

# NOTICE INVITING DOMESTIC TENDER

Supply and installation of Tilting Head 3D microscope



Instrumentation and Applied Physics,  
Indian Institute of Science, Bangalore

**NOVEMBER 8, 2021**

LANSPE, IAP  
Bangalore 560012

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This is an invited domestic tender

# Section 1 - Bid Schedule

1	Tender No	
2	Tender Date	08.11.2021
3	Item Description	Supply and Installation of Supply and installation of Tilting Head 3D microscope
4	Tender Type	Two bid system (i) Technical Bid (Part A) (ii) Commercial Bid (Part B)
5	Place of tender submission	Chairperson Office Ground Floor Instrumentation and Applied Physics Indian Institute of Science, Bangalore 560012
6	Last Date & Time for submission of tender	25.11.2021
7	For further clarification	Dr. Tapajyoti Das Gupta Room No: 126 Instrumentation and Applied Physics Indian Institute of Science, Bangalore 560012 Email: tapajyoti@iisc.ac.in Phone: +91-80-2293-2349

# Section 2 – Eligibility Criteria

Prequalification criteria:

1. The bidder must have supplied similar systems to at least 10 educational institutes/universities and/or research organizations and at least five to the CFTI's in India along with contact details.
2. The Bidder should belong to either class 1 or class 2 supplier distinguished by their "local content" as defined by recent edits to GFR. They should mention clearly which class they belong to in the cover letter.
  - a) Class 1 supplier: Goods and services should have local content of equal to or more than 50%.
  - b) Class 2 supplier: Goods and services should have local content of equal to or more than 20 % and less than 50%.(please refer to the attache Public procurement order I annex)
3. Purchase preference as defined by the recent edits to GFR (within the "margin of purchase preference") will be given to Class-1 supplier.
4. MSME can seek exemption to some qualification criteria. IISc follows GFR2017 for such details
5. The bidder should sign and submit the declaration for Acceptance of Terms and Conditions as per -Annexure 4.
6. The Bidder must not be blacklisted/banned/suspended or have a record of any service-related dispute with any organization in India or elsewhere. A declaration to this effect has to be given as per Annexure 3.
7. Original Invoice, Original Warranty Certificate, Original Test Reports should be produced for all imported items from OEM (Original Equipment Manufacturer) at the time of supply of the equipments.
8. System Catalogues should be produced with the Technical Bid.
9. Manufacturer should have ISO or equivalent international standard certificate. Please attach the required certificate with the bid.
10. Supplier will support the user with all the spares for a minimum period of 5 years.
11. Details of experienced service engineer including contact detail should be provided in tender document.
12. Bidder shall have to submit audited accounts (Balance sheet profit and loss account) of financial year 2015-16, 2016-17 and 2017-18. Audited statement must be signed and stamped by qualified chartered accounted.
13. Bidder must submit Income Tax return for assessment year – 2016-17, 2017-18 and 2018-19.
14. Bidder must submit up to date sales tax or GST clearance certificate.
15. **CE Certification must be provided for the proposed system. The CE certificate should be provided with the Unit.**
16. **The Bidder should have supplied similar equipment in Central Universities preferably in centrally Funded Technical Institutes (IITs, IISc, IISER, NIT ) . Please provide the details and contact informations.**

# Section 3 – Terms and Conditions

## A) Submission of Tender:

1. All documentations in the tender should be in English.
2. Tender should be submitted in two envelopes (two bid system).
  - a. Technical Bid (Part-A) – Technical bid consisting of all technical details and check list for conformance to technical specifications.

The technical proposal should contain a technical compliance table with 5 columns.

- i. The first column must list the technical requirements, in the order that they are given in the technical requirement below.
  - ii. The second column should provide specifications of the instrument against the requirement. Please provide quantitative responses wherever possible with technical details in annexure.
  - iii. The third column should describe your compliance with a “Yes” or “No” only. Ensure that the entries in column 2 and column 3 are consistent.
  - iv. The fourth column should state the reasons/explanations/context for deviations, if any.
  - v. The fifth column can contain additional remarks from the OEM. You can use this opportunity to highlight technical features, qualify response of previous columns, or provide additional details.
- b. Commercial Bid (Part-B) – Indicating item wise price for the items mentioned in the technical bid, **as per the format of quotation provided in tender**, and other commercial terms and conditions.

