CHAPTER I

ACQUISITION CATEGORIES, ACQUISITION PLANNING, INDIGENOUS DESIGN AND INDIGENOUS CONTENT

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ACQUISITION CATEGORIES, ACQUISITION PLANNING AND INDIGENOUS CONTENT

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Appendix A
(Refers to Para 11 of Chapter I of DAP 2026)

GUIDELINES FOR ACQUISITION CATEGORIES, ACQUISITION PLANNING, INDIGENOUS DESIGN AND INDIGENOUS CONTENT

1. **Request for Information (RFI)**.

1.1 **Contents of RFI**. SHQ will formulate the draft RFI, which shall indicate the required equipment capabilities, quantities, delivery timelines and the tentative acquisition timelines. The RFI shall inter alia seek the following inputs from the vendors:

1.1.1 Product specifications for deriving SQRs from ORs.

1.1.2 Technology Readiness Level (TRL) in accordance with ISO 16290:2013 of the product offered as certified by the National Establishment for Technology Readiness Assessment (NETRA) / National Technology Readiness Assessment Framework or any other accredited National or Global ISO certification agency.1

1.1.2 Manufacturing Readiness Level (MRL) in accordance with SAE AS6500 of the product offered by an accredited National or Global certification agency or as certified by the Quality Council of India (QCI).

1.1.2 Scope and depth of Transfer of Technology (ToT), including key technologies and materials.

1.1.3 Capability of Indian vendors to design, develop, indigenise, deliver, maintain and provide life-cycle support.

1.1.4 Willingness of global vendors to establish local manufacturing or joint ventures with technology transfer, progressively indigenise systems, subsystems and components, develop maintenance infrastructure and test facilities; position India as a regional hub for manufacturing and MRO, and facilitate indigenous raw-material sourcing / ToT for production of raw materials.

1.1.5 Approximate cost estimates and alternative solutions.

1.1.6 Inputs on maintenance philosophy, including Engineering Support Packages, Annual Maintenance Contracts, life-cycle support, performance-based logistics and training requirements.

1.1.7 Confirmation of compliance with Indian and international test standards, quality certifications and available test facilities.

1.2 **Processing of RFI**. SHQ shall circulate the draft RFI to DRDO, DDP, HQ IDS, Concerned ADG Acquisition Technical, QA Agencies and other Services for comments, with

1 To enable the Indian industry to scale up and meet the requirements of TRL certification, self-assessment of vendors based on the National Technology Readiness Assessment Framework / ISO 16290:2013 may be accepted as TRL, for a period of two years from the date of applicability of DAP-2025. Post this period, certificates from recognized / accredited agencies shall be accepted as proof of claim of TRL.

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a six-week deadline after which 'nil comments' shall be assumed. SHQ will incorporate applicable feedback and finalise the RFI with the Information Proforma and Questionnaire (Annexure II of this Appendix). The RFI will clearly state that non-response or non-conformity will not preclude participation in the subsequent RFP and provide advance intimation to vendors for securing necessary government clearances, if required. The RFI shall be hosted on the MoD and SHQ websites for seeking relevant information on specific acquisition schemes.

1.3 **Vendor Interaction**. After hosting of RFI, SHQ shall conduct industry interactions and allow up to eight weeks for vendor responses. An extension of a further eight weeks may be given by SHQ to vendors for submission of RFI responses.

1.4 **RFI Response Analysis**. The RFI response analysis should clearly bring out the objectives of the RFI. During the response analysis, SHQ may conduct follow-up consultations to refine SQRs / PSQRs before finalisation. SHQ shall also include information from other sources, such as Defence Attaches, the internet, other MoD / MHA / law enforcement agencies, defence journals / magazines / exhibitions, previously contracted cases or any other relevant information source, including renowned defence equipment databases, in the RFI response analysis. These, along with vendor inputs, should result in a compliance table of SQRs, vis-á-vis technical parameters of equipment available, categorisation matrix, draft trial methodology, draft maintenance philosophy, and draft contractual provisions for AoN, RFP and contract.

1.5 The format for RFI is as per Annexures I of this Appendix.

Categorisation Decision Framework

2. **Objectives for Categorisation**. The categorisation of acquisition projects aims to ensure that defence acquisitions align with India's national security objectives and strategic goals of self-reliance and technological innovation. The key objectives are as follows:

2.1. Prioritising indigenous design, development, and manufacturing of defence equipment.

2.2. Promoting indigenous manufacturing by transferring technology from foreign entities.

2.3. Supporting Start-ups, MSMEs, and indigenous industries to enhance innovation in defence.

2.4. Ensuring that the requirements of Services are met promptly and efficiently, including the timely induction of the correct equipment.

3. **Categorisation Matrix**. SHQ shall prepare a matrix to evaluate RFI responses for their suitability for each acquisition category. This matrix shall be based on the defining attributes and shall incorporate inputs from the User Directorate at the Service Headquarters (SHQ) as well as vendors' responses to the RFI. A suggested format of Categorisation Matrix is given at Annexure III. The Categorisation Matrix shall assess vendor capabilities against the following key parameters to determine suitability for each acquisition category:

3.1 **Operational Feasibility**. Assess if the proposed equipment, system, or platform meets the Services Qualitative Requirements (SQRs) or Operational Requirements (ORs). Confirm its ability to be inducted within the timelines indicated in ICDP.

3.2 **Technology Feasibility**. Verify if the equipment, system, or platform has been indigenously designed and developed by Indian industry. Determine whether the requisite technology is readily available or requires development or transfer of technology. Establish the

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availability and scope of Transfer of Technology (ToT) and Maintenance ToT (MToT). Confirm the willingness of foreign OEMs to provide ToT for indigenous manufacturing and lifecycle maintenance. Ensure production dependencies are under Indian control.

3.3 **Technology Readiness Level and Manufacturing Readiness Level**. Determine the maturity levels of the technology and manufacturing processes. Assess TRL and MRL against the thresholds defined for each acquisition category.

3.4 **Industry Capability**. Evaluate the ability of the Indian industry to absorb technology, establish production and integration facilities, and meet delivery timelines and quality benchmarks. Confirm the capability of vendors to manufacture, test, integrate, and deliver the equipment, system, or platform within the required timelines and standards.

3.5 **Indigenous Content (IC)**. Assess the vendor's ability to deliver the stipulated IC for both trials and operational use, as per the indicated schedule and in requisite numbers.

3.6 **MRO Facilities**. Confirm the vendor's commitment to establish dedicated facilities in India for manufacturing, spares, sub-assemblies, and Maintenance, Repair and Overhaul (MRO) support.

3.7 **Positive Indigenisation List Compliance**. Check if the item is listed in the Positive Indigenisation List and ensure sourcing is aligned with domestic supplier mandates.

3.8 **Urgency and Criticality**. Determine the urgency of the requirement and the strategic importance of the equipment, system, or platform. Assess eligibility for Fast Track Procedure (FTP), Leasing, Inter-Government Arrangements (IGA), or other expedited acquisition routes.

Miscellaneous Aspects

4. **Competency Map**. Based on the RFI responses from the vendors, a 'Competency Map' of the indigenous manufacturing industry and raw material producers should be prepared / updated by the Department of Defence Production (DDP) and shared with the SHQ on a bi-annual basis. This list shall be appended with all RFPs that are issued to vendors.

5. **Incorporation of Artificial Intelligence (AI)**. AI is a rapidly growing field of technology with potentially significant implications for national security. HQ IDS will examine the possibility of inclusion of AI in various platforms / systems and apprise the SHQ of the same from time to time.

6. **Institutionalised Training of Personnel**. In order to increase the efficiency of all entities involved in the acquisition cycle, personnel of SHQ and various departments of MoD, including MoD(Finance) associated with the acquisition process, will be imparted training with regard to the nuances of all acquisition processes at training institutions in the country and abroad. Subsequently, formalised training on the subject will be planned as part of the curriculum of the Indian National Defence University (INDU). Industry associations should also conduct training of their personnel on the nuances of the Acquisition process and the DAP from time to time.

7. **Project Management Unit (PMU)**. The PMU at Acquisition Wing, MoD, has been mandated to support contract management so as to usher in faster decision-making and a time-bound defence acquisition process. The PMU will facilitate obtaining advisory and consultancy support in specified areas to streamline the Acquisition process.

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8. **Digital Integration**. As a part of the national effort to digitise government processes, Defence Acquisition will also be integrated onto a digital platform, which will enable transparency, integrity, accountability and timeliness of the process. The MoD Acquisition Wing will issue suitable instructions in this regard and drive the process of Digital Integration.

9. **Technology Readiness Levels (TRL)**. The framework for Technology Readiness Assessment (TRA) utilizes nine TRLs (TRL 1 to TRL 9). The following definitions and descriptions, as proposed by National Technology Readiness Assessment Framework, issued by the office of the Principal Scientific Advisor to the GoI, are given below :-

TRL	Technology Development Stage	Definition	Description
1	Basic Technology Reaearch	Basic principles observed and reported	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development
2	Research to Prove Feasibility	Technology Concept Formulated	Invention begins. Once basic principles are observed, practical applicatrions can be invented. Applications are often speculative
3	Research to prove Feasibility	Experimental proof of concept	Active Research and Development is initiated. Work moves beyond paper phase to experimental work and laboratory studies validate predictions
4	Technology Demonstration	Component and / or system validation in lab	Basic technological components are integrated to establish that they will work together. TRL 4-6 is the bridge from scientific research to engineering
5	Technology Demonstration	Laboratory scale, similar system validation in relevant environment	Basic components are integrated with reasonably realistic supporting elements and tested in simulated environment.
6	Technology Demonstration	Engineering / Pilot scale prototype demonstrated in relevant environment	Representative model or prototype system which is well beyond TRL 5, is tested in a relevant environment. This is the step up from laboratory scale to engineering scale
7	System Commissioning	Full scale system prototype demonstration in operational environment	Prototype near, or at, planned operational system. Requires demonstration of an actual system prototype in an operational environment
8	System Commissioning	System complete and qualified through test and demonstration	Technology has been proven to work in its final form and under expected conditions. This represents the end of the true system development.
9	System Operations	Actual system proven in operational environment over full range of expected conditions	Actual Application of the technology in its final form and under mission conditions (eg., Operational Test and Evaluation)

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Annexure I to Appendix A
(Refers to Para 1.5 of Appendix A)

REQUEST FOR INFORMATION FOR (Generic Nomenclature of Equipment)

(This is a standardised format suggested as a guideline. It may be varied depending on user requirements, type / complexity of equipment / machinery / test equipment and operational imperatives. SHQ may alter it as per their service requirements.)

1. The Ministry of Defence, Government of India, intends to procure (generic nomenclature of equipment and approximate quantity). The Government of India invites responses to this Request for Information (RFI) only from Original Equipment Manufacturers (OEM) / Authorised Vendors / Government Sponsored Export Agencies (applicable in the case of countries where domestic laws do not permit direct export by OEMs). The end user of the equipment is the Indian Armed Forces (name of user service).

2. This RFI consists of three parts as indicated below:-

2.1. **Part I**. The first part of the RFI incorporates operational characteristics and features that should be met by the equipment. Few important technical parameters of the proposed equipment are also mentioned.

2.2. **Part II**. The second part of the RFI outlines the methodology for seeking vendor responses. Submission of an incomplete response format will render the vendor liable for rejection.

2.3. **Part III**. Guidelines for Framing Criteria for Vendor Selection / Pre-Qualification in Buy Indian (IDDM) and Buy & Manufacture (Indian) Cases.

PART I - OPERATIONAL CHARACTERISTICS AND FEATURES

3. **Intended Use of Equipment (Operational Requirements)**. To be decided by SHQ, keeping in view security considerations to include likely equipment to be replaced.

4. **Important Technical Parameters**. To be decided by SHQ keeping in view security considerations.

5. **Buy Schemes**. Vendors should confirm that the following conditions are acceptable:-

5.1. The solicitation of offers will be as per the 'Single Stage-Two Bid System'. It would imply that a 'Request for Proposal' soliciting the technical and commercial offers together, but in two separate sealed envelopes. The validity of commercial offers would be at least 18 months from the last date of submission of offers.

5.2. The technical offers would be evaluated by a Technical Evaluation Committee (TEC) to check its compliance with Request for Proposal (RFP).

5.3. The equipment of all TEC cleared vendors would be put through a trial evaluation in India on a 'No Cost No Commitment' basis. A staff evaluation would be carried out by SHQ to analyse the results of the field evaluation and shortlist the equipment for introduction into service.

5.4. Amongst the vendors cleared by Staff Evaluation, a Contract Negotiations Committee would decide the lowest cost bidder (L1) and conclude the appropriate contract.

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5.5. Vendor would be bound to provide product support for time period specified in the RFP, which includes spares and maintenance tools / jigs / fixtures for field and component level repairs.

5.6. The vendor would be required to accept the general conditions of contract given in the Standard Contract Document at Appendix A of Chapter XII.

5.7. **Integrity Pact (if applicable)**. An integrity pact is a mandatory requirement in the instant case (Refer Annexure XXXV to Appendix H of Chapter II).

5.8. **Performance-cum-Warranty Guarantee**. Performance-cum-Warranty Guarantee upto 10% of the contract value, inclusive of taxes and duties, is required to be submitted after signing of contract.

5.9. **ToT (if applicable)**. GOI is desirous of licensed production of equipment after acquiring ToT in the case.

6. **Development Schemes**. Vendors should confirm that the following conditions are acceptable:-

6.1. The SHQ, assisted by PFT, will identify tentative Indian vendors as Development Agencies (DAs) based on feasibility studies and issue an Expression of Interest. Vendors may respond either individually or as part of an AoP consortium led by an EOI recipient.

6.2 Each DA must submit a DPR in the prescribed format alongside their EOI response, if asked for. The DPR should specify trials, items, facilities, and consumables to be provided free of cost, the number of free tests, and insurance coverage for collateral damages or third-party liabilities under the Indian Insurance Act, with associated costs included. Submission of a DPR in the correct format will be a qualification criterion for opening commercial bids, for which SHQ will share PSQRs and relevant PDD extracts with shortlisted DAs.

6.3 Following evaluation of EOI responses and DPRs (where required), PFT will recommend a list of capable Indian DAs for approval by the competent authority.

PART II - METHODOLOGY OF SEEKING RESPONSE OF VENDORS

7. With a view to identifying probable vendors who can undertake the said project, OEMs / Authorised Vendors / Government-Sponsored Export Agencies are requested to forward information on the product that they can offer. The parameters / broad specifications of the item are mentioned in the Vendor Information Proforma and Questionnaire at Annexure II of Appendix A.

8. Vendors must fill in the form of response as given in Annexure II of Appendix A. Apart from filling in details about the company, details about the exact product meeting other generic technical specifications should also be carefully filled. Vendors may also forward technical details / product brochures / literature, etc., of the item in question.

9. The required information/ details may please be forwarded at the following address by (date and time): -

User Directorate (Furnish postal address, telephone No, Fax No and e-Mail ID)

10. This RFI is being issued with no financial commitment, and the Ministry of Defence reserves the right to change or vary any part thereof at any stage. The Government of India also reserves the

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right to withdraw it should it be so necessary at any stage. The acquisition process would be carried out under the provisions of DAP 2025.

PART III - GUIDELINES FOR FRAMING CRITERIA FOR VENDOR SELECTION / PRE-QUALIFICATION IN BUY CASES

11. If not specified otherwise in any chapter in the DAP, the guidelines prescribed for short-listing / pre-qualification of Indian vendors in Buy cases are enumerated in the succeeding paragraphs. Paragraph 12 deals with the parameters that may be considered for short-listing of vendors, whereas Paragraph 13 amplifies the process for applying selected parameters to the process of Vendor Shortlisting.

12. **Parameters**.

12.1. **General Parameters**.

12.1.1. Applicant Entity should be an Indian Vendor as defined at Paragraph 22 of Appendix A above.

12.1.2. Business dealing with applicant Entity or any of its allied entities should not have been suspended or banned, by MoD / SHQ or any Government Department or organization (as defined in Guidelines for Penalties in Business Dealings with Entities issued vide Ministry of Defence, D(Vigilance) MoD ID No 31013/I/2006-D(Vig) Vol II dated 21 Nov 2016). None of the Promoters and Directors of the applicant entity should be a wilful defaulter.

12.1.3. "Entities" will include companies with whom the Ministry of Defence has entered into, or intends to enter into, or could enter into contracts or agreements.

12.1.4. "Applicant entity" may be a company, subsidiary, an associate company (as defined in the Companies Act, 2013), a consortium or a Joint Venture (JV).

12.2. **Technical Parameters**.

12.2.1. **Type of Entity**. Vendor shall be a manufacturing entity or a system integrator of defence equipment and not a trading company, except in cases where the OEM participates only through its authorised Vendors.

12.2.2. **Domain Experience**. Minimum two years' experience in broad areas like manufacturing, electronics, explosives, software development, systems integration, testing, calibration, etc., as applicable in the instant procurement case. If not, then cumulative experience of at least three years in the above areas, resulting in the gain of competence for manufacturing the proposed product. (In case the SHQ feels that for a particular equipment, a lesser experience could be accepted, then the same should be approved by the competent authority before including the same in the RFP).

12.2.3. **Integration Experience**. Where the product involves integration, previous experience of not less than one year/ one project in the integration of systems / equipment shall be required.

12.2.4. **Turnkey Projects**. Experience of successful completion of one Turnkey project of a similar nature within the last five years, with a value of at least 20% of the AoN cost or currently executing a contract of a similar nature with a value of at least

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30% of the AoN cost. In case of no experience in Turnkey projects, the vendor for the main component of the Turnkey project may be selected if it has experience as per paragraph 12.2.2. above and experience in the installation or integration of similar equipment / system or system of systems.

12.2.5. **ICT Cases**.

12.2.5.1. Certification to be included if linked to the scope of work – Gartner Quadrant / ISO9001 / CMMi3 or more (specifying development / service / acquisition models)/ ISO27001. For Information Security and large-value projects, preferably CMMi5 may be specified.

12.2.5.2. Compliance with IEEE / ITU standards depending upon the nature / type of project or solution required.

12.2.6. **Industrial License (IL)**. Vendors should either hold a valid defence industrial license or have applied for the same before responding to the RFP. In any case, the vendor must confirm holding of IL before commencement of FET. (Items requiring IL will be as per the latest directions from the Govt of India on the issue).

12.2.7. **Registration**. Registered for a minimum of two years (one year for MSMEs). The minimum number of years does not apply to JVs constituted specifically for a project.

12.2.8. **Maintenance, Repair & Overhaul**. Vendors should be capable of carrying out comprehensive Maintenance, Repair & Overhaul, calibration and obsolescence management of the equipment / platform / system indigenously, along with associated jigs, fixtures and test setups, during the designed service life of the equipment.

12.2.9. **Input / Output Protocols**. Vendors should be able to provide the Input / Output Protocols of devices / Line Repair Units envisaged to be replaced by indigenous equivalents or interfaced with equipment of the Buyer's choice.

12.3. **Financial Parameters**.

12.3.1. **Average Annual Turnover**. The minimum average annual turnover for the last three financial years, ending 31st March of the previous financial year, should not be less than 30% of the estimated cost of the project.

12.3.2. **Net Worth**. The net worth of entities, ending 31st March of the previous financial year, should not be less than 5% of the estimated cost of the project. For orders above Rs 5000 crores, the Net worth of group companies can be considered on the production of suitable documentary assurance.

12.3.3. **Insolvency**. The entity should not be under insolvency resolution as per the Indian Bankruptcy Code at any stage of the procurement process from the issuing of RFP to the signing of the contract.

12.3.4. **Credit Rating (Desirable Financial Parameter)**. Long-term credit rating equivalent to CRISIL rating on Corporate Credit Scale as CCR-BBB or better, and SME-04 or better for SMEs issued by credit rating agencies recognized by SEBI. Credit rating should be as of 31st March of the previous financial year.

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Note 1: All the above Financial Parameters, except Paragraph 12.3.3 above (Insolvency), will not be applicable for capital acquisition cases where the estimated cost is Rs 150 crores and below. However, the Net worth of entities should not be negative. For recognized Startups / registered MSMEs, refer to Para 13 and 14 of this Annexure.

Note 2: The turnover and net worth of the vendor shall be rounded off to the nearest lower ten/ hundred crores so as to keep the estimated cost of procurement confidential.

13. **Stipulations for Applying Parameters**.

13.1. Areas like manufacturing / electronics / explosives, etc., referred to in Paragraph 12.2.2. should be defined in each case of procurement.

13.2. In case the Applicant Entity is unable to meet the Financial Parameters by itself, it may rely on its Holding Company (as defined in the Companies Act, 2013 and amendments thereof) ("Companies Act") for fulfilment of the Financial Parameters, in which case reliance must be placed on the Holding Company towards fulfilment of all the Financial Parameters.

13.3. In case the Applicant Entity is unable to meet one or more of the Technical Parameters by itself, it may rely on a Group Company(ies) for fulfilment of the Technical Parameters. A Group Company in relation to the Applicant Entity may be:-

13.3.1. A company of which the Applicant Entity is an Associate Company. Such company should have ownership, directly or indirectly, of at least 26% of the voting shares of the Applicant Entity.

13.3.2. A company which is an Associate Company of the Applicant Entity. The Applicant Entity should have ownership directly or indirectly, of at least 26% of the voting shares of such Associate Company.

13.3.3. A Company with whom the Applicant Entity is commonly owned, directly or indirectly, for at least 26% of the voting shares by another company. For example: An Applicant Company A is an Associate Company of Company B, in which B holds at least 26%. Further, C is also an Associate Company of B, in which B holds at least 26%. In this case the Applicant Company may use the credentials of C as well.

13.3.4. The Holding Company and Subsidiary Companies (as defined under the Companies Act) of the Applicant Entity.

13.4. **Consortium**. The Applicant entity may be a single entity or a group of entities (the "Consortium"), coming together to implement the project. In this case the following are recommended: -

13.4.1. The credentials of only those members or their related entities may be counted who have at least a 26% equity stake in the Consortium.

13.4.2. Each Consortium should have a designated Lead Member with minimum 26% equity stake in the Consortium. The lead member should have an Industrial Licence as specified in Para 12.2.6 above.

13.4.3. For Technical Parameters, any of the Consortium members or their Group Companies may meet the criteria.

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13.4.4. For Financial Parameters, the Turnover and Net Worth of the Consortium Member shall be reckoned proportionate to the Consortium Member's equity stake in the Consortium, and each Consortium member should meet the other criteria of Insolvency and Credit Rating. In case the Consortium Member relies on its Holding Company for any one of the above-mentioned Financial Parameters, then reliance must be placed on the Holding Company for meeting all the financial Parameters.

13.5. Vendors should provide all necessary self-authenticated documentation in support of their achievement of criteria when requested during RFI or subsequent acquisition stages. Such documentation should inter alia include: -

13.5.1. Details of projects / supply orders successfully executed in the last two years.

13.5.2. Annual reports for three years of the applicant entity, parent and associate companies, consortium and JV partners.

13.5.3. Details of shareholders, promoters, associated, allied and JV companies.

13.5.4. Details of vigilance action, viz., ongoing investigation and suspension / debarment / blacklisting actions against the applicant entity or any of its allied entities, parent company or consortium and JV partners, if any, by any Department / agency of Central Government.

13.5.5. A certificate from CA / CS indicating the financial parameters for the last three years as per Paragraph 12.3.

Note: If a vendor is already a supplier to MoD and / or has already provided the above documents in such cases, it should be necessary for the vendor to resubmit only such documentation as is necessary to update the above.

13.6. Any vendor furnishing false information will be liable for action as per existing guidelines.

13.7. Based on these generic parameters, more specific criteria should be evolved by the SHQ concerning Technical and Financial parameters (Paras 12.2 and 12.3 above) in each procurement case, depending upon requirements peculiar to each case, keeping in view the overall need to ensure wider vendor participation. The specific criteria evolved by the SHQ for each case, as per these guidelines, may be approved by the competent authority before including the same in the RFPs.

14. **Start-ups / MSMEs**. Start-ups are defined as per G.S.R. 127 (E) dated 19 Feb 2019 (as amended). For procurement cases with estimated cost above ₹150 crores and up to ₹500 crores, recognized Start-ups/MSMEs in relevant fields may be considered for issue of RFP without financial parameters, except Paragraph 12.3.3 (Insolvency). General and technical parameters will be decided case-by-case. The same waiver applies for cases between ₹500–1000 crores, subject to DAC approval, where adequate justification as per Para 15 below exists.

(Note: Start-ups should not be confused with new entrants, i.e., large / mid-sized groups with financial support and manufacturing experience now entering defence production.)

15. **Guidelines to Seek Relaxation of Financial Parameters (₹500–1000 crores)**. Based on RFI inputs, if Start-ups/ MSMEs show substantive technical capability but lack financial credentials, SHQ may propose relaxation of financial criteria (excluding insolvency). SHQ must ensure Start-ups/MSMEs have adequate infrastructure, technical manpower, and capability to execute the

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procurement, meet delivery timelines, and maintain quality control. Approval of DAC will be sought through the Statement of Case for AoN, subject to the following conditions:

15.1. Technology/ product/ equipment/ platform has been designed and developed by Start-ups/ MSMEs for primary defence use or is of significant benefit to the defence sector.

15.2. Start-up/ MSME has successfully developed a prototype through the Make/ iDEX/ TDF route or has been selected as DcPP/ PA by DRDO for the same/ similar product.

16. The criteria for vendor selection shall be clearly stipulated in RFPs so as to maintain transparency. Care shall be taken to ensure that the stipulated criteria are not open to subjectivity and arbitrary interpretation.

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Annexure II to Appendix A
(Refers to Para 7 and 8 of Annexure I of Appendix A)

QUESTIONNAIRE: RFI FOR (NAME OF PRODUCT)

Vendor Information Proforma

1. Name of the Vendor / Proprietorship / Partnership Firm / Company / Joint Venture / Consortium etc. _____.

2. Contact Details.

Postal Address: _____
City: _____ State: _____
Pin Code: _____ Country: _____
Tele: _____ Fax: _____
URL/Web Site: _____ Email: _____

3. **Local Branch / Liaison Office / Agent (if any)**.

Name & Address: _____
Pin code: _____ Tel: _____ Fax: _____
Email: _____

4. **Entity Type**. Proprietorship / Partnership Firm / Company / Joint Venture / Consortium / Others (give specific details)

5. **Profile**. Please provide a profile of your Proprietorship / Partnership Firm / Company / Joint Venture / Consortium / Others, etc, including the Shareholding pattern, in brief.

6. **Incorporation Details**. Provide the details of the incorporation, along with the documents applicable.

7. **JV / Consortium Details (if applicable)**. Provide the details of the JV / consortium, along with the documents applicable.

8. **Category**. Large / Medium / Small / Micro / Startup (Please attach the relevant documents).

9. **Ownership Details of your Proprietorship / Partnership Firm / Company / Joint Venture / Consortium / Others, etc**.

9.1 What percentage of your company's capital is directly or beneficially owned by resident Indian citizens and/or Indian companies ultimately owned and controlled by resident Indian citizens?

9.2 What percentage of Foreign Direct Investment (FDI) exists in your company?

10. **Control of your Proprietorship / Partnership Firm / Company / Joint Venture / Consortium / Others, etc**.

10.1 Who holds the right to appoint the majority of directors in your company?

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10.2 Who controls the management or policy decisions of your company?

10.3 Provide details of shareholding, management rights, shareholders' agreements, or voting agreements that establish control of your company.

11. **Registration Details**. Provide the details of registration (if any) along with the registration date, and attach applicable documents.

Agency	Registration No.	Registration Date	Validity (Date)	Equipment
DDP				
GeM				
DGQA/DGAQA/ DGNAI				
DRDO				
Any other Government Agency				

12. **Membership of FICCI / ASSOCHAM / CII or other Industrial Associations**.

Association	Membership No.	Membership Date	Validity (Date)	Equipment

13. **Certification by Quality Assurance Organisations**.

Name of Agency	Certification	Applicable from (Date &Year)	Valid till (Date & Year)

14. **Name of Product Offered**. Please attach technical description / brochure of the product.

15. **General Parameters for Vendor Eligibility: as applicable and not limited to the following**: -

15.1. **Incorporation Details**. How many years / months has your Proprietorship / Partnership Firm / Company / Joint Venture / Consortium / Others, etc been incorporated?

15.2. **Government Suspensions or Bans**. Has your company or any allied entity ever been suspended, banned, or penalized by MoD, SHQ, or any Department/ organization of the Government of India? If yes, provide full details, dates, and outcomes.

15.3. **Entities with MoD Contracts**. Do you or your allied entities currently have / had contractual relationships with the Ministry of Defence? Please provide details of the contract.

16. **Technical Parameters for Vendor Eligibility: as applicable and not limited to the following**: -

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16.1. **Primary Role**. Are you a Manufacturer / System Integrator / Authorised OEM Vendor / Trading Company? Please Specify.

16.2. **OEM Authorisation**. If representing an OEM as an authorised vendor, provide the OEM authorisation letter and the scope of OEM authorisation.

16.3. **Relevant Domain Experience**.

16.3.1. Provide details of experience in projects in the instant procurement case.

16.3.2. Provide details of experience in broad areas like manufacturing, electronics, explosives, or other relevant areas applicable in the instant procurement case?

16.3.3. In case of no experience in areas applicable to the instant procurement case, describe how your cumulative experience has contributed to building competence for manufacturing the proposed product for the instant procurement case.

16.4. **Maintenance, Repair and Overhaul (MRO) Facilities**. Describe your capability for carrying out comprehensive Maintenance, Repair and Overhaul, during the designed service life of the equipment within India?

16.5. **Turnkey Projects (*if applicable*)**.

16.5.1 Provide details, of completed and ongoing Turnkey project of a similar nature executed by your organisation within the last five years.

16.5.2 In case your organisation has no experience in Turnkey projects of a similar nature, provide details of your organisation's experience in installation / integration of similar equipment, systems, or system of systems.

16.6. **ICT Projects (*If Applicable*)**

16.6.1. List certifications held by your organisation relevant to the scope of work (e.g., Gartner Quadrant, ISO9001, CMMi levels, ISO27001).

16.6.2. Provide details of compliance with IEEE standards applicable to the project or solution offered.

16.6.3. Provide details of compliance with ITU standards applicable to the project or solution offered.

16.6.5. Provide details of Input / Output protocols (APIs and ICDs) that can be offered, for interoperability with existing in-service / other systems.

16.7. **Industrial Licence (IL)**.

16.7.1. Do you hold a valid defence Industrial Licence for the item(s) in scope? If yes, attach IL.

16.7.2. If not already held, have you applied for an Industrial Licence? Provide application reference and expected timeline for receipt of IL.

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16.8. **Export Controls and Licences**. Describe export control, import licence, or regulatory approvals held with you for components / assemblies.

16.9. Provide details of consortium member / Group company, if relying on them for technical parameters.

17. **Financial Parameters for Vendor Eligibility: as applicable and not limited to the following**: -

17.1. **Average Annual Turnover**. State average annual turnover for the last three years as of 31 March of the previous financial year. Attach relevant documents.

17.2. **Net Worth**. Provide net worth as of 31 March of the previous financial year. Attach CA certificate.

17.3. **Insolvency Status**. Are you, or have you been, under insolvency resolution under the Indian Bankruptcy Code? If yes, provide details and current status.

17.4. **Credit Rating**. Provide long-term credit rating from SEBI-recognized agency as of 31 March of the previous financial year. Attach rating certificate.

17.5. Provide details of consortium member / Holding company, if relying on them for technical parameters.

.

18. **Indigenous Design Assessment: as applicable and not limited to the following**: -

18.1. Provide details of ownership of system-level designs, main system software / firmware and backbone architectures of the main system / equipment / platform of the proposed product offered by you.

18.2. What technical artefacts of the main product sought are available with your Proprietorship / Partnership Firm / Company / Joint Venture / Consortium / Others (e.g., design layouts, proprietary hardware documentation, documents, drawings, circuit diagrams, Gerber files, source codes, development environments, libraries, test qualification reports)?

18.3. Provide details of ownership of IP or design rights of the main system / equipment / platform and assemblies / components / technologies (if any).

19. **Indigenous Content (IC) Assessment: as applicable and not limited to the following: -**

19.1. What is the overall IC as per Para 25 of Chapter I of DAP 2025 that you can offer for the named product by the end of deliveries, if a contract is signed between MoD and you?

19.2. Of the above overall IC for complete deliveries, what would be the IC offered by you for material / components / software that are manufactured in India?

19.3. If IC shall be progressively achieved during different phases/stages of contract execution, how will you ensure that the cumulative IC meets the overall IC offered by you across all deliverables and stages? Please provide a brief of your indigenisation plan.

19.4. What is the IC as that you can offer for the prototype for trials?

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19.5. List out subsystems, LRUs, software, and fast-moving spares for the named product, for which indigenous production / sourcing is undertaken / planned by you?

19.6. What Input/Output (I/O) protocols (APIs & ICDs) of devices or LRUs of the named product can you provide for interfacing with equipment of the buyer's choice / envisaged to be replaced by indigenous equivalents?

19.7. Provide details of MRO facilities that can be established by you in India

19.8. List out important components, subassemblies, assemblies and subsystems / systems of the named product that shall be imported from foreign suppliers. Explain supply chain risk mitigation measures.

20. **Acquisition Category: as applicable and not limited to the following: -**

20.1. Is the product sought or upgrade currently in service with Indian Armed Forces, available in another sector, or not yet deployed? Please indicate the applicable status.

20.2. What is the Technology Readiness Level (TRL) of the product sought or upgrade being offered by you?

20.3. In what timeframe (months / years) can you provide a prototype of the product sought or upgrade thereof for trials?

20.4. Can you manufacture, test, and integrate the product sought? Please provide details of any ToT / MoU for licenced manufacture, assembly, integration & testing, maintenance infrastructure etc.

20.5. If a Foreign vendor, are you willing to provide Transfer of Technology (ToT) or Maintenance ToT (MToT)? Please specify the scope and depth.

20.6. If the equipment, system, platform, or upgrade is not yet developed / produced by you, can you develop the product sought or upgrade? If yes, please indicate the timelines required for development of prototype for fielding in trials.

20.7. Can you develop the required equipment/ system/ platform or upgrade within your own / industry resources / funding? If no, then please indicate requirement of funding from MoD for the development.

20.8. What is your current / expected production and delivery capacity per year?

20.9. Estimated Price of the Equipment.

21. **Operational Characteristics and Features.** ***(****The important Technical Parameters. will be decided by SHQ keeping in view security considerations. Details desired from the vendor w.r.t. Technical, Performance, Maintenance, Environmental, Raw Material, indicative costs and other characteristics may be obtained in form of a questionnaire, as decided by SHQ).*

22. Any Other Relevant Information.

23. **Declaration**. It is certified that the above information is true, and any changes will be intimated at the earliest. In case, at any subsequent stage of the acquisition process, it comes to notice

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that false information has been furnished in response to RFI, the EMD / PWBG may be forfeited, and MoD may impose any other penalty as deemed appropriate.

(Authorised Signatory)

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Annexure III to Appendix A
(Refers to Para 4 of Appendix A of DAP 2026)

CATEGORISATION MATRIX

Ser No.	Aspect	Vendor-I	Vendor-II	Vendor-III
General Parameters				
1	Name of Entity			
2	Indian / Foreign Vendor			
3	Type of Entity			
4	Date Incorporated			
5	Organisation Category			
6	Date Registered			
7	Industrial Licence Compliance			
8	Ownership by Resident Indian Citizen			
9	Control by Resident Indian Citizen			
10	Registration Details			
11	Industrial Association Memberships			
12	Quality Assurance Certifications			
13	Government Suspensions/Bans			
14	Wilful Defaulter Status			
15	MoD Contractual Relationships			
Technical Parameters				
16	Primary Role			
17	Domain Experience (Years)			
18	Cumulative Experience (Years)			
19	Competence from Cumulative Experience			
20	Integration Project Experience (Years)			
21	Past Integration Projects			
22	Manufacturing Facilities Description			
23	Manufacturing Certifications			
24	Production Capacity			
25	Major Equipment Inventory			
26	MRO Capability			
27	Turnkey Project Experience (Years)			
28	Ongoing Turnkey Project (Nos)			
29	Component Vendor Experience in Turnkey Projects (Years)			
30	Installation/Integration Experience (Years)			
31	ICT Certifications			
32	IEEE Standards Compliance			

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Ser No.	Aspect	Vendor-I	Vendor-II	Vendor-III
33	ITU Standards Compliance			
34	Information Security Measures			
35	I/O Protocols and Interoperability			
36	Export/Import Control Requirements			
37	Export/Import Control Plans			
38	Reliance on Group Company (Technical)			
39	Consortium Member Technical Contributions			
40	Lead Member Industrial Licence			
Financial Parameters				
41	Audited Financial Statements			
42	Average Annual Turnover			
43	Net Worth			
44	Insolvency Status			
45	Credit Rating			
46	Reliance on Group Company (Financial)			
47	Consortium Member Turnover/Net Worth			
48	Consortium Member Insolvency Criteria			
49	Consortium Member Credit Rating			
50	Group Company Reliance Coverage (Financial)			
Indigenous Design Assessment				
51	Design Origin (India)			
52	Ownership of System-Level Designs			
53	Acquired Foreign Design/IP Rights			
54	Standard Licences Used in Design			
55	Rights from Design Ownership			
56	Available Technical Artefacts			
57	Proprietary Hardware Documentation			
58	System-Level Designs and Architectures			
59	Performance Simulation Capabilities			
60	Component Substitution / Obsolescence Management			
61	IP Held (System-Level)			
62	IP Held (Subsystems/Components)			
63	Licence Agreement ToT Source			
Indigenous Content (IC) Assessment				
64	Overall Indigenous Content (Deliveries)			
65	Indigenous Content (Materials/Components/Software)			
66	Progressive IC Achievement Plan			

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Ser No.	Aspect	Vendor-I	Vendor-II	Vendor-III
67	Indigenous Content (Prototype)			
68	Indigenous Subsystems/LRUs/Software/Spares			
69	Additional Indigenous Sourcing via Technology Absorption			
70	I/O Protocols for Indigenous Interfacing			
71	Indigenous MRO and Calibration Activities			
72	Imported Components/Subassemblies/Assemblies			
Acquisition Category Identification				
73	Development Origin (India/Partners)			
74	Current Status (Service/Other Sector/Not Deployed)			
75	Technology Readiness Level (TRL)			
76	Prototype Availability Timeline			
77	Manufacture/Test/Integration Capability			
78	Foreign Vendor ToT/MToT Willingness			
79	Development Capability and Timelines			
80	Development Risk Assessment			
81	Funding Source (Own/MoD)			
82	Induction Timeline			
Operational Characteristics				
83	Technical/Performance/Maintenance/Environmental Parameters			
84	Other Relevant Information			

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Appendix B to Chapter I
(Refers to Para 24.5 of Chapter I of DAP 2026)

UNDERTAKING TO COMPLY WITH INDIGENOUS DESIGN

We, _____ ("Name of Vendor"), do hereby certify, undertake and confirm that:

1. The ownership and control of _____ ("Named of Vendor") rests with a resident Indian citizen and we comply with the definition of Indian Vendor as laid down in Para 22 (including Sub-Paras 22.1 and 22.2) of Chapter I of DAP-2025.

2. The Design of _____ ("Named Product"), as claimed by us in response to the RFP No _____ dated _____is owned wholly by us / by an Indian entity that is _____.

3. Further, we confirm that the Design of the _____ ("Named Product"), as claimed by us, has not been licensed from a foreign third party except for standard software licences such as, but not limited to OS / Database / _____ (Strikeout / Specify as applicable).

4. The ownership of the Design, as claimed by us, enables us to manufacture, realise, sell, provide Through Life Support, modify upgrade, develop next generation versions of the Named Product and export the Named Product to any country approved by the Government of India without any encumbrances. We also claim to provide through life cycle support without dependence or liability on Foreign OEMs for constituent elements or components of the product.

5. (Applicable for Platforms / Systems)1 We own the system level designs, backbone architectures, system level software down to source codes, development environment and necessary libraries that enables us to carry out the following :-

5.1 Performance simulation of the system.

5.2 Specifying and evaluating constituent equipment / components of the system and substituting them with equivalent ones complying with specifications.

5.3 Capability of adapting design for obsolescence of constituent elements / components.

Or

(Applicable for Equipment)1 We have designed, developed and validated the design of the Named Product and are in possession of the following :-

5.1 Design documents, drawings and circuit diagrams of all proprietary hardware including semiconductor integrated Circuits Layout-Designs (SICLD).

5.2 Software / firmware down to source codes and development environment with necessary libraries.

5.3 Test qualification reports.

Note 1 – Strike out as applicable

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6. We own the following Intellectual Property (IP) Rights of core technologies that are used in the design and development of the Named Product / as specified in the RFP (Specify any Patents, Registration of Designs, etc if any, held by the Vendor): -

_____
_____

7. We own the following Intellectual Property (IP) Rights in relation to the design of subsystems / components / LRUs of the Named Product (Specify any Patents, Registration of Designs, etc if any, held by the Vendor): -

_____
_____

8. We further certify that we have licenced / assigned the requisite rights to manufacture the 'Named Product' to (Name of Indian Vendor / Manufacture). (Strike out if not applicable)

9. We also undertake to permit MoD / MoD appointed Specialists Committee, to inspect/ carry out technical verification at our premises of the applicable documents, such as design layouts, documents and drawings, detailed circuit diagrams, Gerber files, source codes, development environments, essential libraries, and test qualification reports etc, as may be reasonably necessary and required to prove the above claim of ownership of the Design of the Named Product. (Examination on site at company's premises only. Documents, in any form, are not be sought nor required to be submitted for examination outside the Company's premises)

10. Failure on our part to prove the ownership of the Design of the Named Product by us / by an Indian entity or submission of any false undertaking or claim as indicated in the response at any post contract stage of the intended procurement may make us liable to forfeiture of the PWBG to the extent of any direct losses or damages suffered by the MoD as a consequence of such false undertaking or failure to prove the ownership of the Design.

Signed by:

'Responsible Designated Official' Seal of Vendor / Design Agency

(Name of Vendor / Design Agency) Date:

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Appendix C to Chapter I
(Refers to Para 25.6 of Chapter I of DAP 2026)

INDIGENOUS CONTENT (IC) PROFORMA

Name of the Project / Contract Details:						
Ser No.	**Description**	**(In USD)**	**(In EURO)**	**(In GBP)**	**(…...)**	**Total (`)**
1.	Foreign Content (FC) excluding Custom Duties					
	- Basic Equipment and Material (by Prime Vendor and Tiers Vendors, as applicable)					
	- Manufacturer's Recommended List of Spares (MRLS) (by Prime Vendor and Tiers Vendors, as applicable)					
	- Special Maintenance Tools (SMT) (by Prime Vendor and Tiers Vendors, as applicable)					
	- Special Test Equipment (STE) (by Prime Vendor and Tiers Vendors, as applicable)					
	- Freight / Transportation & Insurance (if paid by supplier)					
	By 'Others' (@ 90% FC)					
	Sub Total (A)					
2.	Import of Services					
	- Royalty Fee					
	- Licence Fee if any					
	- Technical know-how fee					
	- Consultation fees					
	- Other fees / payment					
	Sub Total (B)					
3.	Raw materials, components, sub-systems, LRUs, or software exported from India and subsequently imported back as part of foreign goods / systems as mentioned in Para 1 above (C)					
	FC = (A + B - C)					

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Name of the Project / Contract Details:						
Ser No.	**Description**	**(In USD)**	**(In EURO)**	**(In GBP)**	**(…...)**	**Total (`)**
Computation of Indigenous Content						
4.	Base Exchange Rate (D)					
5.	FC in INR E = (FC x D)					
6.	Base Contract Price (F)					
7.	Cost of MRO Hub (G)					
8.	Cost of transportation, insurance, installation, commissioning, training, AMC / CMC / After Sales Services and Buyer Nominated Equipment (H)					
9.	**Indigenous Content [{(F+G-H-E)x100} / (F+G-H)]%**					

Note:

1. Base Exchange Rate will be Selling Rate of Parliament Street Branch of State Bank of India, New Delhi as on the last date of submission of bid.

2. Consolidated IC Proforma / Certificate of Prime Vendor and applicable Tiers vendors will be maintained by Prime Vendor and made available on demand for verification by MoD.

3. IC Proforma / Certificate are to be submitted along with or before the final invoice of the contract. At all prior stages the Prime Vendor shall submit an undertaking of compliance.

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Appendix D
(Refers to Para 25.6 & 25.7.3 of Chapter I of DAP 2026)

FORMAT FOR CERTIFICATION OF INDIGENOUS CONTENT AS PER ANNEXURE I TO THIS APPENDIX

VENDOR'S CERTIFICATE

This is to certify that we, _____ (Name of Prime Vendor / Tier Vendor) have achieved / are offering the following IC in the accompanying delivery under contract / equipment being offered for trials / prototype / delivery, as defined under the Defence Acquisition Procedure and as required under the RFP / Contract (tick whichever is applicable) No _____ dated _____.

(a) Overall IC: ____ %

(b) IC on account of material / components / software: ____ % (____ % of Overall IC)

Signed by:

'Responsible Designated Official' Seal of Vendor

_____ (Name of Vendor) Date:

AUDITOR'S CERTIFICATE

We (legal name of Verification Firm) _____, established in _____ (Full address) represented for signature of this Verification Certificate by (Name and designation of Authorised Representative), hereby certify that: -

The above-mentioned Indigenous Content (IC) proforma has been examined and all checks of the supporting documentation and accounting records deemed necessary were carried out in order to obtain reasonable assurance that, in our opinion, based on our Verification, the Indigenous Content percentage _____ % (in numbers and words) and Indigenous Content Percentage on account of material / components / software _____ % (in numbers and words) which is _____ % (in numbers and words) of overall IC reflected in the above mentioned proforma has been achieved by _____ (Name of Vendor) during the manufacture of _____ (Name of Equipment).

