

RASHTRIYA ISPAT NIGAM LIMITED
VISAKHAPATNAM STEEL PLANT
VISAKHAPATNAM-530 031

MATERIALS MANAGEMENT DEPARTMENT
(PURCHASE WING)
BLOCK-A, ADMINISTRATIVE BUILDING
VISAKHAPATNAM STEEL PLANT
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OPEN TENDER NOTIFICATION

Tender No.Pur.9.66.0629/0300

Date: 23.01.2010

Sealed tenders are invited for supply of 1500 Tons of High Carbon Ferro Chrome
Grade 7 FeCr 65 as per IS: 1170 - 1992

Last date & time for receipt of Tenders : 17.02.2010 by 1030 HRS(IST)

Tenderers who are interested in participating in the tender can download the tender documents from our Website: www.vizagsteel.com and submit their offer before 1030 Hrs (IST) on last date of receipt of tender as per the instructions given in the tender documents. In case of difficulty in downloading of tender documents, the tender document shall be sent by post free of cost on written request from the tenderer.

- EXECUTIVE DIRECTOR (MM)

RASHTRIYA ISPAT NIGAM LIMITED
VISAKHAPATNAM STEEL PLANT
(A Government of India Enterprise)

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Ferro Chrome Grade 7 FeCr65 as per IS: 1170 - 1992

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OPEN TENDER NOTICE FOR SUPPLY OF HIGH CARBON FERRO CHROME.

INVITATION TO TENDER NO. PUR.9.66.0629/0300, DTD 23.01.2010.

1.0 NOTICE INVITING TENDERS FOR SUPPLY OF HIGH CARBON FERRO CHROME.

1.1 Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant (VSP), hereinafter referred to as PURCHASER, hereby invites tenders from **Indigenous suppliers** only for supply of High Carbon Ferro Chrome, conforming to Technical specifications at **Annexure -I** of tender documents.

1.2 **QUANTITY:** The PURCHASER intends to purchase 15,00 Tons of High Carbon Ferro Chrome, conforming to Technical specifications at **Annexure-I** of tender documents.

1.3 **DELIVERY:** The tentative schedule at which the supplier should effect delivery is @ 150 Tons/Month from March, 2010 onwards till completion of supply or during such period as indicated by the Purchaser at the time of finalisation of the LOI / Acceptance to Tender. The Purchaser reserves the right to revise the delivery schedule depending on our production requirements and storage capacity, without any additional financial implication to the Purchaser.

1.3.1 The successful tenderers should commence delivery of material @ 150 Tons or monthly offered quantity within 7 days from the date of placement of LOI/ A/T and complete delivery of the offered monthly scheduled quantity in an evenly spread manner in the month. The delivery of the balance order quantity shall be continued at the offered monthly scheduled quantity basis till completion.

1.3.2 VSP Reserves the right to reject offers not meeting VSP's Schedule /to consider offer with best delivery schedule(s)

1.4.1 Tenderers should submit their tenders in two parts:

**Part-A : Techno-Commercial Bid and
Part-B : Price Bid**

in separate sealed envelopes indicating clearly on the cover whether it contains Part A: Techno- Commercial Bid or Part B : Price Bid.

- 1.4.2 A Proforma as given in **Annexure -III** of the Tender Documents is prescribed for Part- B : Price Bid. All the tenderers are advised to submit their Part-B: Price Bid only in the prescribed proforma. Any other terms and conditions other than the price mentioned in the price bid shall not be taken into consideration.
- 1.4.3 RINL shall have the option of resorting to reverse e-auction. All technically and commercially acceptable bidders would be required to participate in the reverse e-auction. Details in regard to reverse e-auction are mentioned at para 1.4.5 below. In case of reverse e-auction the bidders would be required to quote prices only on the basis of landed net of cenvat at the specified VSP stores.
- 1.4.4 In case RINL decides to resort to reverse e-auction, the price bids submitted by the tenderers would not be opened
- 1.4.5 RINL will inform the technically and commercially acceptable (TA & CA) tenderers of the date and time of reverse e-auction and they shall participate in the process. All the tenderers would have to generate user ID & Password by following the following steps
- Go to www.vizagsteel.com
 - Click on auctions link.
 - Click on MM Reverse e-auctions
 - Click on “new user!!! Click to register” for generating user ID and fixing corresponding password.
- 1.4.6 Definition of key terms for reverse auction and RINL’s reverse e-auction user manual is uploaded on our web site www.vizagsteel.com under auctions menu and MM reverse auctions sub menu. TA & CA tenderers would be authorized to quote their LNCP prices on only e-reverse auction engine on a fixed time and date. After the completion of the reverse e-auction at the end of price delivery process, the purchase order would be placed in the normal mode.
- In case of reverse e-auction the bidders would be required to quote prices only on the basis of landed net of cenvat. Modalities of evaluation of landed net of cenvat price is given at para 4.5 of Annexure-II**
- 1.5.0 **BID MONEY/BID BOND:**
- 1.5.1 Each tender shall be considered only if Bid money in Indian Rupees by means of either a Cheque/Demand Draft drawn on any Scheduled Bank and payable to Rashtriya Ispat Nigam Ltd. at Visakhapatnam(subject to realization) or a Bid Bond in the form of Bank Guarantee (as per the prescribed proforma at **Annexure -V** of the Tender Documents) established in favour of RINL for an amount Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousands only) is submitted along with or prior to opening of Part-A: Techno-commercial Bid.

- 1.5.2 The Bid Bond as mentioned above should be established either in the form of Bank Guarantee issued by any of the Nationalized Bank (whether situated at Visakhapatnam or outstation)) **with a clause to enforce the same on their local branch at Visakhapatnam** or by way of Account payee Demand Draft payable at Visakhapatnam in favour of Rashtriya Ispat Nigam Limited. The Bank Guarantees from other Scheduled Banks (other than Nationalized) Banks) should however be from the branch located in Visakhapatnam. The bond established through Co-operative Banks are not acceptable. The Bid Bond should be valid for 180 (One hundred and Eighty) days from the date of tender opening. Tenders received without the Bid Bond / Bid Money of requisite value will summarily rejected. Bid money, if paid in cash, shall not accrue interest.
- 1.6.1 Tenders will be accepted upto **1030 Hrs. (IST) on 17.02.2010.** Techno-Commercial part of the Tender (Part-A) will be opened immediately thereafter in the presence of the Tenderers or Authorised Representatives of the Tenderers, who may choose to be present. The date and time of price bid opening shall be intimated separately to technically and commercially acceptable tenderers. Price Bids (Part-B) of those Tenderers who have been Techno-Commercially accepted shall be opened in the presence of the Tenderers or Authorised Representatives of the Tenderers who may choose to be present.
- 1.6.2 Tenders submitted against NIT/Tender shall not be returned in case the tender opening date is extended/postponed. Tenderers desirous to modify their offer/terms may submit their revised/supplementary offer(s) within the extended TOD, by clearly stating the extent of updation done to their original offer. The employer reserves the right to open the original offer along with revised offer(s)
- 1.7 All the tenders shall be evaluated on the basis of landed Net of CENVAT / VAT .
- 1.8 Number of source is intended only one .The tender quantity shall be taken from one Techno-commercially acceptable L1 tenderer provided the L1 tenderer offers for supply of total tender quantity as per the tentative delivery schedule indicated at Para 1.3 above.
- 1.9 Notwithstanding anything specified in this Tender Documents, RINL, in his sole discretion, unconditionally and without having to assign any reason, reserves to himself the rights:**
- a) To accept or reject the lowest tender or any other tender or all the tenders;
 - b) To accept any tender in full or in part;
 - c) To reject the offers not conforming to the tender terms and
 - d) To give Purchase preference to Public Sector Undertakings wherever applicable as per Government policy/ Guidelines.
 - e) To extend purchase preference to Local SSIs (Micro and Small Enterprises) as per prevailing guidelines of RINL.

EXECUTIVE DIRECTOR (MM)

(ANNEXURE -I TO TENDER NO.PUR.9.66.0629/0300, DATED 23.01.2010)

TECHNICAL SPECIFICATION OF HIGH CARBON FERRO CHROME

1. IS Specification	: IS:1170 - 1992
2. Grade	: 7 FECR 65
3. Chromium	: 60.0% Min.
4. Carbon	: 6% to 8%
5. Silicon	: 4.0 % Max.
6. S & P	: 0.05% Max. each
7. Size	: 50 mm to 100 mm
8. Size tolerance	:
(+) 125 mm	: Nil
Over size	: 10 % Max. of lot size
Under size	: 15 % Max. (including 5% of - 10mm) of lot size
(-) 10 mm	: 5 % Max. of lot size

Note: 1. No pro-rata payment allowed on percentage of Chromium.