3. The technical bid and price bid should each be placed in separate sealed covers, superscripting on both the envelopes the tender no. and the due date. Both these sealed covers are to be placed in a bigger cover which should also be sealed and duly superscripted with the Tender No, Tender Description & Due Date.
4. The SEALED COVER superscripting tender number / due date & should reach Chairperson Office, Instrumentation and Applied Physics, Indian Institute of Science, Bangalore – 560012, India on or before due date mentioned in the tender notice. In case due date happens to be holiday the tender will be accepted and opened on the next working day. If the quotation cover is not sealed, it will be rejected.
5. All queries are to be addressed to the person identified in “Section 1 – Bid Schedule” of the tender notice.
6. The items are required for research purposes, and IISc is a DSIR registered institution, hence eligible for GST exemption (i.e. GST @ 5%). While submitting the price quote, this point must be taken care. For getting GST exemption certificate, successful bidders must submit, a formal request together with Invoice copy and Purchase order copy.

7. The price must be quoted in INR (Indian Rupee). Quote should come only from Indian Original Equipment Manufacturer (OEM) or their Indian authorized distributor. The quotations should be on FOR-IISc Bangalore basis in INR only.

8. If price is not quoted in Commercial Bid as per the format provided in tender document the bid is liable to be rejected.

9. The Institute reserves the right to accept or reject any bid and to annul the bidding process and reject all bids at any time prior to the award of contract, without there by incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders.

10. Incomplete bids will be summarily rejected.

## B) Cancellation of Tender:

Notwithstanding anything specified in this tender document, IISc Bangalore, in its sole discretion, unconditionally and without having to assign any reason, reserves the rights:

- a. To accept OR reject lowest tender or any other tender or all the tenders.
- b. To accept any tender in full or in part.
- c. To reject the tender, offer not confirming to the tender terms.

## C) Validity of the Offer:

The offer shall be valid at least 90 Days from the date of opening of the commercial bid.

## D) Evaluation of Offer:

1. The technical bid (Part A) will be opened first and evaluated.
2. Bidders meeting the required eligibility criteria as stated in Section 2 of this document shall only be considered for Commercial Bid (Part B) opening. Further, agencies not furnishing the documentary evidence as required will not be considered.
3. Pre-qualification of the bidders shall not imply final acceptance of the Commercial Bid. The agency may be rejected at any point during technical evaluation or during commercial evaluation. The decision in regard to acceptance and / or rejection of any offer in part or full shall be the sole discretion of IISc Bangalore, and decision in this regard shall be binding on the bidders.
4. The award of contract will be subject to acceptance of the terms and conditions stated in this tender.
5. Any offer which deviates from the vital conditions (as illustrated below) of the tender is liable to be rejected:
  - a. Non-submission of complete offers.

- b. Receipt of bids after due date and time and or by email / fax (unless specified otherwise).
  - c. Receipt of bids in open conditions.
6. In case any BIDDER is silent on any clauses mentioned in these tender documents, IISc Bangalore shall consider that the BIDDER had accepted the clauses as of the tender and no further claim will be entertained. Further if the BIDDER is silent or doesnot give detail justification of their claim regarding those mentionned in technical specifications, IISc Bangalore reserves the full right to reject the tender due to non-compliance without any further discussion.
7. 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.
8. Lowest bid will be calculated based on the total price of all items tendered for Basic equipment along with accessories selected for installation, operation, preprocessing and post processing, optional items, recommended spares,warranty, annual maintenance contract.

#### E) Pre-requisites:

The bidder will provide the prerequisite installation requirement of the equipment along with the technical bid.