Certified by:

Statutory Auditor/ Cost Auditor / Certified or Licensed Cost Accountant / Chartered Accountant (as applicable) Seal of Verification Firm

Date:

(Name / Name of Firm)
Membership Number / Regiation Number

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CHAPTER II

ACQUISITION PROCEDURES FOR CATEGORIES UNDER 'BUY' AND 'BUY AND MANUFACTURE' SCHEMES

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ACQUISITION PROCEDURES FOR CATEGORIES UNDER 'BUY' AND 'BUY AND MANUFACTURE' SCHEMES

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Appendix A to Chapter II
(Refers to Paragraph 2 of Chapter II of DAP 2026)

FORMAT FOR SERVICES QUALITATIVE REQUIREMENTS

1. The SQRs, as far as possible, will follow a standardised format as under :-

1.1. Introduction & Operational Philosophy/ Proposed Employmentof equipment/ system/platform.

1.2. **Essential Parameters-A.** These are parameters that are generally a part of the contemporary equipment available in the market and form the core of the SQRs; Essential Parameters -A will be tested and validated at FET stage. These Parameters comprise of:-

1.2.1. **Operational Parameters.** These are unambiguous, non-negotiable, essential functional requirements laid down by SHQ, which clearly define basic profile of an equipment/system, specifying minimum acceptable performance requirements thereby defining 'Core Capabilities' of the equipment/system.

1.2.2. **Technical Parameters.** Based on the Operational Parameters, scientific and technical characteristics required in the system to achieve these operational capabilities would be drawn out after due analysis of contemporary and developing technology in the field.

1.2.3. **Maintainability & Ergonomic Parameters.** These parameters will primarily relate to aspects like maintenance, crew comfort, storage of equipment, packing material etc.

1.3. **Essential Parameters-B.** Though not available originally in the equipment fielded for the FET, these parameters can be developed and achieved by the vendors using available technologies. These parameters need to be tested and validated within a specified time frame as stipulated in the contract. These tests for Essential Parameters - B should also validate that there is no adverse effect on any of the Essential Parameters - A. However, vendors should be able to substantiate and need to provide an undertaking, at the bid submission stage, that they will develop and meet the Essential Parameters-B with their existing capabilities, on entering into a contract. In procurement cases involving Essential Parameters - B, an Additional Bank Guarantee (ABG) valued between 5% and 10% of the contract value of equipment required with Essential Parameters - B, as determined by the AoN according authority, needs to be submitted, in addition to the Performance Bank Guarantee; the quantum of the Additional Bank Guarantee must be stated in the RFP. Failure to meet the Essential Parameters - B after signing of the contract and within the stipulated time frame, will lead to forfeiture of all bank guarantees (Performance cum Warranty Bank Guarantee, Additional Bank Guarantee and Advance Payments Bank Guarantees if any) and attract other penal provisions as may be prescribed by the Government. On meeting the Essential Parameters - B as per contract terms, the Additional Bank Guarantee will be released and returned to the contracted vendor. Essential Parameters - B may be evaluated at the FET stage, if any equipment, as claimed by the vendor(s), can meet them and are willing to get their equipment trial evaluated for Essential Parameters B at FET stage (a written undertaking in this regard will be obtained from the vendor prior to commencement of FET by SHQ).

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However, failure to comply with Essential Parameters - B at the FET stage will not be criteria for rejection and the Vendor will be evaluated for the same post contract. Essential Parameters - A and Essential Parameters - B (if applicable) are non- negotiable requirements to be met by the vendor, prior to commencement of equipment delivery. The provision to incorporate in Essential Parameters - B will be used only when required, with approval of AoN according authority and will not be used when two or more vendors claim to possess the same at the RFI stage. Essential Parameters-B will not be included in ab-initio single vendor cases. Essential Parameters - B may also be incorporated in the SoC, for provision of partial quantities of the items being procured, to meet different/higher specifications for specific operational requirements.

1.4. **Enhanced Performance Parameters (EPP) with proposed Credit Scores.** EPP are those parameters that enhance the capability of the equipment, vis-à-vis the operational, technical, maintainability/ergonomic parameters; a SQR may not contain EPP in all cases. Inability to meet the EPP does not preclude vendors from being eligible for the bidding/bid evaluation. However, if a vendor claims to have equipment meeting the EPP as specified in SQR and RFP, then they must provide details of the same in their technical bids, which have to be tested for compliance during the FET itself. Equipment successfully meeting the EPP parameters will be awarded a credit score of up to 20%, for evaluation of L1, with each individual attribute not exceeding a credit score of up to 5%, as approved by the AoN according authority. In case procurement involves EPP, then the EPP and their credit scores need to be explicitly detailed in the RFP. In such cases, if the equipment supplied by a vendor does not have the EPP, then the commercial quote of the vendor, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the commercial quote will be multiplied by a credit factor less than and greater than or equal to 0.8, based on the additional technical score assigned for the EPP, as detailed in the RFP. For example, if a vendor quotes Rs 10 crores for an equipment and meets a certain EPP for which an additional credit score of 2% is being provided, then the commercial quote of this vendor will be considered for L1 determination purpose only, as Rs 9.8 crores (10 crores multiplied by 0.98) and not Rs 10 crores; however, for all purposes other than L1 determination, the value of the commercial quote will be considered as Rs 10 crores only.

1.5 **Desired Parameters(for formulation of PSQRs).** In cases wherer PSQRs are formulated the following may be included.

1.5.1. Operational Parameters.

1.5.2. Technical Parameters.

1.5.3. Maintainability & Ergonomic Parameters.

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Appendix B to Chapter II
(Refers to Paragraph 7 of Chapter II of DAP 2026)

STATEMENT OF CASE TO BE CONSIDERED BY SPB/DPB/DAC FOR CATEGORISATION AND ACCORD OF AON

NAME OF PROPOSAL -

SERVICE -

CATEGORISATION STATUS -

REFERENCE NO ALLOCATED -
(To be entered by concerned Secretariat)

SPB -

DPB -

AC -

1. Deficiency in capability necessitating proposed acquisition. *(The Operational Capability Gap assessed by SHQ to be unambiguously elaborated, due to which the proposed acquisition is considered essential. Mitigation of the Operational Capability Gap upon acquiring the equipment to be also highlighted).*

2. **Detailed justification**. (Including operational role and capability that ia planned to be acquired.)

3. **Proposed Equipment**.

3.1. Details of proposed equipment. *(The details have to match with the Scheme Nomenclature included in the relevant AAP).*

3.2. AAP Ser No : (In case included in AAP). If not included in AAP same to be mentioned with reasons).

3.3. Date of RFI response by vendors.

4. Associated acquisition required subsequently (if any), to make the equipment operational. *(Mention separate acquisition proposals being progressed/ planned to be progressed (if any), which are necessary to operationalise this proposed acquisition).*

5. Is the proposal for replacement/upgrade/new induction making up scaling deficiency/ new induction with new scaling? *(If proposal is for replacement, list the equipment being replaced).*

6. **Quantity Required**. *(Elaborate on the reasoning utilised to arrive at the proposed quantity. Qty vetting to be completed prior to SPB/DPB/DAC)*. In case of missile procurement the option to procure missiles in two forms, one in ready to fire configuration and partially ready to fire may be included.

7. In case of phased induction of equipment, what are the quantities sought in various plan periods/ stages?

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8. **Status of Scaling of the equipment**. *(If the proposal is against an existing Scale, mention the Scaling authority and attach the copy as an Appendix to the Statement of Case. If the case for scaling is under progress, mention the particulars of the document with the agency where it is under processing. War Establishment document also can be used for justification of the scaling).*

9. Life cycle of the new equipment.

10. Whether ToT considered. *(If ToT is considered, mention the PA identified by the foreign vendor).*

11. How is the product support catered for the full life cycle of the equipment? (*Mention details of the envisaged product support as anyone or combination of Maintenance by respective Service Maintenance Agency by Engineer Support Package (ESP)-Manufacturer recommended List of Spares (MRLS)/AMC/CMC/LCSC/PBL. Also, elaborate on the proposal for executing O, I and D Level repairs).*

12. Waiver for mandatory establishment of MRO hub within India. (*In case MRO hub is not being established in India, SHQ to justify the reasons for the same*)

13. Is a ToT proposed for providing Maintenance Infrastructure to an Indian firm?

14. **SQR/JSQR**. *(Attach copy of the draft/ approved SQRs, PSQRs, ORs, Scope of Work (SOW), Technical Specifications, Standard of Preparation (SOP as applicable and included as an Appendix to the Statement of Case. In cases where Essential Parameters 'B' are sought, the quantity of equipment required with these parameters must be defined with justification. In cases where Enhanced Performance Parameters are sought, the recommended weightage/credit scores for each Parameter must be defined with justification. Final SoC to SPB/DPB to be forwarded with approved SQR).*

15. For repeat order cases, are there any changes in SQR, modifications of minor nature or upgrades of assemblies/sub-assemblies involved? *(In case these conditions are involved, mention the need for a Commercial RFP with validation of modifications/upgrades (if any). Details of previous repeat orders also to be mentioned).*

16. **Delivery Schedule**. Time Schedule for delivery/ induction. *(Provide details of delivery/ induction schedules. Define the T_0 unambiguously).*

17. **Trials**.

17.1. **Scope of Trials**. *(The type, location, team composition and methodology for conduct of Trials to be defined. In case two stage trials is to be conducted, the justification of the same to be included).*

17.2. **Reimbursement of Cost of Trials**. (*In case being proposed the details to be specified).*

17.3. **Mode of QA**. (*The mode of QA proposed for the case to be included as recommended by internal BOO of the SHQ, a copy of the BOO to be included as an Appendix to the SoC. Refer Guidelines for selection of QA at Annexure I*)

17.4. **Two stage trials**. Splitting of Trials in two stages. (The justification for acceptance of split in trials be included in the para and the parameters that will be trail evaluated after signing of contract to be included as a separate appendix to the SoC.

17.5 Waiver of trials in IGA cases in Buy Global cases. The justification for waiver of trials for equipment procured in Buy Global cases through IGA be included in the para.

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18. **Manpower requirements**? *(In case new raisings with accretion of manpower is envisaged, mention the particulars of the document with the agency where it is under processing for authorisation of the manpower accretion)*

19. **Turnkey**. Is the acquisition proposed as a Turnkey Projects? *(In case a Turnkey Project is considered, a Detailed Project Report prepared by SHQ is to be attached as an Appendix to the Statement of Case)*.

20. Is a Single Vendor case being proposed? *(In case a Single Vendor case is being proposed, provide the details of the vendor with detailed justification).*

21. **Option Clause**. All cases shall include a specific analysis of the feasibility of exercising the Option clause, MoD Fin shall assess long-term financial implications of exercising Option Clause.

22. Specify the Financial Implication. *{Specify the cost of proposed acquisition (inclusive of taxes and duties), additional requirements like warranty, Engineer Support Plan (ESP), other RFP parameters and recurring expenditure (if any), the basis of projected financial implication and the Base Year for which the cost is indicated. In case of iDEX/ TDF cases, specify the indicative cost. In case of Make cases, cost to be split into Prototype Development Phase and Procurement Phase. Also, specify requirement of pricing by Costing Committee in cases where procurement is to be carried out in a SVC or as BNE from DPSU/ (JV between an Indian DPSU/ DRDO and a Foreign/ Domestic Entity on the basis of an IGA or otherwise)}*.

23. Whether the proposed acquisition is included as a Scheme in the AAP? *(In case it is included, mention the AAP Serial Number. Also, mention the linkage to ICDP)*.

24. **Proposed Acquisition Category**. *(Provide detailed justification and attach categorisation matrix prepared by BOO for recommending categorisation as well as reasons why each of the higher priority categories have not been considered suitable for the purpose. AoN according authority will consider the same while carrying out categorisation).*

25. **Proposed IC**. (*In case SHQ proposes higher or lower threshold IC than the stipulated IC, justification to be provided).*

26. Sub-Systems, LRUs, Software and Fast Moving Spares Identified for Mandatory Production within India. (*Sub-Systems, LRUs, Software and Fast Moving Spares for mandatory indigenous production to be identified as part of the RFI process by SHQ and included in the SoC. Justification to be provided in case nil items identified*)

27. Devices / LRUs identified for which Input / Output protocols shall be provided by the vendors. (devices / LRUs envisaged to be replaced by indigenous equivalents or interfaced with equipment of buyer's choice *to be identified as part of the RFI process by SHQ for mandating vendors to provide Input / Output protocols, and included in the SoC. Justification to be provided in case nil items identified*)

28. **Mode of Acquisition**. (*The mode of procurement ie open tender/ limited tender/ Single vendor/ GeM with justification*).

29. **Comments of HQ IDS.** *(HQ IDS will provide comments on interoperability, commonality and non-inclusion of the proposed acquisition in PILs*).

30. **Comments of HQ DRDO**.

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31. **Comments of DDP**.

32. **Comments of JS & AM**.

33. **Comments of ADG Acq Tech.**

34. **Comments of MoD (Finance)/ IFA (Capital).** *(MoD (Finance) will provide comments on quantity vetting and Financial Implications).*

Approvals Sought.

35. AoN.
36. Category.

37. IC Requirements.

38. Quantity.

    33.1. Buy quantities as FF, SKD and CKD (if applicable).

    33.2. Make quantities after absorption of ToT.

39. Estimated cost (including all taxes and duties and Engineering Support Plan).

40. Essential Parameters B (if applicable).

41. Weightage/Credit Scores. EPP/ ID (if applicable).

42. ToT including details of PA (if applicable).

43. MToT including details of PA (if applicable).

44. Trials (Scope/ Waiver/two stage/ reimbursement of cost of EUT).

45. Mode of QA.

46. Timelines for Trials for Essential Parameters B (if applicable).

47. Product Support. Warranty and ESP through MRLS/AMC/CMC/LCSC/PBL sought (if any).

48. Waiver for mandatory establishment of MRO hub within India (if required).

49. Sub-Systems, LRUs, Software and Fast Moving Spares identified for Mandatory Production within India.

50. Devices / LRUs identified for which Input / Output protocols shall be provided by the vendors

51. Mode of Procurement. (*Open tender Enquiry/ Limited tender enquiry/ Single tender enquiry/ GeM, etc)*

52. Specific approval for Pricing by CC/ Open tendering/ Sourcing through GeM Portal.

53. Any other aspect that require specific approval, including imports.

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Sd/- xx
(Head of User/Plans Dte/equivalent)
Date

Note: *(1) Col/Equivalent may sign the SoC provided Noting sheet number with date of approval of Head of User/Plans/Directorate/Equivalent is quoted.*

(2) Sentences in Italics are guidelines for generating response to each Paragraph. These are not to be reproduced in the SoC for acquisition.

Details to be Mentioned by Concerned Secretariat

54. Recommendation of DPB including Reference No Allotted.

55. Decision of DAC/DPB/SPB and Reference No allotted.

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Annexure I to Appendix B

(Refers to Paragraph 17.3 of **Appendix B**)

GUIDELINES FOR SELECTION OF QUALITY ASSURANCE AGENCY

1. **Quality Assurance (QA) Aspects**.

QA is required to ensure product and services consistently meet user requirement, regulatory standards and safety compliances. Certain industries and businesses over a period of time have evolved and matured, thereby providing a very high product reliability by adopting stringent QA and QC procedures to foster user trust, loyalty and retain business competitiveness. In order to promote 'Ease of Doing Business', the QA aspects will be governed as enumerated in succeeding paragraphs.

2. **Types of QA**. As per the Buyer requirement, following types of QA will be under taken :-

2.1 First Party (Seller) QA.

2.2 Second Party (Buyer) QA.

2.3 Third Party QA.

3. **First Party QA**. QA agency of the Seller would be undertaking QA task during Trials and PDI with oversight by Buyer. QA by the First Party (Seller) would normally be undertaken for products wherein the OEM is known for its product quality and stringent QC compliance. The same shall be applicable for COTS items, low tech items and/or items available on GeM. In such cases, the AHSP/AMSP will be the OEM while HQ TGEME/MAG (Army)/equivalent organisation from IAF/IN/ICG will be associated with the vendor for Root Cause Analysis (RCI) & Joint Defect Investigation (DI). PDI and JRI will be done by SHQ nominated BOO. The acceptance of product by BOO would be based on certification from Govt agencies (ARAI/CERT/ICAT), NABL accredited Labs as enunciated in Trials Methodology and ATP.

4. **Second Party QA**. The QA task would be undertaken by Buyer either through DGQA/ DGAQA/ DGNAI as its nominated QA agency or through a BOO nominated by SHQ.

4.1 Buyer Nominates DGQA as its QA Agency. QA task would be undertaken by as per the Quality Assurance Instructions & Technical Evaluation Plan formulated by the user in consultation with the QA Agency. DGQA/ DGAQA/ DGNAI will invariably be nominated as QA agency for Armament, SA, Ammunition, Missile and D & D Cases. In such cases, the AHSP will be the DGQA/ DGAQA/ DGNAI and it will be associated with the vendor for Root Cause Analysis (RCI) & Joint Defect Investigation (DI). DGQA will be involved in PDI while the JRI will be undertaken by SHQ nominated BOO. In case proof test is required to be undertaken during JRI, then rep of DGQA will be member of BOO.

4.2 **Buyer Nominates BOO for QA Tasks**. QA task would be undertaken by a BOO nominated by SHQ. Technical rep from Services should be incorporated as a member in this board. This option should be used for equipment or product with proven/ mature technology, adequately exploited in the civil domain and can be inducted in to Services with minor modifications. In such cases, the AHSP/AMSP will be held with the OEM while HQ TGEME/MAG (Army)/equivalent organisation from IAF/IN/ICG will be associated with the vendor for Root Cause Analysis (RCI) & Joint Defect Investigation (DI). PDI and JRI will be done by SHQ nominated BOO.

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4.3 Combination approach as defined at Para 4.1 & Para 4.2 above may be undertaken with clearly defined tasks to be under taken by DGQA and BOO nominated by SHQ. In such cases, nomination of AHSP/AMSP would be based on vendors' RFI response while DGQA will be associated with vendor for Root Cause Analysis (RCI) & Joint Defect Investigation (DI). PDI and JRI will be done by SHQ nominated BOO with rep of DGQA associated during PDI.

5. **Third Party QA**. The Buyer may also nominate an external agency for undertaking QA on their behalf. Third party QA may be undertaken for but not restricted to PMO or Turnkey Projects including modernisation/ upgradation projects and Projects involving Pre and/or Post Contract Management Consultancy. In such cases, AHSP/AMSP would be decided by the SHQ on case-to-case basis.

6. **Selection of QA Agency**. Selection of Type of QA and QA Agency would be done by SHQ through BOO duly approved by Competent Authority and incorporated in the AoN.

7. **Holding of Digital / Virtual Twin**. Wherever feasible and considered necessary by the user, digitisation of certain AHSP functions will enable the OEM, User and DGQA (when nominated as 2nd Party QA) to simultaneously and accurately hold the equipment design. Digitisation may commence with obtaining of Digital Twin and subsequently upgrade to holding of Virtual Twin. Digital and /or Virtual Twin may be sought where feasible from the vendors as part of ESP/ Product Support. Any change management would be controlled and done post concurrence of SHQ.

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Appendix C to Chapter II

(Refers to Paragraph 27 of Chapter II of DAP 2026)

SPECIFIC PROVISIONS FOR BUY INDIAN AND MANUFACTURE IN INDIA

1. **Transfer of ToT.** While seeking AoN, the SHQ shall specify in the SoC, the technologies required to be absorbed by the Indian vendor, as per categorisation given at para 21 & 22 of Chapter I od DAP 2026.

2. **RFP Provisions.** The RFP shall seek Software Support throughout the Life Cycle of the equipment and also provisions related to future upgrades, as applicable. Representatives of DRDO will be associated with in the collegiate vetting of RFPs involving ToT.

3. **Undertaking by Participating Vendors.** Vendors, while responding to the RFP, shall ensure that their foreign partner(s) from whom ToT is obtained should be OEMs or their authorised licensees, design agencies or government sponsored export agencies. In addition, such foreign partner(s) should not have been suspended or debarred by the MoD. In case the foreign partner(s) of the vendor are suspended or debarred by MoD, the vendor shall indicate the same and will furnish details of such ban / debarment along with copy of Government letter under which this ban / debarment / suspension was lifted / revoked along with justification for participation of that partner in the procurement case. MoD shall take a call on the matter based on penal provisions on the subject.

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Appendix D of Chapter II

(Refers to Paragraph 29 of Chapter II of DAP 2026)

GUIDELINES FOR PREPARATION OF RFP

1. RFP will generally consist of five parts as under:

1.1. **Covering Letter.** The covering letter provides a brief synopsis of the project giving the broad description of equipment and systems, various timelines of bidding process and special features of the RFP.

1.2. **General Requirements.** The first part elaborates the general requirement of the equipment, the numbers required, the time frame for deliveries, Non- Disclosure, Business Eligibility, Indigenous Content, Preservation, Training and ToTs for Maintenance Infrastructure and warranty conditions etc. It specifies the prescribed procedure and last date and time for submission of offers.

1.3. **Technical Requirements.** The second part of the RFP incorporates the SQRs describing the technical parameters of the proposed equipment in clear and unambiguous terms. In case equipment is being procured for the first time and needs to be evaluated, the RFP will include the requirement of field evaluation either on a 'No Cost No Commitment' (NCNC) basis or compensation basis as approved in the AoN except when exempted. The details of environmental parameters for functioning, conditions of usage and maintenance, requirement for training, Engineering Support Package (ESP), Life Cycle Support, aspects related to Performance Based Logistics or/and Annual Maintenance Contract (AMC), Quality Assurance, Packaging and Marking, Detailed Project Report (DPR) and Project Monitoring will also be included here. Compliance of offers would be determined based on the parameters spelt out in the RFP.

1.4. **Commercial Requirements.** The third part of the RFP outlines the commercial aspects of the procurement, including clear statements on Payment Terms, Performance-cum-Warranty Guarantees, and Additional Bank Guarantee in respect of Essential Parameters-B (if applicable) and Guarantees against Warranty Services to be performed by the supplier. It also includes standard contract terms along with special contractual conditions, if any. DPSUs will also furnish all Bank Guarantees, as applicable, while participating in multi-vendor cases along with private vendors. DPSUs will, however, be exempted from submitting all Bank Guarantees when nominated as Ab-initio Single Vendor in the AoN. In cases where only Indian Vendors participate, a Price Variation Clause (PVC) may also be incorporated in the RFP for all cases where the period of deliverables commencing post contract is more than 36 months in accordance with General Financial Rules (GFR) guidelines. PVC will be applicable from 18 months after last date of bid submission till bid opening date, provided the delay is not on account of the bidder and thereafter from contract effective date onwards, on the cost of the basic equipment and separately on AMC/CMC/PBL/LCSC as relevant. Formula and application of the PVC. PVC formula will apply only to the Indian Rupees component of the price. Exchange Rate Variation will be applicable to the Foreign currency component of the price, if stated as part of the RFP.

1.5. **Bid Evaluation and Acceptance Criteria.** The fourth part of the RFP defines the criteria for evaluation, trial methodology and acceptance, both in terms of technical and commercial contents. A format will be enclosed for submission along with commercial offer to facilitate preparation of Comparative Statement of Tenders (CST) duly incorporating credit score for EPP wherever applicable and identification of Lowest (L1) vendor. Submission of

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incomplete details in the format enclosed, along with commercial offer, will render the offer liable for rejection.

2. **Retention of Trial Equipment.** For trials conducted in the country, trial equipment of compliant vendors may be retained till the approval of Staff Evaluation report. In case, SHQ desires to retain trial equipment beyond the Staff Evaluation stage, the same will be stated **upfront in the RFP**.

3. **Compensation of Cost of Trials**. In cases where SHQ intends to compensate the cost of Trials to vendors whose equipment has been found comliant in staff evaluation post Trials and where specific approval of AoN according authority has been obtained, the details and modalities for such reimbursement will be included in the RFP as finalised in the AoN.

4. **Trial Methodology.** The **Trial Methodology will be part of the RFP** and should be, to the extent feasible, comprehensive and un-ambiguous in its scope. SHQ will ensure that trial methodology is realistic and commensurate to employability and applicability based QR validation. The Trial Methodology should provide the vendors a clear and objective assessment of the extent of trial evaluation, including parameters where vendor certification, Certification of Conformance and trials by simulation are accepted. As far as feasible, SHQ, along with trial agencies may interact with OEM(s)/vendors prior to finalising the Trial Methodology. In case of two stage trials as approved in AoN, the trial methodology to clearly specify the what all parameters will be evaluated at which of the stages, in doing so it should also be ensured that no trials are repeated.

5. **Contents of Trial Methodology.** The following should be included in the Trial Methodology:

5.1. **Trial Matrix.** Trial methodology shall inter-alia include a 'Trial Matrix' giving details of qualifying parameters that will be part of trial evaluation, i.e. physical characteristics, operational and technical and environmental parameters, MET and EMI / EMC tests, as applicable. **Technical Evaluation plan** will form part of the Trial Methodology and later translated to Trial Directive. For technical trials, the vendor will arrange for requisite test facilities at OEM premises/accredited laboratories/facilities for conduct of static and dynamic testing.

5.3. **Certificate of Conformance (CoC).** Attributes/parameters for which Certificate of Conformance (CoC) along with test standards and test results from NABL/ internationally accredited/ government designated labs are acceptable, should be clearly mentioned, so as to enable prospective vendors to obtain necessary certifications for submission as part of RFP response or during FET, as applicable. In such cases, RFP shall indicate the CoC format (where applicable) which is required to be submitted along with technical bids for validating CoC.

5.4. Cases where parts of FET are not envisaged, the same should be stated upfront in the Trial Methodology. Also, where Trials are planned in two stages, the details of such Trials will be included in the Trial Methodology.

5.5 The Trial methodology to also include the number of Equipment under Trials that are required to be submitted along with the date of submission.

6. **Quality Assurance (QA) Aspects.** *(Quality Assurance Plan shall be limited to formulation of ATP jointly by the User in consultation with the QA Agency, vendor and DRDO (if applicable) and stage inspections by QA Agency shall not be insisted upon).* User will formulate specific QA Instructions in consultation with the QA agency, as per relevant tests mentioned in standards and the same will form part of the RFP as QAP. The following issues will be clearly stated as part of the QAP:-

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6.1. QA Parameters where certification / trials by simulation are accepted will be given out.

6.2 The successful bidder would also be required to provide those test facilities at OEM premises/accredited laboratories for quality assurance, which are not available with QA agencies. Details of the same will be intimated to the bidder during finalisation of ATP in Technical Trials.

6.3. **Details Related to Acceptance Test Procedure (ATP).** The QA Plan, as part of the RFP, will clearly specify indicative reference for number of samples for destructive tests planned to be carried out during the technical trials as well as acceptance trials, which will be provided at the Seller's cost, over and above the quantities to be delivered. These would include missiles/ammunition to check proof firing, assemblies/sub-assemblies for destructive test etc, required to assure quality and reliability of the equipment. In case, additional quantities than those mentioned in the RFP, are required by QA agencies during ATP, the same will be provided for by the vendor at the Buyer's cost. The RFP will include the layout of the ATP as a draft and accordingly inform vendors to submit draft ATP as per this layout, as applicable, along with their Technical Bid or at least one month before commencement of FET. Based on the draft ATP submitted by the vendor, ATP will be finalised by the User in consultation with QA agency and the vendor during the Technical Trials (QA and Environmental Testing). In cases where no FET is to be conducted, ATP will be finalised at the CNC stage. ATP shall be included in the contract at the time of finalisation with successful bidder and will lay down the tests to be carried out during Pre Dispatch Inspection (PDI) and Joint Receipt Inspection (JRI). It will be ensured that there are no repetitions of QA tests in PDI and JRI. JRI should normally be restricted to quantitative checks only, except where check proof is required to be carried out. SHQ should ensure that only necessary tests are undertaken during PDI/JRI and not the complete parameters as evaluated during FET. Details of QA agency of the Buyer {First Party (SHQ)/ Second Party (DGQA/ DGAQA/ DGNAI/ MSQAA)/ Third Party Inspection (TPI)}, as applicable will also be included in the ATP. For JRI, QA agency of the Buyer if required, will be at the discretion of SHQ.

6.4. **Details of Authority Holding Sealed Particulars (AHSP).** The QA Plan will also give out the details of the nominated AHSP and time for handing over required particulars to the AHSP, if applicable. It should be ensured that acceptance inspection is not delayed the due to AHSP issues. In case the acceptance is delayed beyond 15 days, the total period of delay will be excluded from the delivery period of the vendor.

6.5. In case, the procurement is being done for more than one service, the QA Agency of the lead service will be responsible for all QA aspects for the entire case, to include PDI and JRI for the entire quantities.

Transfer of Technology (ToT)

7. In cases where ToT is being sought, SHQ, in consultation with nominated Public Sector PA/DRDO (private sector PA)/ Private vendor and other stakeholders as applicable, would prepare detailed ToT requirements, as applicable, for inclusion in RFP as follows:

7.1. Technologies to be acquired along with the range and depth of ToT to cover technology for design/development and manufacture of systems, sub-systems, assemblies, components, materials etc by Indian ToT partner as well as for repair, overhaul, besides production from Completely Knocked Down (CKD)/Semi Knocked Down (SKD) kits, production from raw material and component level. Care should be taken that the RFP clearly brings out the verifiable scope of range and depth of ToT required. Aspects to be included in the RFP are given at Appendix F to Chapter II of Handbook on Guidelines & Annexure.

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7.2. Minimum threshold of Indigenous Content (IC) to be achieved in the Case. Vendors will be asked to furnish an 'Indigenisation Plan' indicating proposed stage wise IC.

7.3. Setting up indigenous eco-system for manufacturing of major equipment, systems, sub-systems, assemblies, components, spares, materials, etc.

7.4. Making Indian ToT partner as a global/regional hub for manufacturing systems, sub-systems, assemblies, components, spares, materials, etc of the main equipment.

7.5. Tier I/II/III/IV suppliers of the OEM to either set-up indigenous manufacturing facility or enter into Joint Venture with Indian companies to progressively manufacture their equipment, systems, sub-systems, assemblies, components, spares, materials etc in India.

Note. AoN according authority may choose to incentivise enhanced ToT or IC, on case to case basis. Details of such proposals are to be included in the SoC, at the time of seeking AoN, and the Incentivisation model is to be incorporated in the RFP. Incentive will only be payable post proper verification of enhanced ToT/IC. If such incentivisation is proposed to be included in L-1 determination, suitable penalties for failure to deliver enhanced ToT or IC, must be defined upfront in RFP and Contract.

ToT For Maintenance Infrastructure

8. For Buy (Indian) and Manufacture in India,Buy (Global) and Manufacture in India and Buy (Global) category cases, the provision of ToT to an Indian vendor for setting-up maintenance infrastructure would be approved by AoN according authority as required. In case the MToT is approved in the AoN, the RFP would spell out specific requirements of ToT for Maintenance Infrastructure covering all/any of the following aspects:

8.1. Ensure Indian entity is able to support operation and deployment of the platform/equipment on sustainable basis.

8.2. Ensure Indian entity is self-sustainable to provide 'Intermediate', 'Depot' and 'Overhaul' level repairs, maintenance and upgrade for entire life cycle of equipment.

8.3. Set-up requisite test facilities/infrastructure for undertaking testing/ certification for the entire life cycle of the equipment.

8.4. Set-up an ecosystem for manufacture of sub-systems, assemblies, components, spares, materials, etc, in India.

8.5. Make India, a regional/ global hub for MRO for the Platform/equipment.

9. Spares, repairs and services support required from vendor for ToT to Indian entity would be implemented under long term contract. The proposal for Maintenance Transfer of Technology (MToT) shall also include Active Obsolescence Management through Life Cycle Support of the equipment including upgradation of system/subsystem/components on completion of its fair service life.

10. **Indian Entity.** The Indian entity could be a Government agency such as entities like Army Base Workshops /Naval Dockyards/Naval Aircraft Yards/ Base Repair Depots of Air Force/DPSUs/ other Govt agencies or Indian Private Vendor. Existing technical arrangements if any, of the foreign OEMs with Indian industry, may be taken cognisance of. In case MToT is being transferred to Indian private firms, the AoN according authority may permit foreign vendors to partner a suitable Indian

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industry of their choice. Wherever required, the broad eligibility criteria for selection of Indian private firms as MToT partner may also be included in the RFP.

Product Support

11. To sustain and support platform/equipment through its operational life cycle, SHQ will ensure that Product Support requirements for atleast 2 to 5 years beyond the warranty period will be procured along with the main equipment. Foreign OEM (FOEM) may utilise their 'wholly owned in-country entity' to provide the desired product support without dilution of the Seller's obligation to execute contracted liabilities. The details of all the requirements as required should be included in the RFP. The equipment could be provided product support through any one or combination of the following details which are elucidated in subsequent paragraphs:

11.1. Maintenace through Maintenace agency of the Service through Engineering Support Package (ESP)-MRLS.

11.2. Annual Maintenance Contract (AMC).

11.3. Comprehensive Maintenance Contract (CMC).

11.4. Life Cycle Support Contract (LCSC).

11.5. Performance Based Logistics (PBL).

12. Product Support is a mechanism to ensure maintainability, performance and reliability throughout the operational life of the equipment, thereby ensuring 'Capability Sustenance' along with 'Capability Acquisition'. The structure of the Life Cycle Support package is to be aligned with the envisaged Repair and Maintenance Philosophy which inter-alia would include supply of spares, special tools, repairs of defective equipment / modules / LRUs, services of specialists and creation of maintenance eco-system, etc. The flowchart assited guidelines for ESP, MRLS and training is at Annexure I to this Appendix.

13. **Maintenance Philosophy.** Maintenance of the equipment is structured on three different levels. The Maintenance philosophy can be categorised into 'O', 'I' & 'D' levels depending upon the technological complexity of the equipment as under:

13.1. **'O' Level.** Includes Unit and Field Repairs (1^{st}& 2nd Level).

13.1.1. **Unit Repairs.** Repairs, carried out within the unit holding the equipment using tools supplied by the manufacturer as per scaling. These repairs generally pertain to cleaning, lubrications, minor repairs and replacement of components and minor assemblies including Line Replaceable Units (LRUs) etc, carried out without any sophisticated tools or test equipment. The manufacturer is required to provide the following as per provisions in the RFP for carrying out such repairs:

13.1.1.1. Table of Tools and Equipment (TOTE) including operators manual.

13.1.1.2. Scaling of Special Maintenance Tools (SMT), Special Test Equipment (STE) and Special Equipment (SE).

13.1.2. **Field Repairs.** Repairs carried out at field/flotilla/station level or equivalent service organisation by technicians specially trained for the purpose, requiring special tools and spares provided additionally for the class of the equipment. These repairs comprise replacement of common Line Replaceable Units (LRUs), sub-modules, other

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components beyond the holding of units and repairs undertaken beyond a unit level. Normally, a field/station workshop covers such repairs of a group of units holding the said class of equipment and their number will be stated based on equipment deployment pattern. The manufacturer in addition to the basic unit level SMTs/STEs/SE, is required to provide the following:

13.1.2.1. Quantity and specification of spares up to sub-module level, other replaceable components that need to be stocked for a specified population and class of the equipment.

13.1.2.2. Additional Special Maintenance Tools and Test Equipment needed for each such field/flotilla/station work shop.

13.2. **'I' Level.** Includes 3rd level Intermediate Repairs by Corps Zone workshop/Dockyard/Base Repair Depot or other similar service organisation. These are extensive or special repairs carried out to include component level repairs. This level of repair envisages special diagnosis and repairs of the repairable inventory up to Printed Circuit Board (PCB) level, major assemblies, interface equipment/software and other components beyond the scope of field/flotilla/station level repairs. These repairs are carried out in the designated workshops by technicians specially trained for this purpose requiring special tools and spares and the number of such facilities will be stated based on equipment deployment pattern. The manufacturer is required, among others, to provide the following:

13.2.1. Quantity and specification of spares up to PCB level that need to be stocked for a population of the equipment.

13.2.2. Special Maintenance Tools and Test Equipment that has to be provided to each of these workshops.

13.2.3. Oils and lubricants necessary for Servicing.

13.2.4. All necessary technical literature.

13.2.5. Calibration facilities for test equipment, where applicable.

13.3. **'D' Level.** These repairs include 4th level extensive Base Overhauls (BOH)/ Depot level Repairs which are either routine and planned or necessitated due to major repairs/renewal requirements requiring stripping and rebuilding of equipment. Extensive repairs of components / sub-assemblies and overhaul of the complete equipment is carried out by this facility and due to the complexity requires specific technical knowledge, infrastructure, related documentation, experience and proper quality control. Post such repairs, detailed trials are conducted usually by the overhauling agency, prior to handing over of the equipment to the unit for operational exploitation. Depending on the population of the equipment, such facilities may be established in the country. For this, the manufacturer is required to provide the following:

13.3.1. All Special Maintenance Tools, jigs, fixtures and test equipment for carrying out repairs up to component / PCBs/ module level.

13.3.2. Oils and lubricants necessary for overhaul.

13.3.3. All necessary technical literature.

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13.3.4. Calibration facilities for test equipment.

14. To sustain and support platform/equipment through its operational life-cycle, SHQ will ensure that Product Support requirements for at least 3 to 5 years beyond the warranty period will be procured along with the main equipment. The equipment could be provided product support through any one or combination of the following details which are elucidated in subsequent paragraphs (refer the guidelines at Annexure I for arriving at the desired type of Product Support):-

14.1. Maintenance by Services Maintenance Agency with Engineering Support Package (ESP)

14.2. Annual Maintenance Contract (AMC).

14.3. Comprehensive Maintenance Contract (CMC)

14.4. Life Cycle Support Contract (LCSC)

14.5. Performance Based Logistics (PBL)

Engineering Support Package (ESP)

15. ESP is the basic engineering support the Seller needs to provide to the Buyer for undertaking essential repairs and maintenance of the equipment during its exploitation. These repairs and maintenance would be done by the Maintenance agency of the Services in consonance with the Maintenance Philosophy enunciated above. ESP would constitute the following aspects:-

15.1. Spares.

15.2. SMTs/STEs test set-up.

15.3. Technical Documentation.

15.4. Training.

16. **Spares.**

16.1. **Manufacturer's Recommended List of Spares (MRLS).** List of spares, recommended by the manufacturer, for maintaining operational serviceability of the equipment and sustain it for the period as stipulated in the RFP. Cost of the MRLS, along with likely consumption rate of spares would be provided with the Technical proposal. The MRLS will be supported by Reliability & Maintainability (R&M) report for the proposed spares along with their Mean Time Between Failure (MTBF). MRLS would be provided separately for each such sub system. In order to prevent manipulation of the quantum of MRLS for commercial competitiveness or overload unnecessary MRLS, 'Adequacy' clause and 'Buy Back' clause will be co-opted in the contract as under:

16.1.1. **'Adequacy' Clause.** The Seller will confirm to the Buyer the range and depth of Accompanied Accessories/ User Replaceable Parts/Expendable, Spares and SMT/STE/Test Jigs being supplied are complete and adequate for carrying out repairs on the equipment up to the specified level. The Seller will also commit that any additional items, spares, tools and equipment needed for use, maintenance and repair will be supplied by the Seller at prices and within a period as specified in the contract, on receipt of notification from the Buyer for the Life-Cycle Support period. The Seller

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will confirm that, if two different prices have been given for the same/similar item, then the lower price quoted will prevail. In case, the quoted accessories have several items viz, Sampling Accessory Kit and add up price of these items is higher than the quoted price of the accessory, then the price would be lowered / adjusted proportionately for the items.

16.1.2. **'Buy Back' Clause.** The Buyer would have the option to amend the Manufacturer's Recommended List of Spares (MRLS) proposed by the Seller within a period specified in the contract, post expiry of the warranty period. The Seller needs to agree to either 'Buy Back' the spares rendered surplus or exchange them on 'cost-to-cost' basis with the spares, as required by the Buyer. The said spares would be purchased / replaced by the Seller, based on the prices negotiated in the contract.

Note. Vendors quoting lesser ESP / MRLS in terms of range and depth will be governed by the Adequacy Clause. The vendors quoting surplus items in ESP / MRLS would have to buy back the surplus spares as per the Buy Back Clause.

16.2. **User Defined List of Spares (UDLS).** Cases where the equipment is already in use with the Service, the initial lot of spares will be procured based on the UDLS, as recommended by the Maintenance Agency instead of the MRLS.

17. **Special Maintenance Tools (SMTs), Special Test Equipment (STE) and Test Jigs.** SMTs, STE and Test Jigs are essential tools/Jigs/fixtures required to undertake effective engineering support / repairs on the equipment and its systems, based on the Maintenance Philosophy. This would be formulated in a similar manner as explained for MRLS and details are to be included in both Technical and Commercial Proposals. SMTs, STEs and Test Jigs will be provided by the Seller, as per the list prepared by the Buyer on completion of MET, where applicable. The list of equipment required to be supplied will incorporate Adequacy Clause, as elaborated above.

18. **Technical Documentation.** The Bidder will be required to provide the technical literature preferably in IETM (Interactive Electronic Training Manuals) Level 4 format or higher. An illustrated list of documents which may be submitted by the Seller is as under:-

18.1. User Handbook/Operators Manual in English and Hindi.

18.2. **Technical Manuals.** (as per governing JSG/Guide for other technologies)

18.2.1. **Part I.** Tech description, specifications, functioning of various systems.

18.2.2. **Part II.** Inspection/Maintenance tasks repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/Special Test Equipment (STEs).

18.2.3. **Part III.** Procedure for assembly/disassembly, repair up to component level, safety precautions.

18.2.4. **Part IV.** Part list with drawing reference and List of SMTs/STEs Test Bench.

18.2.5. Rotable list, norms of consumption, mandatory/ non-mandatory spares list for each system.

18.3. Table of Tools & Equipment (TOTE) & carried spares.

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18.4. Complete Equipment Schedule.

18.5. Repair and Servicing schedule.

18.6. Design Specifications.

18.7. Technical Manual on STE with drawing references.

18.8. Condemnation limits.

18.9. Packing specifications /instructions.

18.10. Any additional information suggested by the OEM.

19. **Details of OEMs.** For major / complex equipment, a large number of other OEMs may also be involved in manufacture of various systems/sub systems / support equipment. Details of such OEMs will also be intimated by the Seller as per table below:-

Table 1 - Format for Submitting Details of OEMs

Ser No	Equipment	Part No	OEM	Contact Details (Tel/Fax/Email)	Details of Government License to OEMs

20. **Training.** A training package for operators, operator trainers and maintenance personnel to undertake operation and maintenance of equipment (level 1 to 4 or 'O'/ 'I'/ 'D') and QA personnel for QA of equipment as stipulated in respective contract, along with tools and test jigs training would be required to be carried out in English and Hindi (if required) language. Requirements such as training aids, projection system, complete equipment with accessories, technical literature, spares, test equipment, test set up, charts, training handouts, power point presentations, Computer Based Training (CBT), Documentation, Simulators etc will be provided by the Seller for the conduct of training. Training should preferably be conducted before the induction of the equipment. The Seller will provide the Operator and Maintenance & Repair training, for the duration, strength and locations specified in the RFP and Contract.

Maintenance Contracts

21. Maintenance Contracts are recommended for conclusion along with the acquisition of the equipment for providing maintenance support. These would be covered under Annual or Comprehensive Maintenance Contracts (CMCs) for a period of at least three to five years beyond the warranty period. The AMCs/ CMCs would be provided by the OEM / licensed entity / OEM authorised representative and would commence on completion of warranty period. In case of M ToT not envisaged, contracts for overhaul, major servicings by OEM to be included in the RFP.

22. **Annual Maintenance Contracts (AMC).** AMC will include Maintenance and Repair services by the Seller in order to ensure serviceability of the equipment covered / services desired for pre-determined annual periods. The spares consumed in execution of these services are to be provided by the Buyer or cost paid to the Seller, in addition to the AMC charges. In these contracts the services of the specialist are costed based on the pre- determined Man-day rates. Therefore, the

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rates for Services of Specialists and hiring Special Tools comprising all-inclusive man-day rates at shore, and on operational platform viz, ship at sea, aircraft will have to be submitted. The following AMC clauses will form part of the contract: -

22.1. **Period.** The Seller would provide AMC for a period as stipulated in the contract covering repair and maintenance of the specified equipment and systems purchased under the present contract. The Buyer Furnished Equipment which is not covered under the purview of the AMC should be separately listed by the Seller.

22.2. **Spares.** The Spares will be provided by the Buyer and would be supplied through the spares contracted under the Engineering Support Package mentioned above or the cost of spares paid to the Seller, in-addition to the AMC charges.

22.3. **Response and Repair Time.** During the AMC period, the Seller would carry out all necessary servicing/repairs to the equipment/system under AMC at the current location of the equipment. The response time of the Seller should not exceed the time specified in the contract from the moment the breakdown intimation is provided by the Buyer. Prior permission of the Buyer would be required in case certain components/sub systems are to be shifted out of location. Maximum repair turnaround time for equipment/system would also be as specified in the contract. However, the spares for other systems should be maintained in a serviceable condition to avoid complete breakdown of the equipment/system.

22.4. **Termination of Contract.** The Buyer may terminate the maintenance contract at any time without assigning any reason after giving a suitable notice as agreed to in the contract. The Seller will not be entitled to claim any compensation against such termination and, if any payment is due to the Seller for maintenance services already performed, the same would be paid as per the contract terms.

23. **Comprehensive Maintenance Contracts (CMC).** Comprehensive Maintenance Contracts are concluded for a pre-determined period in multiples of annum. The scope of CMC, in addition to services of the Specialists as mentioned for AMC, include provisioning of spares, tools and equipment as required for maintenance and repair of the equipment. In this arrangement, the OEM will ensure that the down time of the equipment does not exceed the minimum period stipulated in the CMC. In such cases, Engineering Support Package may be reduced proportionately based on the operational requirements and functional sensitivities such as geographical spread, remote location, poor connectivity, intense threat environment precluding employment of civil support, etc. CMC will include all corrective and preventive maintenance of the systems, equipment and machinery in satisfactory working order and 'Planned Preventive Maintenance' (PPM), repairs, servicing, calibration, replacement of defective parts, sub-assemblies, equipment, preservation /de-preservation as applicable. All equipment supplied under the proposed contract will be maintained on site by the Seller. CMC will ensure performance of the equipment in the range and accuracies as set in equipment Technical Manual. The equipment proposed to be under CMC would be listed along with their locations. An equipment repair Log book will be maintained to keep a record of the equipment down time during defect rectification. The scope of work would also involve the following:

23.1. **Preventive Maintenance.** The maintenance of the equipment is to be carried out by the Seller at the Buyer premises. The equipment will be maintained as per the OEM specified maintenance schedules and equipment manuals. However, the number of visits by the supplier to the customer premises should be at least once a quarter or as agreed to in the contract. The preventive maintenance team visiting the unit should be composite and possess sufficient expertise and spares to carry out preventive maintenance activities and resolve any pending unserviceability issues of the equipment.

