PREFACE

1. The need for comprehensive Procurement Manual for Supply Contracts encompassing all relevant matters and guidelines on tendering and contracts has been felt for a long time. Accordingly, the “DMRC Procurement Manual for Supply Contracts 2015” has been prepared.

2. The Manual has been prepared generally in line with the guidelines issued by Central Vigilance Commission, Department of Expenditure and directions issued by Government of India on the issue of tendering and procurement.

3. Though an earnest effort has been made to incorporate all the relevant matters pertaining to tendering, procurement and contract preparation, if any discrepancy/deficiency is found in the Manual, the same must be brought to the notice of Stores Department.

4. The Manual will be applicable for all tenders for Supply Contract of Project and O&M.

5. Provisions in the Procurement Manual are subject to delegation of powers given in the SOP.

6. Provision in the Manual will prevail if there is a conflict in provision in the Manual vis-à-vis a Circular issued earlier on the subject.

7. Provision of funding agency will prevail if the bidding guidelines of the funding agency provide for the same.

8. Sincere compliments to all officers and staff who have contributed in preparation of this manual.

9. The Manual has approval of MD.

Controller of Stores

Station: New Delhi
Date: 07.09.2015
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>BOQ</td>
<td>Bill of Quantities</td>
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<td>CC</td>
<td>Corporate Communication</td>
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<td>COC</td>
<td>Conditions of Contract</td>
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<td>COS</td>
<td>Controller of Stores</td>
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<td>CP</td>
<td>Requirement for Contract Period</td>
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<td>DD</td>
<td>Demand Draft</td>
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<td>DGS&amp;D</td>
<td>Director General Supply &amp; Disposal</td>
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<td>DMRC</td>
<td>Delhi Metro Rail Corporation Ltd.</td>
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<td>DVAT</td>
<td>Delhi Value Added Tax</td>
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<td>EAC</td>
<td>Estimated Annual Consumption</td>
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<td>EOQ</td>
<td>Economic Order Quantity</td>
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<td>FDR</td>
<td>Fixed Deposit Receipt</td>
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<td>FOT</td>
<td>Form of Tender</td>
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<td>GT</td>
<td>Global Tender</td>
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<td>HOD</td>
<td>Head of Department</td>
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<td>ICB</td>
<td>International Competitive Bidding (Open Global Tender)</td>
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<td>IP</td>
<td>Requirement for Interim Period</td>
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<td>ITT</td>
<td>Instructions to Tenderers</td>
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<td>MD</td>
<td>Managing Director</td>
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<td>NCB</td>
<td>National Competitive Bidding (Open Tender domestic)</td>
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<td>NIT</td>
<td>Notice for Invitation of Tender</td>
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<tr>
<td>NSIC</td>
<td>National Small Scale Industries Corporation</td>
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<td>O&amp;M</td>
<td>Operation &amp; Maintenance</td>
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<td>PAC</td>
<td>Proprietary Article Certificate</td>
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<td>PO</td>
<td>Purchase Order</td>
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<td>PR</td>
<td>Purchase Requisition</td>
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<td>SAP</td>
<td>System, Applications, and Products in Data Processing</td>
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<td>SCC</td>
<td>Special Condition of Contract</td>
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<td>SOP</td>
<td>Schedule of Powers</td>
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<td>TC</td>
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SECTION 1

1. TYPES OF CONTRACTS

1.1. INTRODUCTION
1.1.1 For getting the material procurement executed efficiently, economically and in the least possible time, employing the agency of contracts has always proved to be the best course of action.
1.1.2 Various standard forms of contracts appropriate for the different kinds of material requirements and situations have been evolved and are in use in the DMRC. The choice of the most suitable type of contract for the particular kind of supply of materials to be executed is of considerable importance.
1.1.3 Contracts concluded in India are governed by the Indian Contract Act (1872).

1.2 DEFINITION OF A CONTRACT
1.2.1 Every set of promises forming consideration for each other is an agreement.
1.2.2 An agreement, which is enforceable by law is a contract. That which is not enforceable by law is said to be 'Void'. That which is enforceable by law at the option of one of the parties, but not at the option of the other is 'Voidable'.

1.3 LEGAL REQUIREMENTS
In any contract generally, as also in a supply contract, the following requirements must be satisfied:

1.3.1 Parties: The agreement implies the existence of two or more parties. Such parties must be competent i.e., not disqualified either by infancy or insanity or by other special qualification by personal law. They must be of sound mind at least when the contract is made. (Sections 11 and 12 of the Indian Contract Act). Otherwise the contract becomes un-enforceable.

Note: An Indian attains his majority at the age of 18 unless he is under the jurisdiction of the Court of Wards or if a guardian of his property is appointed by any court, in which case he becomes major at the age of 21.

1.3.2 Consideration: Consideration is a promise or a set of promises made by one party to another and vice-versa. These promises form the consideration to each other mutually in an agreement. In a legal contract it is necessary that there should exist a consideration although it need not necessarily be adequate to the promise. Total absence of consideration will render the contract un-enforceable. The consideration must not be unlawful (Sec. 23 of the Contract Act).

1.3.3 Other requirements: The other requirements to be fulfilled, are that the contract must not be:

(i) in restraint of the marriage of any person other than a minor (Sec. 26 of the
(ii) in restraint of trade (Sec. 27 of the Contract Act) e.g., A, a tailor was employed by B on the terms that during his employment and six months after its termination, A will not work as a tailor within one km of B’s shop. Here, the restriction during employment is enforceable but not after the termination of the employment.

(iii) in restraint of legal proceedings (Sec. 28 of the Contract Act) e.g., If an agreement contains a provision that neither party shall have any right to have recourse to a court of law in case of any disputes, such a provision is void though both parties had agreed.

(iv) of uncertain meaning (Sec. 29 of the Contract Act) e.g., A agrees to sell to B "a hundred tonnes of oil" there is nothing whatever to show what kind of oil was intended. The agreement is void due to uncertainty.

(v) by way of wager (Sec. 30 of the Contract Act) e.g., A agreed to sell his horse to B for Rs. 300/- if the horse should trot at a speed of 18 Km per hour but for one rupee if it failed to do so. The horse failed to do so. B claimed the horse from A for one rupee. The transaction is really a bet and hence void.

