAD(UNIT) – (CHAIRPERSON)
CORPORATE COMMITTEE	HEAD (CORPORATE PLANNING) HEAD(CORPORATE FINANCE) EXECUTIVE DIRECTOR MANAGING DIRECTOR – (CHAIRPERSON)

All members of the Purchase Committee should meet once every week. Additional meetings may be scheduled as required to review and clear the following items:-

- a) Completeness of Purchase Requisition
- b) Tender Document
- c) Technical Evaluation
- d) Commercial Evaluation
- e) Contract

Members shall ensure timely preparation and availability of relevant documents for efficient discussion and decision making.

ANNEXURE 6- FINANCIAL POWERS

#	FINANCIAL POWER VESTED	COMPETENT AUTHORITY	CONDITIONS
1	ALL PURCHASE OF STORES UP TO ₹15,000/-	HEAD PURCHASE	<ul style="list-style-type: none"> • A PR with detailed specification • Limited to ₹5 Lakhs in a year
2	ALL PURCHASE OF STORES UP TO ₹25,000/-	HEAD FINANCE	<ul style="list-style-type: none"> • A PR with detailed specification • Funds availability
3	ALL PURCHASE OF STORES UP TO ₹5 LAKHS	STANDING PURCHASE COMMITTEE-1 CHAIRPERSON – HEAD (SBU)	<ul style="list-style-type: none"> • A PR with detailed specification • Concurrence from the Finance Head
4	ALL PURCHASE OF STORES UP TO ₹20 LAKHS	STANDING PURCHASE COMMITTEE-2 CHAIRPERSON – HEAD(UNIT)	<ul style="list-style-type: none"> • There must be a PR with detailed specification • Concurrence from the Finance Head • Concurrence from Standing Purchase Committee 1
5	>₹20 LAKHS	CORPORATE PURCHASE COMMITTEE CHAIRPERSON – MANAGING DIRECTOR	<ul style="list-style-type: none"> • There must be a PR with detailed specification • Concurrence from the Finance Head, • Concurrence from Standing Purchase Committee 1 • Concurrence from Standing Purchase Committee 2

ANNEXURE 7- ENQUIRY

(For purchase of items below 5 Lakhs)

ENQUIRY NO:

DATE :

Please send us your quote for the following items along with terms and conditions in the prescribed format mentioned below:-

#	Drg No./Part No.	Description	Qty	Unit	Make	Delivery	Remarks
1							
2							

Your quotation should be necessarily reach us before the closing date.

GST :

Warranty required :

Freight Charges :

Packing & Forwarding :

Insurance Charges :

Preferred payment terms :

Delivery schedule :

Validity of Quotation :

Notes :

FOR KERALA STATE ELECTRONICS
DEVELOPMENT CORPORATION
LIMITED

HEAD (PURCHASE)
PH NO.
FAX NO.

1. The quotation must remain valid for a minimum period of 6 weeks from the closing date.
2. The quotation and any order resulting from this enquiry shall be governed by our conditions of contract. We shall not be deemed to be governed by your corrected terms and conditions unless a specific written acceptance has been given by us.
3. Materials should be offered strictly conforming to our specifications. The supplier should also indicate make and type number of the materials offered. The supplier should also send the catalogue and samples wherever necessary along with the quotation.
4. The samples if called for shall be submitted free of all charges and the purchaser shall not be responsible for the loss or damage of samples.
5. The quantities indicated in our enquiry are approximate and are likely to vary at the time of placing the order.
6. The insurance of materials against transit risk for quotation based on Ex-works / Ex-godown / FOR point of loading will be arranged by us. The supplier shall be responsible and should cover the insurance for all risk transit of the materials where the contract is based on FOR Destination.
7. Materials will be inspected at our factory or at such other sites as specified in our order by our Inspection Department and their decision in the matter will be considered final. The rejected materials will be returned to the supplier at the cost of supplier for replacement along with our debit notes.
8. Full payment will be made NEFT/RTGS or by cheque for accepted materials within 30 days from the date of receipt of materials at our factory.
9. The supplier must indicate the delivery date by which materials will be dispatched by them from the date of our order.
10. We reserve ourselves the right to accept or reject any quotation or part of quotation without assigning reasons.

ANNEXURE 8- INCOTERM

1. EXW – EX-WORKS OR EX-WAREHOUSE

- Ex works is when the seller places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., works, factory, warehouse, etc.).
- The seller does not need to load the goods on any collecting vehicle. Nor does it need to clear them for export, where such clearance is applicable.

2.FCA – FREE CARRIER

- The seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place.
- The parties are well advised to specify as explicitly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.
- 2020 Update: Allows for the issuance of a Bill of Lading with an onboard notation.

3. FAS – FREE ALONGSIDE SHIP

- The seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment.
- The risk of loss of or damage to the goods passes when the products are alongside the ship. The buyer bears all costs from that moment onwards.

4. FOB – FREE ON BOARD

- The seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered.
- The buyer becomes responsible for bearing all costs and risks from the moment the goods are on board the vessel, so the buyer will pay for the International transportation, insurance, and any further costs.
- Seller's costs include delivering the goods to the port of shipment, loading costs onto the vessel, and export duties, taxes, and customs clearance.
- Buyer covers costs including main carriage (freight) costs from the port of loading to the port of destination, unloading costs at the destination port, and import duties, taxes, and customs clearance at the destination country.

5.CFR – COST AND FREIGHT

- The seller delivers the goods on board the vessel or procures the goods already so delivered.

- The risk of loss of or damage to the goods passes when the products are on board the vessel.
- The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

6.CIF – COST, INSURANCE AND FREIGHT

- The seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the products are on the ship.
- The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.
- The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.
- The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.

7.CPT – CARRIAGE PAID TO

- The seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such site is agreed between parties).
- The seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

8.CIP – CARRIAGE AND INSURANCE PAID TO

- The seller has the same responsibilities as CPT, but they also contract for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.
- The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.

9.DAP – DELIVERED AT PLACE

- The seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination.
- The seller bears all risks involved in bringing the goods to the named place.

10. DPU – DELIVERED AT PLACE UNLOADED (REPLACES INCOTERM 2010 DAT)

- DPU is a new Incoterm rule that replaces the former Incoterm DAT (Delivered At Terminal).

- The seller delivers when the goods are unloaded and placed at the disposal of the buyer at a named place of destination.
- The seller bears all risks involved in bringing the goods to, and unloading them at the named place of destination.

11. DDP – DELIVERED DUTY PAID

- The seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination.
- The seller bears all the costs and risks involved in bringing the goods to the place of destination. They must clear the products not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.
- Under DDP, the seller pays for all shipping costs, including import customs clearance, import duties & taxes, and any additional charges involved in delivering the goods to the named place of destination.

ANNEXURE 9- MODEL TENDER DOCUMENT

Model Tender Document For Procurement of Goods and Services



Registered office: KSEDC House, Vellayambalam, Thiruvananthapuram-695033
Ph: 0471-2724444, 4094444 Fax: 0471-2724545

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SECTION I: NOTICE INVITING TENDER (NIT)**1. NOTICE INVITING TENDER (NIT)**

The Head of the Purchase Department (**Business Unit**), Kerala State Electronics Development Corporation Ltd. (KSEDC), invites Bids for entering into a Contract for the supply of **GOODS AND SERVICES**, in accordance with the terms and conditions specified in the Tender document.

Tender Number	
Details of Supply /Work	
Delivery location	
Date &Time of publishing Bid documents	
Date and Time of Pre-Bid Conference	
Clarification End date	
Last Date & Time of online Submission of Bid document	
Number of cover(s)	
Date & Time of Opening of Technical Bids / Pre-Bid (cover 1)	
Tender Document fee	
EMD	
Security Deposit/Performance Guarantee	
Bid Validity	
Time allowed for the completion of Supply/ Work	
Technical Clarification	Contact details (SBU)
Tender document & Commercials	Contact details

All Bidders participating in the Tender must possess a valid Digital Signature Certificate (DSC) issued by the approved certifying authority. For more details in this regard and about the e-Tendering platform may be contacted to:-

Kerala State IT Mission, e- Government Procurement PMU & HelpDesk, Saankethika, Near EPF Office, Vrindavan Gardens, Pattom, Thiruvananthapuram-695004. Ph No.0471-2577088, 2577188 & 2577388, Help desk-0120-4001002, 4001005 & 4493395.

All Tender documents must be submitted online only through the above mentioned website. Manual submission of documents will not be allowed. The Pre-qualification/Technical Bid will be opened online at the office of the **Head (Purchase), [Complete Address]** on the date and time specified above. The Tendering authority reserves the right to cancel any or all Bids without assigning any reasons. KSEDC shall not be responsible for any errors such as missing of schedule data during downloading by the Bidder, or any delay in submission

All Bidders participating in the Tender shall verify on the e-Tender portal for any addendums and corrigenda before submitting the final Bid. The Bid document uploaded must take into account all such addendums and corrigenda. Bids submitted without considering the issued addendums and corrigenda shall be treated as invalid.

2. THE TENDER DOCUMENT

2.1 Notice Inviting Tender (NIT)

This Notice Inviting Tender (NIT) forms an integral part of the Tender Document and serves as the limited purpose of inviting Bids. It does not purport to contain all relevant details required for Bid submission. Bidders are advised to carefully read the entire Tender document for complete information before submitting their Bids.

2.2 Availability of the Tender Document

The Tender Document shall be published on the e-procurement Portal (<http://eprocurement.kerala.gov.in>). It will be available for download from the date and time specified in the Tender document and will remain accessible until the deadline mentioned therein. Unless otherwise stated, the downloaded Tender document shall be free of cost.

Any queries or clarification regarding the downloading of Tender Documents or uploading of Bids on the e-Procurement portal may be addressed to the Help Desk mentioned above in the Tender document.

2.3 Clarifications

A Bidder requiring any clarification regarding the Tender Document may ask questions in writing/ electronically from the contact official as specified in the Tender document, provided the questions are raised before the clarification end date mentioned in the Tender document (or if not mentioned, before 5 days of the deadline for the Bid submission). This deadline shall not be extended in case of any intervening holidays.

3. PRE-BID CONFERENCE

If indicated in Tender document, interested Bidders shall attend to the Pre-Bid conference for clarification on the Tenders' Technical specifications and Commercial conditions, on the time, date, and place mentioned therein. Participation in such a Pre-Bid Conference is not mandatory. If a Bidder does not participate or submit any query, then no subsequent

representations from them regarding the Technical/ Commercial specifications/ conditions shall be entertained.

4. ELIGIBILITY CRITERIA FOR PARTICIPATION IN THIS TENDER

Participation is open to Bidders, the Bidder who meet the eligibility criteria as specified in the Tender document will be considered for subsequent evaluation. The bare minimum eligibility criterion for prospective Bidders is as follows:-

- 1) The Bidder must be a Natural person, Private or Public Entity. Joint Ventures/Consortia are not allowed unless explicitly permitted.
- 2) The Bidder must be a Manufacturer or an authorised dealer of the OEM.
- 3) The Bidder must not be insolvent, bankrupt, under court administration, or involved in similar legal proceedings.
- 4) The Bidder must not be blacklisted, banned, or debarred by KSEDC or any government agency.
- 5) The Bidder must not have been convicted or debarred in the last three years for offences involving corruption, endangering Public safety, or National security concerns.
- 6) The Bidder must not have changed name to circumvent blacklisting.
- 7) The Bidder must not have conflict of interest, collusion, or unethical practices.
- 8) Only Bidders qualified in the earlier EoI/PQB stage may participate in the second-stage Tender, if applicable.
- 9) Bidders with a conflict of interest affecting fair competition are ineligible and will be rejected.

A conflict of interest arises if the Bidder:-

- 1) Controls, is controlled by, or shares control with another Bidder.
- 2) Has financial links or subsidies with another Bidder.
- 3) Shares the same legal representative/agent with another Bidder (a Principal may authorize only one agent).
- 4) Has access to confidential information or can influence another Bidder or the Procuring Entity.
- 5) Participates in more than one Bid (as Bidder or Sub-Contractor), except where the same Sub-Contractor appears in multiple Bids.
- 6) Is involved in providing Goods/Services based on prior consultancy for this Tender (e.g., feasibility, DPR, specifications).
- 7) Has close ties with Procuring Entity's staff involved in this Tender

The declaration of eligibility must be submitted in the prescribed format [Form 5: Declaration of Eligibility and Qualification]

5. SUBMISSION OF BIDS

- 1) Bids shall be submitted online strictly before the dead line specified in the Tender Document.
- 2) Manual submission of Bids is not permitted, except for the originals of scanned documents, if explicitly required.
- 3) Bidders must be registered on the e-Procurement Portal and must possess a valid Digital Signature Certificate (DSC) for submission.

- 4) The downloaded Tender documents shall not be altered or modified in any manner except for filling in required fields.
- 5) If required, Bidders must also submit a signed Integrity Pact.
- 6) Bids not complying with above conditions shall be rejected.

6. BID OPENING

The received Bids may be opened at the specified date given in Tender document. If the office is closed on the specified date of opening of the Bids, the opening shall be done on the next working day.

7. DISCLAIMERS AND RIGHTS OF PROCURING ENTITY

The issue of the Tender Document does not imply that the Procuring Entity is bound to select Bid(s), and it reserves the right without assigning any reason to

- (a) Reject any or all of the Bids, or
- (b) Cancel the Tender process; or
- (c) Abandon the procurement of the Goods; or
- (d) Issue another Tender for identical or similar Goods

Note: For further details, please refer to complete TENDER DOCUMENT

Head (Purchase)

[Name, Designation, and contact details]

SECTION II: INSTRUCTIONS TO THE BIDDERS (ITB)

1. THE TENDER DETAILS

Kerala State Electronics Development Corporation (KSEDC) inviting proposals from eligible Vendors/Suppliers for the **(Description of Supply/Service)**. Interested parties are requested to this document for detailed Scope of Work and Terms and Conditions. Vendors/Suppliers who meet the Eligibility criteria may submit their proposals through the prescribed format available on the e-Tendering system. Proposals that meet all requirements will be considered for further evaluation, which may lead to the award of Contract.

1. Availability of Tender document and Submission of Bid

- 1) Tender documents are available only online and shall not be sold elsewhere.
- 2) Bids shall be submitted through the Kerala Government e-Tender Portal: <http://eTenders.kerala.gov.in>.
- 3) Bidders must possess a valid Digital Signature for submission of Bids.
- 4) Partially completed or incomplete Tenders will not be considered.
- 5) Bidders are deemed to have fully understood the requirements and terms and conditions upon submission.
- 6) Tenderers must bear all costs incurred for Bid preparation and submission (e.g., digital certificate, internet usage etc.).
- 7) The Special Instructions for e-submission are available under the "Help to Contractors" section on the e-Tender Portal.
- 8) Deadline extensions, if any, will be solemnly at the discretion of KSEDC.

2. Rights Reserved by the Procuring Entity

- 1) KSEDC reserves the right to amend or cancel the Tender at any point of time without prior notice.
- 2) Bids may be rejected if the Bidder has failed to supply goods or provide adequate support in past orders.
- 3) Acceptance of any or all Tenders purely rests with the Procuring Entity.
- 4) KSEDC is not bound to accept the lowest Bid and may reject any or all Bids without assigning reasons.

3. Bid Validity and Evaluation

- 1) Tenders will remain valid for 180 days from the date of opening.
- 2) Extension beyond the validity period requires prior consent of the Tenderer.
- 3) Bids must follow the price Bid format provided on the portal.
- 4) No rate enhancement will be permitted during the validity period.