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23.2. **Breakdown Maintenance.** In addition to preventive maintenance, the supplier will also be responsible to undertake breakdown maintenance of the equipment. Defects on the equipment as and when observed, will be intimated to the Seller by telephone/ fax. The Seller will depute a team for undertaking repairs of the equipment within two working days from the reporting of the defect, in order to make the equipment operational. The supplier will need to diagnose, test, adjust, calibrate and repair / replace the goods/equipment during the CMC period. However, defective hard disks, strong devices, if any, of the equipment, will not be returned to the supplier and would be retained for destruction / safe custody. The downtime of the equipment will commence from the time a defect is reported by the user and the log of the same would be maintained.

23.3. **Calibration.** Periodic inspection and calibration services as set forth in the equipment manual shall be provided by the supplier, to ensure operational availability of the equipment. Requisite certificates may be rendered whenever major repairs/maintenance on equipment is undertaken.

23.4. **Spares.** Supply of all parts (spares sourced from the OEM/OEM authorised vendor), including consumables, if any and material required for the optimal performance of the equipment as per the designed specifications mentioned in the equipment manual would be the responsibility of the Seller.

23.5. **Software.** The supplier will provide support for maintenance of the software(s) during the period of CMC and would include the following:

23.5.1. Upgrades, patches, fixes to the OS and the Application software.

23.5.2. Back-up and restoration of software, as and when required.

23.5.3. No malware certificate.

23.5.4. Version of the software and IV & V (Independent verification and validation) certificate as per the applicable CMM Level, depending on the criticality of the equipment.

23.5.5. Method of checking the health of the software and debugging methods.

25.6. **Obsolescence Management.** The obsolescence management for the equipment delivered under the scope of contract would from part of CMC Services. The obsolescence management will include providing "Form, Fit and Function" replacement of any system/sub system rendered obsolete during the period of CMC.

Life Cycle Support Contract (LCSC)

26. A life cycle support contract (LCSC) would be signed along with the main acquisition contract where applicable. Life-cycle support for all types of equipment through its service life would be provided by the Seller through a LCSC, which inter-alia would include supply chain to ensure platform supportability and availability in accordance with specifications, supply of spares, special tools, repair of defective equipment / modules / LRUs, services of specialists, creation of maintenance eco-system, obsolescence management, etc.

27. The Seller will provide life-cycle support through a Life Cycle Support Contract (LCSC) as per the agreed terms.. LCSC would bind the Seller to provide product support through Long Term contract (for upto 8 years) for supply of spares, repairs and Man-day rates of Specialists. The RFP

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shall clearly mention that the vendor would have to finalise the terms for the life time product support and the LCSC along with the main contract only. These terms will be included in the RFP for visibility of the vendor. LCSC, will also include active obsolescence management, wherein even after the mandatory period, the Seller would be bound to give at least two years notice to the Government of India prior to closing the production line to enable a Life Time Buy of all spares. Under the LCSC, Spares and Repair support would be provided by the Seller through the following Rate contracts which would be signed with the main contract:-

27.1. **Itemised Spare Parts Price Lists (ISPPL).** ISPPL for all Spares or Line Replaceable Units (LRUs) of the equipment along with their Base price, annual escalation, delivery period and the MTBF (where applicable) be provided, at the time of submission of offer. The ISPPL shall also include details of the source, especially for items which are COTS, bought-out, proprietary, etc. ISPPL shall also indicate interoperability of spares across projects, in case spares/equipment is already inducted in the Indian Armed Forces. The Seller would submit a comprehensive Itemised Spare Parts Price Lists (ISPPL) comprising the following: -

27.1.1. Complete Part Identification List (PIL) for all Spares or Line Replaceable Units (LRUs), along with corresponding unique part numbers. The list is not to be limited to MRLS (Depot spares) or On-board Spares (spares along with the system) and should comprise entire list of spares.

27.1.2. Base Price list of each of the spares along with annual escalation at time of submission of the offer.

27.1.3. Delivery Period of each spare after receipt of Order.

27.1.4. Mean Time Between Failure (MTBF), where applicable.

27.1.5. Terms and conditions for supply of spares.

Table 2 -Illustrative Format for Submitting Details of Spares

Ser No.	Part No.	Description	Qty/MoQ (where applicable)	Unit Price List (along with annual escalation)	Delivery Period	If Recommended, as MRLS

Note: - The following details be included in the spare parts submission offer:

27.1.6. Sourcing of spares with respect to COTS and Proprietary.

27.1.1. Interoperability of spares across projects, in case the part/system/sub- system, etc. is already inducted in some other equipment currently in service or has been contracted for supply to the Indian Armed Forces.

27.2. **Repairable Items Price Lists (RIPL).** RIPL would comprise of all repairable sub systems/ blocks and units. Wherever applicable, source of components required for repairs of units should also be specified. RIPL will also indicate reparability of these in India. Seller should submit RIPL comprising of the following:

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27.2.1. Complete catalogue of repairable spares (at LRU level), along with their Part numbers. Source of components required for repairs of units should also be specified, wherever applicable.

Ser No	Part No	Description	Repairs to be Undertaken		Unit Qty	Price Lists (along with annual escalation)	Delivery period
			In India	OEM Premise			

27.2.2. Base Price list for repairs clearly indicating repairs that can be undertaken in India and at OEM premises. RIPL will comprise of all repairable sub systems/ blocks and units.

27.2.3. Terms and conditions for undertaking repairs be specified.

27.2.4. Delivery Period after receipt of order must be mentioned.

27.2.4. For imported equipment, the impetus is to undertake repairs in India. Repair list in such cases should clearly segregate the list of items that can be repaired in India and those that have to be undertaken to the OEM premises.

Table 3 - Illustrative Format for Submitting Details of Repairable Spares

Note: - The following aspects to be ensured:

(i) Repair costs to be all-inclusive (collection/delivery ex-Depot).

(ii) Warranty post repairs will be as specified in the contract document.

27.3. **Man-Day Rates for Services/Special Tools.** Man-day Rates for Services/Special Tools of Specialists (where applicable) should be specified corresponding to the categorisation of specialists, e.g. Designers, Engineers and Technicians, as applicable. Man-day Rates for hiring Special Tools, where applicable will also be provided.

Performance Based Logistics (PBL)

28. For certain equipment /platforms, the life cycle support could also be provided through implementation of the Performance Based Logistics (PBL). The requirement of PBL would be specified in the RFP. The PBL is a Supply Chain concept for optimising the availability of spares and services support to meet the pre-determined level of operational availability. The criteria for the PBL supply chain is based on approved Performance Metrics. The OEM or the contracted Vendor would implement the desired Supply Chain Management system for meeting the operational performance level. The vendor shall provide overall logistics support and perform tasks, functions and

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responsibilities to support the equipment as a PBL package. PBL Contract will be finalised in the CNC between the Buyer and Seller as applicable to the case.

29. The PBL package is inter-alia based upon the following aspects:

29.1. Type and number of Equipment.

29.2. PBL Duration.

29.3. Desired Exploitation Rate per equipment per year.

29.4. Desired average and overall equipment availability.

29.5. Maximum acceptable downtime.

29.6. Acceptable MTBF and time for repairs.

29.7. Mode and timelines for replenishment of Spares.

30. **Equipment Delivery & Base Opening Plan.** The PBL package would be designed based on the equipment deliveries and the number of bases where equipment will be deployed.

31. **Performance Metrics.** The performance metrics are measurable performance indicators. Seller/buyer agree on, what is a successful outcome of the metric and mutually agree on performance of each metric. Both, the level of required outcome and, the related key metric need to be spelt clearly. This is necessary to manage performance and consequent remuneration, which can be an incentive in case of exceedance in performance, and penalty, in case there is short fall in desired outcome.

32. **Vendor Responsibilities.** Division of responsibilities between the vendor and buyer, for various activities under PBL would be clearly defined as per a Vendor Responsibility Matrix. The nature of such responsibilities would differ on case to case basis, but an indicative list of vendor responsibilities is as follows-

32.1. Supply Chain Management up to the Buyer's central Warehouse.

32.2. Repair and Overhaul of all components/LRUs of the equipment delivered during the PBL period.

32.3. Repair/replacement of spare parts.

32.1. Replenishment of all expendables to support the periodic maintenance activities of equipment.

32.1. Compliance of modifications, Airworthiness Directives & Mandatory Service Bulletins (MSBs) etc.

32.1. Calibration and maintenance of the GSE, GHE, STE and role equipment.

32.1. Provide an Information Technology (IT) tool for managing information with the Buyer.

Online Inventory Management System (OIMS) (where applicable)

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33. To leverage information technology and ensure expeditious order placement as well as timely product support, SHQ may ask the Seller to provide an Online Inventory Management System (OIMS), as per mutually agreed format, to place Purchase/Repair Orders (as applicable) online. The OIMS shall also provide feature to track the delivery status of the items. Further the OIMS should provide dashboard for intimation on obsolescence and offer of lifetime buy along with provision for user to interact with the OEM for technical assistance etc. The detailed scope and features of OIMS shall be finalised during the negotiations on LCSC. The OIMS may be decided on case to case basis.

Active Technology Obsolescence Management (where applicable)

34. OEM will indicate his methodology to undertake Active Obsolescence Management through life cycle of equipment which would include upgradation of systems/ subsystems/ units on completion of its fair service life. The Seller/OEM (as applicable) shall also intimate the Buyer on likely technology obsolescence of various sub-assemblies/units/modules of equipment through an Annual Bulletin. In case of impending obsolescence of components, bulletin should specify either alternate item or option for life-time buy as under:

34.1. The Seller/OEM (as applicable) will notify the Buyer not less than three years before the closure of its production line about the intention to close production of equipment for provision of purchasing spare parts, before closure of the said production line.

34.2. Three years prior to completion of design/service life of equipment, the Seller/OEM (as applicable) will submit techno-commercial proposal for upgradation of equipment, wherever applicable, to mitigate technology obsolescence and for ensuring product support for next 15 years (or any other period as decided).

35. The flowchart assisted guideline for Packaging, preservation, delivery, acceptance, payment terms and warranty is attached as **Annexure II to this Appendix**.

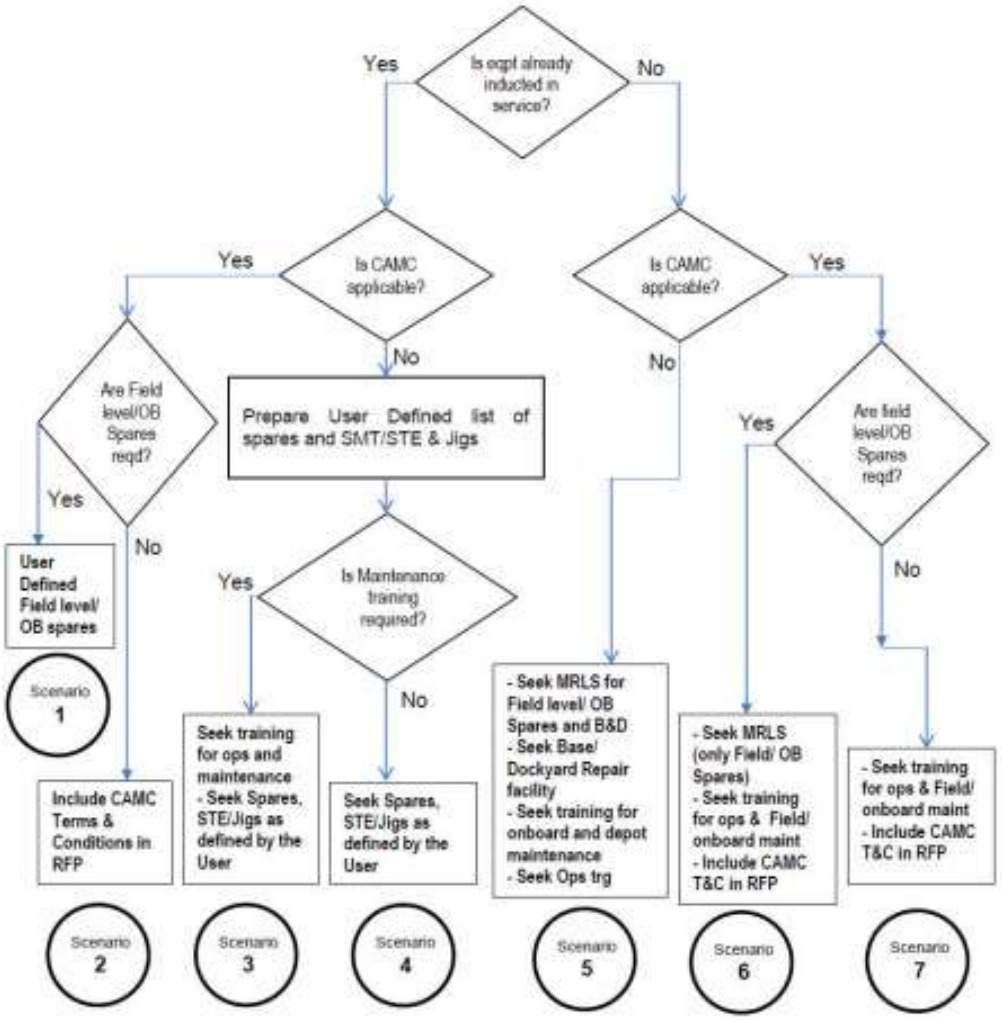
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(Annexure I Appendix D to Chapter II of Handbook on Guidelines and Annexures)

(Refersto Paragraph 14 of Appendix D)

ESP, MRLS AND TRAINING



Instructions to the Acquisition Planners

1. Engineering Support Package (ESP) in terms of Field/ OB spares and B&D spares to be supplied along with the type of training required viz Operator training and Maintainer training are important to ensure correct and fault free operation as well as for undertaking first line, routine and breakdown maintenance.

2. The spares required to be supplied along with the equipment or platform are, however, dependent upon the type of equipment/system/platform, intended usage, operation cycle and the maintenance support envisaged for the entire service life cycle of the equipment/system/platform. The maintenance support to be sought is also dependent upon the 86 complexity of the equipment, availability of the OEM for service support as well as the time required for delivery of the deficient spares. Further, for equipment already inducted in service, it is imperative to seek spares based on experience gained in operation and maintenance to arrive at optimum spares requirement and to avoid wasteful expenditure.

3. The above flowchart aims in aiding the analysis of an acquisition scheme for the above aspects. Acquisition planners are to follow following steps while formulating the RFP:-

3.1 Analyse in detail the equipment/system/platform required based on its usage, complexities in operations, criticality, likely OEM support for service and spare and past experience (if any) to arrive at the most optimum requirement of spares and training. Based on the envisaged maintenance support, the levels of training required by operators and maintainers are to be arrived at.

3.2 Various likely scenarios of relevant clauses in RFP and Standard Contract Document are as follows: -

3.2.1 **Scenario 1**. Goods that are already in service and maintenance support is to be through comprehensive AMC (CMC). Field level/ OB Spares in respect of these goods can be forecasted based on their exploitation pattern.

3.2.2 **Scenario 2**. Goods that are already in service and maintenance support is to be through comprehensive MAC (CMC) but there is no requirement of stocking any Field level/ OB Spares based on past experience in exploitation and maintenance.

3.2.3 **Scenario 3**. Goods that are already in service but needs to be repaired and maintained by Services/ICG crew and technicians. Field level/ OB Spares and B&D Spares in respect of these goods can be forecasted based the past experience on the same equipment and on their exploitation pattern. However, depending upon its place of operation and maintenance, it needs additional training as well as SMT/STE for the same.

3.2.4 **Scenario 4**. Goods already in service but needs to be repaired and maintained by Services/ICG crew and technicians. Field level/ OB Spares and B&D Spares in respect of these goods can be forecasted based on their exploitation pattern, however, there is no requirement of additional training.

3.2.5 **Scenario 5**. Goods that are being inducted for the first time and based on its envisaged operation and maintenance philosophy needs to be repaired and maintained by Services/ICG crew and technicians. These goods would require MRLS from OEM, operation and maintenance training and may require Base Repair depot/ dockyard repair facility.

3.2.6 **Scenario 6**. Goods being inducted for the first time with maintenance support through CMC and only Field level/ OB Spares are to be provided by the OEM along with operation and maintenance training.

3.2.7 **Scenario 7**. Goods being inducted for the first time with maintenance support through CMC with no requirement of Field level/ OB Spares but OEM is to provide operation and maintenance training.

3.3 In case of requirement of User defined Field level/ OB Spares and B&D Spares, the list needs to be prepared and vetted by both user and maintenance directorate.

3.4 Terms of CMC need to unambiguously bring out the type of repairs/routines, allowable down time, level of spares support required as well as obsolescence management and upgrades requirement.

3.5 LD for CMC needs to be formulated and included in the commercial clauses. The various scenarios where LD may be imposed include exceeding downtime beyond contractual

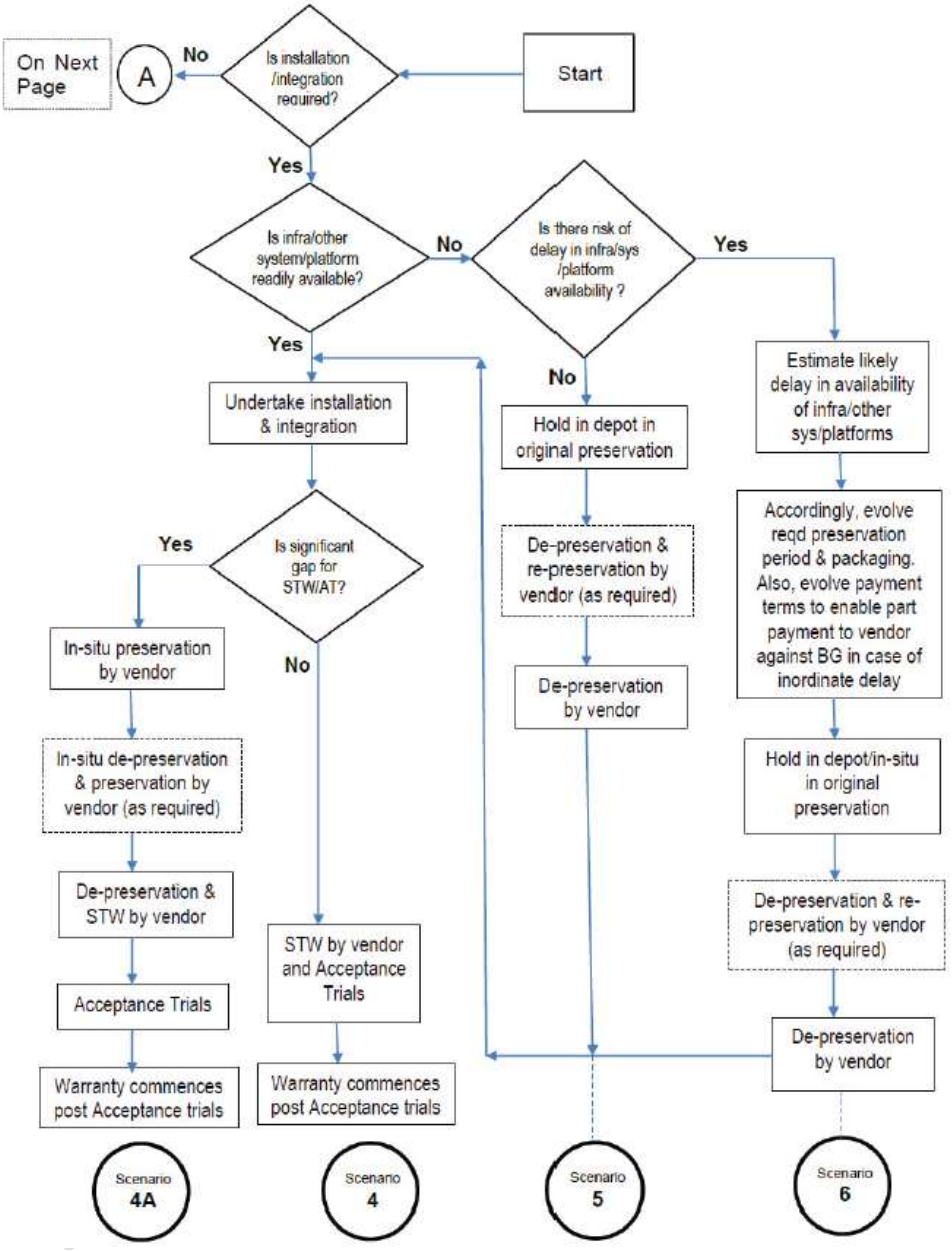
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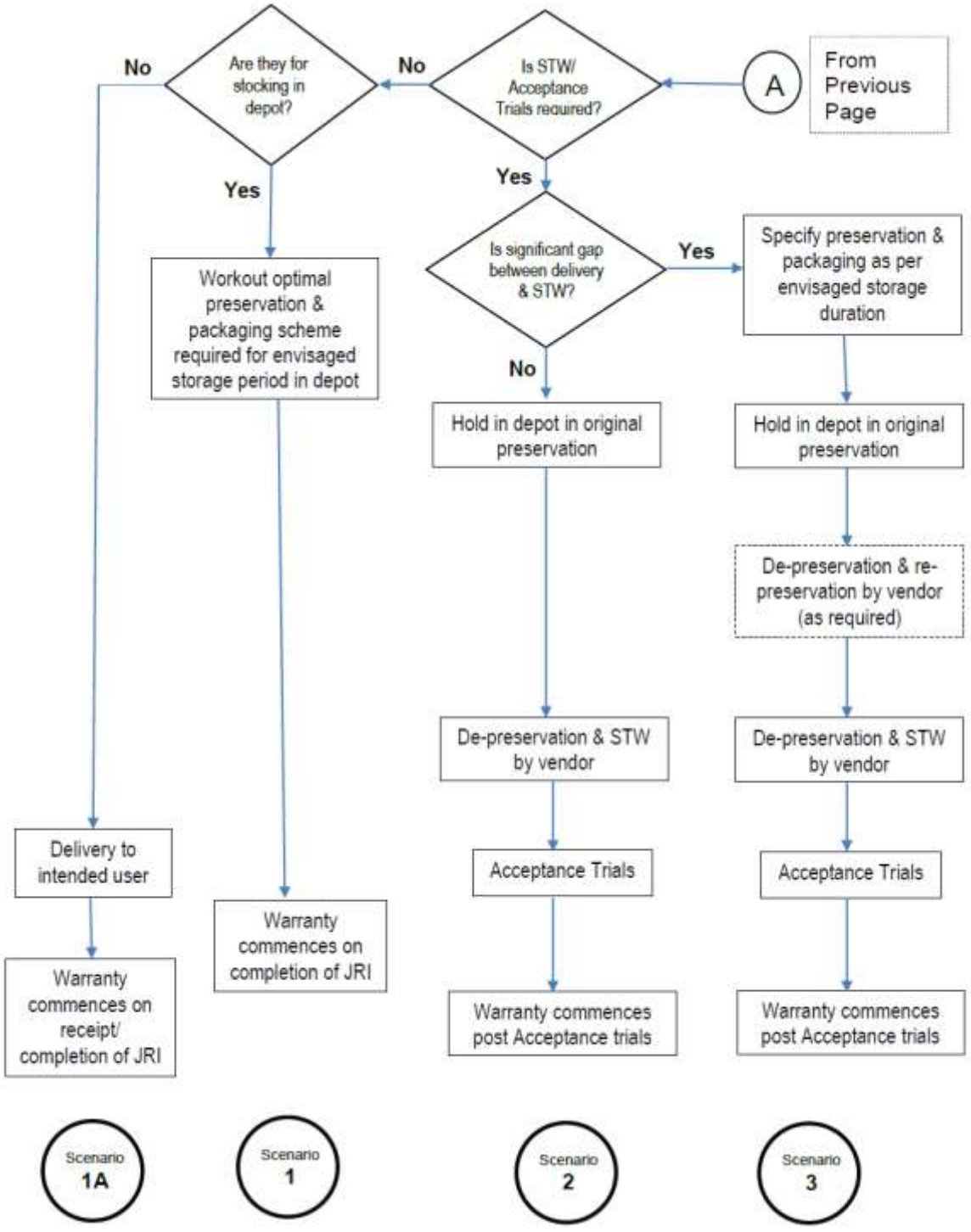
terms either in single case or overall down time in a given period, non-stocking or non replenishment of spares, large number of defects leading to unreliability of equipment availability.

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(Annexure II Appendix D to Chapter II of Handbook on Guidelines and Annexures)
(refers to para 36 of Appendix D)

PRESERVATION, PACKAGING, DELIVERY, ACCEPTANCE, PAYMENT TERMS AND WARRANTY





Instructions to the Acquisition Planners

1. Goods delivered can be a standalone entity (system/ equipment) that can be independently exploited immediately on delivery **or** after storage for a certain period. It can even be a sub-system/ assembly or a standalone entity that may require ’installation on’/ ‘integration with’ another system for which the likely schedule of availability of premises forinstallation/ another system and readiness of such system for final acceptance is essential. In a few cases, even after completion of installation/ integration of delivered goods, final commissioning and acceptance of such system cannot be progressed being linked to the readiness of a larger system or other associated systems.

2. Comprehensive understanding of all the above requirements and realistic assessment of likely availability of 'other' systems for trials and acceptance of the delivered goods is essential to optimally plan the acquisition, to retain the shelf-life of the goods even in the worst case scenario, so that the delivered goods are accepted in conformity with the planned acceptance scheme and its warranty commences with the exploitation for the intended purpose.

3. These imperatives define the delivery schedule, packing, preservation (represervation if any) & storage conditions, scheme and schedule for final acceptance, system readiness for final exploitation and commencement of warranty. Payment terms for delivery of such goods need to be thoughtfully evolved to ensure that the payment is commensurate with the extent of fulfilment of contractual liability by the supplier. Where the supplier had fulfilled contractual liability and ready to fulfil the next stage, but the next stage cannot be fulfilled due to unavailability of associated system/ platform not attributable to the supplier, suitable provision to make a part stage payment is to be made in the payment terms so that the payment is not delayed for reasons not attributable to the supplier.

4. **The above flowchart aims at aiding the analysis of the project for the above aspects.** Acquisition planners are to follow the following steps while formulating the RFP:-

4.1 Analyse various stages of the project from the Delivery Schedule – Installation – Integration - Setting to Work - Commissioning - Final Acceptance as per the Flow Chart, to clearly understand the requirement, if any, of storage prior/ post installation, max duration for which the delivered goods are to be retained in preserved state (with due consideration to various risks that may delay their Installation-Integration-STW-Commissioning), analysis of likely delays in integration/ installation/ commissioning/ exploitation of the goods so as to arrive at an optimum plan and features to take care of all the possible scenarios in the RFP.

4.2 Various likely Scenarios of relevant clauses in the RFP and SCOCs are as follows:-

4.2.1 **Scenario 1**. Equipment which are not required to be installed and integrated and also no STW/Acceptance trials are involved and are meant to be delivered to depots for stocking. These needs to be preserved for long duration but in a sheltered environment. The Warranty shall commence on completion of JRI.

4.2.2 **Scenario 1A**. Equipment which are not required to be installed and integrated and also no STW/Acceptance trials are involved and are meant to be delivered to end user directly for early usage. These need not be preserved for long duration. The Warranty shall commence post JRI/on receipt inspection.

4.2.3 **Scenario 2**. Equipment which is not required to be installed/integrated but needs to go through STW/Acceptance trials. In case there is not going to be much delay in STW/Acceptance trials after delivery then the basic preservation for storing in Depots is needed, followed by depreservation by vendor. The warranty shall commence post Acceptance trials.

4.2.4 **Scenario 3**. Equipment which is not required to be installed/integrated but needs to go through STW/Acceptance trials. In case there is going to be much delay in STW/Acceptance trials after delivery then the proper preservation for storing in Depots is needed, followed by depreservation/ re-preservation by vendor may be needed and shall be includedaccordingly. The warranty shall commence post Acceptance trials.

4.2.5 **Scenario 4**. Equipment which is required to be installed/integrated and needs to go through STW/Acceptance trials. In case there is going to be no delay in STW/Acceptance trials after delivery as associated systems/infrastructure is readily

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available then basic preservation and packing scheme should be worked out. The warranty shall commence post Acceptance trials.

4.2.6 **Scenario 4A**. Equipment which is required to be installed/integrated and needs to go through STW/Acceptance trials. In case there is going to be significant delay in STW/Acceptance trials after installation/integration due to operational/other reasons then suitable in-situ preservation/de-preservation scheme should be worked out. The warranty shall commence post Acceptance trials.

4.2.7 **Scenario 5**. Equipment which is required to be installed/integrated and need to go through STW/Acceptance trials. In case there is going to be delay in installation/integration after delivery as associated systems/infrastructure is readily not available then suitable preservation and packing scheme should be worked out. There will be requirement to de-preserve the system by vendor, the same shall be included. The warranty shall commence post Acceptance trials.

4.2.8 **Scenario 6**. Equipment which is required to be installed/integrated and need to go through STW/Acceptance trials. In case there is going to be significant delay in installation/integration trials after delivery as associated systems/infrastructure is not likely to be available in near future then robust preservation/de-preservation/re-preservation and packing scheme should be worked out. The equipment may be held in depots or may be at vendor premises. Suitable payment terms to the vendor have to be factored in. The warranty shall commence post Acceptance trials.

4.3 Packaging/ Preservation instructions and Delivery Schedule shall take above scenarios into consideration to ensure that the installation of goods and STW and Final Acceptance is completed before the expiry of preserved life.

4.4 **Preservation & Packaging**. The Preservation and Packaging plays a very important role in the equipment health prior installation and acceptance trials. Hence, the scheme of preservation and packaging must be carefully selected to meet the transportation and storage requirements prior fitment or delivery to depot. The kind of preservation scheme to be used depends on the type of the equipment & it's composition, Sub-systems and size (Electronic/ mechanical/hydraulic/composites), atmospheric conditions it will be stored in (whether the system is likely to be exposed to rain/sunlight/high temperature etc) and duration of storage. Depending on the preservation scheme and duration of storage there may be need for de-preservation and re-preservation.

4.5 **Delivery Schedule**. Realistic assessment of various timelines including likely delays in the availability of associated infra/ system/ platform for installation/ integration and STW, Commissioning & final acceptance is to be made and the delivery schedule is to evolved suitably to minimise avoidable storage of goods for extended periods.

4.6 **Preservation Period**. Based on the delivery schedule thus evolved, optimal preservation period is to be suitably arrived at and indicated in the RFP. If necessary, inputs on the max feasible preservation period may be obtained from the OEMs during RFI process. If the in-storage preservation period required is longer than the optimal/ max preservation period, requirement of in-storage de-preservation/ re-preservation is to be indicated in the RFP as a deliverable and contracted, with a condition that the payment will be made on actual utilisation as necessary. Similarly, if delay anticipated between installation/ integration and STW, Commissioning & Acceptance Trials, preservation during the period is to be included in the contract.

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4.7 **Warranty**. If the preserved state of the goods is ensured right through the storage and STW and commissioning, the warranty can commence with effective exploitation of the system, irrespective of delivery, so that the warranty can be gainfully utilised to test the equipment during exploitation. If necessary, feedback from prospective bidders on this aspect can be gathered during RFI process.

4.8 **Payment Terms**. If in spite of all efforts to logically evolve the delivery schedule, the goods are ready for delivery and corresponding infrastructure/ associated system/ platform is not available as expected for installation and integration in a reasonable time, the supplier cannot be denied payment for the work accomplished in conformity with the contract schedule. The goods are to be accepted as per delivery schedule and the payment for the corresponding stage is to be made inline with the contract. If the next stage of work cannot be executed by the supplier due to delay on the part of the buyer in providing requisite infra/ associated system/ platform for STW, Commissioning and Acceptance trials in a reasonable time, the payment terms should cater for making certain part of the associated stage payment (even before accomplishing requisite work), against submission of bank guarantee for equal amount and firm undertaking from the supplier that they will fulfil all the obligations immediately on availability of requisite infra/ associated system/ platform. For the purpose of defining payment terms, following guidelines may be followed:-

4.8.1. If Installation, Integration, STW, Commissioning and Acceptance trials of delivered goods does not involve establishing fructification of a new concept/ Development project/ validating a proof of concept/ IDDM concept, about 10 to 15% of total value of the goods is to be retained for installation, integration, STW, Commissioning and Acceptance.

4.8.2. If Installation, Integration, STW, Commissioning and Acceptance trials of delivered goods involves establishing fructification of a new concept/ Development project/ validating a proof of concept/ IDDM concept, about 25 to 30% of total value of the goods is to be retained for installation, integration, STW, Commissioning and Acceptance.

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(Appendix E to Chapter II of Handbook on Guidelines and Annexures)

(Refersto Paragraph 44 of Chapter II of DAP 2026)

GUIDELINES FOR FET

1. FET would consist of all or any of the following trials:-

1.1. User Trials.
1.2. Technical Trials i.e. Standards Evaluation including Environmental testing.
1.3. Maintainability Evaluation Trials (MET).
1.4. Electro Magnetic Compatibility (EMC)/Electro Magnetic Interference (EMI) Evaluation.
1.5. Secrecy Testing – where required.

2. **User Trials.** Trials will be conducted only pertaining to conditions where the equipment is most likely to be deployed. In other conditions where the probability of deployment is not high, appropriate vendor certifications confirming the functional effectiveness under such conditions may be obtained and simulations based testing may be resorted to wherever applicable. Equipment fielded may require repairs/modifications during the course of trials and these in situ servicing, repair, maintenance actions or modifications as requested by the vendor will be permitted. Towards this, vendors shall be adequately informed and advised at the pre-trial stage itself so that they can ensure availability of requisite maintenance teams/ experts on site during the conduct of trials. SHQ may also accord permission for trial equipment to move out of the trial location for a defined period for such repairs or modifications on a case to case basis. In Single Vendor Cases, permission for the above may be permitted by the OIC Trials itself.

3. **Technical Trials.** Technical trials will be conducted by QA agency based on the Technical Evaluation Plan as given out in the Trial Methodology, to assess conformance to the quality requirements, standards and specifications. As far as possible, physical evaluation and environmental tests will only be carried out for critical parameters and other parameters will be evaluated based on Certificate of Conformance as defined at para 5.3 of Appendix D above. The same will be clearly spelt out in the Trial Methodology and later translate to the Trial Directive. The vendor will submit the technical documentation and draft ATP as part of technical bid or at least one month before commencement of FET. QA Agency will also finalise the ATP in respect of all participating vendors during Technical Trials.

4. **Maintainability Evaluation Trials (MET).** MET to address maintenance, repair and spares support aspects of acquisition should be undertaken through the OEM documentation concurrent to the User Trials. Only essential tests focussing towards establishing maintainability should be carried out to establish adequacy of maintenance tools, test equipment and spares utilisation. Actual stripping of the equipment should only be undertaken where considered of absolute necessity by the User. Failure in MET should not be criteria for rejection and the Vendor will be given a maximum of two additional opportunities to ensure compliance within a definite period of time including certification by vendor for submission at delivery/FoPM stage.

5. **EMC/ EMI Evaluation**. EMC/ EMI Evaluation would be carried out by designated testing centers like Army Center for Electromagnetics (ACE), Mhow etc. based on desired standards as given out in the Trial Directive. In most cases, evaluation of only those parameters having direct bearing on the operational employability of the equipment should be carried out and certification of accredited labs should be the first mode of may be accepted for the remainder parameters.

6. **Debriefing of Vendors.** After each stage of the trials, a debriefing of all the vendors

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would be carried out by the evaluating agency with regards to the performance of their equipment. Compliance or otherwise, vis-à-vis parameters listed in the trial directive, would be specifically communicated to all the vendors at the trial location itself. It would also be ensured that all verbal communication with the vendors is confirmed in writing within a week and all such correspondences are recorded and documented.

Types of Trials

7. Trials have different connotations depending on category of acquisition and have varied scope as well as stakeholders defined by the type of trial. The agency planning and ordering the trial will promulgate comprehensive instructions to include, *inter alia*, defined scope, methodology of conduct, outcomes expected, acceptance criteria and follow-on actions. Important types of trials and their broad scope is enumerated in the succeeding paragraphs.

8. **Field Evaluation Trial (FET)**. Details of these are as elaborated at Paragraphs 44 to 56 in Chapter II.

9. **Induction Trials/ Validation Trials**. Induction/ Validation trials are usually done when the design and development trials were conducted on prototype set and the equipment is productionised for first time. These are done on the First Off Production Model (FoPM) equipment to validate specified parameters and to rule out any inconsistency in the production process. Bulk Production Clearance (BPC) is accorded once the FoPM equipment clears the Validation/Induction Trials. Validation trials may also be carried out on major change owing to upgrades of specified parameters or change of production line from OEM premises to Indian Production Agencies premises.

10. **Factory Acceptance Trials (FATs)**. These are functional tests which may be undertaken at vendor's premises by Services nominated team to check the equipment functional performance as per an approved test procedure prior to dispatch.

11. **Installation Inspection (IIs**). These are checks done by Services nominated team to check correct installation of equipment.

12. **Harbour Acceptance Trials (HATs)**. These are functional tests which may be undertaken after installation on-board ship in harbour by a Services nominated trial team to check the equipment functional performance as per an approved test procedure.

13. **Sea Acceptance Trials (SATs)**. These are functional tests, including proof firing in case of weapons, which may be undertaken at sea after installation on-board ship by Services nominated team to check equipment's functional performance as per an approved test procedure.

14. **Op Checks**. These are functional tests which may be undertaken after installation on-board ship at sea by a SHQ nominated team to check the equipment's functional performance as per an approved test procedure. These are normally done only on communication equipment, instead of SATs.

15. **Delivery Acceptance Trials**. Delivery Acceptance Trials are carried out when FET is not applicable for cases such as ships, submarines, simulators etc, where there is no prototype available for conduct of NCNC trials.

Guidelines for Compensation of cost of Equipment for Successful Trials

16. The SHQ may opt to compensate amount upto 10 % of per unit cost of L1 or Rs 10 cr,

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whichever is lesser to only those vendors whose EUT have been found compliant during staff evaluation.

17. Cost of Single EUT will be the cost as negotiated with the L1 vendor.

18. The guidelines for method of payment will be issued separately by Acquisition Wing in consultation with MoD Fin.

Option to Split Trials in Two Stages

19. The SHQ may exercise the option to conduct trials in two stages on approval from the AoN authority as a special approval as follows:-

19.1 **Stage I**. Conduct of User trials to include operational parameters in one designated terrain and weather and essential technical parameters after TEC.

19.2 **Stage II**. Condcuct of trials for the balance of technical parameters and MET and EMI/ EMC after signing of the contract with the vendor(s).

20. In order to conduct trials in these stages, SHQ may include adequate number of EUTs required for both stages, so that User and Technical trials may be conducted simultaneously.

21. The Trial methodology to be finalised at the SoC stage itself to include all the parameters that need to be evaluated at both the stages.

Post Contract Checks

22. **Pre-Despatch Inspection (PDI)**. Pre-Despatch Inspection is a part of supply chain management and an important Quality Assurance method for checking the quality and quantity of newly manufactured goods at Sellers' Premises, before they are shipped to the Buyer. These involve undertaking checks in accordance with Acceptance Test Procedures as finalised during contract negotiations. PDI helps in ensuring that production complies with the governing specifications and procedures as specified in the Contract.

23. **Joint Receipt Inspection (JRI)**. Joint Receipt Inspection, initiated by the Buyer, is carried out jointly by the buyer and seller on arrival of manufactured goods in India within specified number of days and at location nominated by the Buyer to check compliance with specifications. JRI consists of quantitative checking of delivered items, check proof, firing etc (if applicable), as per governing specifications and procedures enumerated in the Contract.

Stage Wise Inputs for Trials

24. **RFI Stage.** The following inputs should be obtained via the RFI or through vendor interaction:-

24.1. Inputs on **test standards** adopted for equipment of similar type.

24.2. Ascertain parameters for which **Certification** applicable in lieu of trial evaluation.

24.3. Trials for which **simulation / modelling** is available**.**

24.4. **Specialised requirements** for trial evaluation to be factored while drafting SQRs.

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24.5 Requirement of two stage trials.

25. **SQR Stage.** To achieve an objective trial methodology, SHQ should interact with all trial agencies prior to finalisation of SQRs to ensure the following: -

25.1. Identification and application of **correct standards**.

25.2. Environmental and material tests **essential for operational deployment and role**.

25.3. Applicability of **EMI / EMC trials** especially for non-ICT or other equipment not operating in dense EM environment. EMI/EMC trials shall be included only if operational requirements in SQR so determine and should be specifically mentioned in such cases.

25.4. SQR parameters that affect sustenance and MET related aspects and will need to be factored in trial methodology.

25.5 Requirement of two stage trials.

26. **Trial Methodology at RFP Stage.** The combination of SQR and Trial Methodology in the RFP should provide OEM / Vendor a clear and objective assessment of the scope and details of FET, including areas where certification and trials by simulation are allowed. SHQ may interact with vendors/industry and reps of trial agencies at the draft RFP stage. Maximum technical details available at this stage with regard to conduct of FET, Technical trials (including environmental tests), MET and EMI / EMC tests should be included in the Trial Methodology being issued with RFP. Due care may be exercised while defining Standards that would apply to equipment, systems or platforms. In case international standards are envisaged, then their Indian equivalent, where applicable, should also be identified. As far as possible, availability of test and certification facilities within India to evaluate the parameters governed by shortlisted Standards should be considered. In case this is not feasible, then all efforts should be made to identify international certification/accreditation agencies that would qualify the evaluation requirements. The following inputs should also be obtained along with those on the FET :-

26.1. QA agencies, EMI/EMC and Maintenance organisations should forward the following to SHQ for formulation of trial methodology: -

26.1.1. Recommendation on qualification Standards to be adopted.

26.1.2. Details of technical trials including environmental conditions for the lab tests and also check proof of weapons and ammunition.

26.1.3. Parameters where trials can be replaced by certification along with list of accredited labs/ facilities within or outside their organisations where these trials can be conducted.

26.2. Where ***Certificate of Conformance (CoC)*** is acceptable in place of trials, trial agencies shall forward the following details to SHQ to be included in the RFP: -

26.2.1. List of agency/authority(ies) whose certification will be allowed.

26.2.2. Details and format of test certificates and supporting documents required to be submitted by the OEM/ vendor to prove the validity of CoC.

Other Institutional Mechanisms

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27. **Allocation of Ranges**. Standard Operating Procedure (SoP) for allotment and utilisation of proof and field firing ranges have been finalised and uploaded on https://www.makeinindiadefence.gov.in/admin/writereaddata/upload/updated SOP for allot ment of Ranges 5.9.19 R2. pdf. Requisite nodal Officers have also been nominated by each SHQ.

28. **Use of Test Facilities with Govt Institutions**. Test facilities of Army, Navy, Air Force, DRDO, DGQA, DGAQA, HAL, OFB, GRSE, GSL, MDL, HSL, MIDHANI, BDL, BEL & BEML for Utilisation by Private Industry along with details of respective Nodal Officers and application procedure are hosted on the makeindiadefence.gov.in website -https://www.makeinindiadefence.gov.in/pages/test-facilities-for-private-sector.

29. **DGQA Test Facilities**. All test facilities available with DGQA and respective cost of utilisation of facilities are updated on DGQA website **dgqadefence.gov.in** - https://dgqadefence.gov.in/test-facilities.

30. **Indian Navy Test Facilities.** All test facilities available with Indian navy and respective cost of utilisation of facilities are updated onhttps://indiannavy.nic.in/content/test- facilities-available-use-private-sector

31. **Directory of NABL Accredited Labs**. **NABL 400: Directory of NABL Accredited Laboratories** as updated from time to time may be referred to by the industry to seek requisite test facilities as per requirements - https://www.nabl-india.org

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(**Appendix F to Chapter II of Handbook on Guidelines and Annexures)**

(Refers to Paragraph 59 of Chapter II)

STANDARD CNC
COMPOSITION NON DELEGATED CASES

1. JS & Acquisition Manager - Chairman.
2. ADG Acquisition Technical.
3. Finance Manager.
4. Advisor (Cost).
5. DGQA/DGAQA/DGNAI Representative.
6. Procurement Agency Representative(two-star Officer).
7. User Representative.
8. Representative of Contract Management Branch at SHQ.
9. Repair Agency Representative.
10. Under Secretary concerned.
11. Member Secretary to be nominated by the Chairman.

Notes:

(i) If with ToT-representative of DDP, DRDO and PA to be included as member.

(ii) Participation of Adviser (Cost) is not required in every CNC and it has to be on actual requirement basis, as determined by the Chairman.

(iii) If the CNC is chaired by a Service Officer in category A above, then representatives may be nominated in place of officers mentioned at Serial no. 1,2 and 3.

(iv) If Offsets included, then representative of DOMW to be included as member.

(v) In the absence of the designated member, the authorised representative would be deemed to be suitably empowered to take decisions.

(vi) Approval of DG (Acquisition) to be solicited for any change in the composition mentioned above.

(vii) Suitable technical member(s) may be co-opted by the Chairman to negotiate Life Cycle Support Contract (where applicable), along with the Main Contract.

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Delegated Cases

1. Chairman nominated by CISC/VCOAS/VCNS/DCAS/DGICG (as per under mentioned norms)

1.1. Cases above 150 crores and upto 300 crores- Major General / Equivalent.

1.2. Cases upto 150 crores- officer not below the Rank of Brigadier / Equivalent.

2. IFA(Capital) in respect of Army/Navy/Air Force/CG for CNCs above Rs 150 crores and upto Rs 300 crores and representatives of PIFA / IFAs for CNCs upto Rs 150 crores; Representative of PIFA / IFA not to be below the rank of Deputy Secretary.

3. Representative of Nominated Procurement Directorate of the concerned SHQ.

4. Representative of DGQA/DGAQA/DGNAI.

5. Representative of Repair Agency.

6. Representative of Contract Management Branch at SHQ/ICG.

7. Representative of Advisor (Cost).

8. Representative of User Directorate.

9. Member Secretary to be nominated by the Chairman.

Notes:

(i) ToT cases -representative of DDP, DRDO & Production Agency to be included as member.

(ii) Participation of Representative of Costing Cell is not required in every CNC and it has to be on actual requirement basis as determined by the Chairman.

(iii) In the absence of the designated member, the authorised representative would be deemed to be suitably empowered to take decisions.

(iv) Member of any other agency apart from the prescribed members can be associated with the approval of VCOAS/VCNS/DCAS/*CISC/DG ICG.*

(v) Suitable technical member(s) may be co-opted by the Chairman to negotiate Life Cycle Support Contract (where applicable), along with the Main Contract.