(ANNEXURE -II TO TENDER NO.PUR.9.66.0629/0300, DATED 23.01.2010)
INSTRUCTIONS TO TENDERERS

1.0 ESTABLISHMENT OF CREDENTIALS OF UN-LISTED VENDORS: If a tenderer who responds to this tender is not presently enlisted with RINL / VSP, he is requested to furnish copies of the following documents separately in a sealed envelope super scribing “**CREDENTIALS**” and the **ITT REFERENCE OR ADVERTISED TENDER REFERENCE** as the case maybe along with the tender:

- a) Statutory Industry Registration Certificate.
- b) Excise, sales Tax certificates and copy of PAN Card.
- c) Financial worth and audited financial statements for the last 3 years.
- d) Other credentials like ISO certificate etc.
- e) List of Purchase orders / contracts executed for PSUs for same or similar items.

Kindly note that the above information is required to assess the credibility of the vendor not presently enlisted with RINL / VSP. The tender of un-listed vendor shall be rejected in case of non-submission or incomplete submission of the above documents or RINL/VSP finds that the credibility of the un-listed Vendors is not satisfactory on the basis of the documents furnished. The Vendor shall produce originals of the above documents for verification, if RINL / VSP so desires. RINL / VSP's decision in this regard is final.

2.0 GENERAL INFORMATION / DATA / DOCUMENTS TO BE FURNISHED BY TENDERERS:

2.1.1 Tenderers who may be Manufactures of H C Ferro Chrome or Suppliers shall furnish information / data / documents / printed and illustrated literature / brochures covering the following aspects:

- a) Detailed information of the Manufacturer along the latest copies of the executed / on going orders (during the last 1 year) of Ferro alloys with different clients.
- b) Documents showing the exact nature of ownership.
- c) Production capacity of H C Ferro chrome and annual production during the last three years.
- d) A recent Test and Inspection Certificate (dated not later than one year from the date of tender) issued for the material by a reputed International test house / / Government approved test house in case the tenderer is a new Supplier to RINL / VSP.

2.1.2 Tenderers who may be suppliers of High Carbon Ferro Chrome offering on behalf of a Principal Manufacturer, shall furnish in original the Letter of Authority of the concerned manufacture, as per the proforma at **Annexure - VI** of the Tender document, specifically authorising the said supplier to make an offer in response to this Invitation to Tender. This Letter of Authority should be submitted along with Part - A: Techno-commercial bid

- 2.2 In case the Manufacturer wants to supply from their Works located at more than one place, the details of the Works should be indicated in the tender (Part-A). They should also give clear price breakup and quantities (**in Part-B: Price bid**) for supplying the material from different Works.
- 2.3 The tenderers are requested to submit the Quality Assurance Plan for supply of High Carbon Ferro Chrome along with techno commercial offer.
- 2.4 The tenderers are requested to fill up the check list as at **Annexure - IV** of the Tender document.
- 2.5 **Integrity Pact:** The Tenderer is required to unconditionally accept the “Integrity Pact” enclosed at **Annexure – IX** to the tender document and shall submit the same duly signed along with his offer. Offer of the tenderer received without Integrity Pact duly signed, shall not be considered. The details of the Nodal officer and External Independent Monitor (EIM) are as are given hereunder.

Nodal officer :

Sri C.G.Patil ,
Director (Commercial),
Rashtriya Ispat Nogam Limited
Visakhapatnam – 530031
Phone No : 0891-2518370
Fax No : 0891-2518397

EIM

Sri.P.C.Parakh,IAS(Retd)
4A-1, Jaagruthi Residency,
East Maredpalli,
Secundrabad - 500026

- 2.6 In case where RINL/VSP decides to procure the material from one or more sources (only one offer shall be submitted by companies using same equipment/Facilities/Address) and if it comes to notice of RINL/VSP at any stage during the finalization of the tender or after placement of order/execution of the contract that offers have been made by the companies using same equipment/facilities/address then such offers/orders shall be rejected/cancelled forthwith and the party(s) shall be blacklisted from all further dealings with RINL/VSP for a period of 2 years. Bid money/EMD/Security deposit etc if any shall be forfeited. Decision of RINL/VSP in this regard shall be final and binding

3.0 **SUBMISSION OF OFFERS:**

- 3.1.1 **QUOTING OF PRICE(S):** The price per Ton quoted should be on FOR VSP Stores basis inclusive of applicable taxes, duties, levies and Freight. However, the rate of taxes, duties, levies and freight considered are to be indicated separately. The prices shall remain firm and fixed during the period of the contract. However, any change in statutory taxes and duties shall be reimbursed at actuals during the original contractual delivery period. Any change in taxes and duties beyond the original contractual delivery period is to be borne by the Supplier. . It may be noted that unit price is to be quoted both in figure and words in the format enclosed at **Annexure-III**. In case of any discrepancy between the two , the price indicated in words shall only be considered.

- 3.1.2 **VALUE ADDED TAX (VAT):** VAT in the State of Andhra Pradesh (A.P) is introduced with effect from 01.04.2005. This replaces APGST Act from that date. Tenderers from the State of Andhra Pradesh should be registered under VAT and shall confirm submission of VAT invoice to enable RINL/VSP to avail the input credit. Also, the tenderers from A.P shall indicate the TIN (Tax Identification Number) under VAT. Evaluation of such offers will be done considering this credit that would be available to RINL/VSP.
- 3.2 However, in case tenderers quote any other term than mentioned in this tender, the same shall be loaded as per VSP norms while evaluating their offer.
- 3.3 Any revised bids received after tender (techno commercial bid in two bid case) opening shall be rejected unless it has been furnished in response to a specific request from VSP.
- 3.4 Tenderers Central & State sales Tax ,VAT Reg no etc are to be necessarily indicated in the offer.
- 3.5 Wherever the tenderers quote excise duty and sales tax as nil or at concessional rates(being SSI Unit or due to some other privilege available on the date of offer) but reserves the right to charge at actual on the date of dispatch suitable loading would be done with maximum ED& ST Rates as applicable

4.0 TERMS OF PAYMENT:

- 4.1 100% of the value of each consignment shall be made against submission of bills along with accepted GARNs (Goods Acceptance / Rejection Note) issued by PURCHASER on 30th day(15th day for small and micro enterprises)from the date of acceptance of material at VSP .
- 4.2 Payment shall be made by NEFT/RTGS mode or such other mode of electronic fund transfer offered by banks/ Letter of Credit. In case you have not already furnished the required details, you may download the pro-forma for NEFT/RTGS in which the details are to be furnished from the VSP's website and submit along with your offer for updating our database In case of L/c Payment suitable loading, as explained at para 4.4 below, will be made while evaluating the offer.
- 4.3 The price bid should only contain the price quoted and other financial terms should be given in the techno-commercial bid and not in any other accompanying documents or statement. No extra weightage shall be given for any extra credit offered beyond ITT payment terms of 30 days interest free credit from the date of acceptance of material for ranking / evaluation purpose.
- 4.4 In case an offer with deviations to payment terms is considered, it shall be loaded suitably for the purpose of comparison with other offers. The general principal is to load for the additional financial implication to which RINL / VSP may possibly be exposed on account of such deviation. The decision of RINL / VSP in this

regard shall be final. Since the deviations that might be stipulated by the tenderer cannot be foreseen, the illustration given below are not exhaustive. RINL / VSP reserves the right to load the offers at it's sole discretion for other deviations also, which in the opinion of RINL / VSP, have financial implications to RINL / VSP.