4. Scope of Work and Site Inspection

- 1) Bidders are encouraged to visit the site and understand the scope, technical specifications, and Contract terms before Bidding.
- 2) For any clarification on Scope or Technical details, contact the official listed in the Tender notice.

5. Execution of Work

- 1) All works must follow PWD/CPWD standards and specifications.
- 2) The work should be completed within the stipulated time from the date of award.
- 3) A progress-based schedule must be followed, with penalties (0.5% of the value of goods per week, max 10%) for delay will be imposed.

- 4) The Contractor must clear debris and ensure site cleanliness upon completion of the work.
 - 5) Extra items of work may be required to be done if deemed essential.
6. Quality, Supervision, and Labour
- 1) Only approved materials shall be used. Samples and Catalogues must be provided for approval if necessary.
 - 2) Necessary test certificates shall be submitted if requested.
 - 3) Contractor to use their own tools, plant, storage, and ensure safe custody of materials.
 - 4) Deployment of qualified Staff is mandatory.
 - 5) Non-deployment of above will attract penalties based on prevailing wage rates.
 - 6) The Contractor is responsible for labour safety, compensation, and compliance with labour laws.
7. Statutory Compliance
- 1) All workers must be covered under ESI & PF, with documentary proof to be submitted, if required.
 - 2) The Contractor should possess valid GST registration, Income Tax, Welfare Fund, and other statutory deductions will apply.
 - 3) EMD and Tender Fee to be paid as per Government guidelines.
8. Payment Terms
- 1) Payments will be made based on the actual quantity of Supply/Work done at quoted rates and certified by KSEDC.
 - 2) Rates shall be firm throughout the Contract; no escalation will be entertained.
 - 3) The price quoted should be exclusive of GST.
 - 4) Payments will be made only on submission of proper GST compliant invoices.
 - 5) 5% of Contract value shall be submitted as Performance Bank Guarantee (PBG) valid for the warranty period + 90 days.
9. Warranty and Defect Liability
- 1) A maintenance warranty, including free replacement of defective parts, is mandatory in case of supply of items
 - 2) Defects during the Defect Liability Period must be rectified by the Contractor at their own cost.
10. Ownership, Safety & Insurance
- 1) Materials supplied by the Contractor remain the property of KSEDC until properly accounted for.
 - 2) Any damage caused to KSEDC or third-party property must be rectified at the Contractor's cost.
 - 3) Contractor shall insure all equipment and materials at the site.
11. Drawings and Technical Specifications
- 1) Work must be carried out as per approved drawings only.
 - 2) The successful Bidder must submit detailed drawings for approval, if required.
 - 3) In case of any discrepancy, item specifications in the BOQ will prevail.
 - 4) Any ambiguity in specifications must be clarified before Tender submission.
12. General Conduct and Integrity
- 1) Sub-letting of any part of the work is strictly prohibited.

- 2) Any misuse or negligence regarding material or workmanship will attract penalties.
- 3) Alteration of Tender documents is not permitted; any additional terms should be submitted via a separate covering letter.

13. Documentation and Legal Requirements

- 1) The notice inviting Tender, Tender conditions, and Bid form shall form part of the agreement.
- 2) Submission of the Tender implies complete acceptance of all terms and conditions.

14. Experience and Eligibility

- 1) Bidders must have prior experience in similar works and submit relevant experience certificates.

15. Communication

- 1) For further clarifications, Bidders may contact via the email ID or phone number provided in the Tender notice.

2. TENDER SCHEDULE

Please refer the Notice inviting Tenders

3. GENERAL INSTRUCTIONS

3.1 General

- 1) The Bidders are requested to examine the instructions, terms and conditions and specifications given in the Tender. Failure to furnish all required information in every respect will be at the Bidder's risk and may result in the rejection of Bid.
- 2) It shall be the responsibility of each Bidder to fully familiarize themselves with the prevailing legal provisions applicable to the execution of the Contract. No request for clarification from any Bidder regarding such legal aspects of Bid submission shall be entertained.
- 3) It will be the responsibility of the Bidder that all factors have been investigated and considered while submitting the Bids and no claim whatsoever including those of financial adjustments to the Contract awarded under this Tender will be entertained by KSEDC. Neither any time schedule nor financial adjustments arising thereof shall be permitted on account of failure by the Bidder to appraise themselves.
- 4) The Bidder shall be deemed to have read and understand the Tender Document, before Bidding as to the correctness and sufficiency of its Bids for the Contract and price quoted in the Bid to cover all obligations under this Tender.
- 5) It must be clearly understood that the Terms and Conditions and Specifications are intended to be strictly enforced. No escalation of cost in the Tender by the Bidder will be permitted throughout the period of Agreement or throughout the period of completion of Contract whichever is later on account of any reasons whatsoever.
- 6) The Bidder should be fully and completely responsible to for all the deliveries and deliverables within the stipulated timelines.
- 7) Bidders are advised to inspect the sites, and get in touch with the local transport Contractors, and get them familiarized with the routes and method of transport to site. This is most important as it is very essential for the successful execution of the Contract, that the Bidder should be in possession of information regarding

local conditions to enable him to be in a position to handle all materials and to transport them safely to site. KSEDC will not take responsibility on issues pertaining between Contractor/labor unions/ transporters/ loading and unloading.

3.2 Amendments to the Tender

- 1) The Bidders should periodically check for the amendments or corrigendum or information in the website till the closing date of this Tender. KSEDC will not make any individual communication and will in no way be responsible for any ignorance pleaded by the Bidders.
- 2) No clarifications would be offered by within 48 hours prior to the due date and time for opening of the Tender under whatever circumstances.
- 3) Before the closing of the Tender, KSEDC may amend the Tender document as per requirements or wherever feels that such amendments are absolutely necessary.
- 4) KSEDC at its discretion may or may not extend the due date and time for the submission of Bids on account of amendments /request from Bidders.
- 5) KSEDC have its discretion to extend Bid opening date/re-Tender/cancel the Tender without assigning any reason.
- 6) KSEDC is not responsible for any misinterpretation of the provisions of this Tender document on account of the Bidder's failure to update the Bid documents on changes announced through the website.

3.3 Language of the Bid

The Bid prepared by the Bidder as well as all correspondence and documents relating to the Bid shall be in English only.

3.4 Bid Currency

Prices shall be quoted in Indian Rupees (INR) Only.

3.5 Contacting Tender Inviting Authority

- 1) Bidders shall not make attempts to establish unsolicited and unauthorized contact with the Tender Accepting Authority, Tender Inviting Authority or Tender Scrutiny Committee after the opening of the Tender and prior to the notification of the Award and any attempt by any Bidder to bring extraneous pressures on the Tender Accepting Authority and / or the Officials of shall be sufficient reason to disqualify the Bidder.
- 2) Notwithstanding anything mentioned above, the Tender inviting Authority or the Tender Accepting Authority may seek bonafide clarifications from Bidders relating to the Tenders submitted by them during the evaluation of Tenders.

4. BID PREPARATION AND SUBMISSION

4.1 Cost of Bidding

The Bidders shall bear all costs associated with the preparation and submission of Bid. KSEDC will in no case be responsible or liable for the charges/costs incurred regardless of the conduct or outcome of the Bidding process.

4.2 Tender Fee

Refer Notice Inviting Tender (NIT) for Tender Fee. The Tender documents can be downloaded from the website (<https://eTenders.kerala.gov.in>). The Tender fee along with GST which is non-refundable shall be remitted online mode.

4.3 Two Part Bidding

Bidders should examine all instructions, Terms & Conditions and Technical specifications given in the Tender document. Failure to furnish information required by the Bid or submission of a Bid not substantially responsive in every respect will be at the Bidder's risk and may result in rejection of Bids. Bidders should strictly submit the Bid as per the directions specified in the Tender, failing which the Bids will be treated as non-responsive and will be rejected.

- 1) The Technical Bid format as given in the Tender shall be filled, signed and stamped on all pages. Errors if any shall be attested by the Bidders. The Technical Bid shall not contain any indications of the Price; otherwise the Bid will be summarily rejected.
- 2) Commercial Bid shall be submitted as per the format (BOQ) Specified in the Tender document.

4.4 Online Bidder registration process

Bidders should have a Class II or above Digital Signature Certificate (DSC) to be procured from any Registration Authorities (RA) under the Certifying Agency of India. Details of RAs will be available on www.cca.gov.in. Once, the DSC is obtained, Bidders have to register on www.eTenders.kerala.gov.in website for participating in this Tender. Website registration is a one-time process without any registration fees. However, Bidders have to procure DSC at their own cost. Bidders may contact e-Procurement support desk of Kerala State IT Mission for assistance in case of discrepancies observed in this regard this regard.

4.5 Online Tender Process

The Tender process shall consist of the following stages:

- 1) **Downloading of Tender document:** Tender document will be available for free download on www.eTenders.kerala.gov.in. However, Tender fee shall be payable at the time of Bid submission as stipulated in this Tender document.
- 2) **Publishing of Corrigendum:** All corrigenda shall be published on www.eTenders.kerala.gov.in and shall not be available elsewhere.
- 3) **Bid submission:** Bidders have to submit their Bids along with supporting documents to support their eligibility, as required in this Tender document on www.eTenders.kerala.gov.in. No manual submission of Bid is allowed and manual Bids shall not be accepted under any circumstance
- 4) **Opening of Technical Bid and Bidder short-listing:** The technical Bids will be opened, evaluated and shortlisted as per the eligibility and technical qualifications. All documents in support of technical qualifications shall be submitted (online). Failure to submit the documents online will attract disqualification. Bids shortlisted by this process will be taken up for opening the financial Bid.
- 5) **Opening of Financial Bids:** Bids of the technically qualified Bidder's shall only be considered for opening and evaluation of the financial Bid.

4.6 Bid submission process

For submission of Bids, all interested Bidders have to register online as explained above in this document. After registration, Bidders shall submit their Technical Bid and

financial Bid online on www.eTenders.kerala.gov.in along with online payment of Tender fee and EMD.

For page by page instructions on Bid submission process, please visit www.eTenders.kerala.gov.in and click “Bidders Manual Kit” link on the home page.

It is necessary to click on “Freeze Bid” link/ icon to complete the process of Bid submission otherwise the Bid will not get submitted online and the same shall not be available for viewing/ opening during Bid opening process.

COVER-1 (PRE-BID / TECHNICAL BID)

The First Stage consists of Pre-Qualification and Technical Cover. The Pre-Qualification and Technical proposal shall contain the scanned copies of the following documents which every Bidder has to upload.

The cover shall contain:

- 1) Bid Form in the format listed as Form 1 and Power of Attorney.
- 2) Bidder Information Letter in the format listed as Form 2
- 3) Declaration of Bidders Eligibility and Qualification in the format listed as per Form 3
- 4) Declaration Regarding Clean Track Record in the format listed as Form 4
- 5) OEM Authorization in the format listed as Form 5
- 6) Annual turnover certificate in the format listed as Form 6
- 7) Technical Specification Compliance in the form listed as Form 7
- 8) Terms and Conditions Compliance in the form listed as Form 8
- 9) Check list for Bidders as Form 8
- 10) Certificate of Incorporation/Registration, MSME Certificate/GST Certificate to be uploaded
- 11) Signed copy of un-priced BOQ with company seal
- 12) Duly signed Tender document including addendums, corrigendum (The Bidder has to upload Tender document with all pages duly signed and sealed)

COVER -2 (FINANCIAL BID)

BOQ

The Bidder shall complete the Price Bid as per format given for download along with this Tender.

Note: The blank price Bid should be downloaded and saved on Bidder’s computer without changing file-name otherwise price Bid will not get uploaded. The Bidder should fill in the details in the same file and upload the same back to the website.

Fixed price: Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account. A Bid submitted with an adjustable/ variable price quotation will be treated as non - responsive and rejected. KSEDC doesn’t take any responsibility for any technical snag or failure that has taken place during document upload. GST Tax Registration is mandatory for the Bidders who are participating.

4.7 Price Bid Form

- 1) All the Price items as asked in the Tender should be filled in the Price Bid Format as given in the Tender. The financial Bid (BOQ) should be submitted in .xls form which will be opened as and when the technical selection is over. No additional cost on any head can be claimed by the Successful Bidder during execution of the

Contract.

- 2) The Bidder shall quote for Basic cost, GST and others if any. All expenses incurred during delivery of the item at destination including unloading charges have to be borne by the Bidder. No additional cost on any head can be claimed by the Successful Bidder during execution of the Contract
- 3) The Price Bid Form (BOQ) should not contain any conditional offers or variation clauses; otherwise the Bids will be summarily rejected.
- 4) The Prices quoted shall be in INDIAN RUPEES only.
- 5) The price quoted by the Bidder shall be kept firm for a period specified in the Tender from the date of opening of the Tender. The Bidder should keep the Price firm during the period of Contract including during the period of extension of time if any. Escalation of cost will not be permitted during the said periods or during any period while providing services whether extended or not within the stipulated delivery period. The Bidders should particularly take note of this factor before submitting the Bids.
- 6) If no tax values entered in the GST Column of BOQ, The basic price will be treated as inclusive of applicable GST. The Bidders have to enter basic rate of item (Basic rate is multiplied by Qty), total GST for the quantity mentioned and any other expenses.
- 7) The Bidder have to enter loading/unloading/packing /any other expenses to complete supply /installation is entered in column any other expenses.

4.8 Bid Closing Date and Time

The Bids should be submitted not later than the date and time specified in the Notice inviting Tender / Tender Schedule or Corrigendum (if published). Hence, the Bidders should be cautious to submit the Bids well in advance to avoid disappointments. Any other issues pertaining to Bidding should be addressed to KERALA STATE IT MISSION E-Tender cell.

5. TENDER OPENING AND EVALUATION

5.1 Pre-Bid / Technical Bid Opening

The Technical Bid will be opened on the date and time as specified in the Tender schedule.

5.2 Tender Validity

- 1) The Bid submitted by the Bidders should be valid for a minimum period of 180 days from the date of opening of the Tender.
- 2) In exceptional circumstances, KSEDC may solicit the Bidders to extend the validity. In this case, the Bidder should extend price validity and Bid security validity.

5.3 Initial Scrutiny

Initial Bid scrutiny will be conducted and incomplete details as given below will be treated as non-responsive.

If Tenders are;

- 1) Found with suppression of details
- 2) Incomplete information, subjective, conditional offers.

- 3) Submitted without supporting documents as per the Eligibility Criteria and Evaluation Criteria.
- 4) Non-compliance of any of the clauses stipulated in the Tender

However, documents of historical nature can be called for assessing eligibility. All responsive Bids will be considered for further evaluation. The decision of KSEDC will be final in this regard.

5.4 Clarifications

When deemed necessary, KSEDC may seek bonafide clarifications on any aspect from the Bidder. However, that would not entitle the Bidder to change or cause any change in the substance of the Bid or price quoted. During the course of Technical Bid evaluation, KSEDC may seek additional information or historical documents for verification to facilitate decision making. In case the Bidder fails to comply with the requirements of KSEDC as stated above, such Bids may at the discretion of KSEDC be rejected as technically non-responsive.

5.5 Tender Evaluation

5.5.1 Suppression of facts and misleading information

If any suppression or misrepresentation of information by the Bidder is brought to the notice of KSEDC at any stage of the evaluation process, KSEDC shall have the right to reject the Bid forth with. In the event such suppression or misrepresentation and if after selection, KSEDC shall have the right to Cancel the Contract without any liability or compensation to the Bidder. In such cases EMD / SD, as the case may be forfeited.