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(Appendix G to Chapter II to Handbook on Guidelines and Annexures)
(Refers to Paragraph 87 of Chapter II of DAP 2026)

GUIDELINES TO BE FOLLOWED WHEN CHANGE OF NAME OF VENDOR IS INVOLVED WHILE PARTICIPATING IN THE PROCUREMENT PROCESS

1. Whenever, the vendor participating in the defence procurement process, initiates the process for change of name with corporate regulatory authorities, due to change in business strategy, merger/acquisition or any other reason resulting in losing its original legal identity, it must inform the MoD/User Directorate at the earliest about its intent to change name on its official letter head signed by the authorised representative. If, at any stage of the defence procurement phase, approval of merger/amalgamation/acquisition is granted by courts/regulatory authorities, resulting in change of name, then the vendor should submit self authenticated relevant documents such as new certificate of incorporation issued by an appropriate Registrar of Companies (ROC) along with Novation Agreement, an undertaking by the new company whose format is given at Annexure to this Appendix, at the earliest after grant of approval by ROC. If any foreign company is involved in the 'merger and acquisition' and if documents are in languages other than English, then a self-certified/official/legal translation of the document along with the original as well as RBI approval should also be submitted. **The onus of submitting all relevant, self-authenticated, authentic documents lies with the vendor affected.**

2. User Directorate/MoD shall process the change of name of vendor case for consent of the approving authority concerned. On grant of consent, vendor would be informed and he would have to submit new Pre-Contract Integrity Pact (PCIP), Earnest Money Deposit (EMD), and any other applicable financial instruments/ documents bearing the new entity name.

**** Note**: Registrar of Companies (ROC) are appointed as per the applicable provisions of Companies Act, covering various States and Union Territories of India. For the purpose of this paragraph and related appendix and annexure thereof, the term ROC also includes relevant regulatory authorities of different countries in case of foreign vendors.*

Approving Authorities for the Change of Name of Vendor while Participating in the Procurement Process

3. The approving authorities for change of name of vendor in all cases will be as follows:-

3.1. **Pre-Contract Stage**. Case is to be processed by SHQ. Consent is to be given by DG (Acquisition) for schemes granted AoN by DPB/DAC and VCOAS/VCNS/DCAS/CISC/DG ICG for schemes granted AoN by SPB (i.e. for all schemes under delegated powers).

3.2. **Post-Contract Stage**. The case has to be processed by SHQ/Acquisition Wing for consent of Raksha Mantri or VCOAS/VCNS/DCAS/CISC/DG ICG (in case of delegated power cases). On obtaining consent, a corrigendum to the sanction letter reflecting the change in name of vendor is to be issued.

Checklist for Vendor

4. Whenever the company applies to the regulatory authorities for 'change of name of company', it must inform SHQ/MoD through a letter about proposed change of name and reason for the same.

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5. When change of name is approved by regulatory authorities, the following documents must be submitted to SHQ/MoD at the earliest:-

5.1. **Before Submission of Response to RFP.**

5.1.1. Information Proforma for Vendors as given at **Schedule I to Chapter II** of DAP 2026.

5.1.2. New certificate of incorporation issued by the appropriate Registrar of Companies in case of Indian vendors or an equivalent organisation in country from where new entity would be operating in case of foreign company.

5.1.3. Copy of RBI Approval in case of merger/acquisition between Indian and foreign company(s).

5.2. **If Response To RFP Submitted Or The Contract Has Been Signed.**

5.2.1. Information Proforma for Vendors as given at **Schedule I to Chapter II** of DAP 2026.

5.2.2. New certificate of incorporation issued by the appropriate Registrar of Companies in case of Indian vendors or an equivalent organisation in country from where new entity would be operating in case of foreign company.

5.2.3. Copy of RBI Approval in case of merger/acquisition between Indian and foreign company(s).

5.2.4. Undertaking/Novation agreement by new company (as per the format given at **Annexure I to Appendix G to Chapter II of Handbook on Guidelines and Annexures**)

6. On grant of consent to the case of change of name by the SHQ/MoD, the following documents bearing the new entity name will be submitted by vendor:-

6.1. New Pre-Contract Integrity Pact (PCIP).

6.2. Earnest Money Deposit (EMD), if applicable.

6.3. Advance Bank Guarantee/Bank Guarantee and.

6.4. Any other applicable financial instruments/documents bearing the new entity name.

7. In case the documents are in languages other than English then a self- certified/ official/legal translation of original documents must be submitted.

Steps To Be Followed By SHQ/MoD

8. Whenever the Company informs of its intent to change of name, the name will be flagged in the vendor database as it has to submit subsequently, the documentary approvals by regulatory authorities.

9. If the vendor is participating in the procurement process, notwithstanding the vendor's ongoing process of change of name, the procurement process shall continue.

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10. Ascertain that vendor has submitted all documents mentioned Paragraph 5, as applicable, are self authenticated by the authorised representative of the vendor.

11. Process the 'Change of Name' case for ***obtaining consent*** of Raksha Mantri or DG (Acquisition) or VCOAS/VCNS/DCAS/CISC/DG ICG as applicable.

12. Once the consent is granted inform vendor and solicit additional documents as mentioned in Paragraph 6. Case be monitored till all documents, as applicable are submitted by vendor.

13. All cases involving change of name of vendor not covered by these guidelines shall be brought to the DAC through DPB for consideration.

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(Annexure I to Appendix G to Chapter II of Handbook on Guidelines and Annexures)

(Refers to Para 5 of Appendix G Guidelines and Annexures)

***Note**: If change of name is due to rectification or due to change of business strategy, the terms Transferor and Transferee will be replaced by Old name and new name respectively and all applicable paragraphs will only be included.*

FORMAT FOR UNDERTAKING OR NOVATION AGREEMENT FOR NEW ENTITY

The (Transferor), a company duly organised and existing under the laws of India with its principal office in (Address) with ROC Number*, The (Transferee) a company duly organised and existing under the laws of India with its principal office in (Address) with ROC Number* and the President of India represented by Joint Secretary and Acquisition Manager (Land Systems/Air/Maritime Systems), Ministry of Defence, Government of India, South Block, New Delhi hereafter referred to as BUYER enter into this Agreement as of *[insert the date of transfer of assets became effective under applicable law]*

**** Note**: A unique company identification number issued by Registrar of Companies or an equivalent regulatory authority in case of foreign company.*

1. The parties agree to the following facts:-

1.1. The BUYER has entered into a contract [*insert the contract identifications*] with the Transferor/The transferor has submitted response to the RFP [*insert the RFP identifications*]

1.2. As of (date) the Transferor has transferred to the Transferee all theassets to the Transferor by virtue of [*Insert term descriptive of legaltransaction involved*] between the Transferor and the Transferee.

1.3. The Transferee has acquired the assets of the Transferor in respect of Contract/Response to the RFP.

1.4. The Transferee has assumed all obligations and liabilities of the Transferor under the contract/response to the RFP by the virtue of above transfer.

1.5. The Transferee is in a position to fully perform all the obligations that may exist under the contract/response to the RFP.

1.6. Evidence of the above transfer has been filed with the BUYER.

2. In consideration of the above mentioned facts, the parties agree that this Agreement:-

2.1. The Transferor confirms the transfer to the Transferee and waives any claims and rights against the BUYER that it now has or may have in future in connection with contract/response to the RFP.

2.2. The Transferee agrees to be bound by and to perform each item/Article in the contract/response to the RFP in accordance with the conditions contained in the contract/response to the RFP. The transferee also assumes all obligations and liabilities of and all claims against, the Transferor under the contract/response to the RFP as if the Transferee were original party to the contract/response to the RFP.

2.3. The Transferee ratifies all previous actions taken by the Transferor with respect

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to the contract/response to the RFP, with the same force and effect as if the action had been taken by the transferee.

2.4. The BUYER recognises the Transferee as the Transferor's successor in interest and to the contract/response to the RFP. The Transferee by this agreement becomes entitled to all rights, titles and interests of the Transferor in and to the contract/response to the RFP, as if the Transferee were the original party to the contract/response to the RFP. Following the effective date of this Agreement, the term "SELLER" as used in the contract/response to the RFP shall refer to the Transferee.

2.5. Except as expressly provided in this Agreement, nothing in it shall be construed as a waiver of any rights of the BUYER against the Transferor.

2.6. All payments and reimbursements previously made by the BUYER to the Transferor and all other previous actions taken by the BUYER under the contract/response to the RFP, shall be considered to have discharged those parts of BUYER'S obligations under the contract/response to the RFP.

2.7. The Transferor guarantees payment of all liabilities and the performance of all obligations that the Transferee: -

2.7.1. Assumes under this Agreement; or

2.7.2 May undertake in the future should this contract/response to the RFP be modified under their terms and conditions. The Transferor waives notice of and consents to, any such future modifications.

2.8. The contract/response to the RFP shall remain in full force and effect, except as modified by this Agreement. Each party has executed this Agreement as of the day and year first above written.

BUYER
By ..... Title .....
[*Office Seal*]

Transferor
By ..... Title ..... [*Corporate Seal*]

Transferee
By ..... Title ..... [*Corporate Seal*]

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(Appendix H to Chapter II of Handbook on Guidelines and Annexures)
(Refers to Para 90 of Chapter II of DAP 2026)

ACQUISITION OF SYSTEMS PRODUCTS AND ICT SYSTEMS

1. **Preliminary Planning**. Preliminary planning involves engagement of executing/ procurement Directorate with the users to understand their concept of operations, functional requirements, environment, external systems and legacy systems with which the required capability needs to interface interoperability requirements, threats, existing capabilities and other specific needs to explore various possible solutions so as to arrive at the most optimal system architecture and software design. The chosen software development methodology and architecture needs to include the following features:

1.1. Functional requirements/Specifications.

1.2. Identification of software-vulnerabilities and mitigation measures to ensure security.

1.3. The Software Architecture shall align, support and reflect the continuous evaluation and enhancement of capability and adoption of new technologies over the software lifecycle.

1.4. Interoperability and interfaces with legacy systems.

1.5. Compliance of the architecture with good design principles including but not limited to modular open systems architecture and supports frequent iterative capability releases.

2. **Defining Minimum Viable Product (MVP) and Minimum Viable Capability Release(MVCR)**. MVP is an early version of the software that has just enough working features to meet basic minimum functional capabilities. The goal of an MVP is to quickly deliver basic capabilities into user's hands for evaluation, feedback and improvements. The MVP will be derived from Functional requirements/User Requirement Specifications(URS) created at Project Preliminary Planning stage. The MVCR is a set of features suitable to be delivered to an operational environment that provides value and capability to the end user on a reduced delivery timeline. The goal of the MVCR is to deliver software products that meet the initial set of user needs and initial capabilities that can be fielded to enhance a few mission outcome(s). The system design of ICT projects shall bring out and define MVP and MVCR and the product road map shall bring out the plan for delivery of remaining capabilities at periodic intervals.

3. **Building in Upgradability**. ICT hardware may have modular and layered architecture to enable retention of the Core hardware and upgrading the hardware at the outer layers. Similarly, the software shall be modular to the extent feasible for subsequent up- gradation as required, to keep the system effective and ahead of the technology scale and adversary counter measures. Proprietary and customised portion of Commercial software used in or meant to interoperate with the software being developed should have documented open interfaces to allow for technology insertion and to support the use of modular open system approaches.

4. **Preliminary Project Requirement Report (PPRR)**. Depending on the size and complexity of the project, a multi- disciplinary team maybe set up by the SHQ with the representatives of the user branch/ Directorate and the executing Directorate to prepare a PPRR. The PPRR may have traceability to the Functional requirements/URS, MVP and MVCR. The Team may comprise of internal reps of the Services, external consultants who may be engaged for this purpose from various Institutions/ Industry segments/ Academia etc and/ or reps of DRDO. If the system is being developed by DRDO, the member from DRDO shall not be from the developing laboratory. The

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draft PPRR (without any sensitive information) may be shared with the industry during EoI/ RFI and the PPRR be finalised considering the vendor feedback. Apart from the preliminary project plan, technical specifications/ User Requirement Specifications (URS), implementation roadmap etc, the PPRR will also clearly bring out the aspects brought out at Para 4 and stage/ phase wise implementation plan along with timelines and clear responsibility of each stakeholder at each stage along with approximate overall cost and its breakdown.

5. **Request for Information (RFI)**. RFI shall aim at ascertaining the available technological choices and project approach, vendor base and vendor capabilities based on financial capacity, technical expertise and past experience in delivering similar projects. Participation in RFI by vendors is not a prerequisite for issuing the RFP.

6. **Engagement of Consultants**. For complex and turnkey ICT projects, where in-house expertise for conceiving the project, its implementation and methodology for development is not adequate, external experts, institutions/ consultancy firms/ academicians (from premier academic institutions) having required specialized knowledge/ capability may be engaged as consultants to provide assistance in exploration of possible solutions and formulation of optimal software design and system architecture, establishing the feasibility of leveraging existing in-house network resources, selection of appropriate technology, converting the functional requirements into the desired technical specifications/ URS, preparation of Preliminary Project Requirement Report (PPRR), suggestion for selection of - Software Development Lifecycle Model, Software Project Management Tool, ATP Tool and incorporation of latest cybersecurity design principles etc. Expenditure for engaging external experts shall be borne from Revenue budget. Each Service Directorate may create a list of external experts, institutions, consultancy firms/ academicians (from premier academic institutions). This list may be made available on the SHQ website. A procedure may be created for new inclusion from time to time in this list. A Memorandum of Understanding/ NDA agreement may be signed with external experts, institutions/ consultancy firms/ academicians by clearly defining the accountability and responsibility of both parties, after following the due process of selection.

7. **SoC and AoN**.The SoC is to be prepared in accordance with **Appendix C of Chapter II of Handbook on Guidelines** and processed for AoN i.a.w. Chapter-II of DAP. In addition, SoC of all ICT intensive projects shall furnish the following details as applicable:

7.1. Outline programme of the project that is consistent with the user's requirements so as to demonstrate the MVP/ MVCR within 12-18 months of the contract effective date.

7.2. The acquisition strategy along with the plan for supporting the software through its life cycle, ensuring backward compatibility, clearly defined test and security evaluation requirements.

7.3. Utilisation of existing hardware, networks and infrastructure to the extent feasible and the details of requirement of creation of unique facilities.

7.4. Details of utilisation of iterative and incremental software development methodologies (such as Agile or Lean) and use of modern technologies to achieve automated testing, continuous integration and continuous delivery of user capabilities, frequent user feedback/ engagement at each iteration as possible.

7.5. Details of security and authorisation process and use of continuous runtime monitoring of operational software.

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7.6. Given the importance of the modular architecture for ease of upgradation, modularity in the architecture and open systems approach to support future capabilities and upgradation is to be highlighted in the SoC.

7.7. Intellectual property strategy.

7.8. Requirement of automated testing and Testing and acceptance procedure.

8. **Turnkey Projects**. The projects involving supply of hardware, creation of infrastructure and netware, installation and commissioning involving ICT system developers and system integrators may be assigned to software developers and/ or system integrators i.a.w. the procedure laid down at Para 92 of Chapter-II of DAP 2026 by clearly bringing out the details of the project in the Detailed Project Report (DPR). In addition to further details on various aspects brought out in the PPR, the DPR shall clearly bring out the scope of various deliverables, division of responsibility between stakeholders and the approximate overall cost and the estimates for each of the packages. If the preparation of a Detailed Project Report requires hiring of consultants for whom the expenditure is to be incurred from the Capital budget, a case is to be taken up with AoN according authority for AoN, duly justifying the requirement in the SoC. If the DPR is already prepared in-house or through consultants as at Para 6 above, AoN for turn-key projects may be processed directly in one stage.

9. **AoN for Post-AoN Activities**. Specific AoN for hiring consultants for post-AoN activities like project monitoring, security auditing, testing etc is to be sought while seeking AoN for the project and the expenditure be booked from the project expenditure.

10. **Hiring of Consultants**. Consultants for preparation of DPR as at Para 6 above and post AoN activities as at Para 9 above may be engaged through a contract with suitable firms or a Memorandum of Understanding with a DPSU/ Central or state Government Agency/ Department/ Institution by clearly defining the accountability and responsibility of both parties. To ensure continuity in expert oversight by the consultants and for proper linkage of the DPR with the execution, the same consultants may be engaged for DPR and Post AoN activities.

11. **Shortlisting of Vendors**. Consequent to AoN, the short listing of vendors for issue of RFP will be as per MoD guidelines issued vide MoD ID No.4276/D(Acq)/01dated 01 June 2011. The RFP shall indicate Criteria for Vendor selection/ pre-qualification i.a.w. **Schedule I of Chapter II of Handbook on Guidelines**. In addition, following additional requirements of certifications may be included as required:

11.1. The requirement of quality certification may be included only if it is inherently linked to the scope of work, e.g., Gartner Quadrant/ ISO 9001/ CMMi3/ AS 9100 or more (specifying development service/ acquisition models)/ ISO 27001. For Information Security and large value software intensive projects, preferably CMMi5 may be specified.

11.2. Requirement of compliance with international standards like IEEE (Institute of Electricals and Electronics Engineers standards association), ITU (International Telecommunication Union) etc may be included depending upon the nature/ type of project or solution required.

11.3. Where applicable, Evaluation Assurance Level (EAL 1 to EAL 7/NCCP) of latest Common Criteria security evaluation may be defined with a minimum 1 up to EAL5 for ICT projects.

12. **Request for Proposal (RFP)**. The bids shall be solicited i.a.w. with Para 30 of Chapter-II of DAP 2026 and the RFP format at **Schedule-I to Chapter-II of Handbook on Guidelines and**

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Annexures and various provisions at Para 27 are to be suitably modified for including various features listed at Para 4 and 7 above in the RFP. Other aspects to be furnished for all RFPs dealing with ICT product are as follows:-

12.1. **Information Security**. In order to ensure mitigation of cyber/ information security threats in ICT procurement, selection of vendors with compliance to standards in information and cyber security is essential. Based on project specific requirement, the procurement process may focus on selection of trusted firms having established and proven credentials/ track record. Information Security Guidelines for procurement of ICT components in the projects is provided in **Annexure II to this Appendix** to aid suitable incorporation in the RFP.

12.2. **Security Audit**. Security is of paramount importance and needs to be specifically included from the very conception of the project. The security checks need to be incorporated from the beginning to the end and additional cost be suitably catered. Bidder must commit to provide all support required to address any security concerns and share their source code developed for the concerned program software and the equipment design details to the user or its designated agency for sanitization, verification and audit to confirm that their equipment and software is free from any malware, trapdoors or other facilities that may lead to security breaches. In cases where the source code is not a deliverable then the Bidder shall extend their available facilities for audit of the source code by the designated team of the customer. Bidder must also commit to security audit of developed systems by CERT-IN empaneled agencies. Inherent capability of DRDO may be utilised by seeking their assistance in the security audit as required.

12.3. **Spyware/ Malware and National Security**. The TEC constituted i.a.w. Para 38 of Chapter II of DAP 2026 may also include reps from DRDO, as required. If the system is being developed by DRDO, the member from DRDO shall not be from the developing laboratory. Spyware and Malware, if preloaded with electronic components and embedded systems presents extreme threat to ICT systems and pose grave threat to national security. The scope for such vulnerabilities is to be examined and suitable pre-emptive measures and restrictions on sourcing of certain hardware items, if any, are to be incorporated in the RFP to enable the Technical Evaluation Committee to scrutinise the same during TEC process. All hardware platform where the critical portions of the software are executed (for e.g. encryption engine, networking stack etc) may be identified at DPR stage. Vendors/ OEMs may be required to share the PCB designs (schematics, gerber, datasheets etc) for security audit of these platforms. The tools and mechanisms to carry out the security audit of these platforms may be mentioned for identification of these platforms and creating methodology for carrying out the security audit. In case, a need is felt to carryout Security Audit of other Systems and Sub Systems connected to the new System being procured, the same may also be included as part of Project requirement.

12.4. Selling customized solutions exclusively developed under the contract to some other country (replication) shall not be allowed due to security reasons. Any such sharing requires prior approval of the Buyer.

12.5. Details of all - active and high active components in the equipment being supplied along with their origin (i.e. OEM and country/place of manufacture) must be provided as per Annexure III alongwith pre-bid queries. Any changes, in the proposed OEM will be conveyed by MoD during the pre-bid meeting.

12.6. Provisions for a joint working space to be setup and adequately staffed by the Bidder at a suitable place for ease of access and facilitating synergy of operations for furtherance of a project. Buyer/Seller, as mutually agreed, shall be responsible for

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providing the necessary civil infrastructure and logistics for such works pace. The specifics of the same shall be included in the RFP.

12.7. **Entrance Task Verification and Exit (ETVX)**. RFPs must layout Entrance, Task, Verification and Exit criteria clearly to benchmark the success of the project at each stage.

12.8. Technical terms which may lead to confusion or contradiction at a later stage must be clearly specified in a Glossary; to be attached alongwith RFP. As far as possible, definitions of such terms must be derived from recognised Government website or documents whichever is latest.

13. **Life Cycle Support and Maintenance**

13.1. Seller should provide Maintenance Support for all – ICT projects/ products (system hardware/ software & other components/ equipment) for its entire life-cycle including warranty, maintenance, spares and technical support. To cater for life cycle support during implementation/ use of bespoke/ customized software projects, scope of maintenance support should include resolution of bugs, incorporation of user feedback and associated changes/ additional features/ refinements required for better exploitation of the software.

13.2. To cater for life cycle support during implementation/ use of bespoke/ customized software projects, scope of maintenance support should include resolution of bugs, incorporation of user feedback and associated changes/ additional features/ refinements required for better exploitation of the software.

13.3. **Warranty**. Updates and Patches to the supplied software components, if any, should be provided at no additional cost by the developer to the user during the warranty period and if required during the lifetime of the Software.

13.4. Any additional user-defined upgrades may be clearly specified in the Supply Order and the cost implications to be factored in the initial cost of the project.

13.5. **Annual Maintenance Contract (AMC) & Annual Technical Support(ATS)**

13.5.1. The project proposal shall have mandatory clause for minimum 05 years of dedicated AMC/ATS by the seller/service provider. The decision for entering into AMC/ATS will be at the discretion of the buyer.

13.5.2. AMC/ATS may be contracted as a separate paid service between the buyer and the seller. AMC/ATS may be integral part of the main contract.

13.5.3. The period and the cost of ATS contract will cater for all upgrades/ updates/ integration of new technology into the existing/ original solution provided by the seller. Software updates, bug-fixes are provided by the developer at no additional cost during the lifetime of the software. ATS clause in the RFP may clearly distinguish and indicate upgrades and software maintenance aspects that developer must address during the period of ATS. For ATS calculation, scope for the maintenance of the software parts must be defined.

13.6. Seller should setup all the hardware, software testing tools, emulators etc required for upgrade/maintenance related activity at the buyer premises such that all the support

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actions are handled in-house ensuring all sensitive log data are not handled in Seller's ICT devices/ premises complying to cyber security policy/guidelines of the Buyer.

13.7. In case, Seller envisages that during fulfilment of product support services wrt repair, upgrade or maintenance of the supplied items; specific hardware, software or both of Seller would be required. In such cases subject hardware/ software or both – may be supplied by Seller as deliverable items, if felt necessary. This is in view of the fact that Seller's ICT devices would not be allowed to be connected with the equipment/ system once supplied and commissioned at BUYER's premises. Buyer reserves the right to audit, scan and inspect the OEM ICT devices designated or planned to be utilised to undertake repair/ upgrade/ maintenance/ integration related tasks of equipment/ system, either at Buyer premises or OEM/ SELLER's premises.

14. **Trials, ATP and Deliverables**. The scope of trials, ATP and the details of all the deliverables are to be clearly brought out in the RFP.

14.1. **Trials**. It may be seen that the ICT modules are functioning well in isolation but compiling them into a final product may be challenging over a period of time. There would be a requirement to test and establish a Test Bed test facility, if required and evaluate them deliberately which may require additional trial period and expertise for final migration. These have to be adequately mentioned in RFP. The detailed Trial Methodology to be worked out in detail by the Buyer and spelt clearly in RFP.

14.2. **Acceptance Test Procedure (ATP)**. There may be a requirement for a detailed ATP wherein some third party tools may be required in some cases. Also, some specialist manpower and equipment may be required to be hired for trials and needs to be spelt out appropriately.

15. **Evaluation Criteria**. Based on the nature and complexity of project and scope of work envisaged, one of the following evaluation criteria may be used:

15.1. **Cost Based Selection (CBS)Method**. Under normal circumstances, this method of evaluation shall be used for services which are of generic and recurring nature for which standard operating procedures have been prescribed along with minimum qualifying criteria. The service provider will be selected on CBS/ L1 basis only. Demand will be initiated and approved as per the existing provisions of DAP. CFA will be determined as per the delegation of financial powers in vogue for selection of service provider. Cost Based evaluation criteria may be used to ascertain the lowest bidder where the requirement is basic or of highly standardized nature. Evaluation will be based on the cost of the complete asset or cost of service.

15.2. **Quality and Cost Based Selection(QCBS) Method**. Method of evaluation may be adopted for complex/high value projects by assigning suitable weight age to technical specifications/ superiority of solutions suggested, provided the weights to be assigned to technical features/business criteria etc are objective and stated up front in the RFP. As per GFR 2017, the Technical and Financial proposals will be given the weightage in the ratio 60:40 with the weightage to Technical criteria not more than - 80% depending upon scope of work/ complexity of project. The assessment of the technical capabilities of the bidders will be done by TEC with the Empowered Committee for Change Control(ECCC) as an independent committee and bids will be evaluated. QCBS details and the technical criteria for evaluation and example are laid down at **Annexure-VI to Appendix H of Chapter II**.

16. **Indigenous Content(IC)**. The products that have security implications are best procured through domestic developers. The IC requirement for ICT projects shall be atleast 10% more than

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those specified in Chapter-I DAP 2026. – In case it is not feasible to indigenously develop these software, the same shall be brought out in the SoC and specific approval shall be obtained. The indigenisation content shall be certified i.a.w. Chapter-I of DAP 2026. In the case of software, the self-certification by the Bidder and certification by the statutory auditor of the Bidder shall certify that the software has been developed within India. If an Indian Bidder acquires the sole ownership of a proprietary software by way of acquisition/ one-time buy-out or any similar means and becomes the sole owner of Intellectual Property Rights (IPRs), such software can be considered as indigenous to the extent of the value of its utilization in the current contract, provided an undertaking is given that the Seller shall maintain the ownership of the software throughout the contract period.

17. **Intellectual Property Rights(IPRs)**. The terms of IPR should lay down the general terms for the assignment of property rights through patents, copyrights and trademarks. Usually, expenditure for the development of foreground software is borne by the Buyer and IPRs of the foreground software and any other software or application developed as part of the project for delivery against the contract being paid by the Buyer would belong to the Buyer. Buyer may include suitable IPR clause so as to retain the complete ownership of such software solution/ end product (Bespoke/ Customized) developed under the project. In cases where the Software is not a deliverable and user is provided a license and charged accordingly, then the IP resides with the Seller/Technology Developer. Guidelines for incorporating IPR provisions during ICT or software intensive procurement are at Annexure VII.

18. **Inter-services Collaboration/ Sharing of IPRs**. IPRs retained with any of the three services (Army, Navy, Air force, ICG and MoD) will deemed to be in joint ownership amongst all the three services without any need for formal permission of sharing the IPR.

19. **Field Evaluation Trials (FET)**. For certain part of Hardware to be supplied with ICT projects where FET is necessary and FET will be carried out as per Chapter-II of DAP 2026. However, the software products of ICT and certain elements of software of – other projects that cannot be evaluated during FET, 'Proof of Concept' is to be demonstrated on 'No cost-No commitment' (NCNC) basis. As a good practice, deployment of contracted solution at first in a Pilot site(s) for complete assessment and validation of the solution and services needs to be specified in the RFP, if applicable.

20. **Proof of Concept (PoC)**. The need to include provision for 'Proof of Concept (PoC)'in the evaluation process for the software projects should be considered carefully on case-to-case basis, and if decided upon, it should be undertaken in 2-3 clearly defined scenarios followed by structured evaluation of failure/success. The evaluation process for demonstrating the PoC should be furnished in the RFP. Wherever required, PoC may be done along with TEC, as a concurrent activity to save on time.

21. **Empowered Committee for Change Control (ECCC)**. To examine, evaluate and review the changes in service during project execution phase, deviation in deliverables/ outputs as midcourse corrections, accommodating minor variations in SQRs and need for upgradation of the project during its life cycle, after the finalisation of the contract. SHQs will constitute an Empowered Committee for Change Control (ECCC) headed by an officer of the rank of Lieutenant General or equivalent for projects value of more than Rs.1000 Cr and officer of the rank of Major General or equivalent for projects of value less than Rs.1000 Cr. The members of the ECCC will be officer's one rank/ grade below the rank of presiding officer from the user, line/ specialists and planning/ WE directorates and the financial advisor or his representative.

22. **Change Management**. The service requirements set out in the Contract should take into account the SHQs long term (and not just the current) requirements, anticipating any changes in service that can reasonably be foreseen. Accordingly, all foreseeable requirements and anticipated changes are to be incorporated in the RFP. If necessary, in addition to seeking inputs from the prospective Bidders during RFI stage, the draft RFP may be shared with the shortlisted vendors

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as at Para 11 above and a pre-RFP discussion may be held with the vendors to seek their inputs. Any change in the scope of hardware and software (without change in SQRs and AoN cost) arising as a result of pre-RFP discussion with the prospective Bidders are to be incorporated in the RFP. In addition a well developed change mechanism is to be incorporated in the contract to manage the residual unanticipated changes during the contract period. Thus**,** while ICT Application Enhancements (like software functionality enhancements etc) that are not conceived during the design stages, but are essential for successful utilisation of the application and those necessitated by change of policies of the Government/Service Headquarters/legislations and /or due to change in the deployed techniques/tactics by the adversaries may be progressed under Change in Service as under:-

22.1. **Deviations in Outputs/Deliverables**. There may be cases when during the project process, the deliverables of the project needs to be enhanced due to certain strategic requirements posed by the dynamic nature of the environment. The RFP may include clauses and clearly lay down procedure to handle such deviations in deliverables during the execution phase. This would provide flexibility to cater for technology change, upgrades, additional integration and provision for any deviations in deliverables which are out of the initial scope of work, to be paid as Paid Change Requests to the Bidder as part of the main contract. The ECCC after assessing and evaluating the requirements of Change will recommend each case for approval. The proposals for each Change in software/hardware or cumulative value amounting up to plus or minus15%of the basic value of software/hardware for ICT projects and 10% of the basic value in - - other projects shall be approved under delegated power of SHQ. Change proposals for each change value beyond the delegated power or cumulative value beyond plus or minus 15% (10% for – other projects) of the basic value of software/hardware respectively shall be submitted for CFA approval.

22.2. **Accommodating Minor Variations**. Supply of higher specification products due to non-availability of same specifications as ordered may be accepted, provided the seller submits a certificate from the OEM that the ordered specifications of the product have been upgraded and there is no addition/reduction in price.

23. **Upgradation**. As majority of the ICT projects would require upgradation during their life cycle, upgradation through OEM/ original developer/ System Integrator who was the main Supplier is inevitable. The requirement of upgradation of software and hardware (where required) is to be periodically evaluated by SHQ and if considered necessary, the scope of upgradation is to be finalised. Based on the financial implications and preferred route (either under OCPP under Chapter VIII of DAP or provisions of Chapter II of DAP), a case for AoN for upgradation through the OEM/ original developer/ System Integrator who was the main Supplier (on STE basis) under the financial powers of SHQ/ MoD as relevant, shall be taken up with respective AoN granting authority.

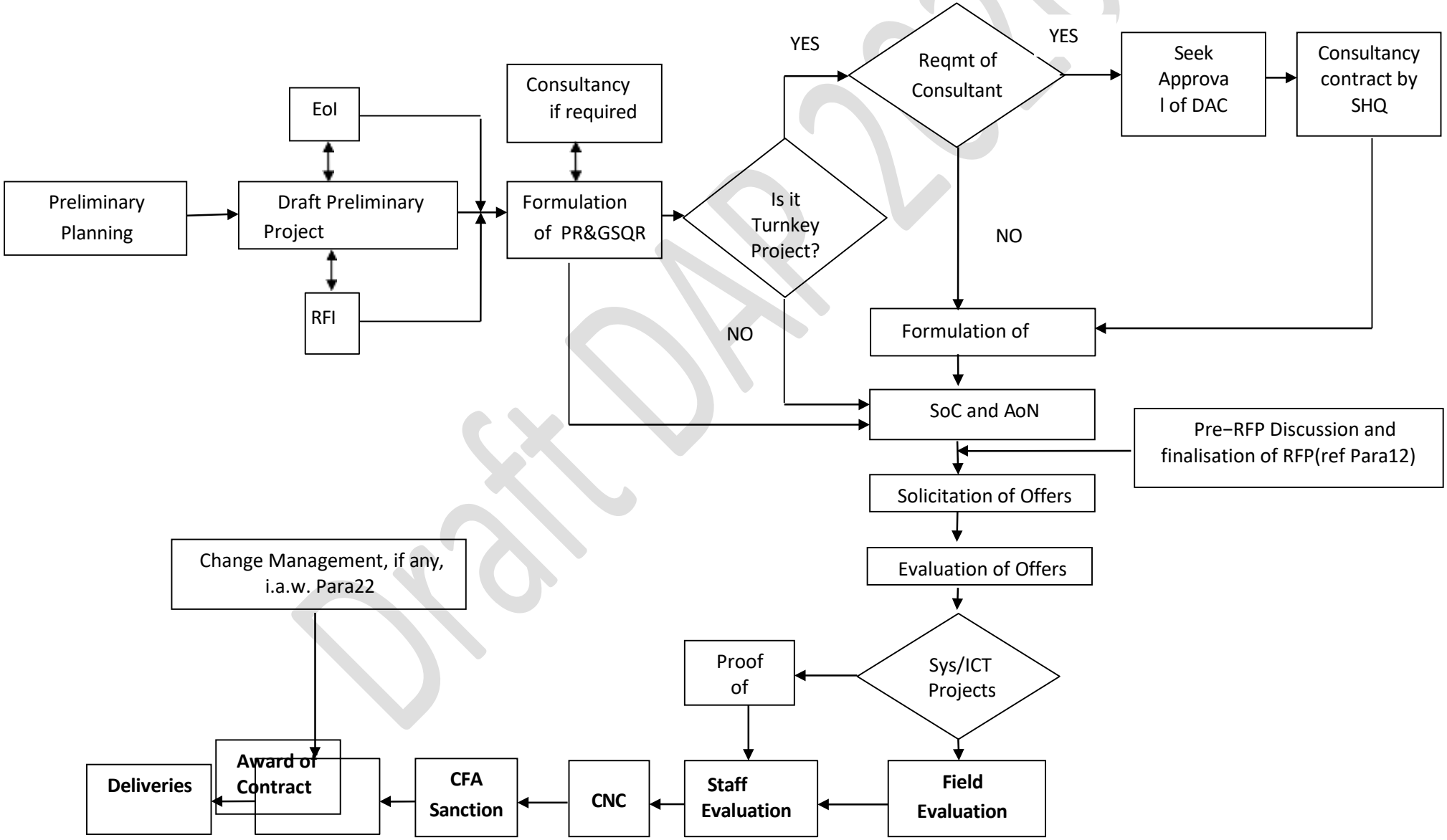
24. Details wrt Software Artefacts and Associated IPR is at **Annexure VII of this Appendix.**

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(Annexure I to Appendix H)

(Refers to Paragraph 90 of Chapter II of DAP 2026**)**

FLOWCHART FOR ACQUISITION OF ICT-INTENSIVE PRODUCTS



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(Annexure II to Appendix H)

(Refers to Para 12.1 of Appendix H)

INFORMATION SECURITY GUIDELINES FOR PROCUREMENT OF ICT GOODS AND SERVICES

1. ICT projects are complex systems integration projects which have hardware, system software (Operating systems/hypervisor/virtualization layer etc) and application software (both off-the-shelf and custom developed in various programming languages). The various guidelines issued from Ministry of Electronics & Information Technology (MeitY) and other relevant Government agencies may be referred.

2. Malicious code could be introduced into information and communication systems, to be exploited by external or internal agents to do one or more of the following:

2.1. Disrupt the functioning of the systematic critical juncture.

2.2. Provide a back door entry for leakage of information from the system.

3. Hence, from a cyber-threat perspective, it is important that clear guidelines are laid down on the cyber/ information security threat mitigation approach which should address the risks and also be implementable and verifiable.

4. The approach followed by leading IT manufacturing companies against cyber threats is to control the firm ware installed in the IT components which is the 'intelligence' in the hardware that is targeted by malicious code. The sub-systems like controller cards and hard disks get shipped with the OEM's approved firm ware or micro code version while configuring the system before delivery or installation. These firm ware and micro code are common for all the countries across the world and the files are usually available on OEM's website.

5. In addition, it is also important to track the malicious code in systems during the project lifecycle as follows:

5.1. OEMs of the hardware can certify that their products do not have malicious code embedded in them when the products are dispatched from their premises. However, it is possible that malicious code could be introduced into the hardware and software systems after they have been dispatched from the OEM premises or even later on during the operational phase, through unauthorized patches/ upgrades.

5.2. The Bidder will therefore be responsible to MoD during installation, warranty and support period, to mitigate the risks due to malicious code and security vulnerabilities in all the products supplied by them. Bidders in turn, should have the required agreements with the OEMs.

5.3. The supplier will take an undertaking from OEM stating that the OEM has not kept any back-door or a kill switch in the firmware intentionally or unintentionally. The supplier will take the responsibility of ensuring that any such back-door or kill switch is not present in the firmware of the ICT equipment being supplied.

5.4. Following features should be included in the RFP for all the ICT projects. In case of High Risk projects, additional information on the origin of the equipment/ sub system/ components as necessary Bidder to mitigate malware risks, may be sought as required.

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5.5. A certificate should be obtained by the Buyer from the Seller stating that all known security issues and malware have been addressed in the products including hardware/ firmware at the time of supplying the hardware/ software products. The Seller is also required to include similar contractual clauses in their contract with their sub- vendors and submit the Certificates while offering the equipment for acceptance inspection.

5.6. If active components are not to be sourced from a specific OEM(s)/ source(s) that are opined to be not trustworthy, or if the components are to be sourced only from a few reliable OEM(s)/ source(s) (in which case at least 3 to 4 such sources are to be indicated), such details are to be clearly stated in the RFP. Further, details of all the active components in the equipment being supplied along with their origin (i.e., OEM and country/ place of manufacture) are to be provided by the Bidder as per **Annexure III to Appendix H**. The same is to be verified during the Acceptance.

5.7. Various measures adopted/ instituted by Bidder for Information security and Subversion attacks/ Spyware/ Malware and to ensure that the equipment being supplied would be free of malicious code as confirmed in the Malicious Code Certificate to be specified in detail as per **Annexure-IV to Appendix H**. The same to be verified by the TEC.

5.8. The Bidder is to provide documents indicating the patch level update of the system.

5.9. If any security issue(s) are not addressed in the hardware/ firmware/ software at the time of supply and are exposed after their supply during the operational phases, the Seller should provide an undertaking that such exposed issues shall be immediately addressed by exercising the work-around before solutions/ patches for the same are available. Once the solutions/ patches are available for the same, those should be applied at priority to the supplied hardware/ firmware/ software. In such a case, the Buyer may exercise the discretion to accept such a product provided such security issues do not interfere with the functionality/ integrity of the system.

5.10. The seller should also undertake to provide security patches and updates to address subsequent vulnerabilities during the installation, warranty and support period of the equipment provided OEM has not declared end of support for the same.

5.11. Based on the criticality of the projects, Bidders may be asked to provide on-site testing of firmware by OEM using methods like Diverse Double-Compiling (DDC) etc for ensuring integrity of the firmware.

5.12. In addition to the above, it would be desirable that the supply chain for sourcing of imported active components is suitably camouflaged/ secured to ensure that the component suppliers are unable to determine the ultimate utilization/ destination of the components supplied by them. Measures for this should include buying from multiple vendors, not issuing any custom duty certificate, end user certificate etc. Further an undertaking may be obtained from primary vendor that the end user will not be disclosed to the sub vendor. -This provision would reduce the risk to the targeted malware insertion. However, this may be of limited utility against general malware that a few companies may routinely insert in all the active components manufactured. Further, it may result in increased monetary cost. This approach may not be feasible in case of certain niche technology products, which may mandatorily require ‘end-use’ certificates for getting export permission from their country of origin.

5.13. Notwithstanding, the provisions specified elsewhere in the Security Guidelines, the Bidder will be overall responsible for all cyber/ information security related aspects pertaining

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to – ICT goods and services and will be the single point of contact for addressing all Cyber/ information security related issues for the goods and services supplied by him as part of the contract. It will be the responsibility of the Bidder to enter into such agreements/ contracts with the OEMs as may be necessary to ensure that all cyber/ information security aspects are addressed holistically and comprehensively. The Bidder will provide list of tests conducted by OEM or an accredited certification agency along with list of such test reports for - ICT goods and services provided as part of contract. The Malicious Code Certificate as per Annexure V is to be provided by the OEMs and Bidder/ Seller.

Information Security Aspects Related to -ICT Hardware

6. From a cyber-security threat perspective, ICT hardware can be broadly categorized as follows:

6.1. **Inert Components.** Which have no electronic circuitry like power & other cables, connectors, racks, chassis hardware etc.

6.2. **Passive Components.** Sub-systems/ PCBs which have electronic circuitry, but no intelligence in terms of software/ firmware/ microcode like backplanes, keyboard, mouse, monitor, normal printer etc.

6.3. **Active Components**. Sub systems/ PCBs which have device-specific intelligence that is built into firmware/microcode like controller cards, hard disk drives, intelligent printers with smart features and memory, mother boards server management modules etc.

6.4. **High Active Components**. Appliances with a high level of intelligence built into firmware/ microcode, embedded OS & software.

6.5. Seller should have a cyber-security policy that is in vogue with policies issued by GoI on the subject. Seller should deal with S&C material shared with them as part of the procurement process as per policies issued by GoI on the subject (which should be covered in Seller's cyber security policy). These are to be applicable even to agencies to who the contract would be sub-let.

6.6. Guidelines to handle cyber security incidents and reporting of loss of information of GoI due to such incidents should be clearly laid down. Seller's cyber security guidelines (aligned to GoI mandates) should include reporting of cyber incident in a time-bound manner to Buyer.

7. Following may be considered to mitigate information Security Risks in ICT hardware:

7.1. Bidder's mitigation plan to ensure no malicious first party code in the product and adequate provisions/ steps incorporated in the design and architecture to mitigate the effects.

7.2. Identify critical projects and procurements, which are vital to the organization and whose disruption can cause catastrophic failure. This step is basically to keep the scope of validation to a manageable level.

7.3. Shortlist the trusted OEMs, who have clear and verifiable processes in managing their suppliers and supply chains, both from quality and cyber security threat perspectives.

7.4. At the RFP stage, specifically mention the components/ categories out of those mentioned at Para 8 above, which will be tested by the customer for cyber threats, which may be done in the OEM's or an accredited lab premises.

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7.5. Obtain malicious code certificate from OEM and Bidder as specified in Annexure V.

7.6. At the time of delivery, the OEM will provide details of the firmware/ microcode installed in each of the components specified in Para8 above. If required, Buyer may ask for the firmware/ microcode to be reloaded in the OEM's service centers.

7.7. Step(s) as above be carried out every time the component is replaced or upgraded.

Information Security Aspects Related to Software Projects

8. In case of software projects including bespoke software development, the following information should be supplied by the Seller:

8.1. List of changes being made to Operating System due to software installation.

8.2. List of dependencies including software components and its DLL files.

8.3. List of processes including 'child processes' and service/ daemon being created in the Operating System.

8.4. Network Protocols and Ports being used by the product. In the event of custom protocols, complete description of the protocols is to be given.

8.5. Cryptographic Hash values of the files being provided.

8.6. A certificate stating "No known security issues, Malware, Trojans exist in the software components being provided".

8.7. A code Audit Certificate providing details regarding known exploit techniques (e.g. like buffer/ heap overflow), bugs, backdoors, list of components that could not be audited and Third party DLLs used.

8.8. Any other aspect related to information/cyber security.

9. For Management Information Systems, bespoke/ customized software and Enterprise wide solutions, Vulnerability Assessment will be undertaken by a CERT-IN empanelled vendor or Info Security agencies/ directorates of the respective Services and the same will be included in the RFP.

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(Annexure III Appendix H)

(**Refers to Para 5.6 of Annexure II to Appendix H to** Guidelines and Annexures)

DETAILS OF HIGH ACTIVE COMPONENTS

Ser No	Components	Qty	Country of Origin	Proposed Manufacturer(s)	Remarks

DETAILS OF ACTIVE COMPONENTS

Ser No	Components	Qty	Country of Origin	Proposed Manufacturer(s)	Remarks

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(Annexure IV to Appendix H)
(**Refers to Para 5.7 of Annexure II to Appendix H to Guidelines and Annexures**)

MEASURES TO BE ADOPTED BY BIDDERS FOR INFORMATION SECURITY

1. **Information Security**. The Bidders to list down all the measures taken by him to ensure that:

1.1. No hostile actors insert a targeted sub version attack into the equipment.

1.2. The residual threats based on subversion of single components or subsystems, which may lead to shut down or partial loss of functionality, or to a series of privilege escalations leading to full-fledged control of the equipment.

1.3. Likely points of insertion of roots of trust and their effect on risk mitigation using well established security principles of containment, transaction control and confinement. Hence, insertion of roots of trusts into the equipment by the trusted system integrator may be employed to block the later type of attack and escalation.

1.4. Ensuring safety of the information assets from leakage and possible corruption or falsification.

1.5. Any other aspect to ensure Information Security.

2. **Subversion Attacks/ Spyware/ Malware**. The Bidders to list down all the steps taken and obtain certificate where required to ensure NO Subversion attack/ Spyware/ Malware in the project.

2.1. Measures instituted by the Bidders to ensure that the equipment being supplied to the MoD/ GoI would be free of malicious code as confirmed by the Bidder in Malicious Code.

2.2. List of all active components in the equipment being supplied along with their origin (i.e. OEM and country/ place of manufacture).