#### F) Warranty:

The complete system is to be under warranty period of minimum 3 years (yearwise breakup value should be shown in the commercial bid) including free supply of consumables, spare parts and data analysis software from the date of functional installation. If the instrument is found to be defective, it has to be replaced or rectified at the cost of the bidder within 30 days from the date of receipt of written communications from IISc, Bangalore. If there is any delay in replacement or rectification, the warranty period should be correspondingly extended.

#### G) Annual Maintenance Contract:

An annual maintenance contract for a period of atleast 3 years post warranty should be provided on completion of warranty period. The AMC costs will not be considered towards classifying the domestic nature (class 1 or class 2) of the vendor (see eligibility criteria in section 2). In the bid AMC charge should also be provided.

#### H) Purchase Order:

1. The order will be placed on the bidder whose bid is accepted by IISc based on the terms & conditions mentioned in the tender document.

2. The quantity of the items in tender is only indicative. IISc, Bangalore reserves the right to increase /decrease the quantity of the items depending on the requirement.
3. If the quality of the product and service provided is not found satisfactory, IISc, Bangalore reserves the right to cancel or amend the contract.

### I) Delivery, Installation and Training:

The bidder shall provide the lead time to delivery, installation and made functional at IISc, Bangalore from the date of receipt of purchase order. The system should be delivered, installed and made functional **within 180 days** from the date of receipt of purchase order. The supply of the items will be considered as affected only on satisfactory installation and inspection of the system and inspection of all the items and features/capabilities tested by the IISc, Bangalore. After successful installation and inspection, the date of taking over of entire system by the IISc, Bangalore shall be taken as the start of the warranty period. No partial shipment is allowed.

The bidder should also arrange for technical training to the local facility technologists and users.

### J) Payment Terms:

**100% payments (except AMC) will be released after completion delivery and satisfactory installation subject to TDS as per rules.** AMC cost (if ordered), after completion of warranty period) will be released on half-yearly basis at the end of each six months subject to satisfactory services. The AMC will be comprehensive. Price basis must be on FOR-IISc Bangalore basis only. **As per GFR no advance payment can be made to domestic vendors, unless an equal amount of bank guarantee is provided.**

### K) Statutory Variation:

Any statutory increase in the taxes and duties subsequent to bidder's offer, if it takes place within the original contractual delivery date, will be borne by IISc, Bangalore subject to the claim being supported by documentary evidence. However, if any decrease takes place the advantage will have to be passed onto IISc, Bangalore.

### L) Disputes and Jurisdiction:

Any legal disputes arising out of any breach of contract pertaining to this tender shall be settled in the court of competent jurisdiction located within the city of Bangalore, India.

### M) General:

1. All amendments, time extension, clarifications etc., within the period of submission of the tender will be communicated electronically. No extension in the bid due date/time shall be considered on account of delay in receipt of any document(s) by mail.
2. The bidder may furnish any additional information, which is necessary to establish capabilities to successfully complete the envisaged work. It is however, advised not to furnish superfluous information.

3. The bidder may visit the installation site before submission of tender, with prior intimation.
4. Any information furnished by the bidder found to be incorrect, either immediately or at a later date, would render the bidder liable to be debarred from tendering/taking up of work in IISc, Bangalore.

## Section 4 – Technical Specifications

### A. Technical Specifications of the Optical Microscope

Sr. No	Technical Spec	Details	Essential/Non-essential
1	Optical System	Telecentric Optical system	Essential
2	Zoom Ratio	10X Motorized	Essential
3	Zoom Magnification Method	Motorized	Essential
4	Tilting frame	Tilt angle $\pm 90^\circ$ with encoder is must	Essential
5	Z Drive Range	100mm or better	Essential
6	Calibration	Automatic	Essential
7	Lens Attachment	Quick switch, Coded lens attachment. Automatic update of Magnification	Essential
8	Maximum total Magnification ( On Monitor)	42x-7000x with suitable Objective lenses	Essential
9	Resolution- Z axis	1 micrometer	Essential
10	Image sensor	1/1.2inch, 2.35 Million pixel color CMOS, delivering the equivalent of 20.7 million pixels in a high-resolution image.	Essential
11	Cooling	Peltier Cooling	Essential
12	Frame rate	60 frames per second or better	Essential
13	Objective Lens	1) 5XBDP, 20xBDP, 50xBDP , Semi Apochromatic objectives with corrected field curvature and chromatic aberration control. All suitable for bright, dark field, DIC, Polarizing 2) Super Long working distance objective lens with Working distance of 65mm or better with Magnification Range 42x-420x	Essential
14	Illumination	LED light source with 60,000 working hours  1) Ringlight: LED light source, software controlled, 4 segments switchable	Essential