4.4.1 Illustration- I: (Deviation in payment terms)

Description	As per Tender terms	As per deviation
Payment terms	100% value against submission of bills within 30 days of acceptance of material at VSP.	100% against L/C with 30 days interest free period from the date of receipt and acceptance at VSP (All bank charges to Seller's a/c)
Landed cost per Ton on FOR VSP Stores basis / CIF basis	Landed cost: Rs.10,000/-	
Loading per Ton due to deviation in payment terms	5% of 10% of landed value per quarter	$0.05 \times 0.10 \times 10,000 / 4 =$ Rs.12.50/-

4.4.2 Illustration- II: (Deviation in payment terms)

Description	As per Tender terms	As per deviation
Payment terms	100% value against submission of bills within 30 days of acceptance of material at VSP.	100% against L/C at sight. (All bank charges to VSP's a/c)
Landed cost per Ton on FOR VSP Stores basis / CIF basis	Landed cost: Rs.10,000/-	
Loading per Ton due to deviation in payment terms	(i) L/C Margin Money @ 5% of 10% of landed / CIF value per quarter (ii) 17% interest for 30 days on landed / CIF value (iii) L/c charges on landed / CIF value	$0.05 \times 0.10 \times 10,000 / 4 =$ Rs.12.50/- $0.17 \times 30 \times 10,000 / 365 =$ Rs.139.72 $0.0375\% \times 10,000 =$ Rs.3.75

4.5 Illustration for calculation of landed Net of VAT/CENVAT

		Rs/T	Rs/T
1	Basic Price	1000.00	1000.00
2	Excise Duty @ 8 %	80	80
3	Education Cess @ 2% onED	1.60	1.60
4	Secondary and Higher Education Cess @ 1% on E.D	0.80	0.80
5	Freight	100.00	100.00
6	Sales Tax/VAT	21.65 CST @ 2%	47.30 VAT@ 4%
7	Loading towards payment terms	0.00	0.00
8	Landed cost	1204.05	1229.70
9	Loading towards L/C margin money (@ 5% of 10% of landed value/qtr)	0.00	0.00
10	Landed Cost with L/C margin money	1204.05	1229.70
11	Loading towards Entry Tax (##)	0.00	0.00
12	Landed cost with ET	1204.05	1229.70
13	Less: Cenvat	82.40	82.40
	VAT Credit(@1.44% setoff)	0.00	17.03
	Set off on ET	0.00	0.00
14	Landed net of Cenvat/VAT/ET	1121.65	1130.27

5.0 CURRENCY AND UNIT OF WEIGHT: The price of HC Ferro Chrome offered per metric ton should be quoted in Indian Rupees only .

6.0 LANGUAGE OF BID: The offer and complete correspondence must be effected only in English language. The Bid prepared by the tenderer and all correspondence and documents relating to the bid exchanged by the tenderer and the Purchaser, shall be written only in the English language, provided that any printed literature furnished by the tenderer may be written in another language so long as it is accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the bid, the English translation shall govern.

7.0 VALIDITY OF THE OFFER:

7.1 Each tenderer shall keep his offer firm and valid for acceptance by RINL for a period of 90 (**Ninety**) days from the date of openings of tenders.

8.0 **BID MONEY/EARNEST MONEY DEPOSIT**

- 8.1 Each tender shall be considered only if Bid money in Indian Rupees by means of either a Cheque/Demand Draft drawn on any Scheduled Bank and payable to Rashtriya Ispat Nigam Ltd. at Visakhapatnam(subject to realization) or a Bid Bond in the form of Bank Guarantee (as per the prescribed proforma at **Annexure -V** of the Tender Documents) established in favour of RINL for an amount Rs. 7,50,000/- (Rupees Seven Lakhs Fifty thousand only) is submitted along with or prior to opening of Part-A: Techno-commercial Bid.
- 8.2 The Bid Bond as mentioned above should be either in the form of Bank Guarantee issued by any of the Nationalized Bank (whether situated at Visakhapatnam or outstation) **with a clause to enforce the same on their local branch at Visakhapatnam** or by way of Account payee Demand Draft payable at Visakhapatnam in favour of Rashtriya Ispat Nigam Limited. The Bank Guarantees from other Scheduled Banks (other than Nationalized) Banks) should however be from the branch located in Visakhapatnam. The bond established through Co-operative Banks are not acceptable. The Bid Bond should be valid for 180 (One hundred and Eight) days from the date of tender opening. Tenders received without the Bid Bond / bid Money of requisite value will summarily rejected. Bid money, if paid in cash, shall not accrue interest.
- 8.3 The Bid Money must be submitted along with or prior to opening of Techno-Commercial Bid (Part-A). Tenders received without the EMD / Bid Money of requisite value will not be considered by RINL.
- 8.4 The following categories are exempted from submission of EMD/Bid Money
- (i) Public Sector Undertaking
 - (ii) SSI units registered with National Small Industries Corpn(NSIC)
 - (iii) Units Registered with VSP
- 8.5 The EMD / Bid money shall be forfeited:
- a) if a Tenderer withdraws or modifies his Bid during the period of Bid validity specified by the Tenderer, or
 - b) in case of a successful Tenderer, if the Tenderer fails to furnish Performance Guarantee Bond in accordance with clause 9 of Annexure - II of the Tender documents.

9.0 **PERFORMANCE GUARANTEE BOND:**

- 9.1 The successful tenderer should submit Performance Guarantee so as to be received in the office of Asst. General Manager (MM-Purchase), RINL/VSP before the date of commencement of supplies or 30 (Thirty) days from the date of LOA /

Acceptance to Tender, whichever is earlier. The Performance Guarantee Bond is to be furnished in the form of Bank Guarantee as per proforma at **Annexure – VIII** of the tender document, for an amount covering 5% (Five percent) of the value of the quantity of material on landed cost basis . No change in the prescribed proforma of the Bank Guarantee for Performance Guarantee bond is acceptable.

- 9.2 The Performance Guarantee Bond should be established in favour of RINL through any Nationalized Bank situated at Visakhapatnam or outstation **with a clause to enforce the same on their local branch at Visakhapatnam**. If the bond is issued by any scheduled bank (other than nationalized bank), bond is to be issued by the branch located in Visakhapatnam only. Bonds from Co-operative banks are not accepted
- 9.3 The Performance Guarantee Bond shall be for the due and faithful performance of the contract and shall remain binding, notwithstanding such variations, alterations or extensions of time as may be made, given, conceded or agreed to between the successful tenderer and the Purchaser under the terms & conditions of Acceptance to Tender.
- 9.4 The successful tenderer is entirely responsible for the due performance of the Contract in all respects according to the spirit, intent and meaning of the terms & conditions and specifications and all other documents referred to in the Acceptance to Tender.
- 9.5 The Performance Guarantee Bond shall be kept valid and in full force and effect during the period of the contract and shall continue to be enforceable for a period of 120 (One hundred and twenty) days from the date of delivery of the last consignment.
- 9.6 The Performance Guarantee Bond shall be released after 90 days from the date of receipt of last consignment or one month after consumption of the total material supplied, subject to clearance from user department, whichever is earlier, under the Acceptance of Tender.
- 10.0 **STATEMENT OF DEVIATIONS:**
- 10.1 If any tenderer is unable to accept any particular term(s) as incorporated in the Tender document, or proposes any deviation therefrom, the Tenderer shall enclose along with his offer, a statement of deviations clearly spelling out the deletions / deviations proposed, which may, however, have an impact on the evaluation of his offer or rejection by RINL. **Each tenderer shall give an undertaking along with his offer confirming his acceptance to all the terms and conditions of the Tender document / GCC, except for the deletions / deviations specifically proposed by them in their offer. (Refer Annexure-VII for General Conditions of Acceptance to Tender).**

- 10.2 Offers with any deviations to the following terms and conditions contained in the tender document are not acceptable to VSP and such offers are liable for rejection:

a) Specification, b) Price firmness, c) Submission of Bid Money, d) Weighment, e) Sampling and Analysis f) Quality deviation g) Performance Guarantee Bond. h)Packing i) Transportation j)Liquidated damage k) Risk Purchase

11.0 OTHER GENERAL POINTS RELATING TO THE PREPARATION / SUBMISSION / DESPATCH OF THE OFFER:

- 11.1 The detailed offer together with its enclosures should be submitted as Part-A - Techno-Commercial Bid in a sealed envelope. Part-A should contain all details on technical specifications, other information/ data/ documents/ confirmations/ deviations, if any. Confirmation with regard to information/ data/ documents to be furnished by tenderers as per Para 1.0 and 2.0 above are also to be enclosed in Part-A.

Part-B: Price Bid should be submitted separately in the prescribed proforma at **Annexure-III** to the Tender Documents.

- 11.2 Each page of the offer should be numbered consecutively, referring to the total number of pages comprising the entire offer, at the top right-hand corner of each page.

- 11.3 Each page of the offer should be signed by the authorised officer(s) of the Tenderer.

- 11.4 The Part-A & Part-B of the offer together with its enclosures in separate sealed envelopes, should be placed in an envelope which should bear, in Block capital letters, superscription "**Tender for supply of High Carbon Ferro Chrome Tender No. Pur.9.66.0629/0300 dt 23.01.2010**" and should also bear superscription:

Part-A: Techno-Commercial Bid, or

Part-B: Price Bid.

The two envelopes should then be sealed separately. The name and address of the tenderer should be mentioned on this envelope.