2.3. Measures taken to mitigate malware risks.

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(Annexure V to Appendix H)

(**Refers to Para 7.5 of Annexure II to Appendix H**)

CERTIFICATE TO BE OBTAINED FROM OEM/ BIDDER FOR PROCUREMENT OF ICT GOODS AND SERVICES
(To be rendered on the Company Letterhead)

1. This is to certify that the Hardware and the Software being offered as part of the contract does not contain embedded malicious code that would activate procedures to:-

1.1. Inhibit the desired and designed function of the equipment.

1.2. Cause physical damage to the user or equipment during the exploitation.

1.3. Tap information resident or transient in the equipment/networks.

2. The firm will be considered to be in breach of the procurement contract, in case physical damage, loss of information or infringements related to copyright and Intellectual Property Rights (IPRs) are caused due to activation of any such malicious code in embedded software.

3. The firm will provide the following malicious code certificates from Bidders and OEMs as given below. Amendments/ additions/ deletions may be made to the formats given below to meet the project specific requirements and these may form part of the RFP and contract agreement **or, any time before delivery/installation (as applicable).**

(Signed)
Date: Designation/Name/Address of firm

MALICIOUS CODE CERTIFICATE FROM HARDWARE OEM

1. It is certified that the firmware/ microcode installed in the hardware products listed below, which is proposed to be delivered by our Business Partner M/s , is approved by the OEM. The products have been thoroughly tested and found to be working as per the OEM's specifications at the time of delivery and no malicious code has been found in these products. Patch level update of the system is enclosed.

2. The latest security patches as available at the time of supply, have been updated in the firmware. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the equipment, provided end of support for the same has not been declared for the equipment by the OEM(s).

(Signed)
Date: Designation/Name/Address of firm

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MALICIOUS CODE CERTIFICATE FROM SOFTWARE OEM

1. It is certified that the firm has taken all steps to ensure that the software products listed below, which is proposed to be licensed by is found to be working as per the OEM's specifications at the time of delivery and no malicious software computer program/ code hidden within the software that performs a function unauthorized by the OEM's published documentation has been introduced in these products. Patch level update of the software is enclosed.

2. The latest security patches as available at the time of supply, have been updated in the software. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the software, provided end of support for the same has not been declared for the equipment by the OEM's.

(Signed)
Date: Designation/Name/Address of firm

MALICIOUS CODE CERTIFICATE FROM BIDDER

1. This is to warrant that the hardware and software being offered, as part of the Contract does not contain embedded malicious code at the time of installation and commissioning. Patch level update of the hardware/ software is enclosed.

2. The firm will be considered to be in breach of the contract, in case any physical damage or any compromise in information and cyber security or infringement related to copyright and Intellectual Property Right(IPRs) is caused due to activation of any malicious code embedded in the hardware/ software.

3. The latest security patches as available at the time of installation and commissioning, have been updated in the hardware/ software. We undertake to provide solutions to address all security issues during the warranty and support period of the hardware/software, provided end of support for the same has not been declared for the equipment by the OEM's and to address all exposed security issues by exercising immediate Work-around until the OEM has made the respective solutions available.

(Signed)
Date: Designation/Name/Address of firm

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(Annexure VI to Appendix H)

(Refers to Para 15.2 of Appendix H)

QUALITY AND COST BASED SELECTION (QCBS) METHOD

1. **Quality and Cost Based Selection(QCBS) Method**. This method of selection shall be used for highly technical projects/ services/ assignments which have high impact and hence it is essential to engage highly skilled agency which offers their professional services. Output of such services is highly dependent on the expertise of the service provider. For such services, weightage needs to be given to higher technical standards, while finalizing the prices. The service provider will be selected on L1-T1 basis.

2. **Demand Initiation & Approval Under QCBS**. Selection of service provider under QCBS implies that thee valuation of bids will be done on the basis of both "Non-price Attributes" and "Price Attributes". The Non-price attributes comprises of parameters related to technical competency/ managerial ability such as availability of qualified personnel and support staff experience of key personnel or availability of in-house QA practices etc. The Price attribute is related to the price quoted by the bidders. The demand approval process in such cases would inter-alia require compliance of following:

2.1. RFP will be prepared and issued with concurrence of finance. Standard format of RFP would be appropriately modified to incorporate following:

2.1.1. Details of work or service to be performed by the contractor.

2.1.2. The facilities and the inputs that would be provided to the contractor by the SHQ.

2.1.3. Eligibility and qualification criteria to be met by the contractor for performing the required work or service.

2.1.4. The statutory and contractual obligations to be complied with by the contractor.

2.1.5. Suitable evaluation criteria wherein weightage of "Non-price Attributes" and "Price Attributes" to be mentioned upfront.

2.1.6. In case of outsourcing consultancy services, following Terms of Reference (TOR) will be included in the RFP:

2.1.6.1. Purpose/objective of the assignment.

2.1.6.2. Detailed scope of work.

2.1.6.3. Expected input of key professionals (number of experts, kind of expertise required).

2.1.6.4. Proposed schedule for completing the assignment.

2.1.6.5. Reports/deliverables required from the service provider.

2.1.6.6. Background material, previous records etc available and to be provided to the service provider.

2.1.6.7. Procedure for review of the work of service provider after award of

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contract.

2.1.7. Standard formats for technical proposal.

2.2. **Pre-bid Meeting**. A pre-bid meeting will invariably be prescribed in the RFP for selection of service provider under QCBS. The date and time for such a meeting may normally be after 15 to 30 days of issue of RFP and should be specified in the RFP itself. During this meeting, the scope of assignment, responsibilities of either parties or other details may be clearly explained to the prospective bidders so that there is no ambiguity later on at the time of submission of technical/ financial bids. Where some significant changes are made in the terms/ scope of RFP as a result of pre bid meeting or otherwise considered necessary by the Buyer, a formal Corrigendum to RFP maybe issued. In such cases, it should be ensured that after issue of Corrigendum, reasonable time is available to the bidders to prepare/ submit their bid. If required, the time for preparation and submission of bids may be extended, suitably.

2.3. Two bid system will be followed for all cases irrespective of the cost. CNC will be conducted for all cases under QCBS.

2.4. CFA will be determined as per the delegation of financial powers in vogue for selection of service provider.

3. **Evaluation under Quality and Cost Based Selection (QCBS) Method**. The weightage should be decided by the Collegiate prior to issue of the RFP and should be maintained in sealed cover thereafter till opening of bids and L1-T1 decision matrix preparation.

3.1. Under QCBS, the proposals will be allotted technical and financial weightage depending upon the nature of assignment. The technical proposal will be evaluated first and points will be allotted to each of the bidders. The minimum Technical Score (ST) to be obtained for considering financial proposal will be specified in RFP. Detailed and objective technical evaluation criteria out of a total score of 100, will be specified in RFP.

3.2. Proposal with the lowest cost, evaluated as per the provision of this Manual, may be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their evaluated cost.

3.3. The total score, both technical and financial, shall be obtained by weighing the quality and cost scores and adding them up. The proposed weightage for technical and financial parameters for each project shall be specified in the RFP. A few technical criteria are indicated below:-

3.3.1. Firm’s experience in past similar ICT related projects.

3.3.2. Domain expertise and project management consultancy.

3.3.3. To what extent the performance, capacity, or functionality features, technology, Training methodology etc meet or exceed the levels specified in the performance/ functional SQRs.

3.3.4. Experience and profile of team members in integrating multiple systems, setting up data centre and handling/ managing and monitoring projects implementation, software development etc.

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3.3.5. Quality of Technical Proposal in terms of key personnel, access to key equipment, site organization, safety, quality assurance, Implementation Schedule and any other activities as specified in technical parameter.

3.3.6. Assessment and procurement of hardware infrastructure, setting up data centre, cloud hosting etc.

3.3.7. Experience of working in multiple systems integration, designing and implementation of 'Internet of Things (IoT)' etc.

3.3.8. Each technical feature may include sub criteria if required and the same needs to be specified.

3.3.9. During the evaluation process, the evaluation committee may assign each desirable/ preferred feature a whole number score as specified earlier.

3.4. The financial evaluation will be done for only those proposals which obtain the minimum technical score. The Financial Scores (SF) of all proposals will be calculated as:-

SF= 100 x FP min/FP, where
SF= Financial score of proposal under consideration
FP min = Price of lowest financial proposal
FP = Price of proposal under consideration

3.5. Proposals will be ranked according to their combined technical and financial scores as per following formula (for a 60:40 ratio):-

S= ST x 0.6 + SF x 0.4, where
S= Final Combined Score
ST=Technical Score
SF= Financial Score

3.6. The technical fields, details and specifications over which the bidder will be evaluated for calculating the Technical Score of the proposal-will be deliberated by the Collegiate during RFP vetting and approved by RFP Approving authorities. In such projects a due diligence may be -taken on the critical parameters of the project covering System Functionality, Technology, Specific implementation experience, Training methodology, performance in Proof of Concept (in case PoC is planned), Certifications, Past experience of the vendor in executing similar assignments, size of those assignments, profile of team members and Project Methodology. The Technical Evaluation Committee in this case may have expertise or may have access to expertise to objectively evaluate and compare the various solutions components proposed by the bidders.

3.7. **Highest Points Basis**. On the basis of the combined weighted score for technical and financial, the service provider shall be ranked in terms of the total score obtained. The proposal obtaining the highest total combined score in evaluation of quality and cost will be ranked as H-1 followed by the proposals securing lesser marks as H-2, H-3 etc. The proposal securing the highest combined marks and ranked H-1 will be invited for negotiations, if required and shall be recommended for award of contract. As an example, the following procedure can be followed. In a particular case of selection of service provider, it was decided to have minimum qualifying marks for technical qualifications as 75 and the weightage of the technical bids and financial bids was kept as 60:40. In response to the RFP, 3 proposals, A, B & C were received. The TEC awarded 75, 80 and 90 marks respectively. The minimum qualifying marks were 75. All the 3 proposals were, therefore, found technically suitable and their financial proposals

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were opened after notifying the date and time of bid opening to the successful participants. The CNC examined the financial proposals and evaluated the quoted prices as under:-

Proposal	Evaluated Cost
A	Rs120
B	Rs100
C	Rs110

3.8. Using the formula LEC/ EC, where LEC stands for lowest evaluated cost and EC stands for evaluated cost, the committee gave them the following points for financial proposals:-

Proposal	Evaluated Cost	Cost Marks
A	Rs.120	(100/120)x 100=83points
B	Rs.100	(100/100)x 100=100points
C	Rs.110	(100/110)x 100=91points

3.9. In the QCBS evaluation, thereafter, the evaluation committee calculated the combined technical and financial score as under:-

Proposal	Evaluated Cost	Cost Marks	Combined Marks
A	Rs.120	83 points	(75x 0.60)+(83x 0.40)=78.2pts
B	Rs.100	100points	(80x 0.60)+(100x 0.40)=88pts
C	Rs.110	91 points	(90x 0.60)+(91x 0.40)=90.4pts

3.10. The three proposals in the combined technical and financial evaluation were ranked as under:

Proposal	Evaluated Cost	Cost Marks	Combined Marks	Rank
A	Rs.120	83 points	(75x0.60)+(83x 0.40)=78.2pts	H3
B	Rs.100	100points	(80x0.60)+(100x 0.40)=88pts	H2
C	Rs.110	91 points	(90x0.60)+(91x 0.40)=90.4pts	H1

3.11. Proposal C at the evaluated cost of Rs.110 was, therefore, declared as winner and recommended for negotiations/approval, to the competent authority.

3.12. The bidder achieving the highest combined Technical and Financial score(s) would be considered for the award of the contract.

3.13. A case may arise when the total score (Technical + Financial) of two bidders is same and the individual “Technical” and “Financial” scores are different. In such cases, the bidder with higher “Technical” score may be declared as L1.

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(Annexure VII of Appendix H)
(Refers to Para 24 of Appendix H)

SOFTWARE ARTEFACTS AND ASSOCIATED IPR

Ser No	Artefact	Associated IPR	Remarks
1.	System Design	System Patent	System in entirety
2.	Functional features	Methods Patent	No & listing of functions Performed by software
3.	External appearance	Registration of design	GUI menus
4.	Input domain	Registration of design, Patent	Data type, format, source
5.	Processing Algorithm	Method Patent	Algorithms
6.	Compilation script	Copyright	Code specific to OS and compiler
7.	Source Code	Copyright	Code in a programming language
8.	Libraries/DLLs/Executables	Copyright	The artefact sharing for re-use

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(Appendix J to Chapter II of Handbook on Guidelines and Annexures)

(Refers to Paragraph 92 of Chapter II of DAP 2026)

SoP for Turnkey Projects: MoD ID dated 17 October 2014

1. **Definition**. There are cases where the project involves supply, installation and commissioning of varied machine / equipment for establishing specialised maintenance / communication/ storage/ overhauling facilities (with or without infrastructure) at one or more locations in the country. Such projects including upgradation / modernisation of existing assets may be carried out on Turnkey Basis and may also include setting up of requisite specialised technical infrastructure. The scope of such projects is large and varied involving number of activities; hence there is a requirement of identifying a single agency capable of completing the project on Turnkey Basis.

Scope

2. The scope of Turnkey Projects should include inter-alia the following: -

2.1. Requirement of a single Agency or integrator capable of completing the Project.

2.2. Projects involving varied activities (establishing of technical infrastructure, communication facilities, explosive storage houses and weapon servicing and overhaul facilities, upgradation and modernisation of existing assets etc.) which are intrinsic to main equipment/system.

2.3. Projects chargeable to Capital.

2.4. Asset being created should be the major cost and technology driver.

2.5. Clear and specific requirements which are frozen in the DPR.

3. **Linkage to Acquisition Plans**. The Project should form part of the **ICDP** and the **AAP**.

Stages of Turnkey Projects

4. **DPR Preparation**. For initiating a 'Turnkey Project', an in-principle approval of the project is to be taken at PSO level in the SHQ/IDS/CGHQ.

5. For such cases, a Detailed Project Report (DPR) would be worked out by the concerned SHQ. It should lay down the detailed scope of work involved, bill of material, approximate cost estimates and the time frame for project completion etc. In certain complex cases, the DPR may be outsourced by SHQ, the justification of which may be given in the statement of case for seeking the AoN.

5.1. **DPR Prepared by SHQ/IDS/CGHQ**. DPR is to be prepared by SHQ/IDS/CGHQ by utilising the in house expertise available within the SHQ/IDS/CGHQ. In order to prepare a DPR requisite inputs will be obtained by issue of RFI on MOD website by SHQ/ and by corresponding with suitable vendors/OEM. Additional inputs may be obtained from defence attaches, internet, defence journals/ magazines/ exhibitions and previously contracted cases in such category.

5.2. **Outsourcing of DPR**. The following procedure is to be adopted for outsourcing of DPR: -

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5.2.1. Issue of Expression of Interest/RFI for hiring of consultant for preparation of DPR.

5.2.2. Preparation of SoC for acceptance of necessity for hiring consultant for preparation of DPR.

5.2.3. Accord of AoN by SCAPCHC/ DPB/ DAC, as required, for hiring consultant for preparation of DPR.

5.2.4. Issue of RFP.

5.2.5. TEC.

5.2.6. CNC.

5.2.7. Contract Signing.

5.2.8. Preparation of DPR and submission of SHQ by hired consultant.

6. After preparation of DPR (in-house or outsourced), the subsequent procedure for Turnkey Projects will be in accordance with the Chapter II of DAP 2026. with following changes as required: -

6.1. **Formulation of SQRs**. The DPR is to be placed before the SEPC for ratification. The technical specification as provided in the DPR duly approved. by SEPC will be considered as SQRs for the Turnkey Project.

6.2. **Eol/RFI for Project Implementation**. Issue of Eol/RFl for Implementation of Turnkey Project.

6.3. **SoC for the Project**. Preparation of SoC (with approved DPR) for acceptance of necessity for Implementation of Turnkey Project. SHQ will specifically comment on the monitoring mechanism of the project.

6.4. **AoN for the Project**. Accord of AoN by SPB/ DPB/ DAC for Turnkey Project.

6.5. **Selection of Vendor**. Consequent to the AoN, a committee under the Chairmanship of a Brig equivalent officer from User Directorate would be formed comprising of representatives of User directorate, maintenance directorate, DRDO, DDP, Def (Fin), Technical Manager and any other agency as deemed necessary, for short listing of vendors who would be issued the RFP. While finalising the vendor list reputed integrators should also be considered.

6.6. The responsibility for constituting the vendor Selection Committee (VSC) would be of the ADG Acquisition Tech concerned. The VSC Report Will also be processed by the ADG Acuisition Tech concerned for acceptance by the DG (Acq)/ Vice Chief for Non Delegated and Delegated cases respectively.

6.7. **Issue of RFP**. Issue of RFP to the vendors selected by VSC.

6.8. **Evaluation of the Responses**. Technical Evaluation of the responses for shortlisting the prospective vendors will be carried out by respective SHQ.

6.9. **Contract Negotiations**. Negotiation for the contract and price will be carried out by a Contract Negotiation Committee as per the extant guidelines of DAP 2026. In case the

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project has civil works of more than 25% of the estimated cost, representatives of E-in-C Br and MOD (Fin/Works) will be co-opted.

6.10. **Approval**. CFA Approval and Contract conclusion.

6.11. **Test Bed**. Establishment of Test Bed (if required).

6.12. **Implementation**. Project implementation as per the contract.

6.13. Flow Chart giving out major activities for a Turnkey Project is at **Annexure I to this Appendix.**

Miscellaneous Issues

7. **Flexibility in Bill of Materials**.

7.1. Upgraded version of item(s) may be accepted provided it meets the SQR.

7.2. A variation in Bill of Material up to 10% in respect of quantities will be permissible to cater for any unforeseen circumstances at the time of evaluating the bids.

7.3. Pending approval of the CFA, revision in quantities will be permissible in respect of individual items up to 25% with an overall cap of 10% of contract value. Approval of CFA will be taken for all such variations.

8. **Establishment of Test Bed**. Requirement of establishment of test bed may not be necessary in all the turnkey projects. Wherever necessity of establishment of test bed is felt it should be brought out in the DPR and the criteria for acceptance of the test bed needs to be defined. The non-applicability of test bed needs to be highlighted in the SoC and the approval of the same should be taken at the time of AoN. Wherever the establishment of Test Bed is envisaged, it should be explicitly stated in the RFP.

9. **Guidelines for Hiring of Consultants**. Mode of Selection of Consultants may be based on the Manual of Policies and Procedure of Employment of Consultants of Ministry of Finance. Copy the same is placed as Annexure Il to these Guidelines. Expenditure on account of hiring/ engagement of consultant will be treated as part of the project and compiled to the capital head of the service concerned.

10. **Scope of Consultancy**. Depending on the project requirement, the Scope of Consultancy Services may include the following aspects:

10.1. Preparation of DPR.

10.2. Assistance in preparation of RFP documents.

10.3. Advice on the technical inputs, payment terms, commercial and legal issues.

10.4. Advice on identifying prospective vendors and their selection criteria for consideration of the vendor selection committee.

10.5. Provide consultancy towards the Project implementation.

11. **Scope of DPR**. The detailed project report is to be prepared carefully and with sufficient details to ensure appraisal, approval and subsequent project implementation in a timely and efficient manner. Scope of DPR will include the following elements: -

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11.1. Overview of the project.

11.2. Project definition, concept and scope.

11.3. Technical infrastructure requirements.

11.4. Integration requirements.

11.5. Project phases, time frames for implementation and critical path/activity analysis.

11.6. Estimated project cost alongwith the estimated Bill of Material.

11.7. Technical specifications including requirement of test bed where required and general layout designs and drawings (General Arrangement Drawings/Layout).

11.8. Acceptance, testing and certification procedure.

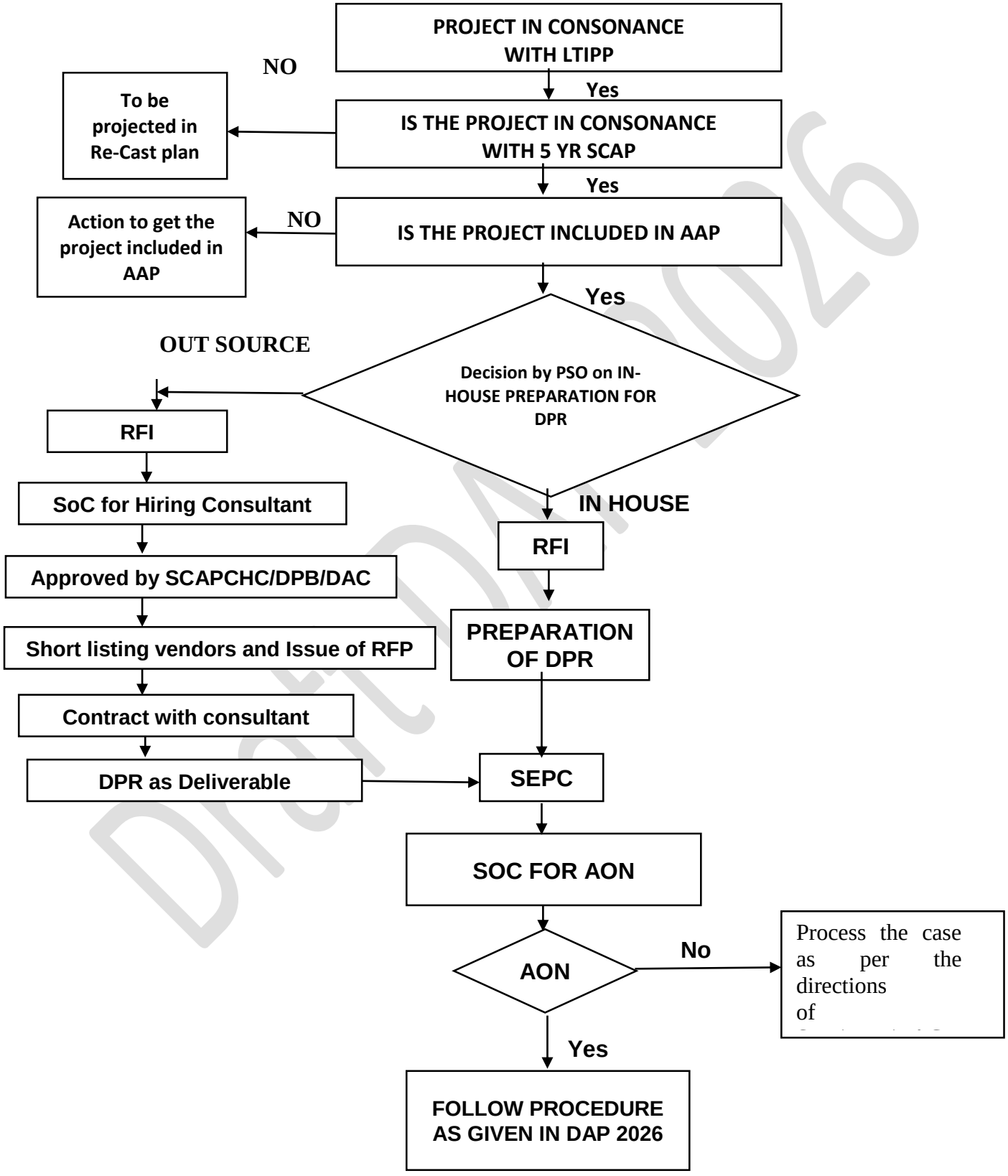
12. **Comments on the Project involving Civil Works**. In case of the projects having civil works more than 25% of the estimated cost of the project stated in the DPR, the SoC should have comments of JS (C & W) and E-in-C Branch.

13. **Modernisation/Upgradation Cases**. All projects requiring demolition of existing facility and creation of new one should clearly spell out why partial renovation/remodelling is not possible and list and value of scrap that is likely to be generated.

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(Annexure I of Appendix J)
(Refers to Paragraph 6.13 **Appendix J**)

FLOW CHART GIVING OUT MAJOR ACTIVITIES FOR A TURNKEY PROJECT



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(Appendix K to Chapter II of Handbook on Guidelines and Annexures)

(Refers to Para 102 of Chapter II of DAP 2026)

TIMELINE FOR PROCUREMENT

Ser No.	Stage	Step of Procurement	Responsibility	Timeline (in Weeks)	Cumulative Timeline (in Weeks)	Remarks
1.	RFI	Issue	SHQ		D	
		Vendor Response	Vendor	06	D+6	
2.	SQRs	Approval of SQRs/ JSQRs	SEPC/ ISEPC	16	D+22	
3.	AoN	Fielding of SoC	SHQ through DAC/ DPB/ SPB Secretariat	24	D+46 (To)	
4.	RFP & Bid-in	Issue of RFP	ADG Acq Tech / SHQ	06	T_0 + 6	
		Pre bid meeting	SHQ	06		
		Dispatch of pre-bid reply	ADG Acq Tech	03		
		Receipt of Bids	Vendor	03	To+18	
5.	TEC	Completion of TEC Report	SHQ	08	T_0 + 26	
		Approval of TEC Report	SHQ	02	T_0 + 28	
6.	FET	Trial Directive	SHQ	01	-	Concurrent to approval of TEC
		EUT Submission	Vendor	08	T_0 + 36	
		FET Completion	SHQ	24	T_0 + 60	
7.		FET Report Submission	Trial Team	02	T_0 + 62	
8.	SE	Completion of SE	SHQ	03	To+65	SE to commence from date of receipt of Trial report
		Approval of SE	SHQ	01	To+66	
9.	TOC	Acceptance of TOC Report	SHQ	02	--	On requirement
10.	CNC	BMC/ CC/	BMC/CC	-	-	BM to commece after bid submissiotn CC to commence after approval of TEC/ receipt of trial report

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Ser No.	Stage	Step of Procurement	Responsibility	Timeline (in Weeks)	Cumulative Timeline (in Weeks)	Remarks
		CNC Report Submission	CNC	12	T_0 + 78	
11.	CFA Approval	Obtain CFA Approval	JS & AM/ SHQ	08	T_0 + 86	
12.	Contract	Signing of Main Contract	JS & AM/ SHQ	02	T_0 + 88	

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(Appendix L to Chapter II of Handbook on Guidelines and Annexures)

(Refers to Para 102 of Chapter II of DAP 2026)

MONITORING MECHANISMS

1. The monitoring details are as below

Ser No	Time		Review by
1.1	Progress of all ongoing cases including budget expenditure	Quarterly (April, July, October and January)	DPB
1.2		Six Monthly (April and October)	DAC
1.3	Delay in ongoing cases (update by Acquisition Wing)	Six Monthly (April and October)	DPB
1.4	Qtrly review of all delays as per timelines of stages at Appx L		Vice Chiefs
1.5	Half yearly review of all delays as per timelines of stages at Appx L		DG Acq
1.6	Half yearly review of all delays as per timelines of stages at Appx L		Def Secy

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SCHEDULE I TO CHAPTER II OF HANDBOOK ON GUIDELINES AND ANNEXURES

RFP FORMAT

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(Cover Page)



REQUEST FOR PROPOSAL BY

MINISTRY OF DEFENCE GOVERNMENT OF INDIA FOR PROCUREMENT OF

(With details of Project/Equipment)

This document is the property of Government of India/Ministry of Defence. The contents of this RFP must not be disclosed to unauthorised persons and must be used only for the purpose of submission of Bids.

This document contains pages including cover page and Appendices.

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(Schedule I to Chapter II of Handbook on Guidelines & Annexures)
(Refers to para 26 of Chapter II)

(THIS RFP PROVIDES A STANDARDISED FORMAT FOR GUIDANCE. IT MAY BE VARIED DEPENDING ON USER REQUIREMENTS, TYPE/COMPLEXITY OF EQUIPMENT/ SYSTEM/ PLATFORM/ MACHINERY/ TEST EQUIPMENT AND OPERATIONAL IMPERATIVES. SHQ MAY PROPOSE ALTERATIONS AS PER THEIR SERVICE REQUIREMENTS)

Tele:
E-mail: _____

File No: _____

Additional Director General Acquisition
Technical (Army/Air/M&S)
New Delhi-Pincode
(*For delegated cases mention the RFP issuing Dte of SHQ*)

(Date)

To
(Name of the Company/ Firm with address and Contact details)

REQUEST FOR TECHNICAL AND COMMERCIAL PROPOSAL FOR
(GENERIC NOMENCLATURE OF EQUIPMENT)
CATEGORY: … ***(AS PER AON)***

Dear Sir/Madam,

1. The Ministry of Defence, Government of India, intends to procure _____ *(generic nomenclature of equipment and quantity)* and seeks participation in the procurement process from prospective Bidders subject to requirements in succeeding paragraphs.

Synopsis

2. **Broad Description of Equipment/System**.

The details of the equipment/system proposed to be acquired, along with its intended use and basic configuration/composition may be included in the Para to enable the Bidder to get a preliminary idea of the project. Broad details of associated equipment also to be mentioned.

(*For Example: An integrated Fire Fighting Training Facility comprising of Fire Training Area, class room, change room and office space is required to be installed at designated site in Lonavla to provide basic training in firefighting to approximately 3500 trainees per year.)*

3. The salient aspects and timelines of the acquisition are tabulated below. In case of any variation in the details furnished below or in any Annexures(s) with that mentioned in the RFP, the same will be clarified in the pre-bid meeting.

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Ser No.	Description	Details	Reference Para of the RFP
3.1.	Equipment/System required		
3.2.	Quantity Required		
3.3.	Categorisation of Procurement		
3.4.	Minimum IC Content required		
3.5.	Place(s) of Delivery		
3.6.	Warranty Period		
3.7.	AMC/ CMC/ PBL Period, if any		
3.8.	EMD Amount, if any		
3.9.	Last date for submission of Pre-bid queries		
3.10.	Date and time for Pre-bid meeting		
3.11.	Last date and time for Bid Submission		

4. **Special features of the RFP**.

Special requirements of RFP like the requirement of integration with other systems, linking of Trials with completion of delivery, infrastructure augmentation required etc. are to be specified to draw the attention of bidders to critical aspects of the RFP.

(*For Example: The equipment to be supplied is to be interfaced with the CMS of the platform for which interfaces are to be designed by the Bidder. The Interface Protocols will be provided by the Buyer. Interfacing and proving the system will be responsibility of the Bidder.)*

5. This Request for Proposal (RFP) consists of following five parts:-

Ser No.	Description	Page No.
5.1.	Disclaimer	
5.2.	Part I – General Requirements	
5.3.	Part II - Technical Requirements	
5.4.	Part III – Commercial Requirements	
5.5.	Part IV – Bid Evaluation and Acceptance Criteria	

6. The Government of India invites responses to this request only from Original Equipment Manufacturers (OEM) or Authorised Vendors or Government Sponsored Export Agencies (applicable in the case of countries where domestic laws do not permit direct export by OEM) subject to the condition that in cases where the same equipment is offered by more than one of the aforementioned parties, preference would be given to the OEM.

7. The end user of the equipment is the Indian Armed Forces.

8. This RFP is being issued with no financial commitment; and the Ministry of Defence reserves the right to withdraw the RFP and change or vary any part thereof or foreclose the procurement case at any stage. The Government of India also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

9. This RFP is non-transferable.

10. In addition to various Appendices and their Annexures, attached with this RFP, reference to various paragraphs of DAP-2025 has been made in the RFP. The DAP -2025 is an open domain

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document that is available at GoI, MoD website www.mod.gov.in.

11. The receipt of the RFP may please be acknowledged.

Yours faithfully

(Particulars of the Officer issuing the RFP) O/o ADG Acq Tech Army/Air/M&S)/SHQ

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Disclaimer

This RFP is neither an agreement and nor an offer by the MoD to the prospective Bidder(s) or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in submitting their proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by the MoD in relation to the Project. This RFP document and any assumptions, assessments and statements made herein do not purport to contain all the information that each Bidder may require. The Bidder shall bear all its costs associated with or relating to the preparation and submission of proposal pursuant to this RFP. Wherever necessary, MoD reserves the right to amend or supplement the information, assessment or assumptions contained in this RFP. The MoD reserves the right to withdraw the RFP or foreclose the procurement case at any stage. The issuance of this RFP does not imply that the MoD is bound to shortlist a Bidder for the Project. The MoD also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

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PART I – GENERAL REQUIREMENTS

1. This part consists of the general requirement of the Goods (also referred as equipment/systems/deliverables) and Services, hereafter collectively referred as 'Deliverables', the numbers required, the time frame for deliveries, conditions of usage and maintenance, requirement for training, Engineering Support Package (ESP) and warranty conditions, etc. It includes the procedure and the date & time for submission of bids.

Non-Disclosure

2. The Bidding documents, including this RFP and all attached documents provided by the MoD, are and shall remain or become the property of the MoD. These are transmitted to the Bidders solely for the purpose of preparation and the submission of a proposal in accordance herewith. Bidders are to treat all information as strictly confidential/ secret *(in case of a Secret RFP)* and shall not use it for any purpose other than for preparation and submission of their proposal. The provisions of this Para shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders, and the MoD will not return to the Bidders any proposal, document or any information provided along therewith (except unopened Commercial Bid and EMD, as relevant).

3. Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process, or concerning the Bidding Process. The MoD will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. MoD may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or MoD or as may be required by law or in connection with any legal process.

4A. **Confidentiality of Information**. No party shall disclose any information to any 'Third Party' concerning the matters under this RFP generally. In particular, any information identified as 'Proprietary' in nature by the disclosing party shall be kept strictly confidential / secret *(in case of a Secret RFP)* by the receiving party and shall not be disclosed to any third party without the prior written consent of the original disclosing party. This clause shall apply to the sub-contractors, consultants, advisors or the employees engaged by a party with equal force.

4B. **Cyber Security Guideline**. The bidders are to comply with all relevant Cyber Security measures/ provisions and confidentiality clauses as notified by their Governments from time to time. The bidders will be liable for penal consequences for any Cyber Security breaches. For equipment/ system requiring Defence Industrial License, the Indian Bidders are to provide information on the following additional aspects of cyber-security: -

4.1. Cyber security policy employed.

4.2. Details of last cyber security audit carried out by an agency empanelled by Cert-In.

4.3. Level of compliance to "Security Manual for Licensed Defence Industries: issued in June 2025 by Department of Defence Production for ILDCs" as amended from time to time.

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4.4. Details of clauses / policies enforcing reporting of any cyber security / information breach from ICT infrastructure.

5. **Classified RFPs *(where applicable)***. The RFP will be issued as 'SECRET/CONFIDENTIAL'. The applicable provisions will be as follows:-

5.1. All the relevant precautions and procedures for handling the RFP/document/Information have to be followed that are applicable to the relevant level of security classification, as per extant government orders on the subject. A Non-Disclosure Agreement (NDA) would have to be signed by all Bidders in accordance with the format placed at **Appendix O to this RFP**. *(The Non-Disclosure Agreement (in two copies) would have to be signed by the RFP issuing authority at the time of issue of RFP. A copy of the NDA will be forwarded by the Bidder along with the acknowledgement of receipt of the RFP)*

5.2. **'Restricted Information' Categories under 'Official Secrets' under Section 5 of the Official Secrets Act, 1923**. Any contravention to the above mentioned provisions by any Bidder, sub-contractors, consultants, advisors or the employees of a contractor, will make them liable for penal consequences under the above said legislation.

6. **Business Eligibility**.

6.1. **Undertaking by Bidders**. The Bidder will submit an undertaking that they are currently not banned / debarred / suspended from doing business dealings with Government of India / any other government organisation and that there is no investigation going on by MoD against them. In case of ever having been banned / debarred / suspended from doing business dealings with MoD/any other government organization, in the past, the Bidder will furnish details of such ban / debarment along with copy of government letter under which this ban / debarment / suspension was lifted / revoked. The Bidder shall also declare that their sub-contractor(s)/ supplier(s)/ technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s)/supplier(s)/ technology partner(s) of the Bidder are Suspended or Debarred by Ministry of Defence, the Bidder shall indicate the same with justification for participation of such sub-contractor(s)/supplier(s)/ technology partner(s) in the procurement case.

6.2. Subsequent to submission of bids if any sub-contractor(s)/supplier(s)/technology partner(s) of the Bidder is Suspended or Debarred by Ministry of Defence, the Bidder shall intimate the Ministry of Defence regarding Suspension or Debarment of its sub- contractor(s)/ supplier(s)/technology partner(s) within two weeks of such order being made public.

6.3. The bidder shall certify compliance w.r.t Ministry of Finance (MoF), Department of Expenditure (DoE) GoI order (Public Procurement No. 4) No.F.7/10/2021-PPD (1) dated 23 Feb 2023 (available on Department of Expenditure website) and submit an undertaking that "I have read the clause regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that the bidder is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that this bidder fulfils all requirements in this regard and is eligible to be considered. [Where applicable, evidence of valid registration by the Competent Authority shall be attached.]". A bidder from a country which shares a land border with India for the purpose of this RFP means the following:-

6.3.1. An entity incorporated, established or registered in such a country sharing a land border with India OR

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6.3.2. A subsidiary of an entity incorporated, established or registered in such a country OR

6.3.3. An entity substantially controlled through entities incorporated, established or registered in such a country OR

6.3.4. An entity whose beneficial owner is situated in such a country OR

6.3.5. An Indian (or other) agent of such an entity OR

6.3.6. A natural person who is a citizen of such a country OR

6.3.7 A consortium or joint venture where any member of the consortium or joint venture falls under any of the above.

7. **Vendor Selection Criteria** {*for multi-vendor cases in Buy (Indian-IDDM) & Buy & Manufacture (Indian) cases*}. The detailed Vendor Selection criteria for the Bidders for participation in the instant procurement case are placed at **Appendix P to** this RFP. All Bidders are to submit details as per the criteria along with the Technical Bids. These would be evaluated by the TEC.

8. **Indigenous Content**. For the purposes of this RFP and the acquisition contract (if any) signed by the Ministry of Defence with a successful Bidder, indigenous content shall be as defined under **Para 27 of Chapter I of DAP 2026** with minimum IC as _% ***(as approved by the AoN according authority)***. In addition, reporting requirements for prime (main) Bidders (and for sub-contractors/suppliers/technology partners reporting to higher stages/tiers) shall be as prescribed under **Para 27.6** of **Chapter I** of DAP 2026 ***(or as approved by the AoN according authority)***. The right to audit Bidder/sub- contractors/suppliers/ technology partners shall vest in the Ministry of Defence as prescribed under **Para 27.8** of **Chapter I of DAP 2026** of Guidelines and Annexures; and aspects of delivery, certification, payments, withholding of payments and imposition of penalties shall be as prescribed under **Para 27.11 of** to **Chapter I** of DAP 2026. Furthermore, Bidders in 'Buy (Indian-IDDM)', 'Buy (Indian) and Manufacture in India' and Buy (Global and Manufacture in India will be required to submit their indigenisation plan in respect of indigenous content as stipulated in **Para 27.4** of **Chapter I** of DAP 2026.The DAP 2026 is available at MoD, GoI website (www.mod.gov.in) for reference and free download. (In case IC is to be incentivised as aapproved in AoN, the details to be mentioned here in this paragraph as per para 27.9 of Chapter I of DAP 2026)

9. **Year of Production**. Deliverables [platforms (including major equipment) / equipment/ systems] supplied under the contract should be of latest manufacture i.e manufactured after the commercial bid(s) is/are opened and L1 (if applicable) declared. Deliverables to be manufactured with unused components/assemblies/sub-assemblies, conforming to the current production standard and should have 100% of the defined life *(other than permitted running hours during assembly/acceptance trials)* at the time of delivery. Deviations, if any, should be clearly brought out by the Bidder in the Technical Proposal.

10. **Delivery Schedule**. The Bidder shall adhere to the delivery schedule of equipment and services specified at **Annexure VII to Appendix L** to the RFP.

11. **Preservation *(as applicable)***. The deliverables supplied are to be preserved for _____ (~~months/~~years) post-delivery/JRI/installation *(to be as per delivery schedule at Para 10)*. In case, JRI necessitates unpacking to the extent that the preserved life of the deliverables is affected, Bidder is to undertake re-packing to restore the preserved life to the specified period at his own cost. In cases of any delay in Setting to Work (STW)/installation/integration trials/commissioning, attributable to

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the Buyer, and if preservation period expires during the storage prior installation/post installation and prior trials *(as applicable)*, the deliverables are to be re-preserved by the Bidder against payment of de-preservation/re-preservation charges as per price quoted in the Price Bid. To facilitate this, the cost of in-storage/in-situ de- preservation/re-preservation, as applicable, is to be indicated in the Price Bid. This cost quoted by the Bidders in Price bid format at **Appendix M to the RFP,** would be counted towards determination of L1 and will be paid as per the price quoted if the service is utilized for extending the preserved life.

12. **Warranty**. The deliverables supplied shall carry a warranty for _____months/ years/ operational hours ***(not to be left blank)*.** Commencement of warranty will be from the date of acceptance post JRI or from date of installation and commissioning. *(as applicable on case to case basis).* In the cases where installation and trials is part of the Contract, the warranty will commence from the date of commissioning/acceptance. The date of reckoning for commencement of warranty will be from the date of signing of 'Certificate of Conformity' by both parties post JRI/Installation/Commissioning as applicable. In cases where the delay for installation, trials and commissioning is not attributable to the Bidder, payment terms for the stage related to installation and commissioning will be in accordance with **Appendix L to this RFP**. Warranty Clause is given at **Appendix C** to this RFP.
***Note**: For Infrastructure Defect Liability Period may be clearly stated*

13. **In Service Life/Shelf Life**. The In Service/Shelf Life of the deliverables *(as applicable*) will be _____ months/ years or shall be stipulated in the offer. In case of shelf life, the relevant storage conditions should be clearly specified by the Bidder. The Bidder is required to give details of reliability model, reliability prediction and its validation by designer/manufacturer to ensure reliability of stores throughout Service/shelf life as part of the Technical Bid. The efficacy of reliability model/prediction/validation would be verified during technical and environmental evaluation as indicated in Para 44 of this RFP.

14. **Product Support**. The Bidder would be bound by a condition in the contract that it is in a position to provide product support in terms of maintenance, materials and spares for a minimum period of years. This, however, shall not restrict the Buyer from directly sourcing sub-equipment/sub-assembly and spares from their respective OEMs/sub-vendors on completion of warranty. In case the sub-equipment/ sub-assembly/ parts require tuning/ calibration/integration by the Bidder prior replacement, the same is to be undertaken by the Bidder at fair and reasonable cost, as mutually agreed between Buyer and Bidder.

15. **Codification**. The Bidder agrees to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the contract as per part list (including MRLS). In case, the NSNs are not available, the bidder agrees to codify using basic technical characteristics as required for codification in consultation with Directorate of Standardisation. In case of IPR issues, codification will be undertaken as Type IV codification (where only the manufacturer details and part number are to be provided). The codification to be completed by _____.

16. **Training of Crew and Maintenance Personnel**. A training package for training of operators, operator trainers and maintenance personnel (*as applicable*) to undertake operation and maintenance of equipment, along with tools and test jigs and training of QA personnel for Quality Assurance of equipment would be required to be carried out in English language and Hindi language (if required). This training shall be designed to give the operators and maintainers necessary knowledge and skills to operate & maintain equipment ('O'/ 'I'/ 'D'), as applicable. The syllabus will be defined by the Bidder in consultation with the Buyer at the time of MET. The maintenance training will be imparted to the satisfaction of the Buyer and Bidder will ensure that the training content and period will be to impart

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working proficiency up to the required level. All training requirements such as training aids, projection system, complete equipment with accessories / optionals, technical literature, spares, test equipment / test set up, charts, training handouts, power point presentations, Computer Based Training (CBT), Documentation, Simulators etc will be catered by the Bidder.

17. The Bidder would provide the following training to the personnel of the Buyer based on agreed terms of contract (*details of total training duration, number of trainees, batch size, place of training etc to be included as applicable)* :-

17.1. **Operator Training**. Operator training for ___ duration (in working days), ___strength in __ batch(es) are to be provided at Bidder/Buyer premises *(to be indicated)*.

17.2. **Repair and Maintenance Course**. Maintenance training for ___ duration (in working days), ___strength in ___ batch(es) at Bidder/Buyer premises *(to be indicated)* is to be undertaken for 'O','I' and 'D' level repair and maintenance (to be indicated).

17.3. The above training should meet the needs of repair & maintenance of the complete equipment, SMTs/STEs, test set up, assemblies/sub-assemblies as per the stipulated repair philosophy.

17.4. Training for QA personnel as per scope mentioned in Para 48 of RFP for ____ personnel in ___ batches are to be undertaken in Bidder/Buyer premises *(to be indicated)*. Bidder to provide the duration (working days) for training as per defined scope, in the Technical Bid.

***Note**: SHQ to give broad details of the training sought. The training details may include Duration, Batch Size, Location, Syllabus etc. Also, division of responsibility between BUYER and Bidder is to be specified in respect of training infrastructure requirement and stay/transportation arrangements, if training is done at OEM Premises.*

18. **Government Regulations**. It may be confirmed that there are no Government restrictions or limitations in the country of the Bidder or countries from which subcomponents are being procured and/or for the export of any part of the deliverables being supplied.

19. It may be further confirmed that all national and international obligations relevant to transfer of conventional arms of the country of the supplier or countries from which parts and components are being procured, have been taken into account for the duration of the contract. Accordingly, thereafter there would be no review, revocation or suppression of Defence export licence and other related clearance issues to the supplier for the contract that could impinge on the continuity of supply of items and their parts or components under the contract.

20. **Agents**. *(Applicable in case of foreign vendors only)* The Bidder is required to disclose full details of any such person, party, firm or institution engaged by them for marketing of their equipment in India, either on a country specific basis or as a part of a global or regional arrangement. These details should include the scope of work and responsibilities that have been entrusted with the said party in India. If there is non- involvement of any such party then the same also be communicated in the offers specifically. The information is to be submitted as per the format placed at **Appendix D** to this RFP. Without prejudice to the obligations of the Bidder as contained in various parts of this document, appointment of an Agent by Bidders will be subjected to the following conditions:-

20.1. Details of all Agents will be disclosed at the time of submission of offers and within two weeks of engagement of an Agent at any subsequent stage of procurement.

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20.1. The Bidder is required to disclose termination of the agreement with the Agent, within two weeks of the agreement having been terminated.

20.1. MoD reserves the right to inform the Bidder at any stage that the Agent so engaged is not acceptable whereupon it would be incumbent on the Bidder either to interact with MoD directly or engage another Agent. The decision of MoD on rejection of the Agent shall be final and be effective immediately.

20.1. All payments made to the Agent 12 months prior to bid submission would be disclosed at the time of bid submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.

20.1. The Agent will not be engaged to manipulate or in any way to recommend to any functionaries of the Government of India, whether officially or unofficially, the award of the contract to the Bidder or to indulge in corrupt and unethical practices.

20.1. The contract with the Agent will not be a conditional contract wherein payment made or penalty levied is based, directly or indirectly, on success or failure of the award of the contract.