(vi) for an impossible act (Sec. 35, 36 and 56 of the Contract Act) e.g., A agrees to pay Rs. 1000/- if B will marry A’s daughter C. C was dead at the time of agreement. The agreement is void.

(vii) involving a mistake of both parties on to the essential matters i.e., matter of fact (Sec. 20 of the Contract Act).

(viii) entered into due to a mistake of both parties as to a foreign law (Sec 21 of the Contract Act). Explanation: Mistake based on ignorance of any foreign law is treated a mistake as to a matter of fact (refer Sec. 20 of Contract Act).

Note: In a contract, items (iii) and (iv) above are important. Any provision in the contract that has the effect of transgressing the jurisdiction of law is objectionable. For example a provision that a dispute will not be referred to Court for settlement is illegal but a provision that the dispute shall be referred to arbitration for settlement is NOT illegal as the latter is legislated as a method of settling the disputes.

1.4 CONTRACTORS AND THEIR AUTHORIZED REPRESENTATIVES

1.4.1 It must be noted that it is of no use contracting with a man who either has no legal power to bind himself, or no legal authority to bind those for whom he professes to act. If he proposes to contract on his own behalf it should be ascertained that the person is a major, sound in mind, and not disqualified from contracting by any law to which he is subject (Sec. 11 and 12 of the Contract Act). If he proposes to contract as someone else’s authorized representative it should be ascertained whether the man has received the authority that he claims and whether it has been given in the legal form. The power of attorney should be verified as to the exact nature of the
authorised representative’s powers, whether the authorised representative is entitled to manage the whole work or merely to receive payments, sign bills or measurements. (Sec. 182, 190, 191, 196, 200 and 201 of the Contract Act).

1.4.2 Before a contract is concluded with anyone acting in the capacity of authorised representative, it should be verified whether the person representing the party holds the proper power of attorney as otherwise his action will not bind his Principals.

1.5 CONTRACT VOIDABLE AT INCEPTION

A Contract is voidable at inception when the consent is caused by any of the following under sections of the Contract Act referred to against each:

(a) Fraud (Section 14, 17 and 19).
(b) Coercion (Section 14, 15 and 19).
(c) Misrepresentation (Section 14, 18 and 19).
(d) Undue influences (Section 14, 16 and 19).

1.6 CONTRACT VOIDABLE BY SUBSEQUENT DEFAULT

The contract is voidable by subsequent default in the following cases:

(a) Where offer of performance is not accepted (Section 38).
(b) When one party prevents performance of reciprocal promise (Section 53).
(c) When a party fails to perform at the time fixed if time is of the essence of the contract (Section 55).

1.7 COMMUNICATION OF ACCEPTANCE

Acceptance letter/purchase order, signed by competent authority as per the SOP shall be sent through registered post/mail/fax/by hand and the proof of the date of despatch shall be kept on record, which shall be reckoned as communication of placement of order on the vendor as per the conditions included in the acceptance letter/purchase order.

1.8 TYPES OF CONTRACTS

Supply contract can broadly be divided into following categories.

a) Supply contract- Supply contract deal only with supply of goods.

b) Supply with Service contract- Supply with Service contract deal with supply of material along with the services of installation testing and commissioning, Annual Maintenance Contracts etc.

c) Contract based on DGS&D rate contract -Supply & Service Contract based on DGS&D rate contract are the contracts finalised on the valid rate contracts of DGS&D at that time.

d) Rate Contracts- DMRC’s own Rate Contracts are the contracts finalised by DMRC on fixed rate for a specified period to cover the supply of goods required for regular use.
e) Running Contracts- DMRC’s own running contracts are the contracts finalised by DMRC on fixed rate and fixed quantity valid for a specified period for placement of delivery orders to supply requisite quantities of goods as and when required.
SECTION 2

2. PROCUREMENT PRE REQUISITES/INDENTING PROCEDURE

2.1. FUNCTION

2.1.1. STORES department is responsible for procurement of materials for projects & O&M departments of DMRC. The items of procurement can be broadly classified in two following categories

(i) Non Stock Items
(ii) Stock Items

2.1.2. Non Stock Items: Non Stock Items are those which are to be procured against non repetitive specific requirement of the indenting department.

2.1.3. Stock Items: Stock items are those, which are regularly required for operations, repair and maintenance including periodical overhaul of machinery and equipment and project works wherever applicable.

2.2. PROCEDURE FOR RAISING INDENTS

2.2.1. NON STOCK ITEMS

In case of non-stock items, the indent must have approval of competent authority as stipulated in the Schedule of Powers (SOP). Indent for Non-Stock items shall include all details given below and as noted in the Appendix-I.

(i) Detail Item description/Specifications: The indent must indicate clear and unambiguous item description/specifications, drawings and Samples, wherever necessary.

(ii) Item wise Estimated Cost: Indenter should mention the estimated cost, item wise in the indent. If last purchase rates are available than the same may be taken for preparation of estimate. In case the item is going to be procured for the first time in that case budgetary quotation shall be collected from probable sources for preparation of estimate and first time purchase should be mentioned in the indent.

(iii) Indication of Source of Supply: The indenter, while submitting the indents to Stores Department, shall indicate probable name of parties who are capable to supply the required item.

(iv) Eligibility Criteria: Eligibility Criteria shall be unambiguous, transparent and shall provide level playing field. The Eligibility Criteria shall have approval of the tender invitation approving authority. Wherever applicable, eligibility criteria of the funding agency such as JICA etc. shall be followed.

(v) Delivery Period: Delivery period required to meet the requirement shall be indicated in the indent.

(vi) Warranty Period: Standard Warranty period shall be 18 months from the date of supply and 12 months from the date of installation/commissioning of the material. If the indenter requirement is different then same shall be clearly specified.
(vii) **Any other condition:** If any other specified conditions are to be given in the tender same shall be specified.

(viii) **Nature of the item:** Nature of the item is to be specified, whether the item required is consumable in nature or asset in nature.

(ix) **Budget Head:** Budget head to which the expenditure is to be booked shall be indicated in the indent.

### 2.2.2. STOCK ITEM

The Material planning section of store department shall raise the indents of stock items through System, Applications, and Products in Data Processing (SAP) on the basis of EAC given by the consuming department, duly approved by competent authority as per SOP. The PR (Purchase Requisition) generated by SAP shall be vetted by the associated Finance for availability of funds.