Bidders should note that if any figure in the proof documents submitted by the Bidders for proving their eligibility is found suppressed or erased, KSEDC shall have the right to seek the correct facts and may reject such Bids.

It is up to the Bidders to submit the full copies of the proof documents to meet out the criteria. Otherwise, the Procuring Entity at its discretion may or may not consider such documents.

5.5.2 Technical Bid Evaluation

- 1) A Technical Committee will examine the Technical Bids against the Eligibility and Evaluation Criteria given in the Tender document. The evaluation will be conducted mainly based on the supporting documents submitted by the Bidders. The Bids which did not meet the eligibility criteria in the first stage of scrutiny will be rejected in that stage itself and further evaluation will not be carried out for such Bid. The eligible Bidders alone will be considered for further evaluation.
- 2) Tender may be declared as nonresponsive in the following cases
 - a) The Bid is unsigned.
 - b) The Bidder has quoted for goods manufactured by different firm without the required authority letter from the manufacturer.
 - c) Bidder has not agreed to give the required Performance Security.
 - d) The goods quoted are sub-standard, not meeting the required specifications.
 - e) The Schedule of Requirement (incorporated in the Tender enquiry), the Tenderer has not quoted for the entire requirement as specified in that schedule.
 - f) The Tenderer has not agreed to some essential condition(s) incorporated in the Tender enquiry.

6) Registered vendors

For those Bidders who have already worked or working with KSEDC, their previous performance would be the mandatory criteria for selection. If any unresolved issues persist with the Bidders, then their Bids will straight away be rejected as per the discretion of KSEDC.

The unresolved issues are defined as any of the following:-

- 1) Non responsiveness after getting the Purchase order (or)
- 2) Delay in supply, installation of the ordered items etc. (or)
- 3) Lack of communication about the delay in deliveries, installation etc.
- 4) Poor after sales support against previous supplies.

7) Documents Establishing Good's Eligibility and Conformity to Tender Document

Bidder must attach required technical Brochures / Literatures / Data sheets marked and highlighted sequentially for all the products asked in the Tender to ensure that compliance to all the specifications given in the Tender document which can be verified. All the brochures/literature/datasheets shall be counter signed and stamped by the Bidders or authorized signatory of Bidders. Non-availability of specifications (as mentioned in the Tender document) in the brochure/literature will be treated as non-compliance and no clarifications shall be asked in this regard. If Bidder fails to submit the required brochures/literatures along with the Tender document, it shall be treated as non-compliance and may lead to outright rejection of Bid submitted by Bidder. No clarifications in this regard shall be sought from the Bidder.

9) Specifications

Specifications are basic essence of the product. It must be ensured that the offers are strictly as per our Tendered specifications. At the same time it must also be kept in mind that merely copying our specifications in their quotation shall not make firms eligible for consideration. The documentary evidence of conformity of the goods and services to the Bid document may be in the form of literature, drawings and data etc. compliance statement submitted shall be duly supported by technical literature, equipment brochures & other related reports / documents from the OEM. The compliance statement not supported by the documentary evidence shall not be considered. Such Bids shall be considered as non-responsive and may result in rejection on technical grounds.

10) Submission of detailed requirements for installation & commissioning of the equipment:

All Bidders / Agents must submit full details and requirements for Installation & Commissioning of the Equipment as per Technical Specifications submitted by them.

- 1) Water Supply / electric power requirement
- 2) Civil Works including Foundation, Flooring.
- 3) Mechanical and Fabrication work required.
- 4) Ambient Temperature Control (if required, as applicable).
- 5) Cooling requirement (if any).
- 6) Electrical and Power requirements in detail.
- 7) Space and Dimensions for Installation of the equipment
- 8) Any other Requirements for the successful commissioning. This shall include any accessories / equipments to be arranged by the purchase (other than the Tendered items)

11) Patent Right & IPR Laws:

The supplier shall indemnify the KSEDC against all third party claims of infringement of Patent, Trademark or Industrial Design Rights arising from the use of Goods or any part thereof in the KSEDC's country. The Bidder should be sure about his claim on the ownership of technology and total compensation in the event of a claim should be paid to the buyer in case of patent infringement. Once Bids submitted Bidders agrees for the same.

12) Examination of terms & Conditions

- 1) The KSEDC shall examine the Bid to confirm that all Terms and Conditions specified in the GCC and the SCC have been accepted by the Bidder without any material deviation or reservation including the Terms & Conditions.
- 2) Prior to the detailed evaluation, the KSEDC will determine the *substantial responsiveness* of each Bid to the Tender.

13) Delivery Period:

In case of Indigenous suppliers the firm delivery period (in weeks) after issue of Purchase Order must be given in the Technical Bid. Delivery must be on FREIGHT PAID BASIS for dispatch by Road.

The Bidder must provide information regarding mode of shipment whether it is by Air/Sea/Road/Rail failing which Bid may be rejected subject to the discretionary power of the KSEDC.

- 1) Prices quoted by the Bidder shall remain fixed during the entire period of Contract and shall not be subject to variation on any account. A Bid submitted with an adjustable price quotation will be treated as non - responsive and rejected.
- 2) All lots and items must be listed and priced separately in the Commercial Bid Price Schedule shows items listed but not priced, their prices shall be assumed to be included in the prices of other items.

The delivery requirements are mentioned in the Tender. However, have the right to alter this while ordering or during the execution of the order to suit the actual requirement.

14. Price Bid Evaluation

- 1) Price Bid of the technically qualified Bidders alone will be opened and evaluated
- 2) The financial Bid (BOQ) should be submitted in .xls form in the e-Tender format.
- 3) The GST tax amount shall be included for evaluation
- 4) The Bidder shall confirm that the price Bid confirms to all the terms and conditions stipulated in the Tender document. He shall confirm that the price Bid is final in all respects and contains no conditions.
- 5) The total cost including purchase price, freight, insurance, the customs duties and other taxes levied on the shipment for cost comparison.
- 6) If not specifically mentioned, the Bidder should quote for all the items in the BOQ. Else the Bid shall be treated as non-responsive.
- 7) In the system generated BOQ comparison chart L1 rate may be obtained based on the addition value of total price+ total GST +total of any other expenses. If any mistake occurred while entering the values it will be under the scope and risk of Bidder.

15 Acceptances of Tender and Withdrawals

The final acceptance of the Tender is entirely vested with KSEDC who reserves the right to accept or reject any or all of the Tenders in full or in parts without assigning any reason whatsoever. The Tender Accepting Authority may also reject all the Tenders for reasons such as change in Scope, Specification, lack of anticipated financial resources, court orders, calamities or any other unforeseen circumstances. After acceptance of the Tender by KSEDC, the Successful Bidder shall have no right to withdraw their Tender or claim higher price.

16 Negotiations

Negotiations will be conducted with the qualified L1 Bidder for improvement in the Scope of work, further reduction in price and advancement of delivery schedule.

17 Award of Contract

- 1) L1 Bidder will be declared as a Successful Bidder and Contractor. In case find that the Successful Bidder is unable to supply as per the conditions, then KSEDC reserves the right to apportion the total Contract to other successful Bidders after recording the reasons in writing. The Bidder will have to reimburse any additional expenditure which may be incurred in the process.
- 2) No dispute can be raised by any Bidder whose Bid has been rejected and no claims will be entertained or paid on this account.

18 KSEDC Rights

The KSEDC reserves the right to:

- 1) Insist on quality / specification of materials to be supplied.
- 2) Increase the period of Contract
- 3) Reallocate the Supply/Work to other Bidder, if the performance of the Bidder is not as per the Schedule.
- 4) Inspect the Bidder's facilities before or after placement of orders and based on the inspection, reserves a right to modify the order.
- 5) Withhold any amount for the deficiency in the service aspect of the ordered items supplied by the Bidder.

SECTION-III: BIDDER ELIGIBILITY AND QUALIFICATION CRITERIA

The Bidder should meet the below minimum Eligibility and Qualification criteria. **The bids will not be considered for evaluation if any of the documents pertaining to eligibility and qualification criteria are not submitted along with bid.** The Bidder(s) should meet the following Eligibility Criteria to participate in the Tender and should submit documentary proof for fulfilling the Eligibility in the Technical Bid

- 1) Bidder should be a registered Company / Firm in India and No Consortium bid shall be eligible.
- 2) The Bidder shall be a OEM/OEM authorized Supplier(if applicable)
- 3) The Bidder should have valid GST/PAN Registration certificate.
- 4) The Bidder shall not been debarred/ black listed as on Bid calling date by any State Government, Central Government, Central & State Govt. Undertakings/enterprises/Organizations and by any other Quasi Government bodies/Organizations in India for non-satisfactory past performance, corrupt, fraudulent or any other unethical business practices
- 5) Average Annual financial turnover during the last 3 years, ending 31st March of the previous financial year, should be at least 30% of the estimated cost.
- 6) Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following: -
 - d) Three similar completed works each costing not less than the amount equal to 40% of the estimated cost. or
 - e) Two similar completed works each costing not less than the amount equal to 50% of the estimated cost. or
 - f) One similar completed work each costing not less than the amount equal to 80% of the estimated cost.

[Proof of work order / completion certificates shall be submitted along with the bid in line with eligibility criteria.]

[Note: All listed forms above are indicative only; additional details may be incorporated as deemed necessary to suit our requirements]

SECTION-IV: GENERAL CONDITIONS OF CONTRACT (GCC)**1. GENERAL****1.1 DEFINITIONS AND INTERPRETATIONS**

1. 'Accepted schedule' is the schedule of items containing the agreed rates on the basis of which the agreement shall be drawn.
2. 'Agreed rates' shall mean the rates accepted and agreed both by the KSEDC and the Contractor and which shall be given in the schedule forming part of the Contract agreement and valid during the period of Contract.
3. 'Agreement Authority' shall mean the Officer authorized by KSEDC to execute the agreement with the Contractor.
4. 'Bank' means State Bank of India or any Nationalized Bank.
5. 'Tender' or 'Bid' shall have the same meaning and includes all the documents which the Bidder submitted with the letter of application as stipulated by the KSEDC and will be included in the Contract agreement.
6. 'Bid Amount' or 'Bid Price' means the total Bid amount indicated by the Bidder in the Price Bid of the Bidder.
7. 'Bid Security' or 'Earnest Money Deposit' shall have the same meaning.
8. 'Bidder' shall mean the person, company, corporate body, association, body of individuals, group of persons, limited Company, firm, organization either single or Joint Venture from India Bidding for the works and his/its executors or administrators or successor or assignees.
9. The 'KSEDC' or 'The Company' or 'KSEDC' or 'Buyer' or 'employer' shall mean 'Kerala State Electronics Development Corporation Limited'.
10. 'Contract' shall mean and include the conditions of Bid and Contract agreed to, specifications, schedules, drawings, annexures, letter of application, accepted schedule of prices and the agreement to be entered into.
11. 'Contract Agreement' shall mean the agreement entered into between the Contractor and the agreement authority.
12. 'Contractor' shall mean the Bidder who's Bid has been accepted by or on behalf of the KSEDC and shall include the Contractor, legal personnel, and representatives.
13. 'Contractor's Representative' means the person authorized by the Contractor in writing and approved by KSEDC to act on behalf of the Contractor for the purpose specified in the letter of authorization.
14. 'Contractor's Personnel' means the Contractor's representative and all personnel whom the Contractor authorizes who may include staff, labourer and all other employees and any personnel assisting the Contractor.
15. 'Defect' shall mean any part of the supply or work or services not completed or not performing in accordance with Contract or specifications.

16. 'Drawing' shall mean collectively all the drawings, revisions and additions / modifications as per the Contract issued from time to time and drawings submitted by the Contractor and accepted by KSEDC.
17. 'Fiscal year' shall mean a year beginning on 1st April and ending 31st March in the succeeding year.
18. 'Month' or 'calendar month' shall mean not only the period from the first of a particular month, but also, any period between a date in a particular month and the day previous to the corresponding date in the subsequent month unless specifically stated otherwise.
19. 'Government' shall mean 'The Government of Kerala'.
20. 'I.S.S.' means the Indian Standard Specifications of the Bureau of Indian Standards.
21. 'Letter of acceptance' shall mean the letter of formal acceptance signed and issued by the Tendering/Bidding authority.
22. Obligations of KSEDC are only those obligations, which have been specifically agreed to in the agreement.
23. 'Performance Certificate' shall mean the certificate issued by KSEDC on the performance of the obligations of Contractor under the Contract, when completed and this constitutes the acceptance of the work in total. This certificate will be issued by the KSEDC on the basis of the application of the Contractor and only after the successful completion of period of Contract.
24. 'Period of Contract' shall mean the period covered from the date of issue of letter of acceptance to the date of completion of the supply including duly sanctioned extensions and the specified defects liability period.
25. 'Schedules' mean the documents completed and submitted by the Contractor with the Bid and as included in the Contract, which include the quantities, rates, general specifications, unit and technical particulars.
26. 'Site' or 'location' shall mean and include the lands and buildings in which the supply / work / services is to be executed in accordance with the Contract.
27. 'Specification' shall mean collectively, all the terms and stipulations contained in the Bid, Contract agreement and any additions/modifications in accordance with the Contract, technical provisions as per relevant BIS Codes and /or National Building Code and those specifically mentioned in construction drawings and its modifications and revisions which specifies the work wherever applicable or written directions of Engineer-in-charge.
28. 'Sub-Contractor' shall mean any person named in the Bid and agreement for any part of the work and the legal representatives, successors and assignees of such persons.
29. 'Procurement Authority' or 'Bidding authority' shall mean the authorized officer of KSEDC who invites the Bid and issues the Bid documents on behalf of KSEDC.

30. 'Test' means the tests which are specified in the Contract and mandatory tests specified by rules or regulations, to be carried out in accordance with the specifications before the works or on completion of work to the satisfaction of the KSEDC.
31. 'Time of Completion' shall mean the date within which the work under the Contract is required to be completed in accordance with the specifications, drawings etc., including all extra items required to be executed for completion of the work and including all extension of time duly granted by the KSEDC.
32. 'The title of clauses' shall not limit, alter or affect the meaning of the specifications or conditions of Bid documents.
33. 'Words' importing the singular number shall include the plural number and plural the singular and the words importing the masculine gender shall include the feminine and the neutral gender where the context so requires. Words have their normal meaning under the language of the Contract unless specifically defined.
34. 'Work' means what the Contract requires the Contractor to construct, fabricate, furnish, supply, and (or) provide services for, install, complete, maintain, test, commission and hand over to the KSEDC depending on the order awarded.
35. 'Writing' shall include any manuscript, type written or printed statement under or over signature or seal as the case may be.

1.2 Abbreviations

Abbreviation	Definition
BOQ	Bill of Quantities (Excel Sheet of Price Schedule)
CFR	Cost and freight (port of destination)
CGST	Central Goods and Services Tax
CIF	Cost, Insurance & Freight (port of destination)
CPWD	Central Public Work Department
DAP	Delivered at Place (Destination)
DoE	Department of Expenditure
DP	Delivery Period
DPR	Detailed Project Report
DSC	Digital Signature Certificate
EDP	Electronic Data Processing
EFT/NEFT	(National) Electronic Funds Transfer

EMD	Ernest Money Deposit
ESI	Employees State Insurance
ERV	Exchange Rate Variation
FOB	Free on Board (port of loading)
FOR	Free on Rail (named Station)
FOREX	Foreign Exchange
GCC	General Conditions of Contract
GST	Goods and Service Tax
HSN	Harmonized System of Nomenclature
IPR	Intellectual Property Rights
INR	Indian Rupee
ITB	Instructions To Bidders
ITC(HS)	Indian Tariff Classification (Harmonised System)
L1	Lowest One
LoA	Letter of Award (Acceptance)
MRP	Maximum Retail Price
MSME	Micro, Small and medium Enterprises
NIT	Notice Inviting Tender
OEM	Original Equipment Manufacturer
PVC	Price Variation Clause
PAN	Permanent Account Number
PBG	Performance Bank Guarantee
PF	Provident Fund
	Public Work Department
	Pre-Qualification Bidding
RA	Registering Authority
SD	Security Deposit

SCC	Special Conditions of Contract
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
TIA	Tender Inviting Authority

2. LANGUAGE OF CONTRACT

Unless otherwise stipulated in SCC, the Contract shall be written in English. All correspondence and other Contract documents, which the parties exchange, shall also be written in English language. For purposes of interpretation of the Contract, the English documents shall prevail.