20.1. On demand, the Bidder shall provide necessary information/inspection of the relevant financial documents/information, including a copy of the contract(s) and details of payment terms between the Bidder and the Agent engaged by him.

21. **Patent Rights.** The Bidder should confirm that there are no infringements of any Patent Rights in accordance with the laws prevailing in their respective countries.

22. **Integrity Pact**. In the subject RFP, the Bidder is required to sign and submit Pre Contract Integrity Pact (PCIP), if applicable, given at **Annexure I to Appendix N** to this RFP.

(An Integrity Pact would be signed between MoD and the bidders for schemes exceeding Rs 20 Crores, irrespective of the value of the commercial bids submitted by bidders).

23. **Transfer of Technology (ToT)** ***(If applicable)***. The Government of India, Ministry of Defence is desirous of design/development, manufacture, repair, overhaul (*as applicable*) of **(generic name of equipment)** under ToT. Aspects of ToT which are to be fulfilled by the Bidder are given at **Appendix E** to this RFP. MoD reserves the right to negotiate ToT terms subsequently but the availability of ToT would be a pre-condition for any further procurements.

Note*: The ToT outcomes of the project and the methodology for assessing the delivery of ToT outcomes shall be clearly brought out in this section. The details should include the scope & depth of the technology required, range of technology for design/development and manufacture of systems, sub-systems, assemblies, components, materials, etc, as well as for repair, overhaul, production from CKD/SKD kits and production from raw material and components level. Aspects which are to be included in the RFP in case production from CKD/SKD/IM kits are given at* ***Appendix E*** *to this RFP. Since range and depth of technology involves cost, the criteria for selection of range and depth should be optimized based on value addition to the ecosystem and capabilities intended to be augmented. The nominated Production Agency (PA) for the receipt of technology or DRDO will be closely associated in the preparation of RFP. Reference is to be made to the 'Legal Framework in ToT Agreements' as promulgated by DDP.*

24. **Transfer of Technology for Maintenance Infrastructure** ***(As applicable)***. The Government of India, Ministry of Defence is desirous that the depot level maintenance (third and fourth line) and

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the life time support for the *(generic name of the equipment)* be carried out through an Indian Entity. In case the Bidder is required to select an Indian entity, they would be responsible for providing base/depot level repairs (third and fourth line) and the requisite spares for the entire life cycle of the equipment. For this purpose the Bidder is required to set up maintenance infrastructure and facilities for third and fourth line repairs in India at the premises of the selected Indian Entity as per the terms and conditions laid down in **Appendix F** to this RFP.

25. **Fall Clause**. If the equipment being offered by the Bidder has been supplied/ contracted with any organisation, public/private in India, the details of the same may be furnished in the technical as well as commercial offers. The Bidders are required to give a written undertaking that they have not supplied/is not supplying the similar systems or subsystems at a price lower than that offered in the present bid to any other Ministry/Department of the Government of India and if the similar system has been supplied at a lower price, then the details regarding the cost, time of supply and quantities be included as part of the commercial offer. In case of non-disclosure, if it is found at any stage that the similar system or subsystem was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, will be applicable to the present case and with due allowance for elapsed time, the difference in the cost would be refunded to the Buyer, if the contract has already been concluded.

Bid Timelines

26. Any queries/clarifications to this RFP may be sent to this office by _____ (date). A copy of the same may also be sent to:-

(Address of Directorate at SHQ)

27. **Pre-Bid Meeting**. A pre-bid meeting will be organised by SHQ at hrs on (date) at (venue) to answer any queries or clarify doubts regarding submission of proposals. The Bidder or his authorised representative is requested to attend. Necessary details may be sent a week in advance to _____ *(directorate at SHQ)*, to facilitate obtaining of security clearance (two weeks in case of Foreign Bidders).

28. **Submission of Bids**. Four copies of Technical Proposal {along with one soft copy in DVD(R)} and one copy of Commercial Proposal along with IP (two original ink signed copies) and EMD should be sealed separately in three separate envelopes clearly indicating Commercial/ Technical/ IP and EMD, and then put in one envelope and sealed **(all the envelopes should clearly state the letter No of RFP and the name of equipment and Bidder name)** and submitted to the undersigned at the following address by hours on__ . All pages of the bids are to be numbered and initialed by the authorised signatory. The validity date of the Commercial proposal should be clearly endorsed on the top of the Commercial Proposal envelope. The Bidder is also to send the Serial No of DVD(R) to the undersigned at least one week in advance to the last date of Bid submission:-

O/o ADG Acquisition Technical Army/Air/M&S) (*As Applicable)*
Full Address to be provided
(In case of Delegated Cases Address of SHQ to be provided)

29. Offer opening by a Bid Opening Committee will be held at ___hrs on _____at the same venue as indicated at Para 28 above. The Bidder or his authorised representative is welcome to be present at the opening of the proposals. Necessary details may be sent atleast one week in advance (two weeks in case of Foreign Bidders) to facilitate obtaining of security clearance.

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PART II – TECHNICAL REQUIREMENTS

30. The second part of the RFP incorporates the aspects of SQRs describing the technical parameters of the proposed equipment, and the environmental parameters for functioning. The operational characteristics and features that should be met by the equipment are elucidated at **Appendix A** to this RFP and the **Compliance Table at Appendix B to this RFP**. The Bidder would be required to offer the equipment for field evaluation on a "No Cost No Commitment (NCNC)" basis (*in case specific approval of the AoN according authority for reimbursement of cost of Trials to the vendors who qualify in the FET has been obtained, the same may be stated*).

31. **Operational Characteristics and Features**. The broad operational characteristics [including Essential Parameters 'A' and 'B' (if applicable) and Enhanced Performance Parameters along with respective Credit Scores (if applicable)] and features that are to be met by the equipment are elucidated at **Appendix A** to this RFP. Essential Parameters 'B' would be tested and validated within (days/weeks/months) of signing of the contract.

***Note**: Except in cases where Bidder(s) claim that the equipment fielded by them for FET can meet Essential Parameters 'B' and such Bidders are willing to get their equipment trial evaluated for Essential Parameters 'B' at FET stage wherein trials on Essential Parameters 'B' will be conducted as per Para 31 above (a written undertaking in this regard will be given by such Bidder(s) to SHQ prior to date of commencement of FET).*

32. **Technical Offer**. The Technical Offer must enable detailed understanding of the functioning and characteristics of the equipment as a whole and each sub system independently. It must include the performance parameters as listed at **Appendix A** to this RFP and any other information pertaining to the technical specifications of the equipment considered important/ relevant by the Bidder. The technical proposal should also include maintenance schedules to achieve maximum life and expected life of each assembly/ subassembly (or Line Replaceable Unit (LRU)/Shop Replaceable Unit (SRU)), storage conditions/environment condition recommended and the resultant guaranteed in- service/shelf life. The range and depth of spares included in the proposal should be supported by necessary reliability and prediction model or authenticated by past data on the similar equipment in use. These would be evaluated during FET. Any Bidder found to be providing lesser ESP/MRLS in terms of range and depth will have to make good the deficiency at no extra cost. The revised list of MRLS to this effect is to be submitted prior Staff Evaluation.

33. If there is any associated optional equipment on offer that should also be indicated separately along with the benefit that are likely to accrue by procuring such optional equipment. Should the Bidder be contemplating any upgrades or modifications to the equipment being offered, the details regarding these should also be included in the Technical Proposal.

34. **Technical Details**.

34.1. The technical details should be factual, comprehensive and include specifications of the offered system/equipment against broad requirements listed in **Appendix A** to this RFP. In cases where a Bidder claims to have equipment meeting the EPP, details of the same will be provided in the technical bid. EPP details not provided in technical bids, will not be allowed to be claimed subsequently.

34.2. Insufficient or incomplete details may lead to rejection of the offer. Mere indication of compliance may be construed as incomplete information unless system's specific technical details are available in the offer. A format of the compliance table for the technical parameters and other conditions of RFP is attached as **Appendix B** to this RFP.

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35. The technical offer should have a separate detachable compliance table as per format given at **Appendix B** to this RFP stating specific answers to all the parameters as listed at **Appendix A** to this RFP. It is mandatory to append answers to all the parameters listed in **Appendix A** to this RFP.

36. **Submission of Project Report *(where applicable)***.

For cases involving large scale integration with other systems or civil infrastructure or ToT, requirement of Project Report may be included in RFP as given below.

36.1. **Preliminary Project Report (PPR)**. A PPR must be submitted along with the Technical Offer. The PPR should indicate the methodology adopted by the Bidder to execute the program and meet the delivery schedule laid down in the RFP. The PPR has to be submitted in the format placed at **Appendix G**. The PPR should broadly cover the following aspects:-

36.1.1. Project overview.

36.1.2. Definitions of key milestones based on indicative list of milestones and broad range of timelines specified at Para 53.

36.1.3. Broad plan for execution of the Project as per delivery schedule indicated at Para 10.

36.1.4. Lifetime product support plan.

36.1.5. Plan for meeting the Indigenous Content (IC) stipulated in the RFP.

36.1.6. Standard of Preparation (SoP) of Platform/ equipment/ system. 36.1.7. Project organization structure as applicable.

36.1.8. In case of ToTs for licensed production and MToT, information sought at Para 23, 24, 37 and **Appendix E** and **F to this RFP**, Indian sub-contractor for ToT and/or manufacturing and the methodology for setting up manufacturing infrastructure shall be part of PPR.

36.2. **Project Report (PR)**. Post contract, the L1 Bidder will submit a PR covering the key aspects highlighted in the PPR and detailed project implementation plan for 'Manufacture' portion with the proposed ToT partner for Buy and Manufacture (Indian) and Buy and Manufacture (Global) cases by dates indicated at Delivery Schedule and Stages of Payment (**Annexure VII to this RFP**).

37. ***Para Applicable only for M-ToT Cases***. The detailed scope of maintenance infrastructure and conditions are elaborated at **Appendix F** to this RFP. A separate proposal for third land fourth level maintenance and life cycle product support should be submitted along with the technical proposal. The proposal should clearly lay down the maintenance approach that has been worked out in coordination with the nominated/ selected Indian entity. It should give compliance or otherwise to the conditions that have been elaborated at **Appendix F** to this RFP for establishing the maintenance infrastructure. The spares, repairs and services support required from vendor for ToT to Indian entity would be implemented under long term contract. The proposal for Maintenance Transfer of Technology (MToT) shall also include Active Obsolescence Management through life cycle support of the equipment including upgradation of system/subsystem/components on completion of its fair service life.

38. **Malicious Code Certificate**. The Bidder is required to submit a **'Malicious Code**

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Certificate' ***(only for Electronic items and Software)*** along with the Technical Proposal. The format is placed at **Appendix H** to this RFP.

39. **Product Support (ESP/AMC/CMC/LCSC/PBL)** ***(as required)***. After induction, the equipment/system would be repaired and maintained as per the repair and maintenance philosophy at **Appendix J** to this RFP. The information on Engineering Support Package that is required to be provided is enclosed at **Annexure I** to **Annexure IV to Appendix J** to this RFP. The details of AMC/CMC/LCSC/PBL proposals, if sought, must also be submitted separately by the Bidder with technical aspects being included in the technical offer and commercial aspects being included in the commercial offer.

40. In case the Repair and Maintenance of equipment is through Life Cycle Support Contracts as specified at Para 12-13 of **Appendix J**, the Bidder would have to submit the complete Spare Parts list of equipment (not limited to MRLS) along with complete Repairable Parts list (in softcopy) in the Technical offer. The complete Spare Parts Price Lists, Repairs Price Lists and Man-day Rates of Specialists would have to be submitted in the Commercial offer. Negotiations for Long-Term Rate Contracts (upto 10 years) for Spares, Repairs and Man-day rates of Specialists would be conducted concurrently with the (L1) Bidder. (*In case of PBL, the SHQ would include a sample PBL contract as a separate Appendix to the RFP).*

1. In case equipment is already in usage, the User Defined List of Spares (UDLS) must be specific based on the consumption pattern, rather than being based on MRLS.

2. In case consumables are required to be supplied by the Bidder during warranty phase, the same may be included in the Para.

3. If post warranty AMC/CMC/LCSC/PBL is also being sought from the OEM, the level of AMC/CMC/LCSC/PBL required (with spares/without spares/repair rate contract) must be clearly indicated.

Note: The ESP/AMC/CMC/LCSC/PBL to be sought needs careful deliberation as it will impact not only the operational availability and life of the equipment but also the overall Life Cycle Cost. The maintenance philosophy (by own resources/AMC/CMC/LCSC/PBL) is to be evolved and the requirement of spares/tools/documents/training shall be clearly spelt out based on the usage, operational criticality, nearest availability of shore/field support and past experience of similar equipment.

41. **Spares**. The spares requirement will be as per **Appendix J** to this RFP. The spares are required to be categorized in four categories as follows:-

41.1. Manufactured by Bidder as OEM and can be sourced as per Part No.

41.2. Bought out items and customized by the OEM for the specific purpose and such customization would require OEM intervention.

41.3. Bought out from other OEMs/Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part No./Identification No. as given by OEM/Third Party and directly utilised.

41.4. General Engineering items/COTS which can be sourced by stating the relevant standards and item description.

Note*. The OEM Part No. /Identification No. of items in addition to bidder assigned part number are also required to be given. To the extent feasible, NATO Stock Number (NSN) be also provided.*

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42. The Buyer would have the option to amend the MRLS proposed by the Bidder within years of the expiry of the warranty period. The Bidders would either 'Buy Back' the spares rendered surplus or exchange them on cost to cost basis with the spares as required by the Buyer. The said spares would be purchased/ replaced by the Bidder, based on the prices negotiated in the contract. The 'Buy Back' clause would not be applicable where UDLS has been sought and for additional spares included by the Buyer in MRLS during FET and SE stage, as brought out at Para 32 of RFP.

43. **Active Technology Obsolescence Management *(where applicable)*.** Bidder is to indicate the methodology on how the Bidder intends to undertake Active Obsolescence Management through life cycle of equipment which would include upgradation of system/ subsystem/ units on completion of its fair service life. The Bidder/OEM (*as applicable)* shall also intimate Buyer on likely technology obsolescence of various sub- assemblies/units/modules of equipment through an Annual Bulletin. In case of impending obsolescence of components, bulletin should specify either alternate item or option for life- time buy as under:-

43.1. The Bidder/OEM (*as applicable)* will notify the Buyer not less than two years (*or any other period as applicable*) before the closure of its production line about the intention to close production of equipment for provision of purchasing spare parts, before closure of the said production line.

43.2. Three years prior to completion of design/service life of equipment, the Bidder/OEM (*as applicable)* will submit techno-commercial proposal for upgradation of equipment, wherever applicable, to mitigate technology obsolescence and for ensuring product support for next **15** years (*or any other period as applicable*).

Evaluation of Technical Offers

44. The Technical Offer submitted by the Bidder will be evaluated by a Technical Evaluation Committee (TEC). TEC, during Stage-I *{Applicable only for Multi Vendor cases in Buy (Indian-IDDM) & Buy and Manufacture (Indian) category}*, will examine the compliance of the vendors to 'Criteria for Vendor Selection' given at **Appendix P to this RFP**. During Stage II, TEC will examine the technical offers of only the Stage-I qualified vendors to confirm that the equipment being offered meets the Essential Parameters and Enhanced Performance Parameters (EPP) *(where applicable)* as elaborated at **Appendix A**. For cases where Essential Parameters 'B' are involved, TEC will confirm that the Bidder has submitted the undertaking to this effect as per the format given at **Annexure I to Appendix A** to this RFP. For cases where ToT for license production/maintenance infrastructure is sought, the TEC will examine the compliance of the Bidder as per the stated requirements of RFP.

***Note**: The above Para is to be modified as per the requirements of the case. The details/scope of the trials, if NCNC trials abroad, is to be included as per the decisions during AoN by the DAC.*

Field Evaluation Trials

45. **Field Evaluation**. Post completion of TEC, the Bidder of the short listed equipment would be asked to provide the equipment for Field Evaluation. The Bidder is requested to confirm his willingness to provide _____ numbers/ pieces of the equipment for trial in India on "No Cost No Commitment (NCNC)" basis/compensation of ___ will be given to the vendors, when so requested. The Buyer, at his own expense, will depute its representatives for the Field Evaluation Trials (FETs). If any part of the FETs are conducted in the Buyer's facilities, the Bidder shall depute his personnel and equipment at his own expenses and bear the cost of all expenses of trials other than the cost of ranges, platform or facilities which the Buyer may choose to provide free of cost.

***Note**:*

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1. In case payment is required by Buyer for providing ranges, platform or facilities, Buyer is to indicate the required amount in the RFP. The details/scope of the trials, if other than in India, are to be included in RFP as per the AoN accorded by DAC. Also, reimbursement of cost of Trials to the vendors who qualify in the GS Evaluation, if any may also be included. In case Trials are conducted in two stages, the exact scope of each stage may clearly be specified including tests through simulation/ certification/ lab test, if any. The para is to be amended as per requirement of the case

2. In case compensation to vendor for cost of trials hass been approved in the AoN this para will be suitably worded.

46. For an equipment to be introduced in service, it is mandatory that it successfully clears all stipulated tests/trials/evaluations as per trial methodology given at **Appendix K** to the RFP. The trial evaluation process comprises of the following phases. *(SHQ may amend this paragraph as per the stages of trials and as per the requirement of the proposal)***:-**

46.1. **User Trials**. These will involve functional testing by user of the equipment in various specified conditions as per requirement and may be done in phases. Trials will be conducted only pertaining to conditions where the equipment is most likely to be deployed. In other conditions where the probability of deployment is not high, appropriate vendor certifications confirming the functional effectiveness under such conditions can be given and simulations based testing can be resorted to wherever applicable. In case, equipment fielded requires any repairs/modifications during the course of trials, these in situ servicing, repair, maintenance actions or modifications as requested by the vendor will be permitted. Towards this, Vendors shall ensure availability of requisite maintenance teams/ experts onsite during the conduct of trials. Permission for trial equipment to move out of the trial location for a defined period for such repairs or modifications can be permitted on a case to case basis. In single vendor cases permission for the above may be permitted by the OIC Trials itself.

In case trials are to be conducted at Buyer's premises or onboard Buyer's platform/vessel, clear demarcation of responsibilities between Buyer and Bidder towards conduct of Trials in terms of transportation, POLs, consumables and other requirements, on case to case basis, needs to be specified. Also User Trials by making use of Digital Twins may be included.

46.2. **Technical Trials.** Technical trials will be conducted as per Technical Evaluation Plan (to be specified at Para 48.2 below) as part of the Trial Methodology to assess conformance to the quality requirements, standards and specifications. Equipment/assemblies/sub-assemblies will be subjected to environmental tests wherever applicable. As far as possible, physical evaluation will only be carried out of critical parameters and other parameters will be evaluated based on vendor certification duly supported by certification by NABL accredited laboratories/internationally recognised laboratories. Towards this, Bidder will submit the technical documentation and draft ATP as part of technical bid or at least one month before commencement of FET. User in consultation with QA agencies will finalise ATP in respect of all Bidders during Technical trials. Details of QA agency of the Buyer {First Party (SHQ)/ Second Party (DGQA/DGAQA/DGNAI/MSQAA)/ Third Party Inspection (TPI)}, as applicable and approved for PDI/JRI will also be finalised in the ATP.

46.3. **Maintainability Evaluation Trial (MET)**. MET to address maintenance, repair and spares support aspects of acquisition, wherever feasible, will be undertaken through the OEM documentation concurrent to the User Trials. Essential tests towards establishing maintainability would be undertaken to establish adequacy of maintenance tools, test equipment and spares utilisation. Actual stripping of the equipment to establish adequacy of maintenance tools, test equipment and spares utilisation will ideally be undertaken, where

considered necessary by the Buyer.

46.4. **EMI/EMC Evaluation**. This will consist of either review of reports of EMI/EMC tests already conducted as part of qualification testing from authorised labs or physical conduct of tests to ascertain compatibility. EMI/ EMC Evaluation would be carried out by designated testing centers like Army Center for Electromagnetics (ACE), Mhow etc. on parameters having direct bearing on the operational employability of the equipment based on desired standards as given out in the Trial Directive. For remainder parameters, certification of accredited labs can be accepted.

46.5. **Secrecy Testing**. ***(if applicable)***

*Note: The scope of FET, Production stage QA checks/inspection and Acceptance trials shall be carefully formulated in such a way that they are adequate and justified. Where ab-initio design & development is involved then these are to be part of validation process of design. These are not necessary to be done for already in –service/ bulk orders/ repeat orders or on all sets of the equipment unless specifically needed and included in SQRs/AoN. The **FET** may consist of User trials, Technical & Environmental Evaluation, Maintainability Evaluation Trial, EMI/EMC Evaluation and Secrecy grading depending on the SQRs as required. In case Trials are to be conducted in two stages, Stage-I trials will be conducted before contract as part of FET and will involve conduct of only User Trials and limited technical trials and Stage-II trials will be conducted after signing of contract on the equipment of the contract signing vendor and will involve conduct of remaining Trials. These details as approved in the AoN will specifically be mentioned in the RFP. In cases where destructive testing are envisaged, if the same is to be done post-signing of contract, it should be mentioned clearly.*

47. Cases involving Essential Parameters 'B' (specified at **Appendix A**) would be trial evaluated after the signing of the contract as provided in para 1.3 of **Appendix A to** Chapter II of Handbook on Guidelines & Annexures. However, Trials for Essential Parameters 'B', may be conducted at the FET stage, if any Bidder(s) claims that the equipment fielded by them for FET can meet Essential Parameters 'B' and such Bidders are willing to get their equipment trial evaluated for Essential Parameters 'B' at FET stage (a written undertaking in this regard will be given by such Bidder(s) to SHQ prior to date of commencement of FET).

***Note**: Cases involving equipment that need to undergo secrecy grading must incorporate details that the Bidders need to provide as part of the technical offer. These details can be sought by SHQ based on a Proforma to be given by DRDO.*

Quality Assurance Instructions & Technical Evaluation Plan

48. *QA Plan and Technical Evaluation Plan will be included*

48.1 **Production Stage QA**. Bidder is to submit a Draft Acceptance Test Procedure (ATP) along with the Technical bid or at least one month before commencement of FET, as per the QA instructions and Technical Evaluation Plan. Based on the draft ATP, the ATP will be finalised by the User in consultation with the Buyer's QA agency, DRDO (if applicable) with Bidder during Technical Trials. In cases where no FET is to be conducted, ATP will be finalised at the CNC stage. ATP shall be included in the contract at the time of finalisation with successful bidder. ATP will lay down the tests to be carried out during PDI and JRI. It shall be ensured that there are no repetition of QA tests in PDI and JRI. The JRI would

normally be restricted to quantitative checks only, except where check proof is required to be carried out. In case PDI/JRI are planned to be conducted by authorised Third Party Inspection (TPI) Agencies, the same will be spelt out in the QA instructions and the details included in the finalised ATP. QA of equipment will be carried out as per finalised QA plan(ATP) in the contract. The successful Bidder would also be required to provide those test facilities at OEM premises/accredited laboratories for quality assurance, which are not available with QA agencies. Details of the same will be intimated to the Bidder during finalisation of ATP in Technical trials. *[Where FoPM Trials are envisaged, draft ATP can be finalised post contract signing but prior to conduct of Validation Trials. Buyer's QA agency {First Party (SHQ)/ Second Party (DGQA/DGAQA/DGNAI/MSQAA)/ Third Party Inspection (TPI)} to be decided on case to case basis based on the complexity and criticality of equipment as per AoN.*

48.2 **Technical Evaluation Plan.** The technical evaluation plan for conduct of the technical trials is part of the Trial Methodology. For technical trials, the Bidder will arrange for requisite test facilities at OEM premises/ accredited laboratories for establishing conformance. *Green Channel clearance if any, to be included]*

QA agencies shall mention the broad Quality Assurance instructions in RFP along with associated charges, if any,, which will include indicative reference for number of samples for destructive tests e.g., firing of missiles, ammunition, electronic assemblies/sub-assemblies etc, to assure quality and reliability of the equipment. In case the procurement is being done for more than one service, the QA of the lead service will be responsible for all QA aspects for the entire case, to include PDI and JRI for the entire quantities.
Note 1 : Production Stage QA & Acceptance (ATP). The requirements of Production stage QA & Acceptance trials are to be indicated in the RFP based on the type/origin of equipment, SQRs and categorisation. The complexity of manufacturing and end use of equipment are also to be kept in mind while specifying the QA requirements and Acceptance procedures respectively. The production stage QA may involve verification of internal QC reports and random surveillance/sampling for Raw Material, In-process, Assembly level, ESS for electronic components and FATs/HATs/SATs/OPs Checks. *Note 2 :Technical Trials : The Technical Evaluation plan for conduct of Technical trials are to be included in the Trial methodology and translate to the Trial Directive*

Marking and Packaging

49. **Marking of Deliverables**. The Bidder shall ensure that each deliverable is marked clearly and indelibly, as follows: -

49.1. In accordance with the requirements specified in the RFP or if no such requirement is specified, with the indicated codification number or alternative reference number specified.

49.2. Ensure that any marking method used does not have a detrimental effect on the strength, serviceability or corrosion resistance of the deliverables.

49.2. Where the deliverables have a limited shelf life, with the cure date/date of manufacture or expiry date expressed as months and years.

50. Where it is not possible to mark a deliverable with the required particulars, these should be included on the package in which the deliverable is packed.

51. **Packaging of Deliverables**. The Bidder shall pack or have packed the deliverables, as applicable:-

51.1. In accordance with DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.

This standard is for packaging of non-explosives only. Not to be referred in case of ordnance stores. For explosives/ordnance stores, refer to relevant JSS/Standards. In special cases, where the DEFSTAN/STANAG need not be followed, relevant packaging standards or procedure is to be included.

51.2. To ensure that each deliverable may be transported in an undamaged and serviceable condition.

52. The Bidder shall ensure that each package containing the deliverable is labeled to include:-

52.1. The name and address of the consigner and consignee including

52.1.1. The delivery destination/address if not of the consignee

52.1.2. Transit destination/address (for aggregation/disaggregation, onward shipment etc)

52.2. The description and quantity of the deliverables.

52.3. The full part number in accordance with codification details or as per

52.4. The makers part, catalogue, serial, batch number, as appropriate.

52.5. The contract number.

52.6. Any statutory hazard markings and any handling markings including the mass of any package which exceeds 3 kgs.

52.7. The Packaging Label (military J, N or P, special H, commercial A, C etc) (specify reference to DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.)

Note 1: Packages to be used for defence material shall be designed to an appropriate Military Packaging Level. The Packaging Level as per DEFSTAN 81-041 Part 1 needs to be defined in RFP based on the type of stores, storage, handling and transportation requirements. Commercial Packaging may be either Trade Package or Export Trade Package where Code A or C is used respectively. For special requirements Code H is used. In Military Level Packaging Code P, N & J are used based on storage and distribution requirements. The details of the conditions applicable for deliverables being inducted needs to clearly identified and compared to the conditions of each code as defined in DEFSTAN 81-041 Part 1, to arrive at correct packaging level.

Note 2: The requirements of Packing/ Storage/ Preservation/ De-Preservation/ Re-Preservation are to be indicated in the RFP based on the delivery schedules of various components of a complex system or integration requirements and availability of other systems.

Note 3: Refer to Annexure II to Appendix D of Chapter II of Handbook on Guidelines and

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formats for inclusing of these paras above into the RFP

53. **Monitoring of Project Based on Contractual Milestones/PR *(as applicable)***.
After placement of order, the progress of the project will be monitored by the Buyer for compliance with various activities towards achieving contractual milestones/DPR involving delivery/installation/ integration/trials etc. The contractual milestones will be integral part of the contract. In case the project does not proceed as per the indicated timelines for various contractual milestone(s), the Buyer will have the right to invoke Termination of the project. The indicative list of Contractual Milestones and broad range of timelines (earliest and latest time for completion) for the project is as follows (to be used for preparation of PPR and PR):-

Sl	**Milestone**	**Timeline (To+Weeks/ Months)**	**Remarks**

54. The Bidder is to indicate the proposed timelines for the above milestones in the Technical Bid. On conclusion of the Contract, these milestones will be monitored by the Buyer.

55. The Project Monitoring Meeting is to be organized at months interval. The Bidder shall attend the progress monitoring meetings through its suitably qualified representatives and shall submit progress reports to the Buyer.

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PART III - COMMERCIAL REQUIREMENTS

56. The third part of the RFP consists of the commercial clauses and Standard clauses of contract. The bidders are required to give confirmation of their acceptance of these clauses.

Commercial Bid

57. The Bidder is requested to take into consideration the ***Commercial Clauses and Payment Terms*** given at **Appendix L** to this RFP while formulating the Commercial Offers. The bidders are required to quote their price in Price bid format given in **Annexure Appendix M** to this RFP.

> *Note: The payment terms and stages shall be specified based on the delivery schedules and any dependence of acceptance of the equipment on external factors like availability of relevant platforms/associated equipment etc. The payment terms may have provisions for payment of about 70% of the stage payment payable against installation/commissioning and final acceptance on submission of bank guarantees of equivalent amount in case of inordinate delay in acceptance of equipment due to factors attributable to the Buyer. In addition, the Bidder should submit a firm undertaking that they will fulfill all pending obligations immediately on availability of requisite infra/associated system/platform. Flow chart placed at Annexure III to Appendix C to Chapter II of DAP 2020 gives various scenarios and resultant formulations to aid in arriving at payment terms for inclusion in Appendix M to RFP.*

58. Commercial offers will be opened only of the Bidder whose equipment is short-listed, after Field trials and staff evaluation. The Commercial Offer must be firm and fixed and should be valid for at least 18 months from the last date of bid submission.

Note*: Validity of Commercial Bid may be amended, if required*

Commercial Bid Opening

59. The Commercial Offers will be opened by the Contract Negotiation Committee (CNC) and if Bidder desires he may depute his representative, duly authorised in writing, to be present at the time of opening of the offers.

60. The date, time and venue fixed for this purpose will be intimated separately after the evaluations are completed.

61. The CNC will determine the lowest bidder (L1). In cases where EPP are involved, L1 would be decided based on the credit scores earned by the Bidder. The Buyer Furnished/Buyer Nominated equipment/system/components (BFE/BNE) to be procured from a single source, if any, would not be included in determination of L1. However, the interfacing cost of these with other equipment/system/components will be included. In case one of the BFE/BNE equipment/system/component supplier is also a bidder then he has to provide the complete data required for interfacing to all other Bidders through BUYER/directly under a undertaking of sufficiency and correctness.

Note*: EPP parameters and respective credit scores for each should be given in the RFP. This provision would be applicable only in multi-vendor cases. For such cases the aspects of advance/stage payments if any and all requisite details for the Bidder to formulate a comprehensive commercial proposal be indicated upfront in the RFP so that selection of L1 is facilitated.*

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62. **AMC/ CMC/ PBL/ LCSC** *(As applicable).* The CNC would also negotiate the terms of AMC/CMC/LCSC/PBL along with the Main Contract, where applicable.

63. **Additional Aspects**

63.1 **Standard Conditions of RFP.** The Government of India desires that all actions regarding procurement of any equipment are totally transparent and carried out as per established procedures. The bidder is required to accept our standard conditions furnished at **Appendix N** to this RFP regarding Agents, penalty for use of undue influence and Integrity Pact, access to books of accounts, mediation, arbitration and clauses related to Law. These conditions along with other clauses of the Contract form the Standard Contract Document (as at **Appendix L** to Chapter II of DAP) indicates the general conditions of contract that would be the guideline for all acquisitions. The draft contract would be prepared as per these guidelines.

63.2. **Option Clause *(as applicable)***. The format of option clause is placed at **Appendix Q** to this RFP.

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PART IV: BID EVALUATION AND ACCEPTANCE CRITERIA

64. A list of documents/details to be submitted along with the bids is placed at **Appendix R to this RFP,** as a reference to help in completeness of bid and meeting the procurement process schedule.

65. The bids shall be unconditional and unqualified. Any condition or qualification or any other stipulation contained in the bid shall render the bid liable to rejection as a non- responsive bid.

66. The bid and all communications in relation to or concerning the bidding documents shall be in English language.

67. **Evaluation and Acceptance Process**.

67.1. **Evaluation of Technical Proposals**. The technical proposals forwarded by the Bidders will be evaluated by a Technical Evaluation Committee (TEC). TEC, during Stage-I *{Applicable only for Multi Vendor cases in Buy (Indian-IDDM) & Buy and Manufacture (Indian) category}*, will examine the compliance of the vendors to 'Criteria for Vendor Selection' given at **Appendix P to this RFP**. During Stage II, for the Stage-I qualified vendors the TEC will examine the extent of variations/differences, if any, in the technical characteristics of the equipment offered by various Bidders with reference to the QRs and prepare a ''Compliance Statement" for shortlisting the Bidders. The shortlisted Bidders shall be asked to send the desired units of the equipment/weapon system to India for Field Evaluation in varying climatic, altitude and terrain conditions. Field Evaluation would be conducted for Essential Parameters-A and EPP. A Staff Evaluation will be carried out, which will give out the compliance of the demonstrated performance of the equipment vis-à-vis the requirements. The compliance would be determined only on the basis of the parameters specified in the RFP. The Staff Evaluation will analyse the field evaluation results and shortlist the equipment recommended for introduction into service.

***Note**: Essential Parameters-B, when tested after signing of contract, will be evaluated as per the terms of the contract. The tests for Essential Parameters-B would also validate that there is no adverse effect on any of the Essential Parameters-A.*

67.2. **Evaluation of Commercial Bid**. The Commercial bids of only those bidders will be opened, whose technical bids have been cleared by TEC; equipment has been shortlisted after Field Evaluation(Trials) and Staff Evaluation, wherever applicable. Comparison of bids would be done on the basis of Evaluation criteria given in **Appendix M** to this RFP. The L-1 bidder would be determined by Contract Negotiation Committee (CNC) on the basis of **Appendix M** to this RFP. If EPP and incentive for indigenous design are applicable, L1 determination would be as per **Para 3 of Appendix M to this RFP**. Only L-1 bidder would be invited for negotiations by CNC.

67.3. **Contract Conclusion/Placement of Order *(as applicable)***. The successful conclusion of CNC will be followed by contract conclusion/placement of order. LCSC would be signed along with the Main Contract and would clearly stipulate the obligations of vendor towards provisioning Life Cycle Support for the equipment. The AMC/ CMC/ PBL contract signing will be done separately with the approval of CFA.

***Note** : If the equipment is procured for more than one service, then separate contract will be signed for each service and the same to be specified*

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(Appendix A to Schedule I to Chapter II of Handbook on Guidelines & Annexures)

(Refer Para 30, 31, 32, 34 (a), 35, 44, 47 of Schedule I)

OPERATIONAL CHARACTERISTICS AND FEATURES

1. This information would be different for various equipment. As such only the guide lines for formulating this Appendix have been stated here. The information provided here flows from the SQR and must contain the following:

1.1 The purpose for which this equipment is needed or in broad outlines the capabilities that are needed. For example, in the case ofWLR; "The WLR should be able to provide accurate location of enemy guns, mortars and rocket launchers (in all types of terrain) to enable own fire delivery means to engage them effectively. In addition it should also provide location of own shell burst to enable correction of fire."

1.2 **Technical Parameters**. All technical parameters listed in the SQR in terms of size, weight, performance, operating environment, power, torque, preservation, utility life, storage, shelf life etc, should be specified. These Parameters may be divided into Essential Parameters-A, Essential Parameters-B (if applicable) and Enhanced Performance Parameters (if applicable) along with respective credit scores.

1.3 **Additional Features**. If any, should also be explained.

2. Based on above guide lines, this Appendix should be formulated very carefully for each type of equipment.

***Note**:*
(i) For repeat order cases the reference of the earlier contract/supply order should be given.

(ii) The specifications/parameters of the equipment given here should be as per the approved GSQR/DPR/OR and no changes/amendments be done there to.

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(Annexure I to Appendix A to Schedule I)

(Refer Para 44 of Schedule I**)**

UNDERTAKING TO COMPLY WITH ESSENTIAL PARAMETERS-'B'

1. The Bidder (Name of the Company) hereby

1.1. Undertakes to develop and meet all the requirements of Essential Parameters B as given at Appendix ____of RFP for the procurement case of _____issued on ___ .____

1.2. Undertakes to produce the equipment for trials of Essential Parameters 'B' within the specified time frame as stipulated in the contract.

1.3. Accepts that failure to meet the Essential Parameters B after signing of the contract and within the stipulated time frame, will lead to forfeiture of all bank guarantees (Performance Bank Guarantee, Additional Bank Guarantee and Advance Bank Guarantee) and attract other penal provisions as may be prescribed by the Government.

***Note**: Failure to submit the undertaking along with the Technical Bid shall render the bid invalid and will be rejected.*

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(**Appendix B to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 30, 34.2, 35 of Annexure III to Appendix F)

COMPLIANCE TABLE

For (Equipment name)

Ser No	**Requirement as per the RFP**	**Compliance/ Partial Compliance**	**Indicate references of Paras/Sub Paras of the Main Technical Document**
Bidder is to provide Parawise compliance to each Para of the RFP			
General Conditions of RFP (Para to)			
Technical Parameters as per Appendix A			
	Essential Parameters 'A'		
	Essential Parameters 'B' (if applicable)		
	Enhanced Performance Parameters (if applicable)		
Commercial Parameters as per RFP			
	Performance-cum-Warranty Bank Guarantee as per Para of RFP		
	Advance Payment Bank Guarantee as per Para of RFP		
	Earnest Money Deposit as per Para of RFP (*indicate amount of EMD*)		
	Performance Bank Guarantee for AMC/ CMC/ PBL (*as applicable*) as per Para_____ of RFP		
	Additional Bank Guarantee amounting to (*as decided by the AoN according authy for Essential Parameters B*)		

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(**Appendix C to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 12 of Annexure III to Appendix F)

WARRANTY CLAUSE
(To be amended as per requirement and all blank spaces to be filled up)

1. The **SELLER** warrants that the goods/services supplied under this contract conform to technical specifications prescribed and shall perform according to the said Technical Specifications.

2. The **SELLER** warrants for a period of months/years/operational hours from the date of acceptance deliverables post Joint Receipt Inspection or from date of installation and commissioning (as per Para 12 and as applicable on case to case basis), that the goods/stores/services supplied under this contract and each component used in the manufacture thereof should be free from all types of defects/failures (including latent and patent defects). The date of reckoning for commencement of warranty will be from the date of signing of 'Certificate of Conformity' by both parties post JRI/Installation/Commissioning as applicable.

3. If within the period of warranty, the goods/stores are reported by the **BUYER** to have failed to perform as per the specifications, the **SELLER** shall either replace or rectify thesame free of charge, maximum within days of notification of such defect by the **BUYER** provided that the goods are used and maintained by the **BUYER** as per instructions contained in the Operating Manual. Warranty of the equipment would be extended by such duration **of downtime**. Record of the down time would be maintained by user in log book. Spares **and all consumables** required for warranty repairs shall be provided free of cost by **SELLER**. The **SELLER** also warrants that the special oils and lubricants required for the warranty repair of the equipment shall be provided by the **SELLER** himself. **All activities including diagnosis, rectification, calibration, transportation etc, required for making equipment serviceable and available would be the SELLER's responsibility.** The **SELLER** also undertakes to diagnose, test, adjust, calibrate and repair/replace the goods/equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty period, at the cost mutually agreed to between the **BUYER** and the **SELLER**. The **SELLER** shall intimate the assignable cause of the failures.

4. **SELLER** hereby warrants that necessary service and repair backup during the warranty period, including routine maintenance beyond Unit Level (delete if CMC/AMC is not part of the contract), shall be provided by the **SELLER** and he will ensure that the **cumulative** downtime **period for the equipment does not exceed of the warranty period.**

5. If a particular equipment/goods fails frequently and/or, the cumulative down time exceeds % of the warranty period **ora common defect is noticed in more than % of the quantity of goods with respect to a particular item/component/sub- component, that** complete **item**/equipment shall be replaced free of cost by the **SELLER** within a stipulated period of days of receipt of the notification from the **BUYER** duly modified/upgraded through design improvement in all equipment supplied/yet to be supplied and ESP supplied/yet to be supplied.

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6. **SELLER** shall associate technical personnel of maintenance agency and QA of **BUYER** during warranty repair and shall provide complete details of defect, reasons and remedial actions for averting recurrence of such defects.

7. In case the complete delivery of the Engineering Support Package is delayed beyond the period stipulated in this contract, then the **SELLER** undertakes that the warranty period for the goods/stores shall be extended to that extent.

8. The **SELLER** shall extend back to back warranty of equipment/ system or any other item whose specified warranty by the OEM is more than above mentioned warranty period at no additional cost to the buyer.

***Note**:*

1. Wherever applicable the clause related to MTBF related warranties may be added as part of this Appendix

2. The clauses to be modified based on the equipment and procurement case as per requirement).

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(**Appendix D to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 20 of Schedule I)

INFORMATION PROFORMA : AGENT Engagement of Agent by Foreign Vendor

(Separate sheets to be filled in case of multiple Agents)

1. Procurement Case……

2. Has the vendor engaged/proposes to engage any Agent [Yes/No] :

3. If Yes, Details of Engaged Agent: Name of the Firm/ Individual …… Address…… Registration No……

4. Date of Engagement ……

5. Period of Engagement ……

6. Scope of Work and Responsibilities……

7. Payment Details :-

Payments made in last 12 months ……Brief Terms of Payment……

8. Any other details…….....……

9. Declaration. It is certified that the above information is true. Any change in the information, including termination of an Agent, will be intimated within two weeks of occurrence. Details of further payments will be intimated annually.

Place:

Date:

(Authorised signatory)
Vendor Name and Address

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(**Appendix E to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 23, 36.1.8 of Schedule I)

(*THIS PAPER LAYS OUT GENERAL GUIDELINES. MAY BE AMENDED IN CONSULTATION WITH PRODUCTION AGENCY AND DRDO TO MAKE IT EQUIPMENT SPECIFIC****)***

TRANSFER OF TECHNOLOGY (TOT)

1. **Preamble**.

1.1. ToT shall be provided to the designated Production Agency(s) (to be decided prior to issue of RFP). The key technologies for ToT should be identified prior to issue of RFP jointly by the designated production agency, Defence Research and Development Organisation and Ministry of Defence.

1.2. Technology used shall be current, State-of-the-art as used in the contemporary systems. Critical technology aspects having bearing on ToT evaluation need to be specified on a case to case basis.

1.3. The ToT shall be comprehensive, covering all aspects of design/development, manufacturing know-how and detailed technical information which will enable the Production Agency to manufacture of systems, sub-systems, assemblies, components, materials etc by Indian ToT partner as well as for repair, overhaul, besides production from SKD/CKD/IM Kit, production from raw material and component level. Design data shall include the details that are needed to give design disposition during production on deviation/concession; modify/upgrade the license product and substitute parts and systems of the license product as required by the certifying agency and the production agency.

1.4. The OEM is required to provide the latest version of Configuration Control Document which will provide detailed breakdown of the product structure in terms of lower level subsystems/ assemblies/ sub-assemblies/ modules/ detail parts/ PCBs/ wiring diagrams etc with their latest modification status. All updates during the term of the Agreement should be provided as and when issued free of cost. Consolidated list of updates during the year should be provided during the first quarter of the subsequent year.

1.5. Vendor should submit an undertaking that he would provide and support complete ToT for phased manufacture to the buyer or his authorised Indian Organisation for the System and its sub-systems, modules, assemblies and detailed parts/components. Support will be provided for a minimum period of 20 years on long term basis after the last unit is produced under the present proposal.

1.6. The vendor should provide total support and facilitate ToT of the sub- systems from his sub-vendors/OEMs, if desired by the buyer.

1.7. (To be included on as required basis) Vendor should submit an undertaking not to exceed* budgetary price for the Transfer of Technology covering the following parameters:-

1.7.1. License fee.

1.7.2. Documentation.

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1.7.3. Technical Assistance.

1.7.4. Training.

1.7.5. Materials.

1.7.6. Spares.

1.7.7. Tooling.

1.7.8. Special Tools.

1.7.9. Standard tools.

1.7.10. Ground Support & Test Equipment.

1.7.11. Programme Management.

1.7.12. Special Infrastructure facilities deemed necessary to support the operations.

Note: Above 'not to exceed' budgetary quotes are to be provided for both Licensed production and Repair/Overhaul separately. Vendor may note that this 'not to exceed' budgetary price will be used for commercial evaluation. Vendor selected after technical & commercial evaluation will enter into detailed contractual negotiations on various aspects of the Transfer of Technology to the buyer or his authorised Indian organisation based on the "Not to exceed" budgetary quotes.*

1.8. It is likely that some of the assemblies/sub-assemblies/modules/PCBs used in the realisation of higher level assemblies/sub-systems and systems are manufactured by the OEM's vendors/sub-contractors either based on Engineering documentation provided by the OEM or developed by the OEM's vendors/sub-contractors based on procurement specifications provided by the OEM. Further, as a result of multiplicity of technologies involved and for reasons for price competitiveness arising due to economies of scale, some of the items used in the manufacture of licensed product may be bought out by the OEM from vendors as 'fully finished' against the procurement specifications provided by him.

1.9. Although, not desirable, some of the components/process specifically developed by the OEMs for use in the manufacture of licensed product may be classified by them as 'Proprietary' and not included within the scope of ToT offered to the Production Agency

1.10. To bring in a fair comparison between the ToT offered by various OEMs as also to have a fair assessment of the depth of technology being transferred, OEMs are required to identify each item (system/ sub-system/ assembly/ sub-assembly/ module/ detail parts/ PCB etc) in the product structure under the following categories, as may be applicable and provide information on the relative price for each of the items in the product structure as percentage of product cost:-

1.10.1. **Category -1**. Items, for which complete ToT, i.e., Engineering and Manufacturing documentation to enable the Production Agency carryout fabrication, assembly and test of the item from CKD/IM Kit level as the case may be, is being provided by the OEM, may be classified under the head "CToT".

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1.10.2. **Category -2**. Items which are manufactured by the OEM's Subcontractors based on engineering documentation provided by the OEM and these Engineering Documentation are being provided by the OEM to the Production Agency, may also be classified under the head "CToT".

1.10.3. **Category -3**.