		<p>2) Coaxial reflected light: LED light source, software control</p> <p>3) Oblique Illumination - software controlled</p> <p>4) MIX illumination ( ring light + co-axial simultaneous)</p>	
15	Observation Method	Bright field / Dark field / Oblique/Mix(BF+DF)/Polarisation/DIC	Essential
16	X-Y stage	Motorized X-Y stage 100mmx100mm range. With 1 $\mu$ m resolution	Essential
18	Resolving Power	The Microscope should have resolution of 500nm or better	Essential
17	Software	<p>Software should have following capabilities:</p> <ol style="list-style-type: none"> <li>1) Microscope, camera control</li> <li>2) Image viewing, acquisition, processing and archiving</li> <li>3) Video recording</li> <li>4) Autofocus, Multifocus (EFI) images</li> <li>5) Best Image Function</li> <li>6) High Dynamic Range (HDR) function</li> <li>7) Overview image (macro-map) for easy navigation</li> <li>8) Stitching in 2-D &amp; 3-D modes</li> <li>9) 2D Measurement (distance, area, angle)</li> <li>10) 3D Measurement (distance, area, angle, profile, volume)</li> <li>11) Measurement resolution: 1 micron</li> <li>12) Annotations in the image</li> <li>13) Customised Report generation</li> </ol>	Essential
18	Maximum sample height	Minimum 145mm	Essential
19	Controller Specification	<p>Windows 10 Pro for Workstations 64bit English</p> <p>Monitor: Standard Resolution 1920 X1080</p> <p>3.2 GHz Xeon quad core processor System memory :16GB</p> <p>HDD : 1 TB minimum</p> <p>Graphics card: NVIDIA Quadro P620 similar or better</p>	Essential

## B. Training and demonstration

- Complete installation of microscope needs to be provided
- Training for users by the company personnel present 'on site' immediately after the installation.
- All pre-installation requirements to have the system installed in ideal room conditions should be included in the quote.

## C. Others

- The system with similar specifications must submit references from previous installations.
- **The names and contact addresses of the referees must be submitted with the proposal, so the purchase committee can contact them independently.**
- The system should require minimal maintenance.
- Mention the recommended preventive maintenance schedule for the system. Any accessories needed for periodic preventive maintenance for 3 years, should be mentioned in separately the itemized quote.
- Can the preventive maintenance be done by a trained on-site engineer or requires a specialist from the OEM? If the latter, please provide cost of a 3 year AMC with required kit/consumables.
- **CE Certification must be provided for the proposed system. The CE certificate should be provided with the Unit.**
- Operation Manual to be given after installation and acceptance of equipment
- The system should be supported by a trained local representative and should have a minimum of 72 hour window of response.

# Section 5- Technical Bid

The technical bid should furnish all requirements of the tender along with all annexures in this section and submitted to

The Chairperson,  
Attn: Dr. Tapajyoti Das Gupta  
Instrumentation and Applied Physics,  
Indian Institute of Science  
Bangalore – 560012, India

## Annexure-1:

### Details of the Bidder

The bidder must provide the following mandatory information & attach supporting documents wherever mentioned:

### Details of the Bidder

Sl. No	Items	Details
1.	Name of the Bidder	
2.	Nature of Bidder (Attach attested copy of Certificate of Incorporation/ Partnership Deed)	
3.	Registration No/ Trade License, (attach attested copy)	
4.	Registered Office Address	
5.	Address for communication	
6.	Contact person- Name and Designation	
7.	Telephone No	
8.	Email ID	
9.	Website	
10.	PAN No. (attach copy)	
11.	GST No. (attach copy)	