3. CONTRACT DOCUMENTS AND THEIR PRECEDENCE

The following conditions and documents in indicated order of precedence (higher to lower) shall be considered an integral part of the Contract, irrespective of whether these are not appended/ referred to in it. Any generic reference to ‘Contract’ shall imply reference to all these documents as well:

- 1) Valid and authorized Amendments issued to the Contract.
- 2) The Agreement consisting of the initial paragraphs, recitals and other clauses set forth immediately before the GCC and including the formats annexed to it and signatures of Procuring Entity;
- 3) The Letter of Award (LoA)
- 4) Final written submissions made by the Contractor during negotiations, if any;
- 5) SCC
- 6) GCC
- 7) The Contractor’s Bid;
- 8) Any other document listed in the SCC as forming part of this Contract.
- 9) Integrity Pact if any

4 GOVERNING LAWS AND JURISDICTION

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Laws of India for the time being in force. Irrespective of the place of delivery, or the place of performance or the place of payments under the Contract, the Contract shall be deemed to have been made at the place from which the Letter of Award (LoA, or the Contract Agreement, in the absence of LoA) has been issued. The courts of such a place shall alone have jurisdiction to decide any dispute arising out or in respect of the Contract.

Unless otherwise stipulated in the Contract, if after the last deadline for the Bid submission (Techno-commercial), any law, regulation, ordinance, order or bye-law having the force of law is enacted, promulgated, abrogated, or changed in India (which shall be deemed to include any change in interpretation or application by the competent

authorities) that subsequently affects the Delivery Date and/ or the Contract Price, then such Delivery Date and/ or Contract Price shall be correspondingly increased or decreased, to the extent that the Contractor has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable.

5. COMMUNICATIONS

5.1 Communications

All Contract-related communications must be in writing, in the Contract's language, and delivered in a standard, acceptable business manner. The effective date is either the delivery date or the date stated in the communication, whichever is later. Only formally designated amendment letters can change Contract terms. Communications may include instructions, notifications, acceptances, or certificates from the Procuring Entity, or submissions and notifications from the Contractor, with required notifications or certificates sent separately.

5.2 The person signing the Communications

For all Contract-related matters, including arbitration, communications must be signed as follows:

- 1) The Contractor's representative who signed the Contract must sign all correspondences. If anyone else signs without disclosing proper authority, it will be presumed they have such authority. If later found unauthorized, the Procuring Entity may terminate the Contract for default, pursue remedies, and hold the person and/or Contractor liable for resulting costs or damages.
- 2) Unless stated otherwise, the Procurement Officer who signed the Contract shall manage and sign communications for the Procuring Entity. Other authorities like consignees, Inspecting Officers, and Paying Authorities will handle their respective roles during execution.

5.3 Address of the parties for sending communications by the other party.

For all Contract related communications, including arbitration:

- 1) The Contractor's address shall be as stated in the Contract unless updated through a separate, specific communication to the Procuring Entity. The Contractor is responsible for any consequences from failing to notify address changes properly.
- 2) The Procuring Entity's address shall be the one mentioned in the Contract, and the Contractor must also send copies to officers currently handling the Contract.
- 3) Contractor's communications must also be marked to the Procurement Officer who signed the Contract, and where applicable, to the Inspecting Officer/Agency, consignees, and paying authorities. Both parties must inform each other of any additional addresses for communication before Contract commencement if not already stated.

6 CONTRACTOR'S OBLIGATIONS AND RESTRICTIONS ON ITS RIGHTS

6.1 Changes in Constitution/ financial stakes/ responsibilities of a Contract's Business

The Contractor must promptly inform the Procuring Entity of any changes in its constitution, financial structure, or responsibilities during Contract execution. In case of a partnership firm, (1) no new partner can be added without prior written approval from the Procuring Entity and an undertaking from the new partner to assume full Contract obligations; (2) upon death or retirement of a partner before Contract completion, the Procuring Entity may terminate the Contract and seek remedies; and (3) if not terminated, the retiring partner remains liable until a formal public notice under Section 32 of the Partnership Act is submitted to the Procuring Entity.

6.2 Obligation to Maintain Eligibility and Qualifications

The Contract has been awarded to the Contractor based on specific eligibility and qualification criteria. The Contractor is contractually bound to maintain such eligibility and qualifications during the execution of the Contract. Any change which would vitiate the basis on which the Contract was awarded to the Contractor should be pro-actively brought to the notice of the Procuring Entity within 7 days of it coming to the Contractor's knowledge.

6.3 Consequences of a breach of Obligations

If the Contractor, its partners, Sub-Contractors, or personnel breach their obligations, they must remedy the breach within 21 days and inform the Procuring Entity. However, the Procuring Entity may treat it as a Contract breach and invoke any Contractual remedies. The Procuring Entity's decision on whether a breach has occurred shall be final and binding on the Contractor

6.4 Assignment and Sub-Contracting

The Contractor shall not sublet, transfer, or assign the Contract or any part of it without prior written consent from the Procuring Entity.

The Contractor must inform the Procuring Entity in writing of all Sub-Contracts awarded, unless already stated in the Contract. Such Sub-Contracts, limited to bought-out items and incidental works/services, do not relieve the Contractor of its obligations.

If the Contractor sublets or assigns this Contract or any part thereof without such permission, the Procuring Entity shall be entitled, and it shall be lawful on his part, to treat it as a breach of Contract and avail any or all remedies there under.

6.5 Indemnities for breach of IPR Rights

- 1) The Contractor shall indemnify and hold harmless, free of costs, the Procuring Entity and its employees and officers from and against all suits, actions or administrative proceedings, claims, damages, costs, and expenses of any failure, including attorneys fees and expenses, which may arise in respect of the Goods provided by the Contractor under this Contract, as a result of any infringement or alleged infringement of any patent, utility model, registered design, copyright, or

other intellectual Property rights or trademarks, registered or otherwise existing on the date of the Contract arising out of or in connection with:

- a) Any design, data, drawing, specification, or other documents of goods or designed by the Contractor for or on behalf of the Procuring Entity.
 - b) The sale by the Procuring Entity in any country of the products produced by Goods supplied by the Contractor, and
 - c) The installation of the Goods by the Contractor or the use of the Goods at the Procuring Entity's Site
- 2) Such indemnity shall not cover any use of the Goods or any part thereof any products produced thereby:
- a) Other than for the purpose indicated by or to be reasonably inferred from the Contract.
 - b) in association or combination with any other equipment, plant, or materials not supplied by the Contractor.
- 3) If any proceedings are brought, or any claim is made against the Procuring Entity arising out of the matters referred above, the Procuring Entity shall promptly give the Contractor a notice thereof. As its own expense and in the Procuring Entity's name the Contractor may conduct such proceedings or claim, keeping the Procuring Entity informed.
- 4) If the Contractor fails to notify the Procuring Entity within twenty-eight (28) days after receiving such notice that it intends to conduct any such proceedings or claim, then the Procuring Entity Shall be free to conduct the same on its behalf at the risk and cost to the Contractor.
- 5) At the Contractor's request, the Procuring Entity shall afford all available assistance to the Contractor in conducting such proceedings or claim and shall be reimbursed by the Contractor for all reasonable expenses incurred in so doing.

6.6 Confidentiality, Secrecy and IPR Rights

6.6.1 IPR Rights

All deliverables, outputs, plans, drawings, specifications, designs, reports, and other documents and software submitted by the Contractor under this Contract shall become and remain the property of the Procuring Entity and subject to laws of copyright and must not be shared with third parties or reproduced, whether in whole or part, without the Procuring Entity's prior written consent. The Contractor shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Procuring Entity, together with a detailed inventory thereof. The Contractor may retain a copy of such documents and software but shall not use it for any commercial purpose.

6.6.2 Confidentiality

All documents, drawings, samples, data, associated correspondence or other information furnished by or on behalf of the Procuring Entity to the Contractor, in connection with the Contract, whether such information has been furnished before, during or following completion or termination of the Contract, are confidential and shall remain the property of the Procuring Entity and shall not, without the prior written consent of Procuring Entity neither be divulged by the Contractor to any third party, nor be used by him for any purpose other than the design, procurement, or other services and work required for the performance of this Contract. If advised by the Procuring Entity, all copies of all such information in original shall be returned on completion of the Contractor's performance and obligations under this Contract.

6.6.3 Secrecy

If The Contract declares the subject matter of this Contract as coming under the Official Secrets Act, 1923 or if the Contract is marked as “Secret”, the Contractor shall take all reasonable steps necessary to ensure that all persons employed in any connection with the Contract, have acknowledged their responsibilities and penalties for violations under the Official Secrets Act and any regulations framed there under.

6.6.4 Obligations of the Contractor

The Contractor shall indemnify the Procuring Entity and its personnel against all legal claims, damages, or expenses including attorney fees arising from any infringement of intellectual property rights related to Goods provided under the Contract, including those based on Contractor-supplied designs, documents, or installations. This indemnity does not apply to misuse or use in combination with unrelated third-party items. Upon receiving such a claim, the Procuring Entity will notify the Contractor, who may assume responsibility for resolution at its own cost, keeping the Procuring Entity informed. If the Contractor does not respond within 28 days, the Procuring Entity may proceed at the Contractor’s risk and expense. The Procuring Entity will assist the Contractor, with all reasonable costs reimbursed by the Contractor.

6.7 Performance Bond/ Security

- 1) Within fourteen days (or any other period mentioned in Tender Document or Contract) after the issue of Letter of Award (LoA or the Contract, if LoA is skipped) by the Procuring Entity, the Contractor shall furnish to the Procuring Entity, performance security, valid up to sixty days (or any other period mentioned in Tender Document or Contract) after the date of completion of all Contractual obligations by the Contractor, including the warranty obligations.
- 2) The amount of Performance security shall be as stipulated in Tender Document or Contract (or if not specified @ 5% of the Contract Price) denominated in Indian Rupees or the currency of the Contract and shall be in one of the following forms:
- 3) If the Contractor during the currency of the Contract fails to maintain the requisite Performance Security, it shall be lawful for the Procuring Entity at its discretion at its discretion
 - a) to terminate the Contract for Default besides availing any or all Contractual remedies provided for breaches/ default, or
 - b) without terminating the Contract:
 - i. recover from the Contractor the amount of such security deposit by deducting the amount from the pending bills of the Contractor under the Contract or any other Contract with the Procuring Entity or the Government or any person Contracting through the Procuring Organisation or otherwise howsoever as per GCC-clause 10.4, or
 - ii. treat it as a breach of Contract and avail any or all availing any or all Contractual remedies provided for breaches/default.
- 4) In the event of any amendment issued to the Contract, the Contractor shall furnish suitably amended value and validity of the Performance Security in terms of the amended Contract within fourteen days of issue of the amendment.

- 5) Subject to the sub-clause above, the Procuring Entity shall release the performance security without any interest to the Contractor on completing all Contractual obligations, including the warranty obligations, if any. Alternatively, for the duration of Warranty obligations, upon the Contractor submitting a suitable separate Warranty Security, the original Performance Guarantee Security shall be released after receipt of the above.

No claim shall lie against the Procuring Entity regarding interest on cash deposits or Government Securities or depreciation thereof.

6.6 Permits, Approvals and Licenses

Whenever the supply of Goods and incidental Works/ Services requires that the Contractor obtain permits, approvals, and licenses from local public authorities, it shall be the Contractor's sole responsibility to obtain these and keep these current and valid.

6.7 Labour Codes and Related Obligations

This clause shall be applicable only if it is specifically indicated to be applicable in SCC.

6.7.1 Independent Contractor

The Contractor's status shall be that of an independent Contractor and Primary Employer of staff deployed during the Contract by him or his Sub-Contractors or other associates. The Contractor, its employees, agents, and Sub-Contractors performing under this Contract are not employees or agents of the Procuring Organisation or Procuring Entity or Central or State Government or their agencies/ Enterprises, simply by Services delivered under this Contract.

6.7.2 Obligations of the Contractor under Labour Codes and Rules

If the Contract or any part of it is to be performed at the premises of the Procuring Entity or Consignee, the Contractor shall comply with applicable Labour Codes—including the Code on Wages (2019), Industrial Relations Code (2020), Social Security Code (2020), and Occupational Safety, Health and Working Conditions Code (2020)—along with the relevant rules as amended from time to time. The Contractor shall also indemnify the Procuring Entity against any claims arising under these Codes and Rules.

The Contractor must obtain and maintain a valid licence under the applicable Labour Codes throughout the Contract period. Failure to do so shall be treated as a breach of Contract, and the Procuring Entity may invoke remedies accordingly.

The Contractor must ensure compliance with applicable Labour Codes and Rules for all labour engaged, directly or indirectly, in Contract execution. The Contractor is solely responsible for filing required returns and must also submit monthly compliance reports to the Procuring Entity. Failure to comply may lead to actions by the Procuring Entity, including withholding payments.

The Contractor must pay wages, not below the minimum rates notified by the State or Central Government (whichever is higher), via bank transfer to all workers engaged directly or indirectly, including those hired by Sub-Contractors. Monthly bank statements proving wage payments must be submitted. The Procuring Entity may, at its discretion, monitor compliance and may withhold payments if the Contractor fails to provide proof.

If the Procuring Entity is required to pay wages or incur costs due to the Contractor's failure to comply with Labour Codes and Rules, it may recover the amount from the Contractor. Recovery may be made from the security deposit or any other dues. The

Procuring Entity is not obliged to contest such claims unless the Contractor requests in writing and provides full security for associated costs. The Procuring Entity's decision on the recoverable amount will be final and binding.

7. Scope of Supply and Technical Specifications

7.1 The Scope of Supply

- 1) This Contract is for the supply of the Goods of the description, specifications, and drawings, and in the quantities outlined in the Contract on the dates specified therein.
- 2) **Incidental Works/ Services:** If so stipulated, the Contractor shall be required to perform specified incidental Works/ Services (e.g., Installation, Commissioning, Operator's Training etc. in case of Supply of Capital Goods/ Machinery & Plant) as an integral part of the Goods in the Contract.

7.2 Technical Specifications and Standards

The Goods and related Works/Services provided must meet the technical specifications and quality standards stated in Section VII of the Tender or as mentioned in the Contract. Where no specific standards are provided, the latest relevant authoritative standards shall apply. The supplied Goods must:

- 1) Be brand new, unused, and reflect the latest design and material advancements.
- 2) Be made from specified/appropriate materials, free from defects, and conform to the required workmanship and quality as per Contract specs, drawings, or approved samples.

7.3 Quantity Tolerance

Unless otherwise stipulated in the Contract, the obligation for completing supplies shall be considered complete if the Goods have been supplied to the tolerance of plus or minus 5% of the quantity or of the total value of goods ordered in the Contract.