- 11.5.1 The envelopes referred to in para 11.4 above should be placed in another envelope which should be addressed to the **Executive Director (MM), Administration Building, Block-A, Purchase Dept, Visakhapatnam Steel Plant, Visakhapatnam 530 031, Andhra Pradesh, India** and should bear in Block Capital Letters the superscription "**OFFER IN RESPONSE TO TENDER NO. PUR. 9.66.0629/0300 dt 23.01.2010 DUE ON 17.02.2010**". This envelope should also be sealed. The name and address of the Tenderer should be mentioned on this envelope as well.

- 11.5.2 Tenders will be accepted **1030 Hrs (IST), on 17.02.2010**. The Techno-Commercial bid of the tenders shall be opened immediately thereafter in the presence of the tenderers or authorised representative of the tenderers, who may choose to be present.

11.6 Evaluation and rejection of offers

- 11.6.1 RINL Evaluates technical and commercial acceptable offers on Landed net of cenvat price (LNCP) basis

- 11.6.2 Offers which deviates from the vital conditions(as illustrated below) of the tender shall be rejected.

- a. **Variable price being quoted against requirement of Firm prices.**
- b. **Non submission of complete offers, appending signature on the offer and the prescribed formats.**
- c. **Receipt of Offers after due date & time and or by e-mail/ fax**
- d. **Receipt of offers in open condition**
- e. **Offers made in Single bid as against requirement of two bid**
- f. **Offers envisaging release of payment other than those figuring at para 4.2 above.**

- 11.7 **In case any tenderer is silent on any clauses mentioned in this tender document, VSP shall construe that the tenderer had accepted the clauses as per this Invitation to Tender.**

- 11.8 **The price quotations should be given in only in the price format and not in any other accompanying documents or statement. No revision in the terms and conditions quoted in the offer will be entertained after the last date and time fixed for receipt of tenders.**

12.0 COMPLETENESS OF THE TENDER:

- 12.1 Each Tenderer should ensure that the aforesaid conditions for submission of offers are duly complied with. Failure to furnish correct and detailed information as called for, will render the concerned tender liable to rejection.

13.0 PUNITIVE ACTIONS TO BE TAKEN AGAINST AGENCIES WHO SUBMIT FALSE/FORGED DOCUMENTS TO VSP.

- 13.1 If it comes to the notice of VSP at any stage from request for enlistment/ tender document that any of the certificates / documents submitted by applicants for enlistment or by bidders are found to be false/ fake/ doctored, the party will be debarred from participation in all VSP tenders for a period of 5 years including termination of contract, if awarded. EMD/ Security Deposit etc. if any, will be

forfeited. The contracting Agency in such cases shall make good to VSP any loss or damage resulting from such termination. Contracts in operation anywhere in VSP will also be terminated with attendant fall outs like forfeiture of EMD/ Security Deposit, if any, and recovery of risk and cost charges etc. Decision of VSP Management will be final and binding.

- 13.2 In case commercially and technically acceptable lowest price offered tenderers backs out after tender is opened in single bid tender and in two bid tender after commercial bid/price bid is opened or after finalisation of contract punitive action shall be taken as per prevailing guidelines.

14.0 **Right to reject tenders**

- 14.1 RINL/VSP does not pledge itself to accept the lowest or any other tender and reserves to itself the right of accepting the whole or any part of the tender or portion of the quantity tendered and tenderes shall supply the same at the rate quoted.

15.0 **Authorisation**

- 15.1 Representative of the tenderers are required to produce letter of authorization, if they are to be permitted to attend tender/price bid opening.

ANNEXURE-III TO TENDER NO.PUR.9.66.0629/0300, DATED 23.01.2010)

PROFORMA FOR PART B: PRICE BID

1.* Name of the Tenderer :

2.* Address :

3. Basic Price Rs._____

4. Excise Duty (@ ____%) Rs._____

5. Education Cess(@ ____%) Rs._____

6. Secondary & Higher
Ed.Cess (@ ____%) Rs._____

7. Sales Tax (@ ____%) Rs._____

8. Freight Rs._____

9. Landed Cost Rs._____

10. * Quantity offered for supply :

11. Total value of the quantity offered :

12 CST Number :

State Sales Tax Number :

(* - Also to be indicated in “Part-A : TECHNO COMMERCIAL BID” by blocking the price part)

Note: (i) Specify APVAT and TIN No. if supplies are from Andhra Pradesh

SIGNATURE OF THE PARTY

P.S. The tenderer shall enclose the blank format of price bid except indicating the percentage of taxes and duties levied and shall give specific confirmation that except the data asked for in the price bid, no other information or condition is given in the price bid. Price bid should contain no caveat conditions. In case any other data not relevant is noted in the price bid, offer shall summarily be rejected.

(ANNEXURE-IV TO TENDER NO PUR.9.66.0629/0300, DATED 23.01.2010)
SEE PARA 2.4 OF INSTRUCTIONS TO TENDERERS

**CHECK LIST TO BE FILLED UP AND SENT ALONG WITH TECHNO -
COMMERCIAL BID – PART-A OF YOUR OFFER**

SL. NO.	TENDER TERMS	AS REQUIRED BY VSP	TO BE CONFIRMED BY PARTY ACCEPTED / NOT ACCEPTED	DEVIATIONS, IF ANY
1	Name and address of the Tenderer			
2	Quantity offered	To be confirmed as per Para 1.2 of ITT		
3	Technical specification	To be confirmed as per Annx-I of tender document		
4	Delivery schedule	To be confirmed as per Para 1.3 & 1.3.1 of ITT		
5	Payment terms	To be confirmed as per Cl. 4.1 of Annx-II of ITT		
6	Bid Bond / Bid Money	To be confirmed as per Cl.8 of Annx-II of ITT		
7	Acceptance of Q A P	To be confirmed as per Cl.2.3 of Annx-II of ITT		
8	Price Basis	To be confirmed as per Cl.3 of Annx-II of ITT		
9	Price firmness	To be confirmed as per Cl.4 of Annx-VII of ITT		
10	Insurance	To party's a/c (for indigenous supply)		
11	Packing	To be confirmed as per Cl.7of Annx-VII of ITT		
12	Validity of offer	To be confirmed as per Cl.7 of Annx-II of ITT		
13	Inspection	To be confirmed as per Cl. 1 of Annx-VII of ITT		
14	Total Rejection	To be confirmed as per Cl. 2.0 of Annx-VII of ITT		
15	Weighment	To be confirmed as per Cl.3 of Annx-VII of ITT		
16	Test cum Guarantee certificate	To be confirmed as per Cl.8 of Annx-VII of ITT		
17	Liquidated damages	To be confirmed as per Cl.9 of Annx-VII of ITT		
18	Default	To be confirmed as per Cl.10 of Annx-VII of ITT		
19	Risk Purchase	To be confirmed as per Cl.11 of Annx-VII of ITT		
20	Arbitration & Jurisdiction	To be confirmed as per Cl.18 of Annx-VII of ITT		
21	Force Majeure	To be confirmed as per Cl.17 of Annx-VII of ITT		
22	Performance Guarantee Bond	To be confirmed as per Cl .9 of Annx-II of ITT		
23	Commencement of supplies	To be confirmed as per Cl.1.3.1 of ITT		
24	Other terms and condition of ITT / GCC	To confirm acceptance.		
25	Submission of Modvatable documents	To confirm acceptance as per Cl.6 of Annx-VII of ITT		

.....
Signature and Name of the Tenderer

ANNEXURE-V TO TENDER NO PUR.9.66.0629/0300, DATED 23.01.2010)

PROFORMA OF BANK GUARANTEE FOR BID BOND

(To be typed on Non-judicial stamp paper of the value of Indian Rupees of One Hundred)
TO BE ESTABLISHED THROUGH ANY OF THE NATIONALISED BANKS (WHETHER SITUATED AT VISAKHAPATNAM OR OUTSATTION) WITH A CLAUSE TO ENFORCE THE SAME ON THEIR LOCAL BRANCH AT VISAKHAPATNAM OR ANY SCHEDULED BANK (OTHER THAN NATIONALISED BANK) SITUATED AT VISAKHAPATNAM. BONDS ISSUED BY CO-OPERATIVE BANKS ARE NOT ACCEPTED.

To

Rashtriya Ispat Nigam Limited
Visakhapatnam Steel Plant,
Admn. Building,
Visakhapatnam-530 031.
INDIA.

Bank Guarantee No. Dt.