Signature of the Bidder

Name  
Designation, Seal

Date:

## Annexure-2:

Declaration regarding experience

To,  
The Chairperson,  
Instrumentation and Applied Physics,  
Indian Institute of Science  
Bangalore – 560012, India

Ref: Tender No: XXXXXXXXXX

Dated: XXXXX

Supply and installation of Tilting Head 3D microscope at Laboratory of Advanced Nanostructures for Photonics and Electronics (LANSPE) , IAP IISC Bangalore

Sir,

I've carefully gone through the Terms & Conditions contained in the above referred tender. I hereby declare that my company / firm has ---- years of experience in supplying and installing Confocal systems.

(Signature of the Bidder)

Printed Name

Designation, Seal Date:

## Annexure-3:

Declaration regarding track record

To,  
The Chairperson,  
Instrumentation and Applied Physics,  
Indian Institute of Science  
Bangalore – 560012, India

Ref: Tender No: XXXXXXXX  
Dated: XXXXX

Supply and installation of Tilting Head 3D microscope at Laboratory of Advanced Nanostructures for Photonics and Electronics (LANSPE) , IAP IISC Bangalore

Sir,  
I've carefully gone through the Terms & Conditions contained in the above referred tender. I hereby declare that my company/ firm is not currently debarred /blacklisted by any Government / Semi Government organizations / institutions in India or abroad. I further certify that I'm competent officer in my company / firm to make this declaration.

Or

I declare the following

Sl.No	Country in which the company is Debarred /blacklisted / case is Pending	Blacklisted / debarred by Government / Semi Government/Organizations /Institutions	Reason	Since when and for how long

(NOTE: In case the company / firm was blacklisted previously, please provide the details regarding period for which the company / firm was blacklisted and the reason/s for the same).

Yours faithfully  
(Signature of the Bidder)

Name  
Designation, Seal

Date:

## Annexure – 4:

Declaration for acceptance of terms and conditions

To,  
The Chairperson,  
Instrumentation and Applied Physics,  
Indian Institute of Science  
Bangalore – 560012, India

Ref: Tender No: XXXXXX  
Dated: XXXX

Supply and installation of Tilting Head 3D microscope at Laboratory of Advanced Nanostructures for Photonics and Electronics (LANSPE) , IAP IISC Bangalore

Sir,

I've carefully gone through the Terms & Conditions as mentioned in the above referred tender document. I declare that all the provisions of this tender document are acceptable to my company. I further certify that I'm an authorized signatory of my company and am, therefore, competent to make this declaration.

Yours faithfully,

(Signature of the Bidder)  
Name  
Designation, Seal

Date:

## Annexure – 5:

### Details of items quoted:

- a. Company Name
- b. Product Name
- c. Part / Catalogue number
- d. Product description / main features
- e. Detailed technical specifications
- f. Remarks

### Instructions to bidders:

1. Bidder should provide technical specifications of the quoted product/s in detail.
2. Bidder should attach product brochures along with technical bid.
3. Bidders should clearly indicate compliance or non-compliance of the technical specifications provided in the tender document.

# Section 6 – Commercial Bid

The commercial bid should be furnished with all requirements of the tender with supporting documents as mentioned under:

S.No	Description	Cat. Number	Quantity	Unit Price	Sub total
1.	Essential items noted in the technical specification				
1.a	... (details of essential items)				
1.b	...				
2.	Optional items noted in the technical specification				
2.a	... (details of essential items)				
2.b	...				
3.	Accessories for operation and installation				
4.	All Consumables, spares and software to be supplied locally				
5.	Warranty (1 year)				
6.	AMC 2 years beyond warranty				
7.	Cost of Insurance and Airfreight				
8.	CIP/CIF IISc, Bengaluru				

Any additional items

S.No	Description	Cat. Number	Quantity	Unit Price	Sub total

Addressed to

The Chairperson,  
 Attn: Dr. Tapajyoti Das Gupta  
 Instrumentation and Applied Physics,  
 Indian Institute of Science  
 Bangalore – 560012, India