7.4 Option Quantity Clause:

If expressly stated in the Contract, the Procuring Entity may, at its discretion, increase or decrease the ordered quantity by the specified percentage (or 25% if not mentioned) any time up to the final delivery date. This can be done with reasonable notice and extended delivery time, even if the original quantity has already been fully supplied.

7.5 Spare parts in Supply of Capital Goods/ Machinery and Plant

If the Contract involves Capital Goods or Machinery & Plant, the Contractor shall:

- 1) Supply spare parts as chosen by the Procuring Entity, without affecting the Contractor's warranty obligations.
- 2) If spare part production is discontinued during the equipment's service life (or Contract-stipulated period), the Contractor must:
 - a) Give prior notice to allow time for the Procuring Entity to purchase needed spares.

- b) On request, provide free designs, drawings, specs, and alternate sources.
- 3) Maintain sufficient inventory to ensure prompt ex-stock supply of consumable spares upon order.

7.6 Warranty/ Guarantee

If specified in the SCC/Contract:

- 1) The Contractor guarantees all Goods are free from defects due to design, material (unless as per Procuring Entity's specs), or workmanship under normal use in Indian conditions.
- 2) Unless otherwise stated, the warranty is valid for 30 months from delivery or 24 months from commissioning—whichever is earlier.
- 3) This warranty obligation remains valid even after inspection, acceptance, payment, or Contract termination.
- 4) The Procuring Entity will notify defects in writing. Upon receipt, the Contractor must repair/replace the item within 14 days (or as per Contract), free of cost at the destination.
- 5) Replaced items must be taken back by the Contractor, with no claim on Procuring Entity thereafter.
- 6) Delay in response beyond the stipulated time will attract a penalty of 0.5% of Contract value per delay instance, up to 5%. Further delays may result in full encashment of performance guarantees.
- 7) Any repaired/replaced items will carry warranty till the original period ends.
- 8) Failure to rectify/replace defects within 21 days (or as per Contract) will be treated as default, inviting remedial actions.

8. INSPECTION, QUALITY ASSURANCE, PACKING, TRANSPORTATION, INSURANCE AND RECEIPT

8.1 Inspection and Testing

- 1) Technical specifications and quality checks (Section VII) define inspection/test requirements. When done at the Contractor's or sub-Contractor's premises, full access and support must be provided by the Contractor.
- 2) The Procuring Entity or its representative will inspect/test the Goods and incidental services, at no cost. Contractor must notify when items are ready and cooperate with inspection planning.
- 3) If required, the Contractor must submit samples for raw material or Goods before bulk production. Delays in sample approval will not justify delivery extensions.
- 4) Unless stated otherwise, all testing costs, including third-party tests, are borne by the Contractor.

8.2 Consequence of Rejection

- 1) If Goods are rejected, the Contractor must remove them within 21 days (48 hours if dangerous/perishable), failing which the Procuring Entity may retain or dispose of them at Contractor's cost. Any costs or payments made will be recovered.
- 2) Rejected Goods are at Contractor's risk immediately upon rejection. Delays in removal may attract ground rent/demurrage.
- 3) Disposal doesn't absolve Contractor of further dues (inspection charges, refund of price, etc.).
- 4) If the price is F.O.R. dispatching station and goods are rejected at destination, Contractor must refund full price and freight before reclaiming rejected goods.

8.3 Last Moment Inspection

- 1) Contractor must present Goods for inspection well before delivery deadline. If offered late, inspection may still be conducted post-deadline only with written request, at Contractor's risk.
- 2) Post-deadline inspection doesn't extend the Contract timeline or affect Procuring Entity's rights. If rejected, Contract may be cancelled at Contractor's risk. If accepted, delivery period may be extended with conditions as per relevant clauses in the Tender document.

8.4 Consignee's Right to Reject

- 1) Even if Goods pass initial or final inspection, the consignee may reject them later if they fail to meet technical specifications or quality requirements.
- 2) The consignee may inspect and reject Goods upon delivery at final destination if there is damage or non-compliance, regardless of prior inspections.

Note: For pre-inspected Goods, rejection advice must be issued within 90 days of receipt.

8. PACKING, TRANSPORTATION, INSURANCE AND RECEIPT

Packing, Specification and Quality

- 1) Goods must be marked as per applicable Indian laws on merchandise markings.
- 2) Contractor must ensure strong and durable packing capable of withstanding transit, rough handling, and open storage. Packing must consider weight, size, volume, destination remoteness, and handling facilities.
- 3) Packing quality, internal/external markings, and documentation must comply with the Technical Specification and Quality Assurance (TSQA) and Contract terms. Amendments to packing must be followed as per Contract changes.
- 4) Unless stated otherwise, all containers (boxes, tins, drums, etc.) are non-returnable, and their cost is included in the Contract price.
- 5) If specified, returnable containers must be clearly marked as such. Unless otherwise stated, reverse transport cost is borne by the Contractor.
- 6) If containers are charged separately, they must be invoiced as per Contract. Full credit will be given upon their return. The Procuring Entity's decision is final in case of disputes or delays in returning containers and may include compensation.

8.2 Packing instructions

Unless otherwise mentioned in the 'Technical Specification and Quality Assurance' under and SCC the Contractor shall make separate packages for each consignee (in case there is more than one consignee mentioned in the Contract) and mark each package on three sides with the following with indelible paint of proper quality:

- 1) An iconic graphical mark to visually identify a particular consignment.
- 2) Name of the Procuring Entity; Contract number and date
- 3) Brief description of Goods including quantity.
- 4) The gross weight of the package
- 5) Serial number of this package and the total number of packages in the consignment
- 6) Packing list reference number
- 7) Country of origin of goods

- 8) Consignee's name and full address and
- 9) Contractor's name and address

8.3 Transfer of Title of Goods

Ownership of Goods remains with the Contractor despite inspection, approval, or payment until the consignee receives, inspects, and accepts the Goods. The Contractor bears all risks (loss, damage, deterioration) during (a) Storage post-inspection (b) Transit to the consignee or interim consignee. The Contractor is solely responsible for raising claims with carriers in case of delivery issues (e.g., non-delivery, damage, or loss). If the Contract specifies delivery to an interim consignee, risk passes to the Procuring Entity only after such delivery is made.

8.4 Transportation

8.4.1 Instructions for transportation of domestic Goods

If no instruction is provided in the Contract, the Contractor shall arrange transportation of the ordered Goods as per its procedure. The Contractor must promptly send all required despatch documents to the Procuring Entity for timely clearance or receipt of Goods as per Contract terms.

8.5 Freight

The Goods shall be despatched at public tariff rates. In the case of F.O.R. station of despatch Contract, the Goods shall be booked by the most economical route or most economical tariff available at the time of despatch as the case may be. Failure to do so shall render the Contractor liable for any avoidable expenditure caused to the Procuring Entity. Where alternative routes exist, the Procuring Entity shall, if called upon to do so, indicate the most economical route available or name the authority whose advice in the matter shall be taken and acted upon. If any advice of any such authority is sought, his decision or advice in the matter shall be final and binding on the Contractor.

8.6 Insurance

Unless otherwise instructed in the Contract, the Contractor shall arrange for insuring the Goods against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery.

8.7 Receipt of Consignment

8.7.1 Preliminary Acknowledgement

At the time of the delivery at the destination, the consignee shall receive the Goods on a "subject to inspection and acceptance in terms of Contract" basis and shall issue the preliminary receipt to acknowledge having received the claimed quantity (not the quality) of consignment.

8.7.2 Goods Receipt and Inspection Report

If the received consignment successfully passes the quantity and quality checks, procuring Entity shall issue a Goods Receipt and Inspection Report (GRIR, or a similar voucher by any other name). The Contractor may claim payment based on this document inter-alia other specified documents.

8.7.3 Rejection of Consignment by the Consignee

If the received consignment or part thereof fails to pass quantity and quality checks, the Procuring Entity shall issue a Rejection Note, noting the reasons for rejection. The Paying Authority shall recover any part payment or freight charges paid for the rejected consignment. The Contractor shall take back the rejected within 21 days unless otherwise stipulated in the Contract.

9. TERMS OF DELIVERY AND DELAYS

9.1 Effective Date of Contract

The effective date of the Contract shall be the date on which it has been signed by the Procuring Entity or the effective date mentioned in the Contract, whichever is later. If the procurement entity receives no communication from the Contractor within 14 days of the date signed by the procuring entity or the date of sending it to the Contractor, whichever is later, then the date of signing shall be the effective date of the Contract. The dates of deliveries shall be counted from such date. No notice to commence the Contract shall be issued separately.

9.2 Time is the Essence of the Contract

The time and date stipulated in the Contract for the delivering the Goods, any extension thereof as may be granted by KSEDC, shall be deemed to be of the essence of the Contract. The Supplier that delivery is completed no later than the delivery is completed no later than the specified dates. Failure to adhere to the delivery schedule may constitute a breach of Contract, liable for appropriate action as per the terms and conditions.

9.3 Destination Places

The destination(s) where the Goods are to be delivered shall be as stipulated in the Contract or Section V – Schedule of Requirements.

9.4 Terms of Delivery

- 1) Terms of delivery (e.g., F.O.R. destination/ CIF/ DAP etc.) shall determine the point at which the responsibilities and property in goods passes over from the Contractor to the Procuring Entity. These terms also determine the time of delivery.
- 2) The Contractor shall either deliver free or F.O.R. or C.I.F. at the place/ places or otherwise as detailed in the Contract, the quantities of the Goods detailed therein and the Goods shall be delivered or despatched not later than the dates stipulated in the Contract. The delivery shall not be complete unless the Goods are inspected and accepted by the Consignee as provided in the Contract. No Goods shall be deliverable to the consignee on Sundays and public holidays or outside designated working hours without the written permission of the consignee.
- 3) The Contractor shall not despatch the Goods after the expiry of the delivery period. The Contractor must apply to the Procuring Entity to extend the delivery period and obtain the same before despatch. If the Contractor despatches the Goods without obtaining an extension, it would be doing so at its own risk, and no claim for payment for such supply and/ or any other expense related to such supply shall lie against the Procuring Entity.

9.5 Part Supplies

The Contractor shall not arrange part-shipments and/ or transshipment if not stipulated in the Contract without the express/ prior written consent of the Procuring Entity.

9.6 Progressing of Deliveries

The Contractor shall allow reasonable facilities and free access to his Works/ records to the Inspecting Officer or such other Officer as may be nominated by the Procuring Entity to ascertain the progress of the deliveries under the Contract. The Contractor shall, from time- to-time, render such reports concerning the progress of the Contract and/ or supply of the Goods in such form as may be required by the Procuring Entity. The submission, receipt and acceptance of such reports shall not prejudice the rights of the Procuring Entity under the Contract, nor shall operate as an estoppel against the Procuring Entity merely because he has not taken notice of/ or subjected to test any information contained in such report.

9.7 Notification of Delivery

The Contractor shall immediately notify the consignee and Procuring Entity upon each despatch or delivery. A detailed packing list and Contract references must be sent with every consignment. The Railway Receipt/Consignment Note/Bill of Lading must be forwarded promptly by registered post, courier, or by hand. Any demurrage or charges due to delay in sending these documents shall be borne by the Contractor.

9.8 Dispatches at the last moment or after the expiry of the delivery

If local supplies are made after the delivery date, the consignee may reject them or accept them without waiving any rights under the Contract. Such goods remain at the Contractor's risk and do not imply delivery period extension. For imported goods, despatch after the delivery date without prior extension is at the Contractor's risk. The consignee is not liable for related charges or deterioration, and payment under LC may be denied

9.9 Delay in the Contractor's performance

If the Contractor fails to deliver goods or incidental services on time or repudiates the Contract, the Procuring Entity may, without prejudice to other rights, recover liquidated damages (Clause 9.12) or treat it as a breach of Contract (Clause 12.1) and invoke applicable remedies.

9.10 Inordinate Delays

Inexcusable delays of more than one-fourth (25%) of the total completion period shall be treated as inordinate delays. Such inordinate delays shall be noted as poor performance and be held against the Contractor in future Tenders. A show-cause notice shall be issued to the Contractor before declaring it a poor performance. Such delays may be considered as a breach of the Contract at the option of the Procuring Entity.

9.11 Extension of Delivery Period

Extension of Delivery Period (EDP):

If the Contractor faces delays, they must promptly inform the Procuring Entity and request an extension. The Procuring Entity may grant an extension, with or without liquidated damages and denial clauses, by amending the Contract.

Conditions for EDP:

- 1) **Liquidated Damages:** Applicable on delayed goods/services beyond original delivery date.
- 2) **Denial Clause**
 - (i) No price increase due to statutory or tax changes after original delivery date.
 - (ii) No price escalation on any grounds (e.g., forex, price variation) for goods delivered late.
 - (iii) However, any price reductions post-original delivery date shall benefit the Procuring Entity.

9.12 Liquidated damages

Subject to Clause 9.11, if the Contractor fails to deliver the Goods or perform incidental Works/Services (e.g. installation, commissioning, training) within the Contractually agreed timelines, the Procuring Entity may deduct from the Contract price liquidated damages (not as a penalty) at 0.5% per week (or as specified) of the delayed portion's price (including GST & freight) for each week or part thereof, up to a maximum of 10% of that portion's Contract value. The denial clause shall also apply during the delay. Delays by sub-Contractors shall not be grounds for time extension or exemption from damages.

9.13 Force Majeure

- 1) On the occurrence of any unforeseen event, beyond the control of either Party, directly interfering with the delivery of Services arising during the currency of the Contract, such as war, hostilities, acts of the public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lockouts, or acts of God, the affected Party shall, within a week from the commencement thereof, notify the same in writing to the other Party with reasonable evidence thereof. Unless otherwise directed by the Procuring Entity in writing, the Contractor shall continue to perform its obligations under the Contract as far as reasonably practicable and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. If the force majeure condition(s) mentioned above be in force for 90 days or more at any time, either party shall have the option to terminate the Contract on expiry of 90 days of commencement of such force majeure by giving 14 days' notice to the other party in writing. In case of such termination, no damages shall be claimed by either party against the other, save and except those which had occurred under any other clause of this Contract before such termination.
- 2) Notwithstanding the remedial provisions contained in Liquidated damages (GCC) Defaults and Breach of Contract (GCC), none of the Party shall seek any such remedies or damages for the delay and/ or failure of the other Party in fulfilling its obligations under the Contract if it is the result of an event of Force Majeure.

10. PRICES AND PAYMENTS**10.1. Prices****10.1.1 Charged Prices**

Prices must match those quoted in the Bid/negotiation and listed in the Contract, unless explicitly adjusted per Contract provisions.

10.1.2 Controlled Prices

Prices cannot exceed government-controlled rates or the lowest MRP in the region. If overcharged without justification in the Bid, the Procuring Entity may annul the award, recover excess payments (Clause 10.4), or treat it as breach of Contract.

10.1.3 Components & Incidental Works

Payment is only for complete consignments. Incomplete Goods or deficient incidental services won't be paid. Spares are payable only if primary Goods are received.

10.1.4 Firm Prices

Prices are firm unless variation clauses (Price/Exchange Rate etc.) are specified. In such cases, Clause 10.3.3 applies.

10.1.5 Price Variation Clause (PVC)

- 1) Applicable only during original delivery period. No price increases allowed in extended period, but reductions are applicable (Denial Clause)
- 2) Taxes/duties apply to post-variation net price.
- 3) Contractor must provide variation calculations with invoices and pass on any reductions.

PVC Formula

Price changes account for labour, material, and fuel cost shifts quarterly, using indices from the base quarter (before Bid submission deadline) and quarter of delivery.