1.10.1.1. Items in respect of which development and manufacture by the OEM has been subcontracted to its vendors/sub-contractors based on only the procurement specifications provided by him and the OEM is not in a position to provide any additional technical information to the Production Agency except the procurement drawings/specifications provided by him to his vendors/sub-contractors, may be classified under the head Single Vendor "Subcontract". For the purpose of evaluating the depth of ToT, it will be presumed that the ToT in respect of these items for indigenous manufacture is not provided. OEM shall ensure authorisation to its vendors/sub-contractors to supply items, manufactured against OEM's specifications to the Production Agency against its purchase orders.

1.10.1.1. However in such case, the OEM in collaboration with his vendor/subcontractor, is required to provide the Production Agency, maintenance Documentation, the recommended list of spares for repair and overhaul as may be applicable and maintenance training at the vendor's/subcontractor's premises, then such vendor items are may be classified under the head 'Limited ToT for maintenance support', i.e, "M-ToT".

1.10.4. **Category-4**.

1.10.4.1. Items including catalogue/standard items sourced by the OEM against his procurement specifications as 'Fully Finished', may be classified as "Bought Out". Evidently ToT for such items for indigenous manufacture will not be available and the OEM will be able to provide only the procurement drawings/specifications, sources of supply. OEM has to ensure the availability of such items or its equivalents during the life cycle of the product. However, in respect of some of the selected items in this category, if the OEM, in collaboration with his vendor, is able to provide the Production Agency documentation for maintenance, recommended list of spares for repair and overhaul as may be applicable and maintenance training in the vendor's premises, then such items may also be classified under the head 'limited ToT for maintenance support' i.e. "M-ToT".

1.10.4.2. OEM shall ensure periodical review of obsolescence, study of the Bill of Items (BOIs) and provide a retrieval scheme for a minimum period of 15/20 years from the production of last unit under the present proposal.

1.10.5. **Category -5**. Some of the items for which the ownership of Design and Manufacturing Documentation is available with the OEM, but the OEM is not willing to transfer the technology to the Production Agency may be classified under the head 'Proprietary' items. The list of such items shall be far and few and generally restricted to components/processes specifically developed by the OEM for

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the licensed product. No item in the product structure which is critical either from the technology point of view or from the point of view of significant value addition or which constitutes a significant relative percentage of the product cost (say > 10%), will be acceptable under the head "Proprietary items". Further, at any stage during the life cycle of the Product, if the OEM intends to discontinue the production of Proprietary items, the complete technical documentation in respect of these items available with the OEM or his subcontractors will be passed on to the Production Agency to enable indigenous manufacture or establish alternative routes of meeting the requirement. Also, a base price for such items with an escalation formula for future supplies shall be given for slab quantities by OEM.

1.11. The OEMs have to ensure that the depth of Technology being transferred shall enable the Production Agency achieve value addition commensurate with a minimum 30% of the relative cost of the licensed Product through indigenous manufacture in case of CKD kit based ToT and a minimum of 60% of the relative cost of the licensed product through indigenous manufacture in case of IM Kit based ToT (Percentage of indigenous value addition may vary based on the product).

1.12. No single sub-system/assembly/sub-assembly, which constitutes more than 10% of the cost of Licensed product, shall be without ToT option to the Production Agency. In case, such a sub-system/assembly belongs to the 'bought out' category, then the OEM as a prime bidder of the licensed product shall bid in consortium with the concerned vendors with separate ToT proposal for which items included in the bid directly from the relevant vendor. The bid for supplied/ToT in such a case shall be evaluated as an integrated composite proposal.

1.13. OEM shall assist the production agency and take the lead to obtain maintenance related ToT to the maximum extent possible in respect of items covered under category 3 and 4, from his vendor/sub-contractors.

2. **Evaluation of ToT**

For CKD Kit based ToT

2.1. The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

2.2. In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below: -

2.2.1.	Relative Percentage of cost of Category 1 items (individual & composite)	Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30%
2.2.2.	Relative Percentage of cost of Category 2 items (individual & composite)	
2.2.3.	Relative Percentage of cost of Category 3 items (individual & composite)	Not more than 25%
2.2.4.	Relative Percentage of cost of Category 4 items (individual & composite	
2.2.5.	Relative Percentage of cost of Category 5 items (individual & composite)	Not more than 15% (to be decided on as case to case basis)

2.3. Total % age of (i) to (v) should be 100%.

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2.4. Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT minus CKD Kit cost being higher than the minimum specified 30% during the IM Phase will only be considered further for commercial evaluation (minimum specified percentage may vary based on the product).

For IM Kit based ToT

2.5. The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

2.6. In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:-

2.6.1.	Relative Percentage of cost of Category 1 items (individual & composite)	Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30%
2.6.2.	Relative Percentage of cost of Category 2 items (individual & composite)	
2.6.3.	Relative Percentage of cost of Category 3 items (individual & composite)	Not more than 25%
2.6.4.	Relative Percentage of cost of Category 4 items (individual & composite	
2.6.5.	Relative Percentage of cost of Category 5 items (individual & composite)	Not more than 15% (to be decided on as case to case basis)

2.7. Total % age of (i) to (v) should be 100%

2.8. Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT being higher than the minimum specified 60% during the IM Phase will only be considered further for commercial evaluation. (Minimum specified percentage may vary based on the product).

3. **Phased Manufacturing Programme**.

3.1. Based on the phased ToT absorption planned by production agency, quantity will be supplied as Fully Finished during Phase-0, quantity as SKD Kit during Phase1, quantity as CKD Kit during Phase-2 and quantity as IM Kit during Phase3, as the case may be. Illustrative phase definitions are given below:

3.1.1. **Phase-0**. Shall be based on supply of Fully Formed and tested product by the OEM.

3.1.2. **Phase-1**. Shall be based on supply of Semi Knocked Down (SKD) Kits provided by the OEM. The Semi Knocked Down Kit will consist of subsystems, assemblies, sub- assemblies, modules etc assembled and tested by the OEM and/or his vendors/sub- contractors. The Production Agency will perform the final level

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assembly and testing of the product. QA will be carried out by QA Agency as per mutually agreed ATP.

3.1.3. **Phase-2**. Shall be based on supply of Completely Knocked Down (CKD) Kits provided by the OEM in the form of unassembled Bill of Materials. CKD Kit may include certain components/sub-assemblies commercially available "Off The Shelf" (COTS) from multiple vendors as fully finished items. Production Agency will carry out assembly and test of individual PCBs/Modules/Subassemblies/Assemblies /Sub-systems etc from component level and then carry out final assembly and testing of the product. QA will be carried out by QA Agency as per mutually agreed ATP.

3.1.4. **Phase-3**. Shall be based on supply of proprietary items (IM Kit) by the OEM. Production Agency will perform procurement of all the components/raw materials and carry out complete fabrication, assembly and testing of the product from raw-materials/component stage through various stages of manufacture. (Phase 3 applicable only for IM Kit based ToT).

3.2. The time frame for completion of supplies by the OEM for various phases of manufacturing is provided at **Annexure I to Appendix E.** Conformance of the vendor to the time schedule provided in **Annexure I to Appendix E** will be one of the important Evaluation Criteria and the bids of OEM's not meeting the time schedules are liable to be rejected.

3.3. OEM shall provide complete configuration of SKD, CKD and IM Kits, as the case may be, to the Production Agency to realise the Fully Finished Product. CKD Kits required to meet the spares requirement may be furnished separately. The OEM shall also provide estimated man-hours required for various stages of fabrication, assembly and test to realise the Licensed Product from SKD Kit during Phase-1, CKD kit during Phase-2 and IM kit during Phase-3. Based on experience in his plant Bidder shall also provide "Production Mortality" of SKD/CKD/IM kit parts required for realisation of final finished product.

3.4. OEM shall permit the production agency to sub contract components/ assemblies to sub-contractors of Production Agency. ToT shall be such that the production agency is able to procure components/sub-assemblies/test equipment directly from OEM's Sub-contractors/ Vendors.

4. **Itemised Price List (IPL)**. The OEM shall provide Itemised parts list in the Technical Bid and itemised price list (IPL) totaling to end product unit cost in Commercial Bid. Man-hours required during various phases of manufacture to realise the fully finished product shall also be provided. The prices of components, fabricated parts, standard items, bought out items, proprietary items as may be relevant shall be provided for various phases of manufacturing programme. The list shall include the source of supply of components, standard items, BOIs and the ToT shall include authorisation to production agency to procure these items directly from the sources without going through OEM. (While this information may be possible for less complex products, it may not be possible if the itemised price list is very voluminous, e.g., aircraft to be manufactured under ToT. Therefore, this Para of the draft procedure may have to be suitably modified on a case to case basis).

5. **Supply of Documentation**.

5.1. The ToT Documentation to be provided by the OEM shall be in English language and include documentation under the following heads:-

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5.1.1. Engineering documentation

5.1.2. Software documentation and Firm ware support manual for embedded software including source code.

5.1.3. Manufacturing documentation.

5.1.4. Test documentation.

5.1.5. Technical Manuals.

5.1.6. General documentation including Company standards, National and International standards and specifications

5.1.7. Additional documentation for repairs centre.

5.1.8. Illustrated parts catalogue.

5.1.9. Design data- stress, fatigue, performance, qualification, environmental test, life (calendar/total/overhaul), where applicable.

5.1.10. Source identification for BOIs and subcontracted items; standard parts, consumables etc.

5.1.11. Spares parts lists and price catalogue for Operator (O), Intermediate (I) and Depot (D) level maintenances.

5.1.12. Recertification/requalification test plan, series test, special category test due to change in venue of manufacture, where applicable.

5.1.13. "Red band" units, calibration stands where applicable.

5.1.14. Quality procedures, plans, ESS, Special tests during production other than ATP.

5.1.15. Data on reliability-FMECA, MTBF, MTBO, MTBUR, MTBR.

Note: In case of procurement from foreign vendors, they may be asked to quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor.

5.2. The details/definition of Documentation to be provided by the OEM under the above heads is enclosed at **Annexure II to Appendix E to this RFP**.

5.3. The OEM is required to furnish 'Compliance Statement' in respect of each type of detailed documentation requirement listed at **Annexure II to Appendix E to this RFP**. Non-compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse bearing in the evaluation of ToT proposal.

5.4. The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub-contractors for the purpose of manufacturing, assembly and testing of the licensed product in their plant. The OEM will ensure completeness and exhaustiveness

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of the documentation for the purpose and work to be performed by the Production Agency for manufacturing, assembling, testing, installation and commissioning, maintenance and overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant Military (MIL) Specifications or as mutually agreed with the User's Certification Agency.

5.5. Documentation as detailed in **Annexure II to Appendix E to this RFP** to enable the Production Agency procure, manufacture, operate and maintain the SMTs, STEs, Tools, Jigs and Fixtures required for the FF/SKD/CKD/IM kits manufacturing phase, shall be provided. Wherever software is used, details of the software as per documentation listed at Annexure II including Source Code and Firmware Support Manual shall be provided.

5.6. The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

6. **Product Upgrades**. Technical data including relevant Documentation update in respect of any modifications/improvements/upgrades undertaken by the OEM in the licensed product during the entire life cycle of the product/license Agreement shall be provided to the Production Agency at no additional cost during the entire life-cycle of the product.

7. **Training**

7.1. As part of ToT, Industrial Training required by the Production Agency to realise the Fully Finished Product from SKD, CKD and IM kits, as the case may be, during various manufacturing phases and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of design, manufacture, software, installation and commissioning, system integration and checkout and component level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

7.2. All aspects of software are to be comprehensively covered during the software training module with a view to enable Production Agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

7.3. Industrial Training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

7.4. OEM shall provide complete details of Industrial Training programme, which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Production Agency.

7.5. Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Production Agency subject to overall training schedule. Operation and Maintenance training for end user shall also be provided.

7.6. Details of Industrial and User Training Programme recommended by the OEM shall be provided as an annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the production agency and at user

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locations. Long term training of production agencies at the design departments of OEMs shall also be included to give a complete exposure to them on design practices of OEM. This will help in design liaison support including upgrade Modifications/Troubleshooting/Concessions during the entire life cycle of the product.

8. **Technical Assistance**. As part of ToT, OEM shall provide requisite technical assistance to the production agency during the phased manufacturing programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an annexure to the technical proposal. The total technical assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

9. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs)**.

9.1. OEM shall provide complete technical data of the SMTs and STEs used in the production, assembly, test and maintenance of product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours and cost details are to be provided.

9.2. Details of special category test (recertification, production series testing) along with test Rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code and Firmware Support Manual for embedded software shall be provided.

9.3. OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

10. **Consumables**. List of consumables required for the manufacture/maintenance of product along with cost, source details and life data shall be provided.

11. **Special Technologies/Processes**. The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery/running cost etc vis-à-vis specific components/assemblies.

12. **Product Support**. OEM shall ensure that the product support including supply of spares and management of obsolescence for a minimum of 20 years from the time the last unit is produced under the present proposal, shall be available to the production agency/its customer. OEM shall also provide a proposal for transferring the complete product support to the production agency in a phased manner.

13. **Commercial Proposal**. The commercial proposal should be submitted in a separate sealed cover.

14. **Transfer of Technology (ToT)**. OEM shall provide commercial offer for providing complete Know-How and documentation for the manufacturing of product from SKD, CKD Kits and IM phase, as the case may be, Industrial Training and Technical Assistance and the required rights, licenses and authorisation to manufacture, use and sell the product. For the Industrial Training and Technical Assistance phase, man week rate for providing training/technical assistance in OEM's own plant(s) or in India may be separately provided.

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15. **Supplies**

15.1. **FF, SKD, CKD and IM Kits**. OEM shall provide itemised price list for supply of FF, SKD, CKD and IM Kits, as the case may be, inclusive of the production mortality used by the OEM during manufacture of product in its plants. Itemised price break-up up to component level is to be provided at the time of signing of the Technical Collaboration Agreement (TCA).

15.2. **SMTs, STEs, Tools, Jigs and Fixtures**. OEM shall also provide complete list with itemised prices for SMTs, STEs, Tools, Jigs and Fixtures required for the SKD, CKD and IM manufacturing phase, as the case may be. In case of Tools, Jigs & Fixtures where large quantities are involved, category-wise prices may be provided. OEM shall also provide prices for 'O' level, 'I' level and 'D' level maintenance facilities of Product by the User/Customer.

15.3. **Bought Out/Outsourced/Subcontracted Items**. OEM shall provide the complete list of items, which are bought out/outsourced/subcontracted for use in the manufacture of Product along with itemised prices and details of the sources for procurement. Authorisation for direct procurement by the production agency from these sources shall be given so that no development cost or NRE charges are incurred. In case where suggested sources decline to supply the components/materials, OEM shall take responsibility for supply of same or suggest alternate sources for the procurement of suitable equivalent components/materials during the term of the agreement.

15.4. **Life-Cycle Cost**. OEM shall provide the estimated LIFE-CYCLE COST of the product and the basis thereof. Factors such as operational hours/year, MTBF, requirement of maintenance spares, mandatory replacements during preventive maintenance schedules etc may be considered for arriving at life cycle cost.

15.5. **Spares**. The OEM shall provide itemised price list of spares required as per three levels of maintenance of Product as follows:-

15.5.1. **'O' level**: _set per {product} (total _{product} sets) at field units:

15.5.2. **'I' level**: ___set each for a group of {product} (_sets for _____{product}) at Intermediate level of maintenance; and

15.5.3. **'D' level**: _ set for _{product} at Depot level maintenance.

16. **Payment Terms**. OEM shall provide the terms of payment for all supplies including ToT forming part of its commercial proposal. Specimen Format for Providing Prices is at **Annexure III to Appendix E to this RFP**. (needs to be formulated by the OEM for specific products based on identified milestones).

17. **Delivery Schedule**. OEM shall provide complete schedule for transfer of documentation, providing of Industrial Training and Technical Assistance, supply FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs, STEs, Tools, Jis and Fixtures to match the overall delivery requirement for manufacture and supply of FF product by the Production Agency. The Documentation for a specific phase shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at **Annexure I to Appendix E to this RFP.**

18. **Liquidated Damages**. OEM shall undertake to complete its obligations in accordance with the contractual delivery schedule. For delay in delivery of FF, SKD, CKD and IM Kits, as the

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case may be, Spares, SMTs and STEs and delays in the implementation of PMP caused by or attributable to the OEM, the Production agency shall be entitled to claim liquidated damages.

19. **Warranty**.

19.1. **Documentation.** OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for manufacturing, assembling, integrating and testing of the product and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the License Agreement.

19.2. **Material/Equipment/Kit Supply**. Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 24 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to production Agency.

19.3. All supplied software should be verified & validated by OEM for use of the designated Production Agency.

20. **Infringement**. OEM shall indemnify and protect at its own cost, the production agency in respect of cost/claims/legal claims/liabilities arising from third party claim with regard to the existence of any patent or intellectual & industrial property right of any such parties in India or from other countries.

21. **Performance Guarantee.** OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

22 **Validity**. The proposal will be kept valid for acceptance for a minimum period of 18 months from the date of submission.

23. **Technical Collaboration Agreement (TCA)**. After the CNC is concluded, the OEM shall enter into a detailed Technical Collaboration Agreement (TCA) with Production Agency incorporating mutually agreed terms and conditions.

24. **Global Rights**. OEM shall clearly indicate the extent of global rights of sales, which they would be willing to offer to the Indian production agency.

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(Annexure I to Appendix E to Schedule I)

(Refer Para 3.2, 17 of Appendix E to Schedule I)

SPECIMEN FORMAT FOR PROVIDING DELIVERY SCHEDULE

Sl. No.	Description	Qty	Month after effective date	Remarks
1.	Documentation Transfer in lots for each phase*			
2.	Training including Final assembly of SKD/ CKD/IMs to FF for each phase			
3.	Operation and maintenance course training			
4.	Test equipment delivery			
5.	First system FAT and Delivery			
6.	Spare Parts delivery ("O" level spares)			
7.	Spare Parts delivery ("I" level spares)			
8.	Spare Parts delivery ("D" level spares)			
9.	Test equipment delivery for SKD and CKDs			
10.	SKD Kits delivery (kits per month)			
11.	CKD Kits delivery (kits per month)			
12.	IM Kits delivery **(kits per month)			

* Documentation for each phase shall be supplied one month prior to start of training of that phase.

** Applicable for IM Kit based ToT.

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(Annexure II to Appendix E to Schedule I)

(Refer Para 5.2, 5.3, 5.5 of Appendix E to Schedule I)

DOCUMENTATION DETAILS TO BE PROVIDED BY OEM

1. **Engineering Documentation**

1.1. Structure Breakdown list

1.2. Part List.

1.3. Part Electrical Lists.

1.4. Part Drawings.

1.5. Assembly drawings

1.6. Cable looking diagram including its part list, connectors and end preparation details.

1.7. Configuration Control Document

1.8. Stress Reports (static/ fatigue), performance reports, type test Schedule/records, type test certificate.

1.9. For Coils and Transformer: winding details, mechanical drawing, purchased parts specification, details of special processes, moulding tools etc.

1.10. Drawings of castings/forgings with material details, vendor information, heat treatment details.

1.11. Details of vendor items specifically developed by the OEM for the Licensed Product.

1.12. For PCB Cards: Schematics, general assembly drawings, assembly instructions, SMD location processing files including CAE/CAM files.

1.13. Engineering change proposals covering details of modifications

1.14. Wiring List and detail sincluding schematics of sub-assembly/modules/ drawers/ racks.

1.15. List of components where trace-ability records are important.

1.16. Details of environment tests carried out on equipment and its sub-systems

1.17. With respect to FPGAs the following details are required: ACTEL or SRAM (depending on the manufacture) design files and the complete schematic with i/o details- in the form of a timing diagram of .sim files.

1.18. * Bill of materials and Ordering Specifications with Vendors addresses including OEMs specifying MIL grade details.

1.19. *Details of non-MIL grade components and their screening procedures

1.20. *Full technical details of ASICS and Hybrid Micro-circuits including manufacturing documents

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1.21. *Full technical details of proprietary items, if any (including manufacturing documents).

1.22. *Material data sheets-chemical composition/mechanical-properties -for all metallic/non- metallic materials/consumables

2. **Software Documentation**. (As per IEEE 12207/MIL-STD-498/DO178B)

2.1. Software Requirement Specification

2.2. Interface design document

2.3. Software change proposals

2.4. Firmware support manual for embedded software

2.5. Software environment/tools including third party proc elements

2.6. Software test procedure.

2.7. Software User Manual

2.8. Software installation procedure including user settings of pass words, site specific data and any customisation code/key or encryption

2.9. IV & V details (independent verification & validation).

3. **Manufacturing Documentation**.

3.1. Details of B/FPGA programming and testing with co-ordinate detail for placement. Programming file (fuse file in the standard format), programming platform configuration-tools and associated version control document, verification document with check sum details

3.2. Process Sheets including details of special processes and finishes as may be applicable.

3.3. Complete set of drawings for tooling, jigs and fixtures as may be applicable.

3.4. Photographs of wiring harness/bundling level.

3.5. List of shop consumables with details of specifications; source of procurements, data on shelf life.

3.6. Assembly tree/sequence, assembly process sheets including assembly settings and checks, assessments to be made, matching subassemblies, markings.

3.7. Any special manufacturing facilities to be set up indicating plant and machinery, test equipment and their vendor details and cost

3.8. Estimated man-hour requirements for assembly and testing at sub-system level.

3.9. Inspection stages, quality plan, details of inspection equipment, gauges with sources of supply, etc

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3.10. Calibration procedures for inspection equipment, gauges, heat treatment & process equipment (furnace/baths).

3.11. *Operation Sequence Sheets

3.12. * Programme for Production (e.g. NC Tapes/S/W as applicable).

4. **Test Documentation**

4.1. Factory Test specification, procedure and acceptance test specification, procedure for PCBs, modules and equipment with detailed instructions on test set up, user of test and/or simulation equipment and software, execution of test with recording of results

4.2. Complete set of drawings for manufacture of test jigs including ATE fixtures, programmes as applicable

4.3. Complete set of drawings for special to test equipment. This will include manufacturing details as well as software documents

4.4. Special category test details (recertification, production series testing, quality assurance testing.

4.5. 'Red band' units, calibration procedures for test rigs/equipment.

5. **Technical Manuals**

5.1. User handbook detailing operational use of equipment.

5.2. Installation and commissioning manual

5.3. Technical description of PCB, Modules, drawers, racks, etc., with details of block diagram, schematic general assembly drawing, timing details, PROM etc. schematic general assembly drawing, timing details, PROM etc

5.4. Maintenance Manual covering

5.5. Permissible worn-out dimension limits, acceptance test procedure and Acceptance limits of overhauled product

5.6. Repair/salvage schemes, mandatory replacement parts

5.7. Periodic maintenance

5.8. Trouble shooting and fault diagnosis manual. Testing and repair procedure for faulty PCBs up to component level and peripheral equipment received from the customer

5.9. Structural breakdown list for complete equipment.

5.10. Recommended Spares List, site supply and depot stocking

5.11. The Maintenance Manual shall cover the product for which the file of drawings/documents is given as well as all vendor items which are part of Licensed Product.

5.12. Overhauling manuals including details, tests, adjustment, calibration tuning etc., for all levels of equipment

6. **General Documentation (including Standards and Specifications)**.

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6.1. Standard inspection method (inward goods in-process and final acceptance).

6.2. Process standards/procedures

6.4. Workmanship standards/procedures

6.5. Quality standards/procedures including incoming inspection procedures, quality manuals

6.6. General procedures as may be applicable

6.7. Qualified Vendor Lists as may be applicable

6.8. Standard tools, jigs and fixtures as may be applicable.

6.9. Company standards

6.10. ISO 9001 certification of OEM, vendors & subcontractors/ISO 14000 certification

6.11. Material/component and product standards including general fasteners and consumables

7. **Additional Documentation**. Repair center documents including details of Test Instruments, jigs, fixtures etc., for the End User.

8. Documentation shall be provided in the form of hard copy, in microfilm/microfisch and magnetic media, including that required for making copies of technical manuals as specified by the customer. Documentation shall be provided in English Language.

* Applicable for IM Kit based ToT.

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(Annexure III to Appendix E to Schedule I)

(Refer Para 16 of Appendix E to Schedule I)

SPECIMEN FORMATS FOR PROVIDING PRICE INFORMATION

ToT			
S No.	**Item**	**Price**	**Remarks**
1	Know-how and documentation	USD	Payment shall be subject to deduction of taxes in India as per Double Taxation Avoidance Agreement in accordance with the following schedule (depending on the product, various stages of payments should be included without indicating the quantum of payment) :- 1. Stage 1.-- 2 .Stage 2.-- 3. Stage 3.--
2	**Training**. 2.1. Industrial Training covering all aspects for ToT at OEM's facility.	USD *Instructor man day/week rate	
	2.1.1 FF Phase working days/ week		Upto trainees Max.
	2.1.2 SKD Phase working days/ week		Upto trainees Max.
	2.1.3. CKD Phase working days/ week		Upto trainees Max.
	2.1.4. IM Phase working days/ week#		Upto trainees Max.
	2.1.5. Training on design liaison, design practices, design disposition on concessions/ deviation.		Upto trainees Max.
	2.2. Operational/Field Maintenance Training		
	2.2.1. working days/week in and		Upto trainees and Customer trainees Max.
	2.2.2 working days/week in India		Upto trainees and Customer trainees Max.
3	Technical Assistance in OEM's Plant to be availed as required	USD * (Man day/ week rate)	Maximum No. of man weeks spread over No. of mission
		TOTAL	

* Minimum mandatory Training and Technical Assistance, which can be provided at no additional cost to be indicated.

Applicable for IM Kit based ToT.

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COST OF FF, SKD, CKD AND IM KITS, AS THE CASE MAY BE,SPARES AND SMTs/STEs					
S. No	**Item**	**Unit Price in USD**	**Qty**	**Total Price**	**Remarks**
1.	-System				
	1.1. Fully Finished System				
	1.2. SKD Kits				
	1.3. CKD Kits				
	1.4. IM Kits#				
2.	**Spares**.				
	2.1. 'O' Level				
	2.2.'I' Level				
	2.3. 'D' Level				
3.	**SMTs/STEs**.*				
	3.1. Test Jigs/Software for 'O' level maintenance				
	3.2. Test Jigs/ Software for 'I' level maintenance				
	3.3. Test Jigs/Software for 'D' level maintenance				
	3.4. Test Jigs and software for manufacture under ToT				
	* Excluding Standard Test Equipment				
	TOTAL				

Itemised SKD Kit Price					
Part No	**Description**	**Qty**	**Price in USD**		

Itemised CKD Kit Price					
Part No	**Description**	**Qty**	**Price in USD**		

LIST OF SPECIAL MAINTENANCE TOOLS (SMTs) AND SPECIAL TEST EQUIPMENT (STEs)						
Part no.	Description	Model	Mfr.	Qty	PriceIn USD	Remarks
(a) SMTs and STEs required for Maintenance						
(b) ToT Test Equipment						

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LIST OF SINGLE SOURCE VENDOR ASSEMBLIES/ COMPONENTS AND PROPREITARY ITEMS			
Components	P/N	Price in USD	Vendor
(a) SMTs and STEs required for Maintenance			
(b) ToT Test Equipment			

SPARES.

1 . **'O' Level Spares Parts Lists (Set Per)**

No.	Item Description	Qty. per set	Item Price in USD	Total Price in USD
Total				

2. **'I' Level Spares Parts Lists (Set Per)**

No.	Item Description	Qty. per set	Item Price in USD	Total Price in USD
	Total			

3. **'D' Level Spares Parts Lists (Set Per)**

No.	Item Description	Qty. per set	Item Price in USD	Total Price in USD
	Total			

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(Appendix F to Schedule I to Chapter II of Handbook on Guidelines & Annexures)

(Refer Para 23, 36, 37 of Schedule I)

GUIDELINES AND CONDITIONS FOR ESTABLISHING MAINTENANCE INFRASTRUCTURE WITH AN INDIAN FIRM

***Note**: These guidelines and conditions are indicative. These may vary as per the type of service/equipment and the intended requirements. SHQ concerned may amend these as per their requirement. No blanks to be left.*

1. The Government of India, Ministry of Defence is desirous that the depot level maintenance (D level i.e third line and fourth line) and the life time support for the **(generic name of the equipment)** be carried out through an Indian Entity. (These entities would normally be Army Base Workshops/Naval dockyards/Naval Aircraft Yards/Base Repair Depots or any other firm as approved by AoN according authority).

2. **Scope of Maintenance**. It is desired that the Indian entity selected should be able to accomplish the following towards providing maintenance support for the life cycle of the equipment:

2.1. Carry out depot level repairs to include repair of major assemblies, sub assemblies and of the equipment.

2.2. Provision of spares for the unit level, field level and intermediate level repairs for the entire life cycle of the equipment. The scope of these repairs is elaborated subsequently. You are required to take into consideration these aspects while preparation of your maintenance plans. Initially the spares would be in the form of MRLS for a period of years. The provision of spares subsequently would be through the identified Indian entity through a separate contract.

2.3. The spares, repairs and services support required from vendor for ToT to Indian entity would be implemented under long term contract. The proposal for Maintenance Transfer of Technology (MToT) shall also include Active Obsolescence Management through life cycle support of the equipment including upgradation of system/subsystem/components on completion of its fair service life.

3. **Maintenance Infrastructure**. To enable the Indian entity to provide life time maintenance support in terms of spares and depot level, it is essential that the facilities, as given in the subsequent Paras, are established/ available in India at the premises of the selected Indian entity. The specific requirements of technology transfer for Maintenance Infrastructure needs to cover the following aspects (choose whichever is /are applicable):-

3.1. To ensure Indian entity is able to support operation and deployment of the platform/equipment on sustainable basis.

3.2. To ensure Indian entity is self-sustainable to provide 'Intermediate', 'Depot' and 'Overhaul Level (2nd, 3rd and 4^{th} level) repairs, maintenance and upgrade for the entire life cycle of the equipment.

3.3. To set-up requisite test facilities/infrastructure for undertaking testing/certification for the entire life cycle of the equipment.

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3.4. To set-up an ecosystem for manufacture of sub-systems, assemblies, components, spares, materials, etc, in India.

3.5. To make India, a regional/global hub for MRO for the Platform/equipment.

***Note**: The following is just for the guidelines and would vary on case to case basis. The SHQ will have to work out the exact details prior to issuing out the RFP.*

4. **General**.

4.1. ToT shall be provided to the designated Maintenance Agency for "D" level maintenance of aircraft including:-

4.1.1. Airframe

4.1.2. Engines

4.1.3 Accessories (Equipments)

4.2. Full ToT for the following systems for overhaul and repair is mandatory:

4.2.1. Air Frame including metallic and composite structures, empennage,

4.2.2. Canopy, Radome, Special process, Casting & Forgings

4.2.3. Flight Control Systems including FBW hardware and software

4.2.4. Landing Gear system including all castings and forgings

4.2.5. Electrical and Avionics systems including Cockpit display systems

4.2.6. Instruments, Communication and Navigation equipment, Power generation and distribution systems.

4.2.7. Power Plant System including FADEC, Engine accessories, Turbine, NGV and compressor blades

4.2.8. Hydraulic System including pumps, servo actuators along with its spool & sleeve.

4.2.9. Wheels and brakes system

4.2.10. Fuel System including in-flight refuelling

4.2.11. Environment system including OBOX, Pneumatic system

4.2.12. Ejection Seat

4.2.13. Weapon Systems Integration, hardware and software.

4.3. The ToT shall be for "D" level maintenance to cover Airframe, Engines, Avionics and other aggregates. It shall be comprehensive and shall cover all aspects of maintenance up to the lowest level which will enable the Maintenance Agency to repair, overhaul, support and maintain the license product. ToT shall include the details that are needed to

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give disposition during the maintenance on deviation/concession; modify/upgrade the license product and substitute parts and systems of the license product as required by the certifying agency and the maintenance agency.

4.4. The OEM is required to provide the latest version of configuration control document which will provide detailed breakdown of the product structure in terms of lower level subsystems/assemblies/sub-assemblies/modules/detail parts/PCBs/wiring diagrams etc with their latest modification status.

4.5. Vendor should submit an undertaking that he would provide & support complete ToT for maintenance to the buyer or his authorised Indian Organisation for the System and its subsystems, modules, assemblies and detailed parts/components.

4.6. Vendor should submit an agreement that the buyer or his authorised Indian organisation reserves the right to approach directly the OEMs of the Sub-Systems for similar ToT agreements and that as a Main Contractor he will be the nodal agency to provide total support and facilitate such ToT agreements.

5. **Documentation**.

5.1. The ToT Documentation to be provided by the OEM shall be in English language in Electronic and hardcopy formats and include documentation under the following heads:-

5.1.1. "D" level Maintenance documentation in ATA100/ATA iSpec 2200.

5.1.2. Engineering documentation including special process.

5.1.3. Software documentation including source code, build environment and utilities.

5.1.4. Details of Special tools and Test equipments, Jigs & Fixtures.

5.1.5. OEM's Standard Technical Manuals.

5.1.6. Illustrated parts catalogue with price list.

5.1.7. Source identification for BOIs and subcontracted items; standard parts consumables etc.

5.1.8. Mandatory spares replacement lists and price catalogue for O, I and D level maintenance.

Note: If required vendors may quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor.

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5.2. The OEM is required to furnish 'Compliance Statement' in respect of each type of Documentation listed above. Non-Compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse bearing in the evaluation of ToT proposal.

5.3. The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub- contractors for the purpose of maintenance of the licensed product in their Plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the maintenance agency for maintenance/overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant MIL Specs or as mutually agreed with the User's Certification Agency. All the certification documents generated for obtaining certification in the country of origin to be supplied. Further, vendor should supply such documentation as may be required by the Indian Certification Authorities.

5.4. The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

5.5. **Labour Hours**. OEM should indicate their stabilised labour hours and Turnaround time for each 3 levels of maintenance clearly indicating the learning curve adopted.

6. **Special Technologies/Processes**. The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery vis-à-vis specific components/assemblies. For identifying the augmentation needs to plant and machinery available with the production agency, if required vendor specialists shall visit production agency before submission of technical and commercial bid.

7. **Capital Investment**. OEM to provide their assessment of plant and machinery required including floor space required for the 3 levels of maintenance assuming that this project will be handled as an ab-initio green field project.

8. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs)**.

8.1. OEM shall provide complete technical data of the SMTs and STEs used in the Maintenance of Product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours are to be provided.

8.2. Details of special category test equipment along with test rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code shall be provided.

8.3. OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

8.4. OEM shall provide complete technical data of Ground handling and Ground support equipment used in the production assembly, test and maintenance of product. This information shall also include the data for manufacture and maintenance of the same. Details on manufacturing hours are to be provided.

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9. **Standard Tooling and General Industrial Requirement**. OEM to provide list/Technical details of standard tooling and general industrial requirement for carrying out "D" maintenance.

10. **Training of Indian Engineers/Technicians**.

10.1. As part of ToT, industrial training required by the production agency to realise the fully finished product from SKD, CKD and IM kits and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of "O', 'I and
'D' level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

10.2. All aspects of software including usage of source code, its build environment and utilities, are to be comprehensively covered during the software training module with a view to enable maintenance agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

10.3. Industrial training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

10.4. OEM shall provide complete details of industrial training programme which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Maintenance Agency.

10.5. Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Maintenance Agency subject to overall training schedule.

10.6. Details of industrial and user training programme recommended by the OEM shall be provided as an Annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the Maintenance agency and at user locations.

11. **Technical Assistance**. As part of ToT, OEM shall provide requisite technical assistance to the Maintenance Agency during the maintenance programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an Annexure to the technical proposal. The total Technical Assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

12. **Spare Parts list**. OEM based on their experience may provide the 10 off spares requirement for the 3 levels of maintenance separately. Spares which are to be mandatorily replaced during the 3 levels of maintenance should be identified and highlighted. For standard spares "NATO" codes may be provided against the respective spares.

13. **Raw Materials and Consumables**. OEM to provide list of raw material and consumables required during the 3 levels of maintenance programme.

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14. **Delivery Schedule**. OEM shall provide complete schedule for transfer of documentation, providing of Training and Technical Assistance, supply of Spares, SMTs, STEs, Tools, Jigs and Fixtures ordered on OEM to match the overall maintenance programme. The documentation for a specific phase of training shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at **Annexure I to Appendix E to this RFP**.

15. **Life Cycle Cost**. OEM shall provide all the details like Operating cost, Maintenance cost, Overhaul cost, training cost etc per squadron of aircraft, required to estimate the Life cycle cost of the aircraft.

16. **Long Term Product Support**. OEM shall ensure that the product support including supply of spares and management of obsolescence for the life of the product (minimum 30 years from the date of delivery of the last aircraft by the production agency) shall be available to the Maintenance agency/its customer.

17. **Warranty**.

17.1. **Documentation**. OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for the 3 levels of maintenance and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the licence agreement.

17.2. **Material/Equipment/Kit Supply**. Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 24 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to Production Agency.

18. **Performance Guarantee**. OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

19. **Global Rights**. OEM should clearly indicate the extent of global rights which they would be willing to offer to the Indian production agency.

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(**Appendix G to Schedule I of Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 36.1 of Schedule I)

PRELIMINARY PROJECT REPORT (PPR)

1. This PPR would broadly cover the following aspects: -

1.1. Project Overview

1.2. Definition of key milestones based on indicative list of milestones and broad range of timelines specified at Para 53 of RFP.

1.3. Broad plan for execution of the Project as per delivery schedule indicated at Para 10 of RFP.

1.4. Lifetime product support plan.

1.5. Plan for meeting the Indigenous Content (IC) stipulated in the RFP.

1.6. Standard of Preparation (SoP) of Platform/ equipment/ system.

1.7. Project organisation structure as applicable.

1.8. In case of ToTs for licensed production and MToT, Indian sub-contractor for ToT/ manufacturing and the methodology for setting-up manufacturing infrastructure shall be part of PPR.

2. **Project Overview**. The *'Project Overview'* should define, organise and interlink the various project elements which are required to be established/ setup by the Bidder and his Indian Production Agency in order to manufacture and deliver the contracted products and services within the RFP specified timeframes.

3. **Definition of Key Milestones**. This Annexure should define the key milestones in the project implementation phase and the criterion for declaring accomplishment of these milestones. The key milestones would include creating necessary infrastructure and setting up of plant and machinery required to be set up at the Indian Production Agency facilities for license manufacture of _____in India along with training of the Indian Production Agency personnel required for the purpose. These facilities need to be set up during the period commencing from To to To + months to ensure delivery of the Indian made from To + months onwards.

4. **Program Schedule**. The '*Program Schedule*' should give **estimated start and end dates** for each event with respect to the award of contract (T0) thereby creating a **calendar based schedule**.

5. **Methodology for setting up of Manufacture Infrastructure**. The Methodology for setting up of Manufacture Infrastructure at the location of his Indian Production Agency should be brought out in this section covering the infrastructure and facilities required to be created, tooling, manufacturing/ test support equipment, configuration management, production review plan, material procurement chain, training and technical assistance etc. An indicative cost for plant and machinery required for the license manufacture with the requisite value addition also needs to be brought out in this section. The processes to achieve following milestones are to be clearly brought out in this section:-

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5.1.

5.2.

5.3.

6. **Indian Production Agency for ToT & Manufacturing**. If the Bidder has to select an Indian Production Agency as per the guidelines laid down in the RFP. The details of the Indian partner with regard to the per-qualification criteria should be provided in the PPR.

7. **Standard of Preparation (SoP)**. Standard of Preparation (SoP) of the platform/ equipment/ system being offered must be defined in the PPR. This must include details of operational role-oriented equipment.

8. **Life Time Product Support Plan**. This document should bring out the Bidder's plan to provide product support throughout the Total technical Life (TTL) of the platform/ equipment/ system including obsolescence management plan, mechanism to incorporate various Support Contracts in future for repairs, mechanism to work out cost spares etc. for all future procurements by applying pre-defined escalation methodologies etc.

9. **Project Organisation Structure**. This section should highlight the Bidder's organisation structure for the project implementation and define the specific organisational elements within this structure that would interface with the GoI, SHQ and other Indian Production Agency during the program execution.

10. **Any Other Issue That the Bidder Finds Relevant**. This section would include any issues that the Bidder finds relevant for the implementation of the 'Manufacture' portion of the program.

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(**Appendix H to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 38 of Schedule I)

CERTIFICATE: MALICIOUS CODE

(To be rendered on the Company Letter head)

1. This is to certify that the Hardware and the Software being offered, as part of the Contract, does not contain embedded malicious code that would activate procedures to:-

1.1. Inhibit the desired and designed function of the equipment.

1.2. Cause physical damage to the user or equipment during the exploitation.

1.3. Tap information resident or transient in the equipment/ networks.

2. The firm will be considered to be in breach of the procurement contract, in case physical damage, loss of information or infringements related to copyright and Intellectual Property Rights (IPRs) are caused due to activation of any such malicious code in embedded software.

Date: (Signed)

Place: Designation/Name/Address of firm

MALICIOUS CODE CERTIFICATE FROM HARDWARE OEM

1. It is certified that the firmware/ microcode installed in the hardware products listed below, which is proposed to be delivered by our Business Partner M/s , is approved by the OEM. The products have been thoroughly tested and found to be working as per the OEM's specifications at the time of delivery and no malicious code has been found in these products. Patch level update of the system is enclosed.

2. The latest security patches as available at the time of supply, have been updated in the firmware. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the equipment, provided end of support for the same has not been declared for the equipment by the OEM(s).

(Signed)

Date: Designation/Name/Address of firm

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MALICIOUS CODE CERTIFICATE FROM SOFTWARE OEM

1. It is certified that the firm has taken all steps to ensure that the software products listed below, which is proposed to be licensed by is found to be working as per the OEM's specifications at the time of delivery and no malicious software computer program/ code hidden within the software that performs a function unauthorized by the OEM's published documentation has been introduced in these products. Patch level update of the software is enclosed.

2. The latest security patches as available at the time of supply, have been updated in the software. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the software, provided end of support for the same has not been declared for the equipment by the OEM's.

(Signed)
Date: Designation/Name/Address of firm

MALICIOUS CODE CERTIFICATE FROM BIDDER

1. This is to warrant that the hardware and software being offered, as part of the Contract does not contain embedded malicious code at the time of installation and commissioning. Patch level update of the hardware/ software is enclosed.

2. The firm will be considered to be in breach of the contract, in case any physical damage or any compromise in information and cyber security or infringement related to copyright and Intellectual Property Right(IPRs) is caused due to activation of any malicious code embedded in the hardware/ software.

3. The latest security patches as available at the time of installation and commissioning, have been updated in the hardware/ software. We undertake to provide solutions to address all security issues during the warranty and support period of the hardware/software, provided end of support for the same has not been declared for the equipment by the OEM's and to address all exposed security issues by exercising immediate Work-around until the OEM has made the respective solutions available.

(Signed)
Date: Designation/Name/Address of firm

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(**Appendix J to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 39, 40, 41 of Schedule I)

PRODUCT SUPPORT

***Note**: The Repair and Maintenance Philosophy including Product Support is only indicative and pertains to a particular service. SHQ concerned may amend this as per their requirement. No blanks to be left.*

1. **Maintenance Philosophy.** Maintenance of the equipment is structured on three different levels. The Maintenance philosophy can be categorised into 'O', 'I' & 'D' levels depending upon the technological complexity of the equipment as under:-

1.1. **'O' Level.** Includes Unit and Field Repairs (1st & 2nd Level).

1.1.1. **Unit Repairs.** Repairs, carried out within the unit holding the equipment using tools supplied by the manufacturer as per scaling. These repairs generally pertain to cleaning, lubrications, minor repairs and replacement of components and minor assemblies including Line Replaceable Units (LRUs) etc, carried out without any sophisticated tools or test equipment. The manufacturer is required to provide the following as per provisions in the RFP for carrying out such repairs :-

1.1.1.1 Table of Tools and Equipment (TOTE) with each equipment including operators manual.

1.1.1.2 Scaling of Special Maintenance Tools (SMT), Special Test Equipment (STE) and Special Equipment (SE) as required.

1.1.2. **Field Repairs.** Repairs carried out at field/flotilla/station level or equivalent service organisation by technicians specially trained for the purpose, requiring special tools and spares provided additionally for the class of the equipment. These repairs comprise replacement of common Line Replaceable Units (LRUs), sub-modules, other components beyond the holding of units and repairs undertaken beyond a unit level. Normally, a field/station workshop covers such repairs of a group of units holding the said class of equipment and their number will be stated based on equipment deployment pattern. The manufacturer in addition to the basic unit level SMTs/STEs/SE, is required to provide the following:-

1.1.2.1. Quantity and specification of spares up to sub-Module level, other replaceable components that need to be stocked for a specified population and class of the equipment.

1.1.2.2. Additional Special Maintenance Tools and Test Equipment needed for each such field/flotilla/station work shop.

1.2. **'I' Level.** Includes 3rd level Intermediate Repairs by Corps Zone workshop/Dockyard/Base Repair Depot or other similar service organisation. These are extensive or special repairs carried out to include component level repairs. This level of repair envisages special diagnosis and repairs of the repairable inventory up to Printed Circuit Board (PCB) level, major assemblies, interface equipment/software and other components beyond the scope of field/flotilla/station level repairs. These repairs are carried out in the designated workshops by technicians specially trained for this purpose requiring special tools and spares

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and the number of such facilities will be stated based on equipment deployment pattern. The manufacturer is required, among others, to provide the following:-

1.2.1. Quantity and specification of spares up to PCB level that need to be stocked for a population of the equipment.

1.2.2. Special Maintenance Tools and Test Equipment that has to be provided to each of these workshops.

1.2.3. Oils and lubricants necessary for Servicing.

1.2.4. All necessary technical literature.

1.2.5. Calibration facilities for test equipment, where applicable.

1.3. **'D' Level.** These repairs include 4th level extensive Base Overhauls (BOH)/ Depot level Repairs which are either routine and planned or necessitated due to major repairs/renewal requirements requiring stripping and rebuilding of equipment. Extensive repairs of components / sub-assemblies and overhaul of the complete equipment is carried out by this facility and due to the complexity requires specific technical knowledge, infrastructure, related documentation, experience and proper quality control. Post such repairs, detailed trials are conducted usually by the overhauling agency, prior to handing over of the equipment to the unit for operational exploitation. Depending on the population of the equipment, such facilities may be established in the country. For this, the manufacturer is required to provide the following:-

1.3.1. All Special Maintenance Tools, jigs, fixtures and test equipment for carrying out repairs up to component / PCBs/ module level.

1.3.2. Oils and lubricants necessary for overhaul.

1.3.3. All necessary technical literature.

1.3.4. Calibration facilities for test equipment.

However, all levels may not be applicable to all types of equipment. As such the type of repair facility required for the equipment for which the RFP is being issued should be stated clearly by modifying the succeeding paras.