# Section 7 – Checklist

**(This should be enclosed with technical bid- Part A)**

**The following items must be checked before the Bid is submitted:**

## 1. Sealed Envelope “A”: Technical Bid

1. **Section 5- Technical Bid (each page signed by the authorized signatory and sealed) with the below annexures:**
  - a. **Annexure 1: Bidders details**
  - b. **Annexure 2: Declaration regarding experience**
  - c. **Annexure 3: Declaration regarding clean track record**
  - d. **Annexure 4: Declaration for acceptance of terms and conditions**
  - e. **Annexure 5: Details of items quoted**
2. **Copy of this tender document duly signed by the authorized signatory on every page and sealed.**

## 2. Sealed Envelop “B”: Commercial Bid

### **Section 6: Commercial Bid**

**Your quotation must be submitted in two envelopes: Technical Bid (Envelope A) and Commercial Bid (Envelope B) super scribing on both the envelopes with Tender No. and due date and both of these in sealed covers and put in a bigger cover which should also be sealed and duly super scribed with Tender No., Tender description & Due Date.**

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

Udyog Bhawan, New Delhi  
Dated: 16<sup>th</sup> September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

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

Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019 and Order No.P-45021/2/2017-B.E.-II dated 04.06.2020, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017' dated 16.09.2020 effective with immediate effect.

**Whereas** it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

**Whereas** procurement by the Government is substantial in amount and can contribute towards this policy objective, and

**Whereas** local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

**Now therefore the following Order is issued:**

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

*'Local content'* means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

*'Class-I local supplier'* means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

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'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order.

'L1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

### **3. Eligibility of 'Class-I local supplier' / 'Class-II local supplier' / 'Non-local suppliers' for different types of procurement**

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

.....Contd. p/3

### 3A. Purchase Preference

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract for full quantity will be awarded to L1.
- ii. If L1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is 'Class-I local supplier', the contract will be awarded to L1.
- ii. If L1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L1 price.
- iii. In case such lowest eligible 'Class-I local supplier' fails to match the L1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L1 price, the contract may be awarded to the L1 bidder.

- (d) "Class-II local supplier" will not get purchase preference in any procurement, undertaken by procuring entities.

**3B. Applicability in tenders where contract is to be awarded to multiple bidders -**

In tenders where contract is awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

- a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.
- b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.
- c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/'Non local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.
- d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.
- e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

5. **Minimum local content:** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher

percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20%.
7. **Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.
8. **Government E-marketplace:** In respect of procurement through the Government E-marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
  - a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.
  - b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
  - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
  - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.
  - e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
  - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.
- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:
  - i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
  - ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
  - iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

**10. Specifications in Tenders and other procurement solicitations:**

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

**d. Reciprocity Clause**

- i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

- ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.
  - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.
  - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
  - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
- e. Specifying foreign certifications/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.
- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

**10A. Action for non-compliance of the Provisions of the Order:** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

**11. Assessment of supply base by Nodal Ministries:** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

**12. Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. **Manufacture under license/ technology collaboration agreements with phased indigenization:** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. **Powers to grant exemption and to reduce minimum local content:** The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

- a. reduce the minimum local content below the prescribed level; or
- b. reduce the margin of purchase preference below 20%; or
- c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee:** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade—Chairman  
Secretary, Commerce—Member  
Secretary, Ministry of Electronics and Information Technology—Member  
Joint Secretary (Public Procurement), Department of Expenditure—Member  
Joint Secretary (DPIIT)—Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

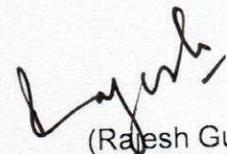
**17. Functions of the Standing Committee:** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

- a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.
- b. shall annually assess and periodically monitor compliance with this Order
- c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
- d. may require furnishing of details or returns regarding compliance with this Order and related matters
- e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures
- f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
- g. may consider any other issue relating to this Order which may arise.

**18. Removal of difficulties:** Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

**19. Ministries having existing policies:** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1<sup>st</sup> January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

**20. Transitional provision:** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.



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