Exchange Rate Variation (ERV)

- 1) Contract must specify import content and base exchange rate (as on last Bid submission date).
- 2) ERV applies up to delivery period's midpoint.
- 3) To claim ERV, Contractor must submit a working sheet, bank advice, import orders, and supplier invoices.

10.1.6 Fall Clause

This clause shall be applicable only if explicitly invoked in SCC.

The Price charged for the Goods supplied under the Contract by the Contractor shall in no event exceed the lowest price at which the Contractor sells the Goods offers to sell Goods of identical description, to any person/organization

The above stipulation shall, however not apply to (a)Export by the Contractor (b)Sale of Goods/Service as original equipment at prices lower than the prices charged for normal replacement.

10.2 Taxes and Duties

The Contractor shall be entirely responsible for all taxes, duties, fees, levies etc., incurred until delivery of the Goods to the Procuring Entity. Further instruction, if any, shall be as provided in the Contract. If applicable under relevant tax laws and rules, the Procuring Entity shall deduct from all payments and deposit required taxes to respective authorities on account of GST Reverse Charge Mechanism (Tax Deducted at Source (TDS), and Tax Collected at Source (TCS) relating to Income Tax, labour cess, royalty etc.)

Statutory Variation Clause: Unless otherwise stated in the Contract, statutory increase in applicable GST rate only during the original delivery period shall be to Procuring Entity's account. Any increase in the rates of GST beyond the original completion date during the extended delivery period shall be borne by the Contractor. The benefit of any

reduction in GST rate must be passed on to the Procuring Entity during the original and extended delivery period. However, GST rate amendments shall be considered for quoted HSN code only, against documentary evidence, provided such an increase of GST rates after the last date of Bid submission.

10.3 Terms and Mode of Payment

The general payment term shall be 90% against supply of material at the premise of the supplier and balance after installation/ commissioning of the items.

10.3.3 General Payment condition for payment

1) Currency

- a) Payments in domestic Contracts are in Indian Rupees.
- b) In global Tenders, foreign Bidders are paid in the Contract-specified currency; however, agency commission and local value addition are paid only in Indian Rupees.

2) Invoice & Documents

Contractor must submit a **GST-compliant invoice** and all required documents as per Contract terms. The invoice must certify that the claim complies with Contract obligations.

3) Documents typically required

- a) Original GST Invoice
- b) Pre-dispatch inspection certificate (if applicable)
- c) Manufacturer's test certificate (if applicable)
- d) Performance/Warranty bond (if applicable)
- e) Insurance certificate (if applicable)
- f) Shipping/despatch documents (e.g. Bill of Lading, Rail Receipt etc.)
- g) Consignee's receipt and acceptance certificate (for payment after receipt)
- h) Any other Contract-specified document

10.3.4 Advance/ mobilization Payment not allowed

Payments for supplies made or incidental works/ services rendered shall be released after supplies have been made and only after such incidental works/ services have also been rendered. If expressly provided for in the Contract, partial payments against dispatch documents shall not be considered an advance payment for this clause.

10.4 Withholding and lien in respect of sums claimed

If any payment claim arises against the Contractor under the Contract, the Procuring Entity may **withhold or retain** such amounts from:

- a) Security or retention money deposited by the Contractor
- b) Any current or future payments under the same or other Contracts (if security is insufficient or not taken)

For partnership firms or companies, amounts may also be withheld from payments due to partners or the company. Withheld sums will remain so until the dispute is settled. No interest or damages shall be claimed by the Contractor on the withheld amounts. Lien in respect of Claims in other Contracts: Any amount due to the Contractor, including refundable security deposit, may be withheld or retained by the Procuring Entity or

Government against claims arising from any other Contract between the Contractor and the Procuring Entity or KSEDC.

10.5 Payment Against Time-Barred Claims

All claims against the Procuring Entity shall be legally time-barred after three (3) years calculated from the date when the payment falls due unless the payment claim has been under correspondence. The Procuring Entity is entitled to, and it shall be lawful for it to reject such claims.

11. RESOLUTION OF DISPUTES

11.1 Disputes and Excepted Matters

All disputes and differences arising between the parties to this Contract—whether related to the interpretation, construction, or performance of the Contract; the rights and liabilities of the parties; or any other matter arising out of or in connection with the Contract—shall be referred to as a "Dispute." If any such Dispute arises, the aggrieved party shall notify the other party in writing within thirty (30) days of becoming aware of the matter, detailing the nature of the Dispute and the relevant Contractual clauses, through a formal Notice of Dispute addressed to the designated authority.

The parties shall first attempt to resolve the Dispute amicably through discussions between the Procurement Authority and the Contractor within thirty (30) days of the Notice of Dispute. If the Dispute is not resolved within this period, it shall be escalated to the Managing Director of KSEDC for settlement. If the Managing Director is unable to resolve the matter, the Dispute shall be subject to the jurisdiction of the courts in Trivandrum, Kerala.

12. Defaults, Breaches, Termination, and closure of Contract

12.1 Defaults and Breach of Contract

In case the Contractor undergoes insolvency or receivership; neglects or defaults, or expresses inability or disinclination to honour his obligations relating to the performance of the Contract or ethical standards or any other obligation that substantively affects the Procuring Entity's rights and benefits under the Contract, it shall be treated as a breach of Contract. Such defaults could include inter-alia.

- 1) **Default in Performance and Obligations:** if the Contractor fails to deliver any or all of the Goods or fails to perform any other Contractual obligations (including Code of Integrity or obligation to maintain eligibility and Qualifications based on which Contract was awarded) within the period stipulated in the Contract or within any extension thereof granted by the Procuring Entity.
- 2) **Insolvency:** If the Contractor being an individual or if a firm, any partner thereof, shall at any time, be adjudged insolvent or shall have a receiving order or order for the administration of his estate made against him or shall take any proceeding for composition under any Insolvency Act for the time being in force or make any conveyance or assignment of his effects or enter into any assignment or composition with his creditors or suspend payment or if the firm be dissolved under the Partnership Act, or
- 3) **Liquidation:** if the Contractor is a company being wound up voluntarily or by order of a Court or a Receiver, Liquidator or Manager on behalf of the Debenture-holders

is appointed, or circumstances shall have arisen which entitle the Court or Debenture- holders to appoint a Receiver, Liquidator or Manager

12.2 Notice for Default

As soon as a breach of Contract is noticed, a show-cause 'Notice of Default' shall be issued to the Contractor, giving two weeks' notice, reserving the right to invoke Contractual remedies. After such a show-cause notice, all payments to the Contractor would be temporarily withheld to safeguard needed recoveries that may become due on invoking Contractual remedies.

12.3 Terminations for Default

Notice for Termination for Default: In the event of unsatisfactory resolution of 'Notice of Default' within two weeks of its issue as per sub-clause above, the Procuring Entity, if so decided, shall by written Notice of Termination for Default sent to the Contractor to terminate the Contract in whole or in part, without compensation to the Contractor. Such termination shall not prejudice or affect the rights and remedies, including under sub-clause below, which have accrued and/ or shall accrue to the Procuring Entity after that. Unless otherwise instructed by the Procuring Entity, the Contractor shall continue to perform the Contract to the extent not terminated. All warranty obligations, if any, shall continue to survive despite the termination.

12.4 Contractual Remedies for Breaches/Defaults or Termination for Default

The Procuring Entity shall take one or more of the following Contractual remedies in case of breach/default of Contracts.

- 1) Temporary withhold payments due to the Contractor till recoveries due to invocation of other Contractual remedies are complete.
- 2) Call back any loaned property or advances of payment, if any, with the levy of interest at the prevailing rate.
- 3) Recover liquidated damages and invoke denial clause for delays. Encash or Forfeit performance or other Contractual securities. Prefer claims against insurances, if any.
- 4) Terminate Contract for default, fully or partially including its right for Risk-and-Cost Procurement as per following sub-clause.
- 5) **Risk and Cost Procurement:** In addition to termination for default, the Procuring Entity shall be entitled, and it shall be lawful on his part, to procure Goods similar to those terminated, with such terms and conditions and in such manner as it deems fit at the "Risk and Cost" of the Contractor. Such 'Risk and Cost Procurement' must be Contracted within six months from the breach of Contract. The Contractor shall be liable for any loss which the Procuring Entity may sustain on that account provided the procurement, or, if there is an agreement to procure, such agreement is made. The Contractor shall not be entitled to any gain on such procurement, and the manner and method of such procurement shall be in the entire discretion of the Procuring Entity. It shall not be necessary for the Procuring Entity to notify the Contractor of such procurement. It shall, however, be at the discretion of the Procuring Entity to collect or not the security deposit from the firm/ firms on whom the Contract is placed at the risk and cost of the defaulted firm.

Note: Regarding the Goods which are not readily available in the market and where procurement difficulties are experienced, the period for making risk procurement shall be nine months instead of six months provided above.

The procuring entity may initiate proceedings in a court of law for the transgression of the law, tort, and loss, not addressable by the above means.

12.5 Limitation of Liability

Except in cases of criminal negligence or wilful misconduct, the aggregate liability of the Contractor to the Procuring Entity, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the Contractor to indemnify the Procuring Entity concerning IPR infringement.

13 TERMINATION FOR DEFAULT/ CONVENIENCE OF PROCURING ENTITY AND FRUSTRATION

13.1 Notice for Termination of Contract

- 1) The Procuring Entity reserves the right to terminate the Contract, in whole or in part for its (the Procuring Entity's) convenience or frustration of Contract as per sub-clause below, by serving written 'Notice for Determination of Contract' on the Contractor at any time during the currency of the Contract. The notice shall specify that the termination is for the convenience of the Procuring Entity or the frustration of the Contract. The notice shall also indicate inter-alia, the extent to which the Contractor's performance under the Contract is terminated, and the date with effect from which such termination shall become effective.
- 2) Such termination shall not prejudice or affect the rights and remedies accrued and/ or shall accrue after that to the Parties.
- 3) Unless otherwise instructed by the Procuring Entity, the Contractor shall continue to perform the Contract to the extent not terminated.
- 4) All warranty obligations, if any, shall continue to survive despite the termination.
- 5) The Goods and incidental Works/ Services that are complete and ready in terms of the Contract for delivery and performance within thirty days after the Contractor's receipt of the notice of termination shall be accepted by the Procuring Entity as per the Contract terms. For the remaining Goods and incidental Works/ Services, the Procuring Entity may decide:
 - a) To get any portion of the balance completed and delivered at the Contract terms, conditions, and prices; and/ or
 - b) To cancel the remaining portion of the Goods and incidental Works/ Services and compensate the Contractor by paying an agreed amount for the cost incurred by the Contractor, if any, towards the remaining portion of the Goods and incidental Works/ Services.

13.2 Frustration of Contract

Notice of Frustration Event: Upon a supervening cause occurring after the effective date of the Contract, including a change in law, beyond the control of either party whether as a result of the Force Majeure clause or within the scope of section 56 of the Indian Contract Act, 1872, that makes it impossible to perform the Contract within a reasonable timeframe, the affected party shall give a 'Notice of Frustration Event' to the other party giving justification. The parties shall use reasonable efforts to agree to amend the Contract, as may be necessary to complete its performance. However, if the parties cannot reach a mutual agreement within 60 days of the initial notice, the Procuring Entity shall issue a 'Notice for termination the Contract' and terminate the Contract due to its frustration as in the sub-clause above.

However, the following shall not be considered as such a supervening cause. Lack of commercial feasibility or viability or profitability or availability of funds if caused by either party's breach of its obligations under this Contract or failure to act in good faith or use commercially reasonable due diligence to prevent such an event.

13.3 Closure of Contract

13.3.1 No Claim Certificate and Release of Contract Securities

After mutual reconciliations of outstanding payments and assets on either side, the Contractor shall submit a 'No-claim certificate' to the Procuring Entity requesting the release of its Contractual securities, if any. The Procuring Entity shall release the Contractual securities without any interest if no outstanding obligation, asset, or payments are due from the Contractor. The Contractor shall not be entitled to make any claim whatsoever against the Procuring Entity under or arising out of this Contract, nor shall the Procuring Entity entertain or consider any such claim, if made by the Contractor, after he shall have signed a "No Claim" Certificate in favour of the Procuring Entity. The Contractor shall be debarred from disputing the correctness of the items covered by the "No Claim" Certificate or demanding a clearance to arbitration in respect thereof.

13.3.2 Closure of Contract

The Contract shall stand closed upon successful performance of all obligations by both parties, including completion of warranty obligations and final payment.

SECTION V: SPECIAL CONDITIONS OF CONTRACT (SCC)

GCC Clause No	Topic	Modified/replaced by SCC Provisions
General/The Contract, Governing Laws and Jurisdiction		
1	Definitions and Abbreviations	
2	Language of Contract	
3	Contract Documents and their precedence	
4	Governing Laws and jurisdiction	
5	Communication and notices	
6	Contractor's Obligation and restriction of its Rights	
	PBG/SD	
7	Scope of Supply and Technical Specification	
	Incidental Work/Service	
	Warranty/ Guarantee	
8	Packing, Transportation, Insurance and Receipt	
9	Terms of Delivery and Delays	
	Terms Of Delivery	
	Liquidated Damages	
10	Prices & Payments	
11	Resolution of Disputes	
12	Defaults, Breaches, Termination and Closure of Contract	
13	Termination of Default/Convenience of procuring Entity and Frustration	

SECTION VI: SCHEDULE OF REQUIREMENTS

All item shall be supplied, installed and commissioned within days on receipt of Supply/Work Order and as per the schedule given by KSEDC.

#	Description of Goods	Qty	Unit	Delivery Requirement	Destination
1					
2					
3					

1. General Background of requirement:
2. Preferred Transportation:
3. Required Delivery Schedule:
4. Required terms of Delivery:
5. Scope of Supply:
6. Incidental Work/Service:

SECTION-VII: TECHNICAL SPECIFICATION AND QUALITY ASSURANCE

#	Item Description	Technical Specification
1		
2		
3		
4		
5		

BIDDING FORMS**Form 1: BID FORM (Covering Letter)**

To
Head of Purchase
[Complete address]

Tender Document No. :
Tender Title : GOODS/SERVICES

Sir/Madam,

Having examined the above mentioned Tender Document, we the undersigned, hereby submit/upload our Techno-commercial and Financial Bid (Price Schedule) for the supply of Goods and incidental Works/Services in conformity with the said Tender Documents. (Please tick appropriate boxes or strike out sentences / phrases not applicable to you)

1) Our Credentials :

(a) We are submitting this Bid:-

On our behalf, and there are no agents / dealers involved in this Tender, and hence no agency agreement or payments / commissions / gratuity is involved. Our company law and taxation regulatory requirements and authorization for signatories and related documents are submitted in Form 1.1 (Bidder information) or

as authorised dealer offering goods manufactured by our OEMs. Our OEM's law and taxation regulatory requirements and authorization for signatories and related documents are submitted in Form 1.3 (OEM's Authorization). or

as agents / associates of our foreign principals. Our foreign principal's law and taxation regulatory requirements, as well as authorization for signatories and related documents, are submitted in Form 1.4 (Declaration by Agents/Associates of Foreign Principals/OEMs).

(b) We ----- hereby certify that We/ our principals / OEM M/s ----- as proven, established, and reputed manufacturers with factories at ----- which are fitted with modern equipment and where the production methods, quality control, and testing of all materials and parts manufactured or used by us shall be open to inspection by the representative of the Procuring Entity.

2) Our Eligibility to participate

We comply with all the eligibility criteria stipulated in this Tender Document, and the relevant declarations are made along with documents in the Bid-form., and the relevant details are submitted along with documents in Form 4: Qualification Criteria – Compliance.