LETTER OF GUARANTEE

WHEREAS Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant (hereinafter referred to as RINL) have invited Tenders vide Tender No. Pur. 9.66.0629/0300, Dt. 23.01.2010 (hereinafter referred to as the said Invitation to Tender) for purchase of 1,500 Tons of High Carbon Ferro Chrome and WHEREAS the said Invitation to Tender requires that any eligible Tenderer wishing to make an offer in response thereto shall establish an irrevocable Bid Bond in favour of RINL in the form of Bank Guarantee for (**) Rs. and valid upto as guarantee that the tenderer:

- a) shall keep his offer firm and valid for acceptance by RINL for a period of 120 (One Hundred and Twenty) days from the date of opening of tenders.
- b) shall, in the event of the offer being accepted by RINL, establish a Performance Guarantee (PG) Bond in favour of RINL, in the form of Bank Guarantee covering 5% (Five percent) (**5% of the order value in case of imported source**) of the value of the quantity of High Carbon Ferro Chrome ordered at the price and on the terms accepted by RINL, within 30 (Thirty) days from the date of Acceptance to Tender / LOA or before commencement of supplies, whichever is earlier.

AND WHEREAS M/s.....(hereinafter referred to as the said Tenderer) wish to make an offer in response to the said Invitation to Tender for the supply of High Carbon Ferro Chrome on the basis of (**)FOR VSP Stores / FOB /CFR.NOW THIS BANK HEREBY GUARANTEES that in the event of the said Tenderer failing to abide by any of the conditions referred to in any of the preceding paragraphs, this Bank shall pay to Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant, Visakhapatnam, INDIA on demand and without protest or demur (**) Rs..... (Rupees.....).

This Bank further agrees that the decision of RINL as to whether the said Tenderer has committed a breach of any of the conditions referred to in the preceding paragraphs, shall be final and binding.

We, (name of bank & branch) hereby further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the Tenderer and/ or RINL.

This Bank further agrees that the claims if any, against this Bank Guarantee shall be enforceable at our Branch office at Visakhapatnam situated at (Address of local branch at Visakhapatnam).

THIS BANK FURTHER undertakes that this Guarantee shall remain irrevocably valid and in force upto 180 days from the due date of opening the tenders.

For and on behalf of

(Name of the Bank)

Signature

Name()

Duly constituted attorney and
authorised signatory

Designation :

Name and Address :
of the Bank

(ANNEXURE-VI TO TENDER NO PUR.9.66.0629/0300, DATED 23.01.2010)
LETTER OF AUTHORITY FROM ESTABLISHED MANUFACTURERR
OF HIGH CARBON FERRO CHROME

(See 2.1.2 of Annexure -II of the Tender Documents)

To THE EXECUTIVE DIRECTOR(MM),
BLOCK 'A' PURCHASE DEPARTMENT,
ADMINISTRATIVE BUILDING,
RASHTRIYA ISPAT NIGAM LTD.,
VISAKHAPATNAM STEEL PLANT,
VISAKHAPATNAM 530 031 (A.P).

Dear Sir,

Sub:Your Tender Notice No.PUR.9.66.0629/0300, Dt. 23.01.2010.

We, a principal manufacturer of High Carbon Ferro Chrome of (place).....do hereby authorise M/s.....(Name and address of Seller) to make an offer in response to this invitation to tender.

We, a principal manufacturer of High Carbon Ferro Chrome do hereby convey our consent to supply High Carbon Ferro Chrome to the tendered specification through M/s.....(Name and address of Supplier) as per the terms and conditions of the tender.

No Company/Firm or individual other than M/s.....is authorised to represent us in regard to this business against this specific tender. In the event, the offer made by M/s.....being considered by RINL for acceptance both M/sand ourselves shall be jointly and severally responsible for the due and timely performance of the Acceptance to Tender. We hereby extend our full guarantee and warranty for the goods offered for supply against this Invitation to Tender by the above firm.

Yours faithfully
(NAME)

for & on behalf of M/s.....

(Signature and Name of High Carbon Ferro Chrome Manufacturer with seal)

Note: This letter of authority should be on the Letter-Head of the High Carbon Ferro Chrome Manufacturer and should be signed by a person competent and having the power of attorney to bind the High Carbon Ferro Chrome Manufacturer. **This letter of authority should be submitted in original along with Part- A: Techno-commercial bid.**

GENERAL CONDITIONS OF ACCEPTANCE TO TENDER

1.0 INSPECTION:

1.1 INDIGENOUS : Inspection at VSP shall be final. The sampling and analysis shall be as per the following procedure:

Sampling and Analysis shall be done at VSP on receipt of materials. The sample shall be drawn from each consignment received from each supplier. The sample so drawn shall be tested for size at VSP stores and for chemical analysis at VSP laboratory. In case the material is rejected on account of sieve analysis and/or chemical analysis, the supplier shall be intimated to depute their representative for joint sampling within 3 days of intimation (excluding the day of intimation). In case the supplier's representative do not turn up within the stipulated time as above, VSP will collect the sample and carry out the tests and the results of the same shall be final and binding on both the Seller and Buyer. The representative of suppliers may be present while sampling, if desires.

The chemical analysis of the material received shall be tested in VSP laboratory by spectrometer method. Sieve analysis for size shall be carried out on round mesh sieves at VSP Stores. The inspection results for chemical analysis and sieve analysis at VSP shall be final.

2.0 TOTAL REJECTION: Any lot deviating beyond the limits specified at Annexure -I of the tender document shall not be paid for. All deviations/rejections shall be informed to the Seller. The Seller is to ensure lifting of the materials within 30 days from the date of issue of such notice to the Seller. Payment, if any, made by the Company for the rejected material, shall be refunded forthwith by the Seller. The Seller also has to ensure immediate supply of equivalent quantity of material as per the order specifications to maintain material availability at plant.

3.0 WEIGHMENT: All the trucks shall be weighed at destination i.e., at VSP's weighbridge. The weight recorded at VSP weighbridge shall be the basis for release of payment. The payment shall be restricted to the weight recorded at VSP weighbridge or LR or the Invoice weight, whichever is lower.

4.0 PRICE VARIATION: Price shall remain firm till completion of supplies.

5.0 **TERMS OF PAYMENT:**

- 5.1 100% of the value of each consignment shall be made against submission of bills along with accepted GARNs (Goods Acceptance / Rejection Note) issued by PURCHASER on 30th day(15th day for small and micro enterprises)from the date of acceptance of material at VSP .
- 5.2 Payment shall be make direct by NEFT/RTGS mode or such other mode of electronic fund transfer offered by banks. In case you have not already furnished the required details, you may download the pro-forma in which the details are to be furnished from the VSP's website and submit along with your offer for updating our database
- 6.0 The Seller shall despatch materials on door delivery basis ensuring that the ED Gate Pass 'duplicate copy' for the transporter (for availing CENVAT) and "Tax Invoice" (for availing VAT) is handed over by the transporter to VSP. In case of non-submission of this document, the amount equivalent to the loss of CENVAT / VAT shall be recovered from the amount due.

- 7.0 **PACKING:** The material should be securely packed in New non-returnable One Metric Ton HDPE bags or New non-returnable 50 Kg. Double Gunny / HDPE bags. The bag should be properly stitched and sealed. The bags should also be stenciled in ink the "ITEM NAME AND THE SUPPLIER'S NAME". The packing should avoid fines generation and contamination from foreign particles/moisture.

8.0 **TEST CUM GUARANTEE CERTIFICATE:**

- 8.1 The Seller should submit Manufacturer's Test cum Guarantee certificate along with every consignment, clearly indicating the relevant Parameters and batch no. and other identification marks, if any and give guarantee for replacement in case of any deviations / manufacturing defects.
- 8.2 Replacement of defective materials shall be made free of cost (including duties in India to Seller's account) at Purchaser's site by the Supplier and the collection of the defective material to the Supplier's works shall be the Supplier's responsibility and shall be made at his expenses.

9.0 **LIQUIDATED DAMAGES:**

- 9.1 Delivery is the essence of the Contract and hence should any consignment be delayed, liquidated damages @ 0.5% of the price of the delayed consignment, for each week or part thereof shall be levied and recovered subject to a maximum of 10% of the total order value. However, this is subject to the condition that delayed quantity in a month is either 10 Tons or more out of the monthly projected quantity. The liquidated damages for delayed supplies (if any) as mentioned above shall be calculated once in every three months and recovered from the bills of the Seller.