The methodology to be adopted for generating the requirement shall be as follows:

Material Requirement = CP + IP + Buffer Stock – Stock in hand – Dues(Covered + Uncovered)

- **IP** = Requirement for Interim Period: Requirement for the period from the month of generating the indent upto the expected date of supply.
- **CP** = Requirement for Contract Period: Requirement for the period from the date of supply to generation of the next indent.
- **Buffer Stock**: Minimum Stock to be kept at all the time to meet the requirement in urgency.
- **Covered Dues**: Quantity for which the supply is pending against the purchase order.
- **Uncovered Dues**: Quantity included against pending tenders/PRs.

"The Concept of EOQ should be considered while finalizing the order and delivery schedule so as to optimize the inventory carrying cost and the ordering costs".

### 2.3. PROPRIETARY ARTICLE CERTIFICATE (PAC):

If the material is required of a particular make/brand than PAC shall be submitted by the indenter. PAC shall be signed by the competent authority as per SOP. Performa for PAC shall be as given in Appendix 2.
3.1 PURCHASE PROCEDURE
The flow chart given below broadly depicts the essential steps in procurement process.

1. Receipt of Indent
2. Proposal of Mode of Tendering
3. Finance Concurrence if required
4. Approval of Mode of Tendering and approval of firms in case of single tender and limited tender by competent authority
5. Invitation of Tenders
6. Decision of successful Bidder (as per SOP)
7. Preparation of Purchase Order
8. Purchase Order Vetting by Finance if required as per SOP
9. Issue of purchase order
3.2 **MODE OF TENDERING:**

3.2.1 All procurement should follow the cannons of financial proprietary. Procurement through ICB/NCB is considered the most effective method of securing competitive rates by providing level playing field in a transparent manner. Procurement through ICB/NCB should be used for procurement of goods of estimated value more than that specified in the SOP.

For all tenders which, as per SOP should be ICB/NCB but are proposed to be dealt as limited/single tenders, detailed reasons shall be recorded and approval of Competent Authority shall be taken. For all tenders for which, procurement is made against Single tender but without PAC, detailed reasons shall be recorded and approval of Competent Authority obtained.

3.3 **VARIOUS MODES OF PROCUREMENT:**

3.3.1 **INTERNATIONAL COMPETITIVE BIDDING (ICB)**

ICB is adopted where procurement is solicited from supplier within India & abroad.

3.3.2 **NATIONAL COMPETITIVE BIDDING (NCB)**

National Competitive Bidding (NCB) is the competitive bidding procedure for procurement of goods from suppliers within India.

3.3.3 **LIMITED TENDER**

Tenders are invited from the limited sources within the Country and/or from abroad.

3.3.4 **SINGLE TENDER**

Tender is invited from a particular source.

3.4 **PREPARATION OF TENDER DOCUMENTS**

3.4.1 **TENDER DOCUMENTS FOR NCB/ICB**

For NCB/ICB, the tender documents shall generally include the following:

(a) Pre-qualification/qualification Document: These documents shall contain eligibility criteria, detailed evaluation criteria for assessment of capabilities of tenderers.

(b) Notice for Invitation of Tender (NIT)

(c) Instructions to Tenderers (ITT)

(d) Form of Tender (FOT)

(e) Conditions of Contract (COC) – ‘COC’ shall form part of tender documents. In case COC is provided on DMRC website as published document, it may not be issued with each tender document but it shall be categorically stated in the tender documents that ‘COC’ shall be an integral part of the contract.
(f) Special conditions of Contract (SCC)

(g) Schedule of Requirement: In Schedule of Requirement, following information shall be given:

- BOQ of the items required.
- Detailed specifications/drawings of the required items.
- Delivery Terms
- Warranty terms
- Statement of Price schedules
- Performa for submission of details / documents required for assessment of eligibility / detailed evaluation.
- Any other technical requirement.

3.4.2 ANNEXURES / PERFORMAS: TENDER DOCUMENTS SHALL GENERALLY CONTAIN THE FOLLOWING ANNEXURES / PERFORMAS

- Annexure – 1: Proforma for Tenderer’s financial offer
- Annexure – 2: Past Performance Record of Bidder
- Annexure – 3: Proforma of Bank Guarantee for Tender Guarantee
- Annexure - 4: Proforma for Authority From Manufacturers
  (applicable for authorized dealers only)
- Annexure – 5 (a): Proforma for Statement of Technical Deviations
- Annexure – 6 (a): Statement of Technical deviations on Commercial Conditions
- Annexure – 6 (b): Statement of Technical Deviations on Commercial conditions with cost of unconditional withdrawal of deviations
- Annexure – 7: Proforma of Bank Guarantee for Contract Performance Guarantee Bond (If Applicable)
- Annexure – 8: Check List
- Annexure – 9: Undertaking for Downloading the Tender Documents from the DMRC Website.
- Annexure – 10: Complete address of proposed manufacturing unit/plant from where equipment /machine is proposed to be supplied against this tender.
• Annexure- 11: Proforma for Verification of Statement regarding non involvement of any agent and any agency commission.

Any other annexure related to tender.

3.4.3 TENDER DOCUMENT FOR LIMITED/SINGLE TENDERS

Tender documents for Limited tenders / Single tenders may not be as elaborate as the tender documents for ICB/NCB. However, the tender documents shall essentially include the following:

• Description of the items complete with technical specifications.
• Quantity of procurement
• Delivery schedule
• Delivery terms
• Payment terms
• Statement of Price Schedules
• Any other condition

3.5 APPROVAL OF TENDER DOCUMENTS

3.5.1 Tender Document (including amendments to the tender documents) shall be approved by the Competent Authority empowered to approve invitation of Tender as per SOP.
SECTION 4
TENDER SECURITY

4.1 NECESSITY OF TENDER SECURITY
Tender Security is to be submitted by each tenderer to confirm that the tenderer is serious bidder and would not back out of their tender before its acceptance, or refuse to execute the work after it has been awarded to them.