3) Our Bid to Supply Goods:

We offer to supply the subject Goods of requisite quality and within Delivery Schedules in conformity with the Tender Document. The relevant details are submitted in Form 2: 'Schedule of Requirements – Compliance and form3: Technical Specifications and Quality Assurance – Compliance

4) Prices

We hereby offer to perform the Services at our lowest prices and rates mentioned in the separately uploaded Price-Schedule. It is hereby confirmed that the prices quoted therein by us are:

- (a) Based on the terms of delivery and delivery schedule confirmed by us: and
- (b) Cost break-up of the quoted cost, showing inter-alia costs (including taxes and duties thereon) of all the included incidental Goods/Works considered necessary to make the proposal self-contained and complete, has been indicated therein, and
- (c) Based on the terms and mode of payment as stipulated in the Tender Document. We have understood that if we quote any deviation to terms and mode of payment, our Bid is liable to be rejected as nonresponsive, and
- (d) The prices in this offer have been arrived at independently, without restricting competition, any consultations, communication, or agreement with any other Bidder or competitor relating to:
 - i. those process: or
 - ii. the intention to submit an offer ; or
 - iii. the methods or factors used to calculate the prices offered.
- (e) the prices on this offer have neither been nor shall be knowingly disclosed by us, directly or indirectly, to any other Bidder or competitor before Bid opening or Contract award unless otherwise required by law.

5) Affirmation to terms and conditions of the Tender Document

We have understood the complete terms and conditions of the Tender Document. We accept and comply with these terms and conditions without reservations, although we are not signing and submitting some of the sections of the Tender Document. Deviations, if any, are submitted by us in Form 5: 'Terms and Conditions – Compliance'. We also explicitly confirm acceptance of the Arbitration Agreement as given in the Tender Document.

6) Abiding by the Bid Validity

We agree to keep our Bid valid for acceptance for a period upto -----, as required in the Tender Document or for a subsequently extended period, if any, agreed to by us and are aware of penalties in this regard stipulated in the Tender Document in case we fail to do so.

7) Non-tempering of Download Tender Document and Uploaded Scanned Copies

We confirm that we have not changed / edited the contents of the downloaded Tender Document. We realise that any such change noticed at any stage, including after the Contract award, shall be liable to punitive action in this regard stipulated in the Tender Document. We also confirm that scanned copies of documents/ affidavits/undertakings uploaded along with our Technical Bid are valid, true, and correct to the best of our knowledge and belief, if any dispute arises related to the validity and truthfulness of such documents/affidavits/undertakings, we shall be responsible for the same. Upon accepting

Our Financial Bid, we undertake to submit for scrutiny, on demand by the Procuring Entity, originals, and self-certified copies of all such certificates, documents, affidavits/undertakings.

8) A Binding Contract:

We further confirm that, if our Bid is accepted, all such terms and conditions shall continue to be acceptable and applicable to the resultant Contract, even though some of these documents may not be included in the Contract documents submitted by us. We do hereby undertake that, until a formal Contract is signed or issued, this Bid, together with your written Letter of Award (LoA), shall constitute a binding Contract between us.

9) Performance Guarantee and Signing the Contract

We further confirm that, if our Bid is accepted, we shall provide you with performance security of the required amount stipulated in the Tender Document for the due performance of the Contract. We are fully aware that in the event of our failure to deposit the required security amount and/ or failure to execute the agreement, the Procuring Entity has the right to avail any or all punitive actions laid down in this regard, stipulated in the Tender Document.

10) Signatories

We confirm that we are duly authorized to submit this Bid and make commitments on behalf of the Bidder. We acknowledge that our digital/digitized signature is valid and legally binding.

11) Rights of the Procuring Entity to Reject Bid(s)

We further understand that you are not bound to accept the lowest or any Bid you may receive against your above-referred Tender Document.....

(Signature with date)

.....

(Name and designation)

Duly authorized to sign Bid for and on behalf of

[name & address of Bidder and seal of company]

FORM 2: BIDDER INFORMATION LETTER

(To be submitted in Letter Head)

Tender Document No. :

Tender Title : GOODS/SERVICES

Note: Bidder shall fill in this Form following the instructions indicated below. No alternations to its format shall be permitted, and no substitutions shall be accepted. Bidder shall enclose certified copies of the documentary proof /evidence to substantiate the corresponding statement wherever necessary and applicable. Bidder's wrong or misleading information shall be treated as a violation of the Code of Integrity. Such Bids shall be liable to be rejected as nonresponsive, in addition to other punitive actions provided for such misdemeanours in the Tender Document.

1) Bidder/Contractor particulars:

- (a) Name of the Company:.....
- (b) Corporate Identity No, (CIN):
- (c) Registration, if any, with The procuring Entity.....
- (e) Place of Registration /Principal place of business /manufacture.....
- (f) Complete Postal Address:
- (g) Pin code/ZIP code:
- (h)Telephone nos (with country /area codes):
- (i) Mobile Nos: with country /area codes):
- (j) Contact persons/Designation:
- (k) Email IDs:

Submit documents to demonstrate eligibility as per NIT- and ITB-clauses self certified copy of registration certificate-in case of a partnership firm-Deed of partnership ;in case of Company –Notarized and certified copy of its Registration ; and in case of Society –its Byelaws and registration certificate of the firm.

2) Taxation Registrations:

- (a) PAN number:
- (b) Type of GST Registration as per the Act (Normal Taxpayer, Composition, Casual Taxable Person, SEZ, etc.):.....
- (c) GSTIN number:in Consignor and Consignee States
- (d) Registered /Certified Works /Factory where the Goods would be mainly manufactured and Place of Consignor for GST Purpose:.....
- (e) Contact Names, Nos & email IDs for GST matters (Please mention primary and secondary contacts):
- We solemnly declare that our GST rating on the GST portal /Govt. official website is not negative /blacklisted.

Documents to be submitted: Self- attested Copies of PAN card and GSTIN Registration.

3) Authorization of Person(s) signing the Bid behalf of the Bidder

(a) Full Name:

(b) Designation.....

(c) Signing as:

- A sole proprietorship firm. The person signing the Bid is the sole proprietor / constituted attorney of the sole proprietor.
- A partnership firm. The person signing the Bid is duly authorised being a partner to do so, under the partnership agreement or the general power of attorney.
- A company. The person signing the Bid is the constituted attorney by a resolution passed by the Board of Directors or in pursuance of the Authority conferred by Memorandum of Association.

Documents to be submitted: Registration Certificate/Memorandum of Association Partnership Agreement /Power of Attorney/Board Resolution

4) Bidder's Authorized Representative Information

(a) Name:

(b) Address:

(c) Telephone /Mobile numbers:

(d) Email Address:

(Signature with date)

.....

(Name and designation)

Duly authorized to sign Bid for and on behalf of
[name & address of Bidder and seal of company]

FORM 3: DECLARATION OF BIDDER ELIGIBILITY AND QUALIFICATION

Tender Document No. :

Tender Title : GOODS/SERVICES

Bidder's Name
(Address and Contact Details)**Declarations of Bidder Eligibility and Qualification**

(Please tick appropriate boxes or cross out any declaration not applicable to the Bidder)

We hereby confirm that we are comply with all the stipulation of Tender document and declare as under and shall provide evidence of our continued Eligibility &Qualification to the Procuring Entity as may be requested:

- 1) Legal Entity of Bidder:.....
- 2) OEM/Manufacturer/Agent/Dealership Status:.....
- 3) We are/ are not a JV.....
- 4) We solemnly declare that we (including our affiliates or subsidiaries or constituents) are not insolvent, in receivership, bankrupt or being wound up, not have our affairs administered by a court or a judicial officer, not have our business activities suspended and are not the subject of legal proceedings for any of these reasons.
- 5) We are fully complying with the Eligibility and Qualification requirements specified in the Tender document. We certify that we fulfil any other additional eligibility condition if prescribed in Tender Document.
- 6) We have no conflict in interest, which substantially affects fair competition. The prices quoted are competitive and without adopting any unfair/unethical/anti competitive means. No attempt has been made or shall be made by us to induce any other Bidder to submit or not to submit an offer to restrict competition.
- 7) Penalties for false or misleading declarations:

We hereby confirm that the particulars given above are factually correct and nothing is concealed and undertake to advise any future changes to the above details. We understand that any wrong or misleading self-declaration would violate the Code of integrity and attract penalties as mentioned in this Tender Document.

.....
(Signature with date).....
(Name and designation)

Duly authorized to sign Bid for and on behalf of

.....
(Name & address of Bidder and seal of company)

FORM 4: DECLARATION REGARDING CLEAN TRACK RECORD

(To be submitted in Letter Head)

To

Head (Purchase)
KSEDCTender Document No. :
Tender Title : GOODS/SERVICES

I have carefully gone through the Terms & Conditions contained in the Tender Document [No.-----]. I hereby declare that my company has not been debarred/black listed as on Bid calling date by any State Government, Central Government, Central & State Govt. Undertakings/enterprises/Organizations and by any other Quasi Government bodies/Organizations and any other major Enterprise/Organizations in India for non-satisfactory past performance, corrupt, fraudulent or any other unethical business practices. Further, declaring that no cases pending against the firm/organization either in Government (State or Union) or as mentioned above for involvement in cases for supply of sub-standard goods/material or track record of supply of inferior quality or no enquiries on past supplies are being conducted or underway. I further certify that I am competent officer in my company to make this declaration.

Yours faithfully,

(Signature of the Bidder)

Name of the signing authority:.....

Designation of signing authority :.....

Contact details of signing authority:.....

FORM 5: OEM AUTHORIZATION LETTER

(On Company Letter Head)

(To be submitted as part of Technical Bid)

OEM's Name-----

[Address and Contact Details]

OEM's Reference No.----- Date-----

To

The Head (Purchase)

[Complete address of the Procuring Entity]

Dear Sirs,

Ref. Your Tender Document No.

Tender Title: GOODS/SERVICE

- 1) We,-----, are proven and reputable manufacturers of the Tendered Goods. We have factories at----- . We hereby authorise Messrs----- (name and address of the authorised dealer) to submit a Bid, process the same further and enter into a Contract with you against above referred Tender Process for the supply of above Goods manufactured by us. Their registration number with us is -----, dated/since -----
- 2) We further confirm that no Contractor or firm or individual other than Messrs. ----- (name and address of the above-authorised dealer) is authorized for this purpose.
- 3) As principals, we commit ourselves to extend our full support for warranty obligations, as applicable as per the Tender Document, for the Goods and incidental Works/Services offered for supply by the above firm against this Tender Document.
- 4) Our details are as under:
 - (a) Name of the Company:-----
 - (b) Complete Postal Address:-----
 - (c) Pin code/ ZIP code:-----
 - (d) Telephone nos. (with country/ area codes):-----
 - (e) Fax No.: (with country/ area codes):-----
 - (f) Mobile Nos.: (with country/ area codes):-----
 - (g) Contact persons/ Designation:-----
 - (h) Email IDs:-----
- 5) We enclose herewith, as appropriate, our ----- (Bye-Laws/ Registration Certificate/ Memorandum of Association/ Partnership Agreement/ Power of Attorney/ Board Resolution)

Yours faithfully,

[signature with date, name and designation]

for and on behalf of Messrs-----

[name & address of the OEM and seal of company]

FORM 6: ANNUAL TURNOVER CERTIFICATE

(To be furnished on the letter head of the Chartered Accountant)

Tender Document No:.....

Tender Title: GOODS/SERVICES

The Annual Turnover of..... (Name & Address of the firm) for the past years are given below and certified that the same is true and correct to the best of my knowledge.

#	Financial Year	Turnover in Lakhs
1	2022-2023	
2	2023-2024	
3	2024-2025	
Total		

This Certificate is issued on the basis of Audited Financial Statements produced before me for verification

(Signature)	
Name, Address & Membership Number:	
E-mail ID & Contact Number:	
UDIN:	

Place:

Date :

FORM 7: TECHNICAL SPECIFICATIONS-COMPLIANCE

Tender Document No:.....

Tender Title: GOODS/SERVICES

#	Item Description	Specification	Compliance /Deviation	Justification/Reason
1				
2				
3				
4				
5				

We shall comply with, abiding and accept without and accept without deviations or reservation all Technical Specification, Quality assurance and warranty requirements in the Tender document, except those mentioned above. If mentioned elsewhere in the bid, contrary terms and conditions shall not be recognized and shall be null and void.

Yours faithfully,

 (Signature of the Bidder)

Name of the signing authority: -----

Designation of signing authority: -----

Contact details of signing authority: -----

FORM 8: TERMS AND CONDITIONS- COMPLIANCE

Tender Document No:.....

Tender Title: GOODS/SERVICES

#	ITEM DESCRIPTION	COMPLIANCE/DEVIATION
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Agreed to the terms and conditions,

Yours faithfully,

(Signature of the Bidder)

Name of the signing authority: -----

Designation of signing authority: -----

Contact details of signing authority: -----

FORM 9: CHECK LIST FOR BIDDERS

Tender Document No:.....

Tender Title: GOODS/SERVICES

#	DESCRIPTION	YES/NO
1	Bid Form	
2	Bidder Information Letter along with Power of Attorney	
3	Self attested Copies of Registration Certificate of the Company	
4	Self attested Copies of Registration Certificate of PAN Certificate	
5	Self attested Copies of Registration Certificate of GSTIN Certificate	
6	Self attested Copies of Registration Certificate of MSME Certificate	
7	Declaration Regarding Clean Track Record	
8	OEM Authorization Certificate	
9	Declaration of Eligibility & Qualification -Compliance	
10	Technical Specification -Compliance	
11	Terms & Conditions Compliance	

Yours faithfully,

(Signature of the Bidder)

Name of the signing authority: -----

Designation of signing authority: -----

Contact details of signing authority: -----

ANNEXURE 10- FORMAT FOR BANK GUARANTEE

(To be used by Nationalized and Scheduled Commercial Banks)

In consideration of KSEDC having agree to exempt [Hereinafter called “the said Contractor(s)”] from the demand, under the terms and conditions of an agreement dated _____ made between _____ and _____

_____ for _____ (hereinafter called “the said Agreement”) of security deposit for the due fulfilment by the said contractor(s) of the terms and conditions contained in the said Agreement, on production of a bank guarantee for _____ (Rupees _____ only).

We _____ Bank Limited (hereinafter referred to as “the Bank” do hereby undertake to pay to the Government an amount not exceeding _____ (Rupees in words) against any loss or damage caused to or suffered or would be caused to or suffered by the KSEDC by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We _____ Bank Limited do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the KSEDC stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by KSEDC by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the contractor’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. However, our liability under this guarantee shall be restricted to an amount not exceeding _____ (Rupees in words).

3. We _____ Bank Limited 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 Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged of till _____ (Office) certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges the guarantee. Unless a demand or claim under this guarantee is made on us within one year from the period fixed or extended (if 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 KSEDC 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 Government or any indulgence by the Government 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.

5. To give effect to this guarantee it shall be competent for the Government, to act as though the Bank were the principal debtor.

6. It is hereby expressly agreed and declared that this guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of or substitution for any former or other guarantees or guarantee heretofore given by the Bank to the Government and now existing un cancelled and that this guarantee is not intended to and shall not revoke or limit such other guarantee or guarantees.

7. We _____ Bank Limited lastly undertake not to revoke this guarantee during its currency except with the previous consent of Government in writing

Dated _____ day of _____ for _____ Bank Limited

ANNEXURE 11 –FORMAT FOR NO OBLIGATION CERTIFICATE

Certified that, M/s_____ have completed the work (Title of the work) against the Work Order No_____ dated_____ as per the scope assigned to them and handed over the same to us satisfactorily.