10.0 **DEFAULT:**

- 10.1 Should the SELLER fail to provide the MATERIAL for delivery by the time or times agreed upon or should the SELLER in any manner or otherwise fail to perform the Acceptance to Tender or should a receiver be appointed on its assets or make or enter into any arrangements or composition with Creditors or suspend payments (or being a company should enter into liquidation either compulsory or voluntary), the PURCHASER shall have power to declare the Acceptance to Tender as at an end at the risk and cost of the SELLER in every way. In such a case, the SELLER shall be liable for any expenses, damages or losses which the PURCHASER may incur, sustain or be put to by reason of or in connection with SELLER's default. This Clause is however subject to Force Majeure vide 17.0 herein below.

11.0 **RISK PURCHASE:**

- 11.1 The PURCHASER reserves the right to take Risk Purchase action at the cost and risk of the SELLER, in case he fails to deliver the materials in the specified schedule and the differential cost shall be recovered. The cancellation of the Acceptance to Tender as stated in para 10 herein above may be either for whole or part of the Acceptance to Tender at PURCHASER's option. In the event of the PURCHASER terminating the Acceptance to Tender in whole or in part, he may procure, on such terms and in such manner as he deems appropriate, supplies similar to those so terminated and the SELLER shall be liable to the PURCHASER for any excess costs for such similar supplies. However, in case of part termination of Acceptance to Tender by the PURCHASER, the SELLER shall continue the performance of the Acceptance to Tender to the extent it is not terminated under the provisions of this Clause.

12.0 **RECOVERY OF SUMS DUE:**

- 12.1 Whenever under this Acceptance to Tender any sum of money is recoverable from and payable by the SELLER, the PURCHASER shall be entitled to deduct such sum from any amount then found payable to the SELLER by the PURCHASER or which at any time thereafter may be found to be payable to the SELLER by the PURCHASER under this or any other Acceptance to Tender with the PURCHASER. Should this sum be not sufficient to cover the full amount recoverable, the SELLER shall pay to the PURCHASER on demand the remaining balance amount. This action shall be without prejudice to the right of the PURCHASER to take legal action against the SELLER for the breach of the Acceptance to Tender.

13.0 **RESPONSIBILITY:**

13.1 The PURCHASER on the one hand and the SELLER on the other hand shall be responsible for the performance of all their respective obligations under this Acceptance to Tender.

14.0 **TRANSFER AND SUB-LETTING:**

14.1 The SELLER shall not sublet, transfer, assign or otherwise part with the Acceptance to Tender or any part thereof, either directly or indirectly, without the prior written permission of the PURCHASER.

15.0 **COMPLETENESS OF THE AGREEMENT AND MODIFICATION:**

15.1 This Acceptance to Tender cancels all previous negotiations between the parties hereto. There are no understandings or agreement between the PURCHASER and the SELLER which are not fully expressed herein and no statement or agreement, oral or written, made prior to or at the signing hereof shall affect or modify the terms hereof or otherwise be binding on the parties hereto. No change in respect of the terms covered by this Acceptance to Tender shall be valid unless the same is agreed to in writing by the parties hereto specifically stating the same as an amendment to this Acceptance to Tender.

16.0 **WAIVER:**

16.1 Failure to enforce any condition herein contained shall not operate as a waiver of the condition itself or any subsequent breach thereof.

17.0 **FORCE MAJEURE:**

17.1 If either the SELLER or the PURCHASER be prevented from discharging his or their obligation under this Acceptance to Tender by reason of arrests or restraints by Government of people, war blockade, revolution, insurrection, mobilization, strikes, civil commotion, Acts of God, Plague or other epidemics, destruction of the MATERIAL by fire or flood or other natural calamity interfering with the production, loading or discharge, the time for delivery shall be extended by the time or times not exceeding one year, during which production, loading or discharge is prevented by any such causes as herein above mentioned. The party invoking protection under this clause shall within 15(fifteen) days of the occurrence of Force Majeure causes put the other party on notice supported by Certificate from the Chamber of Commerce or concerned Governmental authority and shall likewise intimate the cessation of such causes. The delivery shall be resumed by the Party/Parties within 15 (fifteen) days from the cessation of the Force Majeure causes.

17.2 Should there be any interruption in the delivery of the MATERIAL due to Force Majeure circumstances detailed in para 17.1 herein above, it is hereby mutually agreed between the PURCHASER and the SELLER that the period of offtake of the MATERIAL by the PURCHASER/period of delivery of the

MATERIAL by the SELLER shall automatically stand extended by a period not exceeding one year, equal to the actual duration of the causes interrupting the offtake by the PURCHASER and/or delivery of the MATERIAL by the SELLER plus a period of six weeks to enable the affected party to make suitable arrangements for normalization of shipments.

18.0 **ARBITRATION AND JURISDICTION:**

18.1 All disputes arising out of or in connection with the Acceptance to Tender shall be finally settled by Arbitration in accordance with the rules of Arbitration of the Indian Council of Arbitration and the Award made in pursuance thereof shall be binding on the parties. The Arbitration bench shall give a reasoned award. Cost of arbitration to be borne by the losing party. The venue of arbitration shall be Visakhapatnam, India and language of arbitration shall be in English.

18.2 In case of any legal proceedings are instituted against Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, they shall be instituted in the appropriate Civil courts of Visakhapatnam and the Courts at Visakhapatnam only shall have Jurisdiction.

19.0 **LEGAL INTERPRETATIONS:**

19.1 The Acceptance to Tender and the arbitration shall be governed by and construed according to the laws of India for the time being in force.

20.0 **LIABILITY OF GOVT. OF INDIA:**

20.1 It is expressly understood and agreed by and between the SELLER and the PURCHASER that the PURCHASER is entering into this Acceptance to Tender solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Govt. of India is not a party to this Acceptance to Tender and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the PURCHASER is an independent legal entity with power and authority to enter into contracts solely in its own behalf under the applicable laws of India and general principles of Contract Law. The SELLER expressly agrees, acknowledges and understands that the PURCHASER is not an agent, representative or delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of this Acceptance to Tender. Accordingly, the SELLER hereby, expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Govt. of India arising out of this Acceptance to Tender and covenants not to sue the Govt. of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Acceptance to Tender.

21.0 All other terms and conditions shall be as per VSP's G.C.C for supply of Material.

(ANNEXURE-VIII TO TENDER NO.PUR.9.66.0629/0300, DATED 23.01.2010)

PROFORMA OF BANK GUARANTEE FOR PERFORMANCE GUARANTEE BOND

(To be submitted on Non-judicial stamp paper of value of Indian Rupees one Hundred drawn on the name of the issuing Bank)

TO BE ESTABLISHED THROUGH ANY OF THE NATIONALISED BANKS (WHETHER SITUATED AT VISAKHAPATNAM OR OUTSATTION) WITH A CLAUSE TO ENFORCE THE SAME ON THEIR LOCAL BRANCH AT VISAKHAPATNAM OR ANY SCHEDULED BANK (OTHER THAN NATIONALISED BANK) SITUATED AT VISAKHAPATNAM. BONDS ISSUED BY CO-OPERATIVE BANKS ARE NOT ACCEPTED.

To
Rashtriya Ispat Nigam Limited,
Visakhapatnam Steel Plant,
Administrative Building,
Visakhapatnam-530031

Bank Guarantee No

Dt

LETTER OF GUARANTEE

WHEREAS M/s_____hereinafter referred to as the SELLER) and M/s RASHTRIYA ISPAT NIGAM LIMITED (hereinafter referred to as the PURCHASER) have entered into an AGREEMENT vide ACCEPTANCE TO TENDER No._____
Dated_____(hereinafter called the said A/T) for the supply of_____(_____)metric tons of High Carbon Ferro Chrome (hereinafter referred to as the MATERIALS) on the terms and conditions mentioned therein.

2. We, (name of bank & branch) at the request of the SELLER, do hereby undertake and indemnify and keep indemnified the PURCHASER to the extent of Rs. _____(Rupees_____) against any loss or damage that may be caused to or suffered by the PURCHASER, by reason of any breach by the SELLER of any of the terms and conditions of the said A/T and/or in the performance of the said A/T by the SELLER. We agree that the decision of the PURCHASER as to whether any breach of any of the terms and conditions of the said A/T or in the performance thereof has been committed by the SELLER and the amount of loss or damage that has been caused to or suffered by the PURCHASER shall be final and binding on us and the amount of the said loss or damage shall be paid by us forthwith to the PURCHASER on demand and without protest or demur.