4.2 AMOUNT OF TENDER SECURITY
4.2.1 The amount of the Tender Security, which a contractor should deposit with the tender, is regulated by DMRC circular No. DMRC/20/130/99 dated 14.02.2007, which is as under:
   (a) For the tender with estimated value up to rupees one crore: 2% (two percent) of the tender estimated value subject to a maximum amount of Rs. 1.00 lakh.
   (b) For the tender with estimated value more than rupees one crore: 1% (one percent) of the tender estimated value.

4.2.2 Exemptions for submission of tender Security shall be allowed to the tenderers if they are registered with NSIC for the tendered category items.

4.2.3 In all ICB and NCB tenders, tender security submission shall be required. In case of limited tender and single tender, tender security shall not be required.

4.3 MODE OF TENDER SECURITY
4.3.1 The Tender Security shall be accepted only as specified in the tender document. Generally tender security shall be in the following forms
   (a) Bank Draft in favour of Delhi Metro Rail Corporation Ltd. payable at New Delhi from a scheduled commercial bank based in India, or
   (b) Fixed Deposit Receipt of a Scheduled Commercial bank / Post office based in India duly pledged in favour of Delhi Metro Rail Corporation Ltd.
   (c) Irrevocable Bank Guarantee in the prescribed format issued by a Scheduled Commercial Bank based in India or from a branch in India of a scheduled foreign bank (format attached ‘Appendix-4’). Validity of Bank Guarantee shall be specifically mentioned in tender documents.

4.3.2 The tender security may be stipulated in any other form in the tender documents after prior approval of Director/Finance.

4.3.3 In case of joint venture/consortia, Bank Guarantee for tender security shall be in the name of joint venture/consortia and not in name of individual members.

4.3.4 It is in the tenderer’s own interest to keep the Fixed Deposit Receipt (FDR) valid as long as it is required in the tender. There is however no need for DMRC to insist upon the tenderer keeping the FDR valid, since it can be encashed even after its
validity.

4.3.5 Bank Guarantee should be in the format of Appendix – 4. In case of any change in the format, the tender security will be treated as invalid and the tendered offer shall be summarily rejected.

4.3.6 Tender Security shall be valid for a minimum period of 15 days beyond validity of offer.

4.3.7. To adopt uniform practice across all departments on the issue of dealing with Tender Security in a bid with immediate effect following practice is to be adopted by all the departments:

(a) Any deviation in Tender Security with regards to amount, validity, form and format shall be considered as material deviation and bid shall be dealt accordingly.

(b) In case of JV/Consortium the Tender Security shall be in the name of JV/Consortium and not the individual member(s). However, there may be more than one BGs but all must be in the name of the JV/Consortium.

(c). No clarification shall be sought from bidders regarding Tender Security.

(d) However in a special circumstances such as single offer received in a tender in a work of urgent nature or in a single tender deviations in bid security can be accepted by tender accepting authority.

4.4 WHEN TO BE DEPOSITED

The Tender Security is to be deposited by the intending tenderers in one of the acceptable forms as specified above along with their tendered offers in separate sealed envelope super scribed “Tender security”. Any tender that requires submission of tender security but not accompanied by an acceptable tender security, shall be summarily rejected and returned without opening further and shall not be evaluated.

Any Exemption in case of permissible exemption as per tender condition, documentary evidence of the same is to be submitted in a separate sealed envelope super scribed “Tender Security”.

4.5 REFUND OF TENDER SECURITY

Tender security of all the unsuccessful tenderers shall be discharged / returned promptly after issue of purchase order. In case of two-packet tender submission, the tender security will be released in two stages. Tender Security of tenderers who fail in technical evaluation shall be returned after opening of financial package. Tender Security of unsuccessful tenderers in financial evaluation shall be returned after issue of purchase order. Tender security of successful tenderer shall be returned after receipt of PBG, if applicable. Otherwise, the tender security of the successful bidder shall be returned after acceptance of PO.

4.6 FORFEITURE OF TENDER SECURITY

4.6.1 The tender security shall be forfeited on account of the reasons indicated in tender documents. However, the principle factors for the forfeiture to be followed are as
under:

(a) If the Tenderer withdraws his Tendered offer during the period of Tender validity;
    or

(b) If the Tenderer does not accept the arithmetic corrections to his Tender price, as per the relevant clause in Instructions to Tenderers (ITT);
    or

(c) If the successful Tenderer refuses to unconditionally accept the PO and/or fails to furnish the required Performance Security as per tender conditions within the specified time or the time as extended by the Employer.
SECTION 5
TENDERING PROCEDURE

5.1 INVITATION OF TENDERS
5.1.1 Competent authority for approval of invitation of tenders shall be in accordance with the stipulations in the Schedule of Powers (SOP) of DMRC.

5.1.2 Sale of tender documents is to be resorted to only in case of off-line ICB/NCB tenders. The cost of tender documents to be charged from the bidders shall be in line with the company’s circular issued from time to time. In case of e-tender, tender document can be downloaded from the site.

5.1.3 Sale of tender documents can be made only after the publication of notification of tender in newspapers/DMRC website.

5.1.4 Tender document should be sold to all who seek them after paying the requisite tender document cost, if any. Tender documents shall be available for sale only till the date and time as notified in the tender document/NIT.

5.1.5 Tender can be sold from different places (as notified in the NIT) but the bid/tendered offer shall be received only at the specified place and upto the specified time in the tender documents.

5.1.6 Tender documents can also be downloaded from DMRC’s website/or any other website as notified in NIT. However in all such cases, the bid must be submitted with requisite tender document cost, if specified in tender document/NIT. In all such cases of bid submission, where tender fee is required to be paid but not paid by the bidder the tendered offer shall be rejected summarily.

5.1.7 In case the tender documents are uploaded on DMRC website/ or any other website as notified in NIT, then these documents can be downloaded by bidders only upto the date/time as mentioned in NIT.

5.1.8 Each Tender shall be given a unique Identification number.

5.2 PUBLICITY OF NOTICE
5.2.1 In case of ICB/NCB, wide publicity shall be given so that the process is completed in most open and transparent manner. Notice Inviting Tenders of all tenders including ICB shall be widely advertised and also posted on DMRC’s website/ or any other website as notified in NIT. Any Addendum / Corrigendum till completion of sale period shall be promptly posted on DMRC’s website / or any other website as notified in NIT and shall also be intimated by mail/fax/post to all the parties who have
purchased the tender document till then. The tender documents sold after the date of the issue of the Addendum(s) and/or Corrigendum(s) shall be complete with all such Addendum(s) and/or Corrigendum(s).