There is no obligation pending with the Supplier.

Head(SBU)/ Representative

Signature with Date : _____

Name : _____

Designation : _____

SBU/Department : _____

ANNEXURE 12 – FORMAT OF AGREEMENT SUPPLY

AGREEMENT executed _____day of_____between (hereinafter called "the Contractor") and KSEDC

WHEREAS the Contractor has tendered for the supply of articles for the use of the KSEDC as per tender Notification No _____ dated _____which tender notification shall form part of this Agreement as if incorporated herein.

"AND WHEREAS the KSEDC has been pleased to accept the offer subject to the conditions stipulated in the Supply Order No _____ dated _____(which shall form part of this agreement as if incorporated herein) in respect of the articles mentioned therein."

1 NOW THESE PRESENTS WITNESS AS FOLLOWS

- 1.(a) In cases where along with the tender samples have been forwarded to the KSEDC and the samples approved, the Contractor agrees to supply the materials according to the approved sample. In other cases the Contractor agrees to forward samples to KSEDC for approval if so required and then to supply materials according to such approved samples. When the samples are not required, the Contractor agrees to supply according to standard specifications.

Samples forwarded by the Contractor to the KSEDC will not be paid for and shall be the property of KSEDC but the KSEDC are at liberty to return them to the Contractor on the completion of his contract or to pay for them at agreed rates if they so choose. All samples must be clearly labeled showing to what particular items tendered for they relate and they should be of sufficient size and quantity to enable Keltron to see if the supplies made are according to the approved samples.

- (b). The Contractor hereby declares that the goods sold to the buyer under this contract shall be of the best quality and workmanship and shall be strictly in accordance with the specifications and particulars contained in the copy of the order attached herewith and the contractor hereby guarantees that the said goods would continue to conform to the description and quality aforesaid for a period of _____days/months from the date of delivery of the said goods to KSEDC and that notwithstanding the fact that the KSEDC may have inspected and/or approved the said goods, if

during the aforesaid period of _____days/months the said goods be discovered not to conform to the description and quality aforesaid or have deteriorated (and the decision of the KSEDC in that behalf will be final and conclusive) the KSEDC will be entitled to reject the said goods or such portion thereof as may be discovered not to conform to the said description and quality. On such rejection the goods will be at the contractor's risk and all the provisions herein contained relating to rejection of goods, etc., shall apply. The contractor shall if so called upon to do replace the goods ,etc., or such portion thereof as is rejected by KSEDC. Otherwise the Contractor shall pay to KSEDC such damages as may arise by reason of the breach of the condition herein contained. Nothing herein contained shall prejudice any other right of KSEDC in that behalf under this contract or otherwise.

2. Requests for enhancement of rates once accepted will not be considered except where KSEDC have prior to the actual supplies, expressly agreed in writing for any price variation under specified circumstance, conditions of sale or other special terms and conditions, if any, printed on the quotation sheets of the Contractor or attached with the contractors' tender or any other letter or paper from the Contractor will not govern this contract nor bind the KSEDC in any manner whatsoever unless such terms have been expressly accepted by the KSEDC in writing.
3. The articles and quantities to be supplied are shown in the copy of the supply order, No _____ and date _____ attached herewith. The contractor agrees to Supply the quantities of the articles shown in the order at the rate tendered by him for each article within the time fixed.
4. In the case of goods delivered by shipment, the Contractor, shall where the expected tonnage of goods is more than 200 tons, deliver the goods through the Trivandrum Port if so required by the KSEDC.
5. The Contractor agrees that time is the essence of this contract.
- 6(a) If the Contractor defaults in the supply of all or any of the articles correctly and promptly as above the KSEDC are at liberty to procure the same from elsewhere without cancelling the contract as a whole. If KSEDC incur, in thus procuring such materials a higher cost than the agreed rate such excess cost may be deducted by the KSEDC from the contractor's bill or adjusted or otherwise realized from his security deposit or recovered from him by other means. The contractor agrees that he shall not be entitled to claim the excess, if any, of the tendered rate over such cost to KSEDC.

- (b) If the contractor fails to deliver all or any of the stores or perform the service within the time/period(s) specified in the contract, the purchaser shall without prejudice to its other remedies under the contract, deduct from the contract price as liquidated damages, a sum equivalent to 0.5% of the delivered price of the delayed stores or unperformed services for each week of delay until actual delivery or performance, upto a maximum deduction of 5% of the contract prices of the delayed stores or services. Once the maximum is reached, the purchaser may consider termination of the contract at the risk and cost of the contractor.
- 7(a) All payments to the Contractor for supplies effected satisfactorily will be made after scrutiny of his bills through cheque or electronics transform of fund.
8. The contractor shall not assign or make over in part or wholly the contract or the benefits or burdens thereof. The contractor shall not underlet or sublet the execution of the contract or any part thereof without the consent in writing of the KSEDC. The KSEDC shall have absolute power to refuse such consent or rescind such consent (if given) at any time. The contractor shall not be relieved from his obligation, duty or responsibility under this contract even if consent to let or subject is given by the KSEDC.
9. NOTWITHSTANDING the provisions contained in clause 5, the KSEDC shall have the right to cancel the contract for any default on the part of the contractor in due performance thereof.
10. It shall be lawful for the KSEDC from and out of any money for the time being payable or due to the Contractor from the KSEDC under this contract or otherwise to set off any loss or expense, cost or damages sustained or incurred by KSEDC by reason of the cancellation of the contract.
11. The security deposit shall subject to the conditions specified herein be returned to the contractor within three months after the expiration of the contract. In all cases where there are guarantee for the goods supplied the security deposit will be released only after the expiry of the guarantee period.
12. The contractor agrees that any communication addressed to him may be handed over to him or his agent personally or left at his residence or place of business or may be sent by prepaid post to his address as mentioned in this deed.
13. In case the supply of articles involves erection of machinery the contractor agrees that the machinery will be erected within the time and at the place specified by the KSEDC in that behalf. It

shall also be the duty and responsibility of the contractor to see that the machinery thus erected is in good working condition to the satisfaction of the person duly authorized by the KSEDC that behalf and to ensure the proper functioning of the machinery till the guarantee period is over.

NOTE: In the event of failure of the contractor to erect the machinery within the time and at the place specified by the KSEDC or in the event of the machinery failing to function properly during the guarantee period the amount spent by the KSEDC and the loss sustained by the KSEDC on this account by making alternative arrangements shall be recoverable from the contractor in the manner provided in Clause 15 here under.

14. The Contractor agrees that all sums found due to the KSEDC under or by virtue of these presents shall be recoverable from him and his properties, movable and immovable, under the provisions of the Revenue Recovery Act, for the time being in force as though they are arrears of land revenue or in any other manner and within such time as KSEDC may deem fit. In deciding what sum of money is due to KSEDC under or by virtue of this deed, the contractor agrees that the decision of the KSEDC shall be final and conclusive and shall be binding on the contractor.
15. The Contractor agrees that any Sum of money due and payable to him from KSEDC shall be adjusted against any sum of money due to KSEDC from him under any other contracts.

IN WITNESS WHEREOF the Contractor and Shri _____
(H.E.name and designation) for and on behalf of the KSEDC have hereunto set their hands.

Signed, sealed and delivered by _____
(Contractor)

In the presence of witness (1) _____
(2) _____

Signed, sealed and delivered by Shri _____
(H.E name and designation) for and on behalf of the KSEDC

In the presence of witness (1) _____
(2) _____

ANNEXURE 13- FORMAT FOR PURCHASE ORDER

(Supplier Address)		P.O. No.				
		Date :				
		Your Ref :				
		Date :				
Please supply the following materials in accordance with the instructions given below and as per the terms and conditions below.						
Sl. No.	Our Code	Description	Unit	Qty.	Rate Rs.	Amount Rs.
Discount		G.S.T.			Price Basis	
Payment Terms			Mode of despatch			
Delivery Schedule			For Kerala State Electronics Development Corporation Ltd.			
P.R. No. & Date						
Purchase/Accounts/Stores/Indentor/Planning/File/Costing/Inspection					ISSUE NO	REV. NO.
						DATE

TERMS AND CONDITIONS

- A ORDER ACCEPTANCE**
An order acceptance conforming the materials, specifications, quality, prices, delivery schedule etc. specified in the Purchase Order should be sent within three days of receipt of order by the supplier.
- B INSURANCE**
For Purchase Orders placed on F.O.R, destination basis, the supplier shall be responsible for damages/shortages during transit. For all other orders necessary particulars of despatch must be intimated to us immediately for arranging insurance, failing which transit damages shall be to the supplier's account.
- C PACKING**
Materials should be securely packed and a copy of packing list should be placed inside the package, which should bear our Purchase Order No. and sender's full name and address.
- D DESPATCH OF MATERIALS**
All materials against the order must be sent directly to us Despatch documents R R/LR/ A.W.B.etc. should be posted to the Purchase department Keltron immediately after the despatch of materials so as to reach well in advance, failing which demurrage charges, If any incurred by the Corporation will be to the supplier's account.
All local deliveries shall be made on any working day between 9 A.M. to 4 P.M.
- E INSPECTION**
The material is subject to inspection at our works. Decision of our inspection department will be final. Any rejections reported as a result of this inspection due to defective or wrong supply should be removed from our premises within a fortnight from the date of the notification failing which the same will be returned to supplier at their risk and cost or disposed off in auction after due notice and proceeds if any less our expense will be credited to supplier's account.
- F GUARANTEE**
All materials/ equipments should be free from defects arising from fault materials, design or workmanship and should be guaranteed for quality satisfactory performance for a period of one year from the date of supply. During this guarantee period the supplier shall rectify such defects free of cost, if necessary suppliers should replace materials/ equipment, as a whole.
- G TERMS OF PAYMENT**
Unless otherwise specifically agreed, all payments will be made directly within 30 days after inspection of the material at our works, Bills in triplicate completed in all respects should be forwarded directly to the purchase department; Keltron immediately on despatch of the materials.
- H PENALTY CLAUSE**
Unless the supplier declines to accept the order within 3 days from the date of receipt it should be deemed to have been accepted. In the event of failure on deliver the materials as per the agreed delivery schedule, we should be entitled to recover from the supplier a sum equivalent 0.5% of the value of materials not-supplied in time for every 7 days delay or part there of subject to a maximum of 10% of order value or to cancel the order and purchase materials from other sources.
- I FORCE MAJEURE**
In case of strike, accident or other unforeseen contingencies causing stoppage of production we reserve the right to cancel or modify the purchase order without liability for any compensation or claim.
- J APPROPRIATION**
We shall be entitled to appropriate and recover all outstanding dues from this order.
- K INDEMNITY**
The supplier shall at all time indemnify us against all claims which may be made in respect of materials for infringement of any rights protected by patent.
- L ARBITRATION**
All disputes arising out of this contract shall be referred to our Managing Director whose decision shall be final and binding on the parties.
- M JURISDICTION**
This Order shall be governed by the laws of Indian Union in force. Only the competent courts in Trivandrum shall have the jurisdiction

**ANNEXURE 14- FORMAT FOR WORK ORDER
(For Tasks/installation/Commissioning/Design/Serviceing etc)**

WO No: _____

Date_____

(CONTRACTOR ADDRESS)

Dear Sir,

Subject: Work Order for [Nature of Work / Supply / Service]

Ref:

1. [Tender / Enquiry No.] _____ Dated_____.

2. Your offer/quotation No. _____Dated_____.

SCOPE OF WORK/DESCRIPTION

Execution of the following items / works as per the agreed specifications, quantities, and terms agreed for a total value of Rs. _____ (in figures)/- (Rupees. _____ only)

TERMS AND CONDITIONS

1. Delivery / Completion Period:

The work/supply shall be completed within___ [days/weeks/months] from the date of this Work Order.

2. Place of Delivery / Execution:

[Specify location / site / division]

3. Payment Terms:

Payment will be made within ___ [days] of satisfactory completion / acceptance and submission of invoice with all supporting documents, subject to statutory deductions.

4. Taxes and Duties:

GST and other applicable taxes as per Government rules shall be extra / included as specified above.

5. Performance Guarantee / Security Deposit:

[If applicable] The contractor shall furnish a Security Deposit / Performance Guarantee of ___ [5%] of the order value in the form of a Bank Guarantee / Demand Draft valid till completion of warranty period.

6. Penalty / Liquidated Damages:

In case of delay, Liquidated Damages @ 0.5% per week of the undelivered portion, subject to a maximum of 10% of the order value, shall be applicable.

7. Warranty / Guarantee:

The work / materials supplied shall carry a warranty of ___ [months/years] from the date of acceptance.

8. Risk & Cost Clause:

In case of failure to execute the order, KELTRON reserves the right to cancel the order and execute the work through alternate sources at the supplier's risk and cost.

9. Arbitration / Jurisdiction:

Any disputes arising out of this order shall be subject to the jurisdiction of the courts at Thiruvananthapuram, Kerala.

OTHER TERMS AND CONDITIONS

1. It shall be your responsibility to ensure the safety of your personnel connected with the work.
2. The invoice should be generated as per GST rules and include the HSN code for each item.
3. Keltron shall not be liable for any compensation related to accidents, injuries or death etc. of your personnel due to any cause including natural calamities.
4. You will be fully responsible for safe custody of equipments and materials during the execution of work.
5. Your GST registration number and PAN details must be mentioned in the invoice. Statutory deductions and bank charges if any will be deducted as applicable.
6. Our GST No. _____

7. Statutory deductions will be made if the Contractor does not possess ESI registration. If not applicable a declaration regarding same shall be submitted.
8. GST amount to the Contractor will be paid only after reflecting the same in our portal in case of credit payment.

**For KERALA STATE ELECTRONICS
DEVELOPMENT CORPORATION LTD.**

HEAD (PURCHASE)

ANNEXURE 15- FORMAT FOR NO CLAIM CERTIFICATE

Head (Purchase)

Sub: No Claim Certificate for full and final settlement –Reg.

Ref (i): Contract no _____ dated _____ for the supply/
 work of _____

We (Company Name), have agreed to obtain the full and final payment of
 Rs _____ (words) dues to us against the above
 mentioned contract between us and Keltron.

We here by unconditionally and without any reservation whatsoever, certify that
 with this payment, we shall have no claim whatsoever, of any description, on any
 account, against Procuring Entity, against afore said Contract executed by us. We
 further declare unequivocally, that with this payment, we will get all the amounts
 payable to us, and have no dispute of any description whatsoever, regarding the
 amounts worked out as payable to us and receivable to us, and that we shall
 continue to be bound by the terms and conditions of the Contract, as regards
 performance of the contract.

Yours faithfully,

Signature of contractor or
 Officer authorised to sign the contract documents
 on behalf of the contractor
 (Company Stamp)

Date : _____

Place: _____

ANNEXURE 16- MODEL FORMAT FOR PERFORMANCE NOTICE**PERFORMANCE NOTICE**

M/s _____

Ref: (1) Tender Id/ Enquiry No _____ dated _____

(2) PO/WO No _____ dated _____

Dear Sirs,

Your attention is invited to the acceptance of tender cited above, according to which supplies ought to have been completed by you on or before _____. In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that you are still outstanding even though the date of delivery has expired.

Although not bound to do so, the delivery date is hereby extended to _____ and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

For Kerala State Electronics
Development Corporation
Limited

HEAD (PURCHASE)

Enclosure: Details of Outstanding goods or service



Kerala State Electronics Development Corporation Ltd.
Keltron House, Vellayambalam
Thiruvananthapuram 695 033