3. We, (name of bank & branch) hereby further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for satisfactory performance and fulfillment in all respects of the said AGREEMENT and that it shall continue to be enforceable for (a) 120 days after the date of L/R of the last consignment of the MATERIALS under the said AGREEMENT or (b) in the event of any dispute(s) between the PURCHASER and the SELLER, until such period(s) the dispute is settled fully, whichever date is the latest and that if any claim accrues or arises against us,(name of bank & branch) by virtue of this guarantee before the dates referred to at (a) and (b) herein above, the same shall be enforceable against us, (name of bank & branch), notwithstanding the fact that the same is enforced after the dates referred to at (a) or (b) herein above, whichever date is the latest, provided that notice of any such claim has been given by the PURCHASER before the dates referred to at (a) or (b) herein above, as the case may be. Payments under this LETTER OF GUARANTEE shall be made promptly upon our receiving the notice to that effect from the PURCHASER on demand and without protest or demur.

4. We, (name of bank & branch) undertake not to revoke this Guarantee during its currency without the prior written consent of the PURCHASER.

5. We, (name of bank & branch) hereby further agree that the PURCHASER shall have the fullest liberty, without affecting in any manner our obligations here under, to vary any of the terms and conditions of the said A/T or to extend the time of performance of the said A/T by the SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the PURCHASER against the SELLER and to forbear or to enforce any of the terms and conditions relating to the said A/T and We, ... (name of bank & branch) shall not be released from our liability under this Guarantee by reason of any such variation or extension being granted to the SELLER or any forbearance and/ or omission on the part of the PURCHASER or any indulgence by the PURCHASER or by any other matter or thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of so releasing us from our liability under this Guarantee.

6. We, (name of bank & branch) hereby further agree that the Guarantee herein contained is initially valid upto _____ and that the same shall be extended further according to the provisions contained herein above.

7. We, (name of bank & branch) hereby further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the SELLER and/ or the PURCHASER.

8. We,(name of bank & branch) hereby further agrees that the claims if any, against this Bank Guarantee shall be enforceable at our Branch office at

Visakhapatnam situated at (Address of local branch at Visakhapatnam).

Note: The expression "SELLER" wherever appearing in this Performance Guarantee Bond shall also include the "PRODUCER".

FOR AND ON BEHALF OF

(name of bank & branch)

Signature:

Name:

DULY CONSTITUTED ATTORNEY
& AUTHORISED SIGNATORY

Designation

(name of bank & branch)

(ANNEXURE- IX TO TENDER NO.PUR. 9.66.0629/0300, DATED 23.01.2010)

(Refer Para 2.5 of Annexure-II instruction to tenderers)

PROFORMA OF INTEGRITY PACT

THIS AGREEMENT is entered into between the following Parties:

Rashtriya Ispat Nigam Limited (RINL) hereinafter referred to as
“**The Principal**”,

and

< **Name of the Party** > hereinafter referred to as “**The Tenderer/ Contractor**”

Preamble

The Principal intends to award a contract, following its laid-down organizational procedures, for < **nature of Contract, in brief** >. The Principal values full compliance with all relevant laws and regulations and the principles of economical use of resources and of fairness and transparency in its relations with its Tenderer(s) and /or Contractor(s).

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

IT IS AGREED AS FOLLOWS:

1 Definitions:

- a) “**Principal**” means Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant incorporated under the Companies Act 1956, having their registered office at Main Administration Building, Visakhapatnam – 530 031 and includes their successors.
- b) “**Tenderer**” means the person, firm or company submitting a tender against the Invitation to Tender and includes his/ its/ their staff, consultants, parent and associate and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers, heirs, executors, administrators, representatives, successors.
- c) “**Contractor**” means the tenderer whose tender has been accepted by the principal or Company whose tender has been accepted and shall be deemed to include his/ its/ their successors, representatives, heirs, executors and administrators unless excluded by the Contract.
- d) “**External Independent Monitor**” means a person, hereinafter referred to as EIM, appointed, in accordance with **clause 8.a** below, to verify compliance with this agreement.

- e) **"Party"** means a signatory to this agreement.
- f) **"Contract"** means the contract entered into between the Principal and Tenderer/Contractor for the execution of work mentioned in the preamble above.

2 Commitments of the Parties

- a) **Commitments of the Principal:-** The Principal commits itself to take all measures necessary to prevent corruption (inducement to violate duty assigned to its employees) and to observe the following principles;
 - i. No employee of the Principal, personally or through family members or any third person, will in connection with all stages of tendering or the execution of Contract, demand or take a promise, or accept, for him/herself or any third person, any material or non-material benefit which he/she is not legally entitled to;
 - ii. The Principal will, during the tender process, treat all Tenderers with equity and reason. The Principal will in particular, before and during the tender process, provide to all Tenderers the same information and will not provide to any Tenderer any information/clarification through which the Tenderer could obtain an advantage in relation to the tender process or the Contract execution;
 - iii. The Principal will not take, directly or indirectly, any steps which could unduly influence the functioning of EIM.
 - iv. If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-corruption Laws of India/ guidelines of Govt. / guidelines of CVC/ guidelines of Principal, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.
 - v. If the Principal obtains information of conduct of a bidder, contractor or sub-contractor or of an employee or a representative or an associate of a bidder, contractor or sub-contractor, which constitutes corruption, or if the Principal has a substantive suspicion in this regard, the Principal will inform the Vigilance department of the principal.
- b) **Commitments of the Tenderer/Contractor:-** The Tenderer /Contractor commits himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the Contract execution;

- i. The Tenderer / Contractor will not directly or through any other person(s) or firm, offer, promise or give to the Principal, or to any of the Principal's employees involved in the tender process or the execution of the Contract or to any third person any material or immaterial benefit which he / she is not legally entitled to in order to obtain, in exchange, an advantage during the tender process or to vitiate the Principal's tender process or the execution of the Contract.
- ii. The Tenderer / Contractor will not enter with other Tenderers into any illegal agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or actions to restrict competitiveness or to vitiate the Principal's tender process or the execution of the Contract.
- iii. The Tenderer / Contractor will not commit any criminal offence under the relevant Anti-corruption Laws of India; further, the Tenderer / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- iv. The Tenderer / Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the Contract.
- v. The Tenderer/ Contractor will not take, directly or indirectly, any steps which could unduly influence the functioning of EIM.
- vi. The Tenderer / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

3 Obligation to Ensure Compliance

- a) Each Party will take all reasonable steps to ensure that the provisions of this agreement which are binding on it are complied with by all of its staff, consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers.
- b) Each Party will appoint an appropriate senior manager with responsibility for ensuring that the provisions of this agreement are complied with.

4 Equal treatment of all Tenderers / Contractors / Sub-contractors

- a) The Tenderer / Contractor undertakes to obtain from all sub-contractors a commitment consistent with this integrity pact, and to submit it to the Principal at the time of seeking approval of the principal for appointment of sub-contractors.
- b) The principal will enter into agreements with identical conditions as that of this Integrity Pact, with all Tenderers / Contractors.

5 Disqualification from tender process and exclusion from future contracts

- a) If the Tenderer, before award of Contract, has committed a transgression through violation of any of the terms **under clause 2.b** or in any other form such as to put his reliability or credibility as Tenderer into question, the Principal is entitled to disqualify the Tenderer from the tender process or to terminate the Contract, if already signed, for such reason.
- b) If the Tenderer / Contractor has committed a transgression through a violation of any of the terms **under clause 2.b** or in any other form such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Tenderer / Contractor from future Contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Tenderer /Contractor and the amount of the damage. The exclusion will be imposed for a minimum of six (6) months and a maximum of three (3) years.
- c) If the Tenderer / Contractor can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion before the expiry of the period of such exclusion.
- d) A transgression is considered to have occurred if, in light of all available evidence, a reasonable doubt is possible.

6 Compensation for Damages

- a) If the Principal has disqualified the Tenderer from the tender process prior to the award according to **Clause 5 above**, the Earnest Money Deposit (EMD) furnished, if any, along with the offer as per the terms of the Invitation to Tender (ITT) shall be forfeited. This is apart from the disqualification of the tenderer as may be imposed by the Principal as brought out at clause 5 above.
- b) If the Principal has terminated the Contract according to **Clause 5 above**, or if the Principal is entitled to terminate the Contract according to **Clause 5 above**, the EMD/Security Deposit furnished by the contractor, if any, as per the terms of the ITT/Contract shall be forfeited. This is apart from the disqualification of the tenderer, as may be imposed by the Principal, as brought out at clause 5 above.

7 Previous Transgression

- a) The Tenderer hereby declares that no previous transgressions with respect to provisions of Integrity pact occurred in the last three (3) years with any other Company in any country or with any other Public Sector Enterprise in India and, as such, there is no case for his exclusion from the tender process.
- b) The Tenderer hereby agrees that if he has made/makes incorrect statement in regard to this aspect, he can be disqualified from the tender process or the Contract, if already awarded, can be terminated for that reason.