5.2.2 Advertisement for Notice Inviting Tenders should be sent to the Corporate Communication (CC) office of DMRC for release in the press. Advertisement in the newspaper should be very brief and should essentially provide details of the website so that interested parties can see the details on DMRC website/specified website.

5.2.3 In case of limited tenders, which are called from the shortlisted firms, letter of invitation must be sent to all the firms and proof of sending must be kept in record. Similar procedure is to be followed for single tender also.

5.3 GUIDELINES REGARDING PUBLICITY OF TENDERS

5.3.1 The following guidelines are to be followed by the executives regarding publicity of tenders:

(a) Request to CC office of DMRC for release of advertisement should be sent well in advance so that adequate time is available for release through press.

(b) The concerned Executive who is inviting tenders should keep a watch on publication of advertisement in newspapers where advertisements are being released.

(c) Newspaper cuttings in each case should be sent by the CC office to the concerned executive who should keep it on the record as a proof.

(d) The details of the date on which advertisement actually published in the newspapers should be indicated in the deliberations of the tender committee.

5.4 TENDER NOTICE PERIOD

5.4.1 Reduction in Tender notice period than what has been specified here under shall have prior approval of the competent authority for invitation of tender as per the SOP.

(a) The tender notice period for ICB/NCB should be 30 to 45 days. However, in specific cases the tender notice period can be reduced up to 21 days for which reasons shall be recorded and prior approval of tender approving authority shall be taken.

(b) While releasing the NIT, a margin of 2 - 3 days should be normally kept for CC office of DMRC for its publication in newspapers / DMRC website.

(c) In case of Limited and Single tenders, the tenders should be sent by registered post, courier, by Fax or by mail to all shortlisted firms. Tender notice period should generally be more than 14 days but in case of urgency, tender notice period can be reduced with the specific approval of the tender approval authority.

5.5 COST OF TENDER DOCUMENTS

In case of ICB/NCB tenders, finalizing of the value of the cost of tender documents and its realization shall be as per following.

5.5.1 The cost of tender document to be charged from the firms purchasing/downloading
the tender documents shall be as per the circulars issued from time to time.

5.5.2 Tender document will be issued free of cost to the vendors registered with NSIC for the tendered category items.

5.5.3 In case of ICB, tender cost may be in equivalent USD/EURO. The value in USD/Euro shall however be specified in the NIT.

5.5.4 Cost of tender documents can be accepted in the form of Bank Draft / Bankers Cheque issued in favour of Delhi Metro Rail Corporation Ltd. payable at New Delhi or through dedicated e-payment, if applicable. No cash shall be accepted.
SECTION 6

SALE OF TENDER DOCUMENTS

6.1 GENERAL
The tender documents should be prepared and kept ready for sale to the tenderers before the due date of sale. It is the responsibility of the concerned executive to ensure that the tender documents are available for sale to the firms as soon as the application for purchase of tender documents is received.

6.1.1 All ICB/NCB tender documents along with the NIT will be uploaded on the DMRC website/specified website to facilitate downloading of the entire tender document by the prospective bidders. Keeping in view the security considerations, the requirement of uploading the complete tender documents on the website can be waived off with the specific approval of the tender approving authority.

6.1.2 Tender documents for ICB/NCB shall be sold to any party. In case of tenders from pre-qualified list or Limited tenders or Single tender, the documents may be issued free of cost.

6.1.3 Authority and place from where the tender document can be purchased/downloaded should also be mentioned in the NIT along with contact number of the office of the authority.

6.1.4 The tender document shall be issued under the signature of the concerned executive designated for tender sale.

6.1.5 The sale of tenders should be recorded in a separate register maintained for this purpose in the custody of designated executive. The Register of the Sale of the Tender Documents should be machine numbered. The register should contain a chronological record of the sale of tender documents, showing the names of the firms to whom tender documents issued, date of sale and details of the payment towards the price of the document etc.

6.1.6. After the last date of sale of tender documents, the number of tender documents sold should be recorded along with amount realized as sale proceeds. The demand drafts/bankers cheque received on account of tenders cost shall be deposited with accounts department for realization of cash.

6.1.7 In case of ICB/NCB tenders, sale of tender documents cannot be withheld to any firm including blacklisted / debarred contractors. However, the tender committee shall take note of such facts and as per the laid down procedures for tender evaluation, acceptability of bids or otherwise shall be as approved by the competent authority stipulated in the SOP for tender approval.
6.2 ISSUE OF SECOND SET OF TENDER DOCUMENTS

In case of loss or defacing of the original set of documents, the tenderer at his discretion may purchase fresh set of tender documents by paying the cost for the second set of original tender documents.
SECTION 7

RECEIPT, OPENING AND ACCEPTANCE OF TENDERS

7.1 RECEIPT OF TENDERS

7.1.1 Tender Box:

All tender documents shall be received by the authority at the time, date and address specified in the NIT/Tender. As far as possible, tender box should be used for receipt of tenders. The tender box should be placed at the specified place, locked and sealed. The key of the lock should be kept in the custody of the concerned designated staff for receipt & opening of tenders.

7.1.2 In tenders, for major equipments which requires submission of design and technical proposal along with the financial package, the submission are generally very bulky and it is impractical to put them in the sealed tender box to be opened at specific time. In such cases, the tenders will be received by designated staff dealing with the concerned tender and will be entered into the tender opening register. Any tender, received by the staff before the specified time will be entered in the register and each tender shall be given a number, which shall be the S.No. at which it is recorded in the tender opening register. The staff shall close the register exactly at the deadline of submission and record the number of tenders received with his signature and put up the register to concerned designated executive to ensure that no tender is received after due date & time of tender submission. The designated executive will be responsible for ensuring proper tender submission and that all tenders received up to the specified time are duly accounted for.

7.1.3 Delayed /Late tenders

Tender received before the time of opening but after due date and time of receipt of tenders is ‘Delayed’ tender and those received after the start of opening are ‘Late’ tenders. It shall be the responsibility of the tenderer to ensure that his tender is submitted at the specified place and reaches the designated executive specified in the NIT before the deadline of submission. Any tender received after this deadline brought by any person / courier /posts to the designated officer shall not be considered. Any tenders if delivered to any other place in DMRC including the general receipts section of DMRC shall not be considered. Tender documents should have such a condition that it will be the responsibility of tenderer to ensure that tender is delivered to the designated executive only.

In case of single tender only, delayed/late tenders can be considered with the approval of Tender Accepting Authority. In case of Tender Accepting Authority being MD, approval of the Director would be required for evaluation of the bid.
7.2 OPENING OF TENDERS

7.2.1 Tenders shall be opened by the nominated Tender Opening Committee, consisting of minimum two members, one from Stores and other from finance department.

7.2.2 The nominated Tender Opening Committee shall open the tenders at specified date and time. In order to ensure transparency, following procedure shall be observed in the tender opening:

(a) The names of tenderers who submit their tender shall be entered in the ‘Tender Opening Register’ and each tenderer shall be assigned a unique serial number. The serial numbers should then be marked on the cover of all the tenders and the opening committee members sign on it.

(b) Contents of all tenders should then be taken out one by one from the covers and the envelopes containing the tender document cost, ‘Tender security’ and ‘Tender’ or ‘Technical Package’ & ‘Financial package’ shall be marked and signed by opening committee members. In case of download of tenders, the prescribed tender documents fee should also be submitted by the bidders in a separate envelope.

The envelopes marked as ‘Tender Security’ shall be opened first and checked whether the required tender security/documentary evidence for exemption is submitted by tenderer in the prescribed form or not. Only issues of validity, Bank and amount are checked at this stage and further details are to be checked by Evaluation Committee.

(c) If the tender security submitted by the tenderer has discrepancy like short validity, error in name etc., tenders shall be opened but the discrepancy shall be recorded by the tender Opening Committee so that the Tender Committee can take a view on it.

(d) In case of two package system of tendering, envelopes marked ‘Technical Package’ shall be opened and the documents submitted there in shall be marked and signed by the tender opening committee. The sealed envelopes marked ‘Financial Package’ of all the tenders should be marked and signed by the tender opening committee and placed together in a securely sealed envelop and signatures of tender opening committee along with all the tenderers or their authorized representatives who are present shall be obtained on it and shall be kept in safe custody for opening on subsequent date after evaluation of the Technical Package.

(e) If the tender security of a bidder in a two package tender is not found in the envelope marked as ‘Tender Security’, the technical package would still be opened. However such tender would not be evaluated if the tender security is not found along with technical package.

(f) If during tender opening, financial package of a bid is also opened on account of improper packaging by the bidder then the responsibility shall be solely in account of the bidder. In such case, the financial bid would be sealed back and
signed by the tender Opening Committee. This fact will also be recorded in the tender opening register.

On approval of Tender Committee recommendations on Technical Package by the tender accepting authority, the tenderers who qualified for opening of financial packages shall be intimated through written communication regarding date and time of opening of Financial Packages. The Opening Committee shall check whether the envelope containing the Financial Packages is tampered with and it shall be shown to the tenderers or their authorized representatives present at the time of opening. Thereafter Financial Packages of the tenderers qualified in technical stage shall be opened and the documents submitted therein shall be marked and signed by the Opening Committee. Financial Packages of the tenderers who were disqualified in technical evaluation stage shall be kept unopened and to be returned to all such tenderers in sealed condition.

7.2.3. All the low value tenders below the value Rs. 5 lacs shall be opened only by nominated Stores representative, who will duly encircle all the important conditions of the offer.

7.2.4 GUIDELINES TO BE OBSERVED WHILE OPENING THE TENDERS: The following guidelines should be followed by the 'Opening Committee' while opening the tenders:

(a) The opening committee should initial (i) the cover/envelopes containing tender (ii) front cover page of tender documents along with pages of tender documents on which rates are quoted or special tender conditions / undertakings / details are to be filled/signed in ink by the of tenderers and (iii) every page of additional documents / details (in case of published documents only at front cover page) submitted by the tenderers.

(b) All rates and amounts quoted by tenderer in figures and/or words should be encircled by opening committee. All cuttings/over-writings (if any) in the rates and amounts quoted by tenderer in figures and/or words should also be encircled and signed by opening committee.

(c) All corrections, deletions, additions and over-writings should be serially numbered in red ink and clearly mentioned and their total numbers should be attested at bottom of each page by the Opening Committee members. The ambiguity in rates quoted by tenderer in words or figures and conditions, if any, shall also be mentioned at each page.

(d) The names of the tenderers and the rates and amount quoted by each tenderer should be read out, wherever practicable in the presence of the tenderers or their representatives who may be present at the time of opening of the tenders. While opening the tenders, no opportunity should be given to any tenderer to repudiate, amend or explain the rates and or any condition quoted in the tender.

(e) Tender opening details shall be entered in the Tender Opening Register and
the same shall be signed by members of the Tender Opening Committee and the tenderers or their representatives who may be present at the time of opening of the tenders.

(f) The Opening Committee should also indicate if there is any delayed tender.

(g) If the tender security submitted by the tenderer has discrepancy like short Validity, error in name etc., tenders shall be opened but the discrepancy shall be recorded by the tender Opening Committee so that the Tender Committee can take a view on it.

7.3 COMPARATIVE STATEMENT

7.3.1 For all the TC cases the comparative statement must be vetted by finance. In all such cases, comparative statement of the rates, amounts, quantities and other important conditions should be prepared by Stores branch and should be vetted by finance.

7.3.2 It must be ensured that all tenders received are tabulated and put up to the Tender Committee for their consideration without any screening by any other officials.

7.4 EVALUATION OF TENDERS

7.4.1 TENDER COMMITTEE: For evaluation of tenders, ‘Tender Committee’ should be nominated by the tender accepting authority as per provisions in the Schedule of Powers based on the lowest financial rates received against the tender. In case of tender received in two packets (Technical & Financial), tender Committee should be nominated by the accepting authority as per provision of SOP based on the estimated cost. If there is any nominated Standing Committee by MD/Director/COS/Dy.COS for dealing with Stores tenders, the same should be followed.

In case of the Tender Committee of Director level, the Director in charge of Stores may further nominate a committee of HOD level for evaluation of offers for pre-qualification, technical and financial evaluation.