8 External Independent Monitor (EIM)

- a) The Principal, will appoint a competent and credible EIM/Number of EIMs for the duration of this agreement from the panel of EIMs appointed in consultation with the Central Vigilance Commission (CVC).
- b) The EIM will assess, on an independent and objective basis, the extent to which the Parties comply with their obligations under this agreement.
- c) The Parties will, after submission of a tender;
 - i. allow the EIM unrestricted access to all books, records and staff relevant to such tender;
 - ii. ensure that the EIM has unrestricted access to the relevant books, records and staff of their consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers.
- d) The Parties will, after the award of any Contract to them, and for the duration of the Contract:
 - i. allow the EIM unrestricted access to all books, records and staff relevant to the contract;
 - ii. ensure that the EIM has unrestricted access to all books, records and staff of their consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers relevant to the contract.
- e) In the event that the EIM believes that there is *prima facie* evidence that there has been a failure by a Party to comply with any provision of this agreement, the EIM will take the following actions:
 - i. He will include full details of such suspected non-compliance in a written report which will be circulated simultaneously to the Chief

Executives of each of the Parties (addresses together with other relevant details of the Chief Executives concerned are as indicated at **Clause 11.e** below). The report will provide details of:

1. all suspected or actual breaches of the provisions of this agreement;
 2. actions taken by the EIM and the Parties in relation to such breaches;
 3. any reports made by the EIM to criminal authorities, professional associations or other bodies.
- ii. If any such non-compliance has been carried out, or assisted by an individual who is a member of a professional association, and such non-compliance may constitute a breach of any disciplinary code of such professional association, the EIM will report such matter to the professional association.
- iii. If any such non-compliance may constitute a criminal offence, either in the country in which the Contract is being carried out, or in the home country of the organization or individual which carried out or assisted such non-compliance, the EIM will report such matter to the appropriate criminal authorities in those territories.
- f) Upon receipt of a report from the EIM, the Chief Executives of all the Parties will discuss and try to agree upon the appropriate action to be taken in line with **clauses 5, 6 & 7** to deal with such non-compliance.
- g) The EIM has no power to require any of the Parties to undertake any actions. No statement by the EIM, whether oral or in writing, is binding on any of the Parties. All reports and other documentation issued by the EIM can be used by any Party in legal or dispute resolution proceedings. The EIM can be called as a witness in legal or dispute resolution proceedings.
- h) Fee and/ or any other incidentals including traveling/ conveyance expenses, if any, payable to EIM shall be borne by the Principal.
- i) The EIM can only be removed from his appointment, if :
1. all of the Parties agree in writing to remove him; or
 2. he resigns; or
 3. he is removed from his office by order of a Court having appropriate jurisdiction.
- j) If the EIM is removed from his appointment, the Principal will appoint another EIM as per **Clause 8.a** above for the remaining duration of this agreement.

9 Breaches of this Agreement

- a) In the event that any Party believes that there is *prima facie* evidence that there has been a failure by a Party to comply with any provision of this agreement, such Party will take the following actions:
 - i. It will report full details of such suspected non-compliance to the EIM with copies to the Chief Executives of each of the Parties.
 - ii. If any such non-compliance has been carried out, or assisted by an individual who is a member of a professional association, and such non-compliance may constitute a breach of any disciplinary code of such professional association, such Party may report such matter to the professional association.
 - iii. If such non-compliance may constitute a criminal offence, either in the country in which the Contract is being carried out, or in the home country of the organization or individual which carried out or assisted such non-compliance, such Party may report such matter to the appropriate criminal authorities in those territories.
- b) In the event that any Party breaches any provision of this agreement, the other Parties may, in addition to the rights under this agreement, claim damages against the defaulting Party, and exercise any other rights they may have against the defaulting Party.
- c) The Parties will take appropriate disciplinary or enforcement action against any of their staff, consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers who cause or assist in any breach of any provision of this agreement.

10 Duration of Agreement

- a) This agreement comes into force as soon as it has been signed by all the Parties. It cannot be terminated or varied except by the written agreement of all the Parties.
- b) This agreement will expire after 12 months from the date of last payment under the respective Contract for the Contractor, and for all other Tenderers 6 months after the award of the Contract.

11 Other Provisions

- a) The Principal will disqualify from the tender process all Tenderers who do not sign this Pact or violate its provisions.
- b) Should any occasion arise entailing EIM to undertake any investigation under the provisions of this agreement, the venue for such investigation shall generally be Visakhapatnam.
- c) This agreement is subject to Indian law. Place of performance and jurisdiction is the corporate office of the Principal. In case of any dispute, the courts at Visakhapatnam only shall have jurisdiction.

- d) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- e) Addresses along with other relevant details of the Chief Executives of the Parties are as given under;

1. Principal: Chairman-cum-Managing Director, D – Block, Main Administration Building, Visakhapatnam Steel Plant, Visakhapatnam – 530 031, Andhra Pradesh, INDIA .	Tel : +91-891-2518301 Fax : +91-891-2518237
2. < Details of Tenderer are to be filled in by Tenderer concerned >	

- f) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In that case the parties will strive to come to an agreement to their original intentions.
- g) If the contractor is a partnership or consortium, this agreement must be signed by all partners or consortium members.

For the Principal

Place

Date

For the Tenderer/ Contractor

Witness 1:

Witness 2:

**GUIDELINES FOR INDIAN AGENTS OF
FOREIGN “SUPPLIERS/CONTRACT AGENCIES”**

- 1.0** There shall be compulsory registration of Indian Agents of foreign suppliers/contract Agencies with RINL in respect of all Open (Open) Tenders and Limited Tenders. An agent who is not registered with RINL shall apply for registration in the prescribed Application Form.
- 1.1** Registered agent needs to submit before the placement of order by RINL, an Original certificate issued by his foreign supplier/ contract Agency (or an authenticated Photostat copy of the above certificate duly attested by a Notary Public) confirming the agency agreement and giving the status being enjoyed by the agent alongwith the details of the commission/remuneration/salary/retainer being paid by them to the agent(s).
- 1.2** Wherever the Indian representative has communicated on behalf of their foreign supplier/contract Agency and/or the foreign supplier/contract Agency have stated that they are not paying any commission to their Indian agent(s) but paying salary or retainer, a written declaration to this effect given by the foreign supplier/contract Agency should be submitted before finalizing the contract.

**2.0 DISCLOSURE OF PARTICULARS OF
AGENT(S)/REPRESENTATIVE(S) IN INDIA, IF ANY:**

- 2.1** *Bidders of Foreign nationality shall furnish the following details in their quotation/bid:*
- 2.1.1** The name and address of their agent(s)/representative(s) in India, if any, and the extent of authorization and authority given to them to commit them. In case the agent(s)/representative(s) is a foreign Company, it shall be confirmed whether it is a really substantial Company and details of the company shall be furnished.
- 2.1.2** The amount of commission/remuneration included in the quoted price(s) for such agent(s)/representative(s) in India.
- 2.1.3** Confirmation of the Bidder that the commission/remuneration if any, payable to his agent(s)/representative(s) in India, may be paid by RINL in Indian Rupees only.
- 3.0 DISCLOSURE BY INDIAN AGENT(S) OF PARTICULARS OF THEIR
FOREIGN SUPPLIER/CONTRACT AGENCY AND FURNISHING OF
REQUISITE INFORMATION:**

3.1 Bidders of Indian Nationality shall furnish the following details/certificates in/alongwith their offers:

- 3.1.1** The name and address of foreign supplier/contract agency indicating their nationality as well as their status, i.e., manufacturer or agent of manufacturer holding the Letter of Authority.
- 3.1.2** Specific Authorization letter by the foreign supplier/contract agency authorizing the agent to make an offer in India in response to tender either directly or through their agent(s)/representative(s).
- 3.1.3** The amount of commission/remuneration included for bidder in the price (s) quoted
- 3.1.4** Confirmation of the foreign supplier/contract Agency of the Bidder, that the commission/remuneration, if any, reserved for the Bidder in the quoted price (s), may be paid by RINL in India in equivalent Indian Rupees.
- 4.0** In either case, in the event of materialization of contract, the terms of payment will provide for payment of the commission/remuneration payable, if any, to the agent(s)/representative(s) in India in Indian Rupees, as per terms of the contract.
- 4.1** Failure to furnish correct information in detail, as called for in para 2.0 and/or 3.0 above will render the bid concerned liable for rejection or in the event of materialization of contract; the same is liable for termination by RINL. Besides this, other actions like banning business dealings with RINL, payment of a named sum etc., may also follow.