7.4.2 EVALUATION OF TENDERS, CONSIDERATION OF FINANCIAL BIDS AND ACCEPTANCE THEREOF:

7.4.2.1 Technical Evaluation to determine suitability and opening of financial bids shall be done by the nominated tender Committee and Committee shall put up their recommendation to competent authority for acceptance. The tenderers, who qualify the technical evaluation stage, shall be intimated, through fax/Mail/registered post, the scheduled date and time of opening of financial bids. The financial bids shall be opened by the nominated tender Opening Committee.

7.4.2.2 The technical capability, financial strength and capacity of the tenderers should be evaluated with reference to the specified tender requirements and only if they are
found conforming, the tender should be considered for award of contract.

7.4.2.3 The Tender Committee and tender accepting authority shall satisfy themselves with regard to the competitiveness and reasonability of rates quoted, before the lowest tender is considered for acceptance.

7.4.2.4 The Tender Committee shall also look into representation received regarding tender referred by tender accepting authority during tender evaluation and deliberate the same in the tender committee meeting minutes.

7.4.2.5 CVC guidelines do not encourage negotiation even with the lowest tenderer, to obtain reduction in quoted rates to bring the offer to an acceptable level. However, for upkeep of the highly complex and state of the art assets, the requirements of DMRC are very specific with limited choice. In such environment, in certain cases, such situation may arise, wherein the tender committee may recommend negotiation with the lowest bidder to explore the possibility of obtaining reasonable offers. However, such practice shall not be a rule, and in no case other than lowest tenderer will be called for any negotiation post opening of financial offers.

7.5 TIE BETWEEN LOWEST TENDERERS

7.5.1 In case of a tie between the two or more lowest tenderers, where the rates are reasonable and tenderers are found technically suitable, following procedure shall be followed for deciding of the quantity for placement of order on each tenderer,

(a) For cases where the itemwise value for tied item for tendered quantity is more than Rs. 5 lacs the Competent Authority would invite the concerned parties for submitting discount letter in terms of % of their offer. The tender will be finalized based on lowest bid after considering the discount. However, if a tie happens again, it would be up to the accepting authority to decide which one to accept in their sole discretion based on technical capability of the two tenderers or shall decide as per tender conditions if already provided.

(b) For the cases where the itemwise value for the tied item for tendered quantity is less then Rs. 5 lacs, orders will be decided as per the decision of the tender accepting authority.

7.6 ISSUE OF PURCHASE ORDERS

After the acceptance of the tender by the Competent Authority as per provision of the SOP, purchase order shall be issued after vetting by finance if required as per SOP with the signature of the Competent Authority as per SOP.

7.7 RE-INVITATION OF TENDERS

7.7.1 Re-invitation of tenders is normally resorted to:

(a) When the lowest offer obtained is considered unreasonable by the accepting authority; or

(b) When the lowest offer obtained exceeds the amount available under the Administrative Approval and it is proposed to modify the design and/or specifications to bring down the cost.

(c) When lowest tenderer revoked or revised upward or withdrawn his offer for any reasons.
Re-tendering must not be resorted to as a matter of routine. Wherever a lowest tender received is considered unreasonable or high, the reasons for the same may be ascertained by DMRC and/or the reasonableness may be asked from the tenderer in writing after obtaining approval of the competent authority. Before re-tendering, suitable modifications may be made in the technical specifications and delivery terms, if possible. All efforts should be made to increase the competition.
SECTION 8

PERFORMANCE SECURITY

8.1 FORM OF PERFORMANCE SECURITY

8.1.1 The successful tenderer, hereafter referred to as the contractor, is required to deposit an amount equal to 10% of the contract value or as detailed specified in the tender document as performance security in any one of the following forms:

(a) Bank Draft in favour of Delhi Metro Rail Corporation Ltd. payable at New Delhi from a Scheduled Commercial Bank based in India, or
(b) Fixed Deposit Receipt of a Scheduled Commercial bank / Post offices based in India duly pledged in favour of Delhi Metro Rail Corporation Ltd., or
(c) Irrevocable Bank Guarantee in the prescribed format issued by a Scheduled Commercial Bank based in India or from a branch in India of a scheduled foreign bank.
(d) The Performance Bank Guarantee (PBG) shall cover period of the contract and also the warranty period and should be valid until 90 days beyond the warranty period. If the contract is covering Comprehensive Annual Maintenance Contract (CAMC) also, the PBG for the PO will be returned after getting the PBG for CAMC value as specified in the Purchase order.
(e) In case of a joint venture / consortium, the performance security is to be submitted in the name of the JV/consortium. However, splitting of the performance security (while ensuring the security is in the name of JV/Consortium) and its submission by different members of the JV/Consortium for any amount proportionate to their scope of work or otherwise is also acceptable.
(f) In all ICB and NCB tenders, the performance security submission shall be must. In case of limited tender and single tender, performance security shall not be needed.

8.2 TIME ALLOWED FOR SUBMISSION OF PERFORMANCE SECURITY

8.2.1 The successful bidder shall submit Performance Security within 30 days of issue of Purchase order. If the successful bidder fails to submit the Performance Security within the stipulated period or any extended period approved by the tender accepting authority for submission of the said security, the case should be put up for consideration of the tender accepting Authority. In case of tender accepting authority being MD, the case shall be put up to the concerned Director.

8.3 REFUND OF PERFORMANCE SECURITY

8.3.1 The PBG will be returned within 90 days after completion of contract or completion of warranty/guarantee period whichever is later.
8.4 EFFECTING OF RECOVERIES

8.4.1 Once the recoveries become due from a contractor, the same should be effected from the money due to the contractor either from the same work or from any other work or from the Performance Security. Action to recover the overpaid amount should not be kept pending or kept in abeyance on account of the case being before the arbitrator. Action in terms of the award can be taken after the award is received and accepted by the competent authority. The recovery of overpaid amounts should be affected as early as possible and the recovery should not be kept in abeyance during the pendency of arbitration proceedings.

8.5 TIME LIMIT FOR REFUND OF PERFORMANCE SECURITY IN CASE OF PENDING ARBITRATION.

8.5.1 The claim for refund of Performance Security is governed by the Limitation Act. The period of limitation is 3 years, commencing from the date that the right to the due accrues. In the case of Performance Security, the right to the due would accrue after the Defect Liability Period/warranty period or the date of payment of final bill, whichever is later.
Details to be given in Non Stock Indent

1. Indent No.

2. Indent Date

3. Item Description/Specification

4. Qty

5. Estimated Approximate Value

6. Purpose

7. Nature of Item (Asset/WBS/Consumable)

8. PAC if item required of particular make

9. Eligibility Criteria if any

10. Delivery Schedule

11. Likely Known Supplier (if any):

12. Delivery Location:

13. Consignee

14. Any Other Term & Condition if any specially required
DELHI METRO RAIL CORPORATION LTD.

CERTIFICATE FOR PURCHASING OF PROPRIETARY ARTICLES

1. Description of item

2.1 Stock Item: YES/NO

2.2 If Yes, please mention the Material Master Number:

(Note: For stock Items this PAC shall be valid for all future procurement till revoked by C.A.)

3. Quantity

4. Approx. Cost if known (in Rs./Other Foreign Currency)

5. Manufacturer’s Name and Address

6. Name of Local Supplier and Address (If any)

7. I hereby Approve and Certify that:

   a. No other Make/Brand will be suitable.

   b. This is the only firm who is the OEM/Manufacturing/Stocking the item required.

Name & Signature of
Competent Authority to sign PAC

Note: SOP should be referred before signing of PAC.
PERFORMANCE GUARANTEE BOND

Ref .................................................. Date ........................................

Bank Guarantee No. ..........................

To

Dy. Controller of Stores,
Delhi Metro Rail Corporation Ltd.,
Metro Bhawan, 13, Fire Brigade Lane,
Barakhamba Road,
New Delhi -11 00 01

1. Against contract vide Advance Acceptance of the Tender No. .................................. dated ................................covering supply of.................................................................(hereinafter called the said contract) entered into between the Delhi Metro Rail Corporation Ltd., Delhi (hereinafter called the Purchaser) and .......................................................... (hereinafter called the “Contractor”), this is to certify that at the request of the Contractor we, ......................................................................................................... Bank, Ltd., are holding in trust in favour of the Purchaser, the amount of ........................................................................................................ (write the sum here in words) to indemnify and keep indemnified the Purchaser against any loss or damage that may be caused or likely to be caused to or suffered by the Purchaser by reason of any breach by the Contractor of any of the terms and conditions of the said contract and/or the performance thereof. We agree that the decision of the Purchaser, whether any breach of any of the terms and conditions of the said contract and/or in the performance thereof has been committed by the Contractor and the amount of loss or damage that has been caused 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 forth with on demand and without demur to the Purchaser.

2. We, ............................................... Bank Ltd., 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 contract by the Contractor i.e. till ........................................ (viz the date upto 12 months after the date of last shipment/delivery of the goods ordered) hereinafter called the ‘said date’ and that if any claim accrues or arises against us, ............................................ Bank Ltd., by virtue of this guarantee before the said date, the same shall be enforceable against us.................................................. Bank Ltd., notwithstanding the fact that the same is enforced within six months after the said date. Payment under this letter of guarantee shall be made promptly upon our receipt of notice to that effect from the Purchaser.

3. It is fully understood that this guarantee is effective from the date of the said contract and that we, ...............................................Bank Ltd., undertake not to revoke this guarantee during its currency without the consent in writing of the Purchaser.
4. We, ..................................................Bank Ltd., further agree that the Purchaser shall have the fullest liberty, without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the Contractor 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 said Contractor and to forbear or enforce any of the terms and conditions relating to the said contract and We.....................................Bank Ltd., shall not be released from our liability under this guarantee by reason of any such variation or extension being granted to the said Contractor or for any forbearance and or omission on the part of Purchaser or any indulgence by the Purchaser to the said Contractor or by any other matter or thing what-so-ever, 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.

5. We, ..................................................Bank Ltd., further agree that the guarantee herein contained shall not be affected by any change in the constitution of the said Contractor.

Date ........................................ Signature.................................

Place........................................ Printed Name ...............................  

Witness : ................................. .....................................................

 (Designation)

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

 (Bank's Common Seal)
APPENDIX – 4
(Please see clause-501(b) Of ‘instructions to Tenderers’)

PROFORMA OF BANK GUARANTEE FOR TENDER GUARANTEE
(ON NON-JUDICIAL STAMP PAPER OF RS. 100, WITH STAMP OF BANK)

Ref. ........................................ Date ........................................

Bank Guarantee No............................

To,

Dy. Controller of Stores,
Delhi Metro Rail Corporation Ltd.,
Metro Bhawan, 13, Fire Brigade Lane,
Barakhamba Road,
New Delhi -11 00 01

Dear Sir,

In accordance with your invitation to tender No. ................................. M/s ................................................................., hereinafter called the tenderer with the following Directors on their Board of Directors/ Partners of the firm:

1. 2.
3. 4.
5. 6.
7. 8.
9. 10.

Wish to participate in the said tender for the supply of ..........................
........................................................................................................

As a Bank Guarantee against Bid Guarantee for a sum of ..........................
........................................................................................................ (in words & figures)

valid for ........................................ days from the date of opening of the Tender viz ........................................ is required to be submitted by the tenderers as a condition for the participation, this bank hereby guarantees and undertakes during the above said period of ........................................ days to immediately pay, on demand by the Delhi Metro Rail Corporation Ltd., Metro Bhawan, 13, Fire Brigade Lane, Barakhamba Road, New Delhi-110001, INDIA in writing the amount of ........................................ (in words & figures)
to the said Delhi Metro Rail Corporation Ltd., New Delhi, INDIA, and without any reservation and recourse, if :-

(i) the tenderer after submitting his tender, modifies the rates or any of the terms and conditions thereof, except with the prior written consent of the purchaser; or

(ii) the tenderer withdraws the said bid within validity of offer after opening of bid; or

(iii) the tenderer having not withdrawn the bid, fails to furnish the Contract Performance Guarantee within the period provided in the Conditions of Contract.

This guarantee shall be irrevocable and shall remain valid upto ................. If further extension to this guarantee is required, the same shall be extended to such required periods on receiving instructions from M/s .................

..................................................on whose behalf this guarantee is issued.

Date ......................... Signature ..................................

Place .......................... Printed Name ..........................

Witness :

1. ........................................... .................................

            (Designation)

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

            (Bank’s Common Seal)