2. To sustain and support platform/equipment through its operational life-cycle, Product Support requirements for **(*upto 10 years*)** beyond the warranty period will be procured along with the main equipment. The equipment could be provided product support through any one or combination of the following details which are elucidated in subsequent paragraphs:-

2.1. Engineering Support Package (ESP)

2.2. Annual Maintenance Contract (AMC).

2.3. Comprehensive Maintenance Contract (CMC)

2.4. Life Cycle Support Contract (LCSC)

2.5. Performance Based Logistics (PBL)

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Engineering Support Package (ESP)

3. ESP is the basic engineering support the Seller needs to provide to the Buyer for undertaking essential repairs and maintenance of the equipment during its exploitation. These repairs and maintenance would be in consonance with the Maintenance Philosophy enunciated above. ESP would constitute the following aspects:-

3.1. Spares.

3.2. SMTs/STEs/ test set-up.

3.3. Technical Documentation.

3.4. Training.

4. **Spares**

4.1. **Manufacturer's Recommended List of Spares (MRLS)**. This is the list of spares, recommended by the manufacturer, for maintaining operational serviceability of the equipment and sustain it for the period as stipulated in the RFP. Based on the explanation given above, you are requested to provide MRLS to sustain the equipment for a period of _____years for various levels of repair as per format given at **Annexure I to Appendix J of this RFP**. You will be required to provide these both with Technical and Commercial proposals. *(In case where the equipment has been in usage, the spares would be sought by SHQ, on the recommended list to be furnished by the maintenance agency, based on the exploitation of the equipment and NOT as per MRLS.)* Cost of the MRLS, along with likely consumption rate of spares is to be provided only with the Commercial proposal. The MRLS will be supported by Reliability & Maintainability (R&M) report for the proposed spares along with their Mean Time Between Failure (MTBF). MRLS would be provided separately for each such sub system. In order to prevent manipulation of the quantum of MRLS for commercial competitiveness or overload unnecessary MRLS, 'Adequacy' clause and 'Buy Back' clause will be co-opted in the contract as under:-

4.1.1. **'Adequacy' Clause.** The Bidder will confirm to the Buyer the range and depth of Accompanied Accessories/ User Replaceable Parts/Expendable, Spares and SMT/STE/Test Jigs being supplied are complete and adequate for carrying out repairs on the equipment up to the specified level. Any Bidder found to be providing lesser ESP/MRLS in terms of range and depth will have to make good the deficiency at no extra cost (Para 32 of RFP refers). The Bidder will also commit that any additional items, spares, tools and equipment needed for use, maintenance and repair will be supplied by the Bidder at prices and within a period as specified in the contract, on receipt of notification from the Buyer for the Life-Cycle Support period. The Bidder will confirm that, if two different prices have been given for the same/similar item, then the lower price quoted will prevail. In case, the quoted accessories has several items viz, Sampling Accessory Kit and add up price of these items is higher than the quoted price of the accessory, then the price would be lowered / adjusted proportionately for the items.

4.1.2. **'Buy Back' Clause.** The Buyer would have the option to amend the Manufacturer's Recommended List of Spares (MRLS) proposed by the Bidder within a period specified in the contract, post expiry of the warranty period. The Bidder needs to agree to either 'Buy Back' the spares rendered surplus or exchange them on 'cost-to-cost' basis with the spares, as required by the Buyer. The said spares would be purchased / replaced by the Seller, based on the prices negotiated in the contract. The 'Buy Back' clause would not be applicable for additional spares included by the Buyer

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in MRLS during FET and SE stage, as brought out at Para 32 of RFP.

4.2. **User Defined List of Spares (UDLS).** Cases where the equipment is already in use with the Service, the initial lot of spares will be procured based on the UDLS, as recommended by the Maintenance Agency instead of the MRLS.

4.3. The spares are required to be categorized in four categories as follows:

4.3.1. Manufactured by Bidder as OEM and can be sourced as per Part No.

4.3.2. Bought out items and customized by the OEM for the specific purpose and such customization would require OEM intervention.

4.3.3. Bought out from other OEMs/Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part No./Identification No. as given by OEM/Third Party and directly utilised.

4.3.4. General Engineering items/COTS which can be sourced by stating the relevant standards and item description.

5. **Special Maintenance Tools / Special Test Equipment and Test Jigs (SMTs/STEs/Test Jigs).** SMTs, STE and Test Jigs are essential tools/Jigs/fixtures required to undertake effective engineering support / repairs on the equipment and its systems, based on the Maintenance Philosophy. This would be formulated in a similar manner as explained for MRLS and details are to be included in both Technical and Commercial Proposals as per suggested format at **Annexure II to Appendix J to this RFP**. Cost of the SMTs/STEs/ Test Jigs is to be provided only with the Commercial proposal. SMTs, STEs and Test Jigs will be provided by the Seller, as per the list prepared by the Buyer on completion of MET, where applicable. The list of equipment required to be supplied will incorporate Adequacy Clause, as elaborated above.

6. **Technical Documentation.** The Bidder will be required to provide the technical literature preferably in IETM (Interactive Electronic Training Manuals) in Level 4 format or higher. The details of technical literature to be supplied with the system should be listed as per the suggested format at **Annexure III of Appendix J to this RFP**. This should be provided with both Technical and Commercial Proposals. The cost column may be left blank in the Technical Proposal. An illustrated list of documents which may be submitted by the Seller is as under:-

6.1. User Handbook/Operators Manual in English and Hindi.

6.2. **Technical Manuals.** (as per governing JSG/Guide for other technologies)

6.2.1. **Part I.** Tech description, specifications, functioning of various systems.

6.2.2. **Part II.** Inspection/Maintenance tasks repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/Special Test Equipment (STEs).

6.2.3. **Part III.** Procedure for assembly/disassembly, repair up to component level, safety precautions.

6.2.4. **Part IV.** Part list with drawing reference and List of SMTs/STEs Testb Bench.

6.2.5. Rotable list, norms of consumption, mandatory/ non-mandatory spares list for each system.

6.3. Table of Tools & Equipment (TOTE) & carried spares.

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6.4. Complete Equipment Schedule.

6.5. Repair and Servicing schedule.

6.6. Design Specifications.

6.7. Technical Manual on STE with drawing references.

6.8. Condemnation limits.

6.9. Packing specifications /instructions.

6.10. Any additional information suggested by the OEM.

7. **Details of OEMs.** For major / complex equipment, a large number of other OEMs may also be involved in manufacture of various systems/sub systems / support equipment. Details of such OEMs will also be intimated by the Bidder as per table below:-

Table - Format for Submitting Details of OEMs

Ser No	Equipment	Part No	OEM	Contact Details (Tel/Fax/Email)	Details of Government License to OEMs

8. **Training.** A training package for operators, operator trainers and maintenance personnel to undertake operation and maintenance of equipment (level 1 to 4 or 'O'/ 'I'/'D') and QA personnel for QA of equipment as stipulated in respective contract, along with tools and test jigs training would be required to be carried out in English language. Requirements such as training aids, projection system, complete equipment with accessories, technical literature, spares, test equipment, test set up, charts, training handouts, power point presentations, Computer Based Training (CBT), Documentation, Simulators etc will be provided by the Seller for the conduct of training. Training should preferably be conducted before the induction of the equipment. The Seller will provide the Operator and Maintenance & Repair training, for the duration, strength and locations specified in the RFP and Contract. The following may also be noted:

8.1. The requirement of training and associated equipment must be clearly specified in Part I and details should be placed as per **Annexure IV to Appendix J to this RFP**.

8.2. The costs for aggregates and training must only be indicated in the commercial proposal.

8.3. **Adequacy clause** in terms of installation material and spares should also be included **(as suggested by the SHQ)**.

Maintenance Contracts ***(To be included as applicable)***

9. Maintenance Contracts are recommended for conclusion along with the acquisition of the equipment for providing maintenance support. These would be covered under Annual or Comprehensive Maintenance Contracts (CMCs) for a period of upto 10 years (*as per requirement*) beyond the warranty period. The AMCs/ CMCs would be provided by the OEM / licensed entity / OEM authorised representative and would commence on completion of warranty period. *(The Terms and Conditions of AMC/ CMC can be attached as a separate Annexure to the RFP)*

10. **Annual Maintenance Contracts (AMC).** AMC will include Maintenance and Repair

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services by the Bidder in order to ensure serviceability of the equipment covered / services desired for pre-determined annual periods. The spares consumed in execution of these services are to be provided by the Buyer or cost paid to the Bidder, in addition to the AMC charges. In these contracts the services of the specialist are costed based on the pre- determined Man-day rates. Therefore, the rates for Services of Specialists and hiring Special Tools comprising all-inclusive man-day rates at shore, and on operational platform viz, ship at sea, aircraft will have to be submitted. The following AMC clauses will form part of the contract: -

10.1. **Period.** The Bidder would provide AMC for a period as stipulated in the contract covering repair and maintenance of the specified equipment and systems purchased under the present contract. The Buyer Furnished Equipment which is not covered under the purview of the AMC should be separately listed by the Bidder.

10.2. **Spares.** The Spares will be provided by the Buyer and would be supplied through the Spares contracted under the Engineering Support Package mentioned above or the cost of spares paid to the Seller, in-addition to the AMC charges.

10.3. **Response and Repair Time.** During the AMC period, the Bidder would carry out all necessary servicing/repairs to the equipment/system under AMC at the current location of the equipment. The response time of the Bidder should not exceed the time specified in the contract from the moment the breakdown intimation is provided by the Buyer. Prior permission of the Buyer would be required in case certain components/sub systems are to be shifted out of location. Maximum repair turnaround time for equipment/system would also be as specified in the contract. However, the spares for other systems should be maintained in a serviceable condition to avoid complete breakdown of the equipment/system.

10.4. **Termination of Contract.** The Buyer may terminate the maintenance contract at any time without assigning any reason after giving a suitable notice as agreed to in the contract. The Bidder will not be entitled to claim any compensation against such termination and, if any payment is due to the Bidder for maintenance services already performed, the same would be paid as per the contract terms.

11. **Comprehensive Maintenance Contracts (CMC)**. Comprehensive Maintenance Contracts are concluded for a pre-determined period in multiples of Annum. The scope of CMC, in addition to services of the Specialists as mentioned for AMC, include provisioning of spares, tools and equipment as required for Maintenance and Repair of the equipment. In this arrangement, the OEM will ensure that the down time of the equipment does not exceed the minimum period stipulated in the CMC. In such cases, Engineering Support Package may be reduced proportionately based on the operational requirements and functional sensitivities such as geographical spread, remote location, poor connectivity, intense threat environment precluding employment of civil support, etc. CMC will include all corrective and preventive maintenance of the systems, equipment and machinery in satisfactory working order and 'Planned Preventive Maintenance' (PPM), repairs, servicing, calibration, replacement of defective parts, sub-assemblies, equipment, preservation /de-preservation as applicable. All equipment supplied under the proposed contract will be maintained on site by the Seller. CMC will ensure performance of the equipment in the range and accuracies as set in equipment Technical Manual. The equipment proposed to be under CMC would be listed along with their locations. An equipment repair Log book will be maintained to keep a record of the equipment down time during defect rectification. The scope of work would also involve the following:-

11.1. **Preventive Maintenance.** The maintenance of the equipment is to be carried out by the Bidder at the Buyer premises. The equipment will be maintained as per the OEM specified maintenance schedules and equipment manuals. However, the number of visits by

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the Bidder to the customer premises should be at least once a quarter or as agreed to in the contract. The preventive maintenance team visiting the unit should be composite and possess sufficient expertise and spares to carry out preventive maintenance activities and resolve any pending unserviceability issues of the equipment.

11.2. **Breakdown Maintenance.** In addition to preventive maintenance, the Bidder will also be responsible to undertake breakdown maintenance of the equipment. Defects on the equipment as and when observed, will be intimated to the Bidder by telephone/ fax. The Bidder will depute a team for undertaking repairs of the equipment within two working days from the reporting of the defect, in order to make the equipment operational. The Bidder will need to diagnose, test, adjust, calibrate and repair / replace the goods/equipment during the CMC period. However, defective hard disks, strong devices, if any, of the equipment, will not be returned to the Bidder and would be retained for destruction / safe custody. The downtime of the equipment will commence from the time a defect is reported by the user and the log of the same would be maintained.

11.3. **Calibration.** Periodic inspection and calibration services as set forth in the equipment manual shall be provided by the Bidder, to ensure operational availability of the equipment. Requisite certificates may be rendered whenever major repairs/maintenance on equipment is undertaken.

11.4. **Spares.** Supply of all parts (spares sourced from the OEM/OEM authorised vendor), including consumables, if any and material required for the optimal performance of the equipment as per the designed specifications mentioned in the equipment manual would be the responsibility of the Bidder.

11.5. **Software.** The Bidder will provide support for maintenance of the software(s) during the period of CMC and would include the following:-

11.5.1. Upgrades, patches, fixes to the OS and the Application software.

11.5.2. Back-up and restoration of software, as and when required.

11.5.3. No malware certificate.

11.5.4. Version of the software and IV & V (Independent verification and validation) certificate as per the applicable CMM Level, depending on the criticality of the equipment.

11.5.5. Method of checking the health of the software and debugging methods.

11.6. **Obsolescence Management**. The obsolescence management for the equipment delivered under the scope of contract would from part of CMC Services. The obsolescence management will include providing "Form, Fit and Function" replacement of any system/sub system rendered obsolete during the period of CMC.

Life Cycle Support Contract (LCSC)

12. A Life Cycle Support Contract (LCSC) would be signed along with the main acquisition contract for all equipment. Life-cycle support for all types of equipment through its service life would be provided by the Bidder through a LCSC, which inter-alia would include supply chain to ensure platform supportability and availability in accordance with specifications, supply of spares, special tools, repair of defective equipment / modules / LRUs, services of specialists, creation of

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maintenance eco-system, obsolescence management, etc.

13. The Bidder will provide life-cycle support through a Life Cycle Support Contract (LCSC) as per the agreed terms. LCSC would bind the Bidder to provide product support through Long Term contract (for upto 10 years) for supply of spares, repairs and Man-day rates of Specialists. The RFP shall clearly mention that the vendor would have to finalise the terms for the life time product support and the LCSC along with the current contract only. (*These terms and condition to be included as part of the RFP*) LCSC, will also include active obsolescence management, wherein even after the mandatory period, the Bidder would be bound to give at least two years notice to the Government of India (*or any other period as applicable*) prior to closing the production line to enable a Life Time Buy of all spares. Under the LCSC, Spares and Repair support would be provided by the Bidder through the following Rate contracts which would be signed with the main contract:-

13.1. **Itemised Spare Parts Price Lists (ISPPL).** ISPPL for all Spares or Line Replaceable Units (LRUs) of the equipment along with their Base price, annual escalation, delivery period and the MTBF (where applicable) be provided, at the time of submission of offer. The ISPPL shall also include details of the source, especially for items which are COTS, bought-out, proprietary, etc. ISPPL shall also indicate interoperability of spares across projects, in case spares/equipment is already inducted in the Indian Armed Forces. The Bidder would submit a comprehensive Itemised Spare Parts Price Lists (ISPPL) comprising the following: -

13.1.1. Complete Part Identification List (PIL) for all Spares or Line Replaceable Units (LRUs), along with corresponding unique part numbers. The list is not to be limited to MRLS (Depot spares) or On-board Spares (spares along with the system) and should comprise entire list of spares of the equipment.

13.1.2. Base Price list of each of the spares along with annual escalation at time of submission of the offer.

13.1.3. Delivery Period of each spare after receipt of Order.

13.1.4. Mean Time Between Failure (MTBF), where applicable.

13.1.5. Terms and conditions for supply of spares.

Table 2 -Illustrative Format for Submitting Details of Spares

Ser No.	Part No.	Description	Qty/MoQ (where applicable)	Unit Price List (along with annual escalation)	Delivery Period	If Recommended, as MRLS

Note:- The following details be included in the spare parts submission offer:-

13.1.6. Sourcing of spares wrt COTS and Proprietary.

13.1.7. Interoperability of spares across projects, in case the part/system/sub-system, etc. is already inducted in some other equipment currently in service with the Indian Armed Forces, or has been contracted for supply to the Indian Armed Forces.

13.2. **Repairable Items Price Lists (RIPL).** RIPL would comprise of all repairable sub systems/ blocks and units. Wherever applicable, source of components required for repairs of units should also be specified. RIPL will also indicate reparability of these in India. The Bidder should submit the RIPL comprising the following:-

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13.2.1. Complete catalogue of repairable spares (at LRU level), along with their Part numbers. Source of components required for repairs of units should also be specified, wherever applicable.

13.2.2. Base Price list for repairs clearly indicating repairs that can be undertaken in India and at OEM premises. RIPL will comprise of all repairable sub systems/ blocks and units.

13.2.3. Terms and conditions for undertaking repairs be specified.

13.2.4. Delivery Period after receipt of order must be mentioned.

13.2.5. For imported equipment, the impetus is to undertake repairs in India. Repair list in such cases should clearly segregate the list of items that can be repaired in India and those that have to be undertaken to the OEM premises.

Table 3 - Illustrative Format for Submitting Details of Repairable Spares

Ser No	**Part No.**	**Description**	**Repairs to be Undertaken**		**Unit Qty**	**Price Lists (along with annual escalation)**	**Delivery period**
			In India	**OEM premise**			

Note: - The following aspects to be ensured:-

(i) Repair costs to be all-inclusive (collection/delivery ex-Depot).
(ii) Warranty post repairs will be as specified in the contract document.

13.3. **Man-Day Rates for Services/Special Tools.** Man-day Rates for Services/ Special Tools of Specialists (where applicable) should be specified corresponding to the categorisation of specialists, e.g. Designers, Engineers and Technicians, as applicable. Man-day Rates for hiring Special Tools, where applicable will also be provided.

Performance Based Logistics (PBL)

14. For certain equipment /platforms, the life cycle support could also be provided through implementation of the Performance Based Logistics (PBL). The requirement of PBL would be specified in the RFP. The PBL is a Supply Chain concept for optimising the availability of spares and services support to meet the pre-determined level of operational availability. The criteria for the PBL supply chain is based on approved Performance Metrics. The OEM or the contracted Vendor would implement the desired Supply Chain Management system for meeting the operational performance level. The vendor shall provide overall logistics support and perform tasks, functions and responsibilities to support the equipment as a PBL package.

15. The PBL package is inter-alia based upon the following aspects:-

15.1. Type and number of Equipment.

15.2. PBL Duration

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15.3. Desired Exploitation Rate per equipment per year.

15.4. Desired average and overall equipment availability.

15.5. Maximum acceptable downtime.

15.6. Acceptable MTBF and time for repairs.

15.7. Mode and timelines for replenishment of Spares.

16. **Equipment Delivery & Base Opening Plan.** The PBL package would be designed based on the equipment deliveries and the number of bases where equipment will be deployed.

17. **Performance Metrics.** The performance metrics are measurable performance indicators. Bidder/buyer agrees on, what is a successful outcome of the metric and mutually agree on performance of each metric. Both, the level of required outcome and, the related key metric need to be spelt clearly. This is necessary to manage performance and consequent remuneration, which can be an incentive in case of exceedance in performance, and penalty, in case there is short fall in desired outcome.

18. **Vendor Responsibilities.** Division of responsibilities between the vendor and buyer, for various activities under PBL would be clearly defined as per a Vendor Responsibility Matrix. The nature of such responsibilities would differ on case to case basis, but an indicative list of vendor responsibilities is as follows:-

18.1. Supply Chain Management up to the Buyer's central Warehouse.

18.2. Repair and Overhaul of all components/LRUs of the equipment delivered during the PBL period.

18.3. Repair/replacement of spare parts.

18.4. Replenishment of all expendables to support the periodic maintenance activities of equipment.

18.5. Compliance of modifications, Airworthiness Directives & Mandatory Service Bulletins (MSBs) etc.

18.6. Calibration and maintenance of the GSE, GHE, STE and role equipment.

18.7. Provide an Information Technology (IT) tool for managing information with the Buyer.

Active Technology Obsolescence Management (*where applicable)*

19. OEM will indicate his methodology to undertake Active Obsolescence Management through life cycle of equipment which would include upgradation of systems/ subsystems/ units on completion of its fair service life. The Bidder/OEM (as applicable) shall also intimate the Buyer on likely technology obsolescence of various sub- assemblies/units/modules of equipment through an Annual Bulletin. In case of impending obsolescence of components, bulletin should specify either alternate item or option for life- time buy as under:-

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19.1. The Bidder/OEM (as applicable) will notify the Buyer not less than two years before the closure of its production line (*or any other period as applicable*) about the intention to close production of equipment for provision of purchasing spare parts, before closure of the said production line.

19.2. Three years prior to completion of design/service life of equipment, the Bidder/OEM (as applicable) will submit techno-commercial proposal for upgradation of equipment, wherever applicable, to mitigate technology obsolescence and for ensuring product support for next **15** years (*or any other period as applicable*).

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(**Annexure I to Appendix J to Schedule I)**

(Refer Para 39 of Schedule I and Para 4.1 of Appendix J)

MANUFACTURER'S RECOMMENDED LIST OF SPARES (MRLS)

EQUIPMENT:

Original Equipment Manufacturer (OEM):

Ser No	Manufacturer's Part No	Source of Supply	Nomenclature	Nos fitted in one equipment	Illustrated spare Part List (ISPL) Reference	Unit Cost	Recommended scale for qtyEqpt for ____ years			Total Cost				Remarks
							O Level	I Level	D Level	O Level		I Level	D Level	
Total Cost														

Note:

1. Maintenance spares/stores like lubricants, sealing compound, gases should be given separately giving source of supply.

2. Spares for component repairs should be included under the column of I level repair & D level repair as suggested by OEM.

3. In 'Remarks' column following information (if applicable) be given:

3.1. If an item has a shelf/operational life it be marked as 'G' and life indicated.

3.2. Matching set of components be indicated.

3.3. Item which can be locally manufactured should be marked 'LM'.

3.4. Items which cannot be manufactured in India due to sophisticated design/ technology may be marked as 'SI' (Special Item).

3.5. If a component/assembly is common to other similar equipment offered by the OEM earlier these should be marked 'CM' and name of the equipment be indicated.

4. MRLS should be drawn out of the 'Part List' of the equipment, which should be separately given as part of Technical Manual Part IV.

5. If the main equipment consists of other equipment then MRLS should be prepared for them under proper heads.

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6. MRLS be prepared as per the maintenance concept of the customer ***Appendix J*** to this RFP)

7. Items provided along with the equipment as spares should also be included in MRLS.

8. Modules/Shop Replaceable Unit (SRU)/assemblies should be listed and their components should be included under them so as to relate each item of spare to their module/SRU/assembly.

9. Complete MRLS should be costed separately for O, I and D level repairs as it is required to be included as part of 'Total Costed Engineering Support Package' (ESP). OEM may give cost details in confidence to Contract Negotiation Committee (CNC), but other details as above be provided during Maintainability Equipment Trial (MET).

10. MRLS for test equipment should also be provided on the similar format.
11. The cost column to be filled only as part of the commercial bid and not as part of the technical bid.

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(Annexure II to Appendix J to Schedule I)

(Refer Para 39 of Schedule I to and Para 5 of Appendix J)

LIST OF SMT/STEs, JIGS, FIXTURE AND INFRASTRUCTURE

EQUIPMENT:

Original Equipment Manufacturer (OEM):

Ser No	Manufacturer's Part No	Designation	Unit Cost	Nos Required			Brief Purpose	Remarks
				O Level	I Level	D Level		

Note:

1. *Prepare separate sheet for each type of equipment.*

2. *Specify in remarks column whether the Special Test Equipment (STE)/Special Maintenance Tools (SMTs) can be used as general purpose equipment on any other kind of equipment.*

3. *For I/ D level repairs quantity required should be for repair of __ equipment at a time.*

4. *If test equipment is commercially available ex India, the source of supply be specified.*

5. *Test equipment for calibrating the STEs should be included in the list above.*

6. *Test equipment which are required to be provided by the customer should also be included in the list above.*

7. *The cost column to be filled only as part of the commercial bid and not as part of the technical bid.*

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(**Annexure III to Appendix J to Schedule I)**

(Refer Para 39 of Schedule I to and Para 6 of Appendix J)

TECHNICAL LITERATURE

EQUIPMENT:

Original Equipment Manufacturer (OEM):

Ser No.	Technical Literature	Unit Cost	Scale For equipment	Total Cost	Remarks
1.	User Handbook/operators Manual				
2.	Design Specifications				
3.	Technical Manual. 3.1. Part I. Tech description, specifications, functioning of various Systems. 3.2. Part II. Inspection/ Maintenance tasks, Repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/Special Test Equipment (STEs). 3.3. Part III. Procedure assembly/ disassembly, repair up to component level, safety precautions. 3.4. Part IV. 3.4.1. Part list with drawing reference 3.4.2. List of SMTs/STEs with Test Bench				
4.	Manufacturer's Recommended List of Spares (MRLS)				
5.	Illustrated Spare Part list (ISPL)				
6.	Technical Manual on STE with drawing reference.				
7.	DVD(R)s on the above Tech literature				
8.	Any other (specify)				

***Note**: 1.* **Total Cost:** *In case any additional equipment is used their tech literature will be included.*

2. If certain technical literature is being provided free of cost it should be indicated in the remarks column.

3. The cost column to be filled only as part of the commercial bid and not as part of the technical bid.

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(Annexure IV to Appendix J to Schedule I)

(Refer Para 39 of Schedule I and Para 8.1 of Appendix J)

TRAINING AGGREGATES

EQUIPMENT:
OEM:

Ser. No.	Description of Training Aggregate	Scale for(qty) Eqpt.	Unit Cost	Total cost	Remarks
1.	Complete Equipment				
2.	Sectionised Equipment				
3.	Shop Replaceable Units(SRU)/PCB/Modules/ Assemblies as under: 3.1.				
4.	Computer based training package based on interactive multimedia to include 4.1. Full graphics, animation, text and sound 4.2. Symptoms-fault correlation (expert system).				
5.	Training Aids to include 5.1. Charts 5.2. Slides 5.3. Training Brochures 5.4. Training Work models 5.5. Blow up diagram 5.6. Video films				
6.	Cost of training operators and technicians in country of OEM				
7.	Any other (specify)				

Total Cost:

Note: The cost column to be filled only as part of the commercial bid and not as part of the technical bid.

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(**Appendix K to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 46 of Schedule I)

TRIAL METHODOLOGY

Trial Methodology for checking SQRs (Essential Parameters-A, Essential Parameters-B (if applicable) and Enhanced Performance Parameters (if applicable)) as given in the RFP should be formulated and mentioned in this Appendix by SHQ including a Broad Trial Matrix giving details of qualifying parameters. It should provide the vendors a clear and objective assessment of the extent of Trial Evaluation. The Trial Methodology needs to be defined appropriately and must include details of type of trials to be conducted viz. User Trials, Technical Trials/ Environmental Trials, Maintainability Evaluation Trials (MET), EMI/ EMC trials and Secrecy Trials as applicable. Also mention the types of trials (Documentation, Inspection, Demonstration, Analysis, Test and other special qualification methods) for each Parameter of the SQR in the Trial Matrix.

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(**Appendix L to Schedule I to Chapter II of Handbook on Guidelines & Annexures)**

(Refer Para 12 & 57 of Schedule I)

COMMERCIAL CLAUSES

1. **Payment Terms**

1.1 **INCOTERMS for Delivery**

1.1.1 The delivery of goods will be based on DDP or any other rule (to be specified) of INCOTERMS-2020 with ultimate consignee as .

RFP to clearly indicate whether the material/equipment being procured are exempted from Custom Duty and whether necessary Custom Duty Exemption Certificate (CDEC) will be issued by the Buyer. (Refer list in MoF Custom Notification 19/2019. Also refer 35/2019, 03/2020, 57/2021, 41/2022, 56/2023, 26/2024, 02/2025, 12/2025 & 37/2025 on CDE and amendments/ updations thereof) In specific cases where delivery of the platform(s) is taken at the country of the Bidder, the alternate INCOTERMS like Ex-Works can be included. Any other INCOTERMS 2020 may be taken into consideration for the transfer of risk, liability and insurance

1.2. **Currency of Payment**

1.2.1 Foreign bidders should submit their bids in US Dollars/Euros/Pounds Sterling/ Yen/AUD/SGD. In 'Buy Global and Manufacture in India cases, all payments for the 'Manufactured' portion will be paid to the Bidder in Indian Rupees.

1.2.2 Indian bidders should submit their bids in Indian Rupees.

1.3 **Contract Price and Requirement of Bank Guarantees**

1.3.1 **Total Contract Price**. The Total Contract Price will be the final price negotiated by CNC including taxes and duties applicable at the time of signing of Contract.

1.3.2 **Base Contract Price**. The Base Contract Price will be considered as Total Contract Price excluding taxes and duties applicable at the time of signing of Contract and excluding the Total Price of AMC/CMC/PBL (if any).

1.3.3 **Bank Guarantee(s)**. For the purpose of payment of Advances to the Bidder and submission of various Bank Guarantees by the Bidder i.e Advance Payment Bank Guarantee (APBG) and Additional Bank Guarantee (ABG), as applicable, Base Contract price will be considered. For Performance cum Warranty Bank Guarantee (PWBG), Total Contract Price including taxes and duties is to be considered.

1.3.4 For orders with AMC/CMC/PBL, an additional Performance Bank Guarantee (PBG) is to be submitted by the Bidder for which the Total contract Price of AMC/CMC/PBL for contracted duration will be considered.

1.3.5 All Bank Guarantee(s) requirements viz Advance Payment Bank Guarantee (APBG), Performance-cum-Warrantee Bank Guarantee (PWBG), Additional Bank Guarantee (ABG), Performance Bank Guarantee (PBG) etc are to be submitted as per following:-

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1.3.5.1 **Foreign Bidder**. Bank guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank (as notified by RBI) or First Class banks of international repute whose details have to be furnished in the Commercial bid. In case of International banks, the Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi or any other Public or Private Sector Bank authorised by RBI and as per their recommendations seek confirmation of Bank Guarantee(s) by counter guarantee by an Indian Bank at Bidder's cost.

1.3.5.2 **Indian Bidder**. In case of Indian Bidders, the Bank Guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank.

1.4. **Payment to Foreign Bidders**. **The schedule for payments will be based on the Buyer's requirements, enumerated at succeeding Paragraphs. The summary of delivery schedule, payments to be made and schedule of submission/release of Advance Payment Bank Guarantee (s), as applicable, is specified at Annexure VII to Appendix L to this RFP.**

1.4.1 **Advance Payment**. Fifteen (15%) of the Base Contract Price shall be paid within thirty (30) days through Direct Bank Transfer (DBT) upon submission of claim and a Bank Guarantee (BG) for equivalent amount, subject to correction and acceptability of the documents submitted. The prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at **Annexure II to Appendix L to this RFP**. The Advance Payment Bank Guarantee (APBG) will be deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T_0), provided the Seller submits the documents mandated by the DAP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45thday and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.

1.4.1.1 In cases where Export License is required to be submitted by the Seller to the Buyer prior to release of Advance Payment, a copy of Seller's application for export license to their government or Confirmation from Seller's Government of authorization for Supply may be provisionally accepted in lieu of export license, for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next payment from the Buyer.

1.4.2. **On Dispatch**. (***Note****: The percentages for this stage can be fixed in the RFP on merits of case*)._____ % of the Contract Price of the Goods shipped shall be paid through Irrevocable Letter of Credit (LC). The payment will be arranged through any Public Sector bank (as decided by the Buyer) or Private Sector Bank (if approved by MoF), to the Bank of the Foreign Seller. The Seller will give a notification to Buyer about the readiness of goods for dispatch at least 45 days prior to delivery of goods. Letter of Credit will be opened by the Buyer within expiry of this period of 45 days provided the Performance-cum-Warranty Guarantee for full value of contract has

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been received. The Letter of Credit will be valid for days from the date of its opening. (*In case the delivery is in multiple consignments and there is a long delivery schedule, then Revolving LC can be opened).* Paid shipping documents are to be provided to the Bank by the Seller as proof of dispatch of goods as per contractual terms so that the Seller gets payment from LC. The Bank will forward these documents to the Buyer. Documents will include-*(**Note**: The list given below is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/ excluded in RFP).*

1.4.2.1 SELLER's commercial invoice in sextuplicate, showing the number of the Contract, quantity and Denomination of the Equipment delivered and the amount.

1.4.2.2 Full set of Originals "Clean on Board" Bills of Lading/Air Way Bill (for payments against dispatch).

1.4.2.3 Packing List (six copies).

1.4.2.4 Certificate of Origin, duly stamped by the SELLER's Chamber of Commerce or self-certified by OEM.

1.4.2.5 Certificate of Conformity and Acceptance Test report (where applicable) at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and Acceptance certificate issued by the SELLER (for payments against dispatch).

1.4.2.6 Certificate of current manufacture from OEM.

1.4.2.7 Dangerous Cargo Certificate, where applicable.

1.4.2.8 Phyto-Sanitary/Fumigation Certificate, where applicable.

1.4.2.9 In case of training, a certificate from BUYER's representative that training program has been completed.

1.4.2.10 Export License from the SELLER's Government (if applicable) (a copy of Seller's application for export license to their government / Confirmation from Seller's Government of authorization for Supply may be provisionally accepted in lieu of export license for release of Advance Payment with the caveat that the Seller should submit the requisite Export License prior to release of next payment from the BUYER).

1.4.3 In case of failure of the Seller to deliver the deliverables to the Buyer or inordinate delay in the said delivery leading to Termination of the Contract in accordance with Article 22.1 of SCD, the SELLER will be liable to return payments received against dispatch.

1.4.4 **On Delivery**. (**Note**: *The percentages for this stage can be fixed in the RFP on merits of case*). ___% of the Contract Price of the Goods shipped shall be paid through Irrevocable Letter of Credit (LC) on completion of JRI post delivery and issue of JRI Certificate/Certified Receipt Voucher (CRV) issued by the Buyer. The payment will be

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arranged through any Public Sector bank (as decided by the Buyer) or Private Sector Bank (if approved by MoF), to the Bank of the Foreign Seller. Letter of Credit will be opened by the Buyer on receipt and the Letter of Credit will be valid for _days from the date of its opening. (*In case the delivery is in multiple consignments and there is a long delivery schedule, then Revolving LC can be opened*.)

1.4.5 **Stage-wise Payments**

(***Note**: This Para may be included if the Buyer wants to release payments other than Advance into different stages. The number of stages, their activities and documents required for payment may be framed keeping in view the unique requirements of the case and necessary documentation required. In such cases, Paras 1.4.2 above will get replaced by Para 1.4.5*)

1.4.5.1 The payments will be done in stages as under:-

- First stage- % on completion of
- Second stage-- % on completion of
- Third stage- % on completion of
- .....

1.4.5.2 For stages mentioned above, payments will be released based upon the Completion certificate given by Buyer's representative for all activities mentioned therein. For all milestone payments, Bank Guarantee for same amount will have to be furnished by the Seller before release of payments.

1.4.6 **On Final Acceptance and Installation/ Commissioning** (*where applicable*). (Note: *The percentages for this stage can be fixed in the RFP on merits of case*) % of the Contract Price of Goods received shall be paid within thirty (30) days of receipt of Goods upon submission of claim supported by the Acceptance Certificate issued by the Buyer. The mode of payment could be either LC as mentioned above or through DBT. Payment through DBT will be made within 30 days of receipt of Original invoice, User Acceptance report and other relevant documents as mentioned above for final payment, but such payments will be subject to the deductions of such amounts as the Seller may be liable to pay under the agreed terms of the Contract.

1.4.7. **Part-Dispatch/Part-Shipment**. (***Note**: Depending upon merits of case, this Para can be included*). Part-dispatch or part-shipment of goods is permitted and corresponding payment will be released to the Seller. However, where permitted, the minimum quantity for using this facility on each occasion will not be less than. Transhipment may not be permitted for certain deliverables and/or under certain situations (*to be specified by the Buyer*).

1.4.8 **AMC/CMC/PBL/LCSC Payments**. Quarterly/ Half-yearly/ Annual payments will be made by PCDA/CDA on submission of User clearance certificate through DBT.

(***Note**: This Para may be included if there is AMC/CMC/PBL/LCSC clause in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case*)

1.4.9 Payments through LC and DBT will be subject to the instant Uniform Customs and Practice for Documentary Credit (UCPDC) of the International Chamber of Commerce. The LC will be confirmed at Seller's cost, if requested specifically by the Buyer. Banking charges will be paid by the Buyer and Seller in their respective countries.

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Where extension of LC is necessitated, the Banking charges for extension shall be borne by the Party whose default causes such an extension.

1.5 **Payment to Indian Bidders. The schedule for payments will be based on the Buyer's requirements, enumerated at succeeding Paragraphs. The summary of delivery schedule, payments to be made and schedule of submission/release of Advance Bank guarantee (s), as applicable, is specified at Annexure VII to Appendix L to this RFP.**

1.5.1. **Advance Payment**. Fifteen (15%)of the Base Contract Price shall be paid within thirty (30) days of submission of claim and a Bank Guarantee for the equivalent amount, subject to correction and acceptability of the documents submitted. The prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at **Annexure II to Appendix L**. The Advance Payment Bank Guarantee (APBG) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T_0), provided the Seller submits the documents mandated by the DAP for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45^{th} day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.

For Startups /MSMEs under iDEX and TDF, up to 15% of the base contract value may be considered for release as advance payment within 21 days of execution of contract against mortgage on intellectual Property (IP) rights, Bank Guarantee, Insurance Surety Bond, in any combination thereof solely at the option of Startup/MSME. IP valuation will be concluded by HPSC/ Technical committee before Benchmarking initiation by BMC. If the IP rights themselves are of sufficient value, Insurance surety bond, Bank Guarantee etc would be necessary. This amendment shall be restricted to the procurement cases of cumulative value up to the contract value arrived at as per para 5 of Chapter IV of DAP 2026.

1.5.1.1 **Procurement of Raw Material or Essential Input Resources**. Startups and MSMEs, under iDEX and TDF may avail this stage based on their preference, where 100% of cost raw materials purchased or essential input resources committed (including the adjustment of advance) shall be released to the startup of MSME. **Procurement contract shall mention the instance at which and quantity of raw material for which, payment for acquisition of raw material would be made. The trigger for payment shall be only an invoice for the amount calculated and certification from statutory auditor of the company as per contract. For software projects, the manpower utilization cost will also be factored. This amendment shall be restricted to the procurement cases of cumulative value up to Rs 250 Cr inclusive of repeat order. Further, Performance cum Warranty Security shall be submitted at this stage & Insurance Surety Bond/BG /mortgage of proportional rights of the IP against advance payment shall be refunded at this stage.**

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1.5.2 **On Dispatch**. (***Note****: The percentages for this stage can be fixed in the RFP on merits of case*) % of the contract price of deliverables shall be paid on proof of dispatch of deliverables to the consignee and on production of an inspection note issued by the buyer designated inspection (QA) agency. Number and date of the Railway/Road/Air Transport receipt under which the deliverables charged for in the bill are dispatched by rail/road/Air and the number and date of letter with which such receipt is forwarded to the consignee, should be quoted on the bill. The payment will be made by PCDA/CDA through cheque/Electronic Fund Transfer (EFT) on submission of following documents: - (*Note-The list given below is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/ excluded in RFP*).

1.5.2.1 Ink-signed copy of Seller's bill.

1.5.2.2 Ink-signed copy of Commercial invoice.

1.5.2.3 The relevant Transport Receipt.

1.5.2.4 Inspection Acceptance Certificate of Buyer's QA agency demonstrating compliance with the technical specifications of the contract.

1.5.2.5 Packing List.

1.5.2.6 Certificate of Origin.

1.5.2.7 Claim for statutory and other levies to be supported with requisite documents/GST invoice (with QR code, when made applicable)/proof of payment, as applicable.

1.5.2.8 Exemption certificate for taxes/duties, if applicable.

1.5.2.9 Warranty certificate from the SELLER.

Note : *For Startups and MSMEs under iDEX and TDF, Pre Dispatch Inspection and Joint Receipt Inspection shall be considered as one stage and the payment shall be released on receipt stage.*

1.5.3 In case of failure of the Seller to deliver the deliverables to the Buyer or inordinate delay in the said delivery leading to Termination of the Contract in accordance with Article 22.1A of SCD, the SELLER will be liable to return payments received against dispatch.

1.5.4 **On Delivery**. (***Note****: The percentages for this stage can be fixed in the RFP on merits of case*) % of the contract price of deliverables shall be paid on completion of JRI post delivery and issue of JRI Certificate/Certified Receipt Voucher (CRV) issued by the Buyer.

Note : *For Startups and MSMEs under iDEX and TDF, Pre Dispatch Inspection and Joint Receipt Inspection shall be considered as one stage and the payment shall be released on receipt stage.*

1.5.5. **Stage-wise Payments**. (***Note****: This Para may be included if the Buyer wants to release payments other than Advance into different stages. The number of stages, their activities and documents required for payment may be framed keeping in view the unique requirements of the case. In such cases, Para 1.5.2 above will get replaced by Para 1.5.5*)

1.5.5.1 The payments will be done in stages as under:--

- First stage-- % on completion of_____
- Second stage-- % on completion of_____
- Third stage-- % on completion of_____

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• .....

1.5.5.2 For stages mentioned above, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's representative. For all milestone payments, Bank guarantee for same amount will have to be furnished by the Seller before release of payments.

1.5.6 **On Final Acceptance and Installation/Commissioning (*where applicable*)** (***Note**: The percentages for this stage can be fixed in the RFP on merits of case*) The remaining % of the Contract Price of deliverables shall be paid within thirty (30) days of submission of the Acceptance Certificate (Certificate of Conformity) & Certified Receipt Voucher (CRV) issued by the Buyer and other relevant documents as mentioned above for final payment, but such payments will be subject to the deductions of such amounts as the Seller may be liable to pay under the agreed terms of the Contract. The concerned PCDA/CDA will release the payment through cheque/EFT.

1.5.7 **Part-Dispatch/Part-Shipment**. (***Note**: Depending upon merits of case, this Para can be included*). Part-dispatch or part-shipment of goods is permitted and corresponding payment will be released to the Seller. However, where permitted, the minimum quantity/lot for using this facility on each occasion will not be less than_____. Transhipment may not bepermitted for certain deliverables and/or under certain situations (*to be specified by the Buyer*).

1.5.8 **AMC/CMC/PBL**. Quarterly/Half-yearly/Annual payments will be made by PCDA/CDA on submission of User clearance certificate through issue of cheque/ECS.

(***Note**: This Para may be included if there is AMC/CMC/PBL in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case*).

1.5.9 **Payment of Taxes and Duties**. Payment of taxes, duties and statutory levies will be made on submission of requisite documentary proof to Paying authority. Reimbursement of taxes and duties will be as per rates and amounts indicated in the commercial bid/contract or as per actuals whichever is lower.

1.5.10 **Exchange Rate Variation**. Exchange Rate variation shall be applicable for Rupee contracts with Indian Vendors, based on RFPs issued under all categories of capital acquisitions mentioned at Para 21 of Chapter I of DAP 2026. The indigenous & import components as also the various currencies (of the import components) for ERV purposes, must be determined in advance. The guidelines on protection of Exchange Rate Variation are given at **Annexure I to Appendix L to this RFP**.

1.5.11 **Payment by Letter of Credit (LC).** For Capital Acquisition, Category "Buy Global" (other than Defence PSUs in ab initio Single Vendor Cases or as a nominated production agency), Indian vendors can exercise option to take payment either through Letter of Credit (LC) or Bank Transfer Where extension of LC is necessitated, the Banking charges for extension shall be borne by the Party whose default causes such an extension. The payment terms would be regulated as given below:-

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
1.	The Accounting and Payment currencies shall be Rupees only. However, Exchange Rate Variation (ERV), as per ERV provisions contained in Annexure XXV, where permissible, shall be paid, only in INR.	

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Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
2.	The Total Contract Price will be as per Para 1.3.	
	The total contract price referred to in Article 1 of the contract shall be paid as follows:- 2.1. **Advance Payment** ---_% of total value of goods supplied being Rs. ---- shall be paid to the Bidder, through Bank Transfer, within 30 days of the receipt of the following documents: 2.2. Advanced Bank Guarantee as per Article 3B of the Contract. 2.3. Performance cum Warranty Bank Guarantee as per Article 4 B of the Contract. (d) Any other specific document (like proforma invoice) if required. *(**Note**: The second stage advance payment after completion of specific milestone may also be paid through Bank Transfer.)* For Startups and MSMEs under iDEX and TDF: Performance cum warranty security shall be relaxed and kept at minimum as per the GFR i.e. 3% at present or at the minimum rate as revised from time to time, in form of Insurance Surety Bond/ Bank Guarantee as per the convenience of startups /MSMEs and this amendment shall be restricted to the procurement cases of cumulative value up to Rs 250 Cr inclusive of repeat order. The same shall be submitted before release of payment of 2nd stage i.e. "Procurement of Raw Material and Essential Input Resources" stage. **Note**: *In case of variation at any place in this document, this amended clause shall supersede and be considered as final statement.*	
3.	For the second/next stage payment the Bidder has the option to seek payment either through Bank transfer from the O/o of PCDA or through Letter of Credit.	

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Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
4.	Where the Bidder opts for payment through LC, all payments except for the first stage payment as per clause 3 above shall be made by LC, as per following conditions:- 4.1. The Bidder will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment. 4.2. Consequent on receipt of the above notification, the BUYER shall open the Letter of Credit through PCDA before expiry of this period of 45 days provided a 5% Performance cum Warranty Bank Guarantee for the Full value of the Contract has been received. 4.3. The Letter of Credit will be opened with a Public Sector bank or Private Sector Bank (if approved by MoF) for % of the Contract value with the Bidder's Bank, i.e. _----__& Seller's Account No. _---_. It will be valid for a period of ----days/months from the date of opening. ***Note:*** *Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90, 180, 270 days/months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened.* 4.4. The payment against LC shall be made to the Bidder against presentation of the documents specified. 4.5. In the event of delay in opening the Letter of Credit (reasons for which are solely attributable to BUYER), the delivery date will automatically stand extended to that extent. Formal amendment/ certification from BUYER will be required as shipment date would have to be amended in SWIFT form accordingly. 4.6. All expenses connected with establishment of the Letter of Credit in India will be borne by the Bidder. 4.7. Where the extension of the validity of	Where the Bidder opts for payment through Bank Transfer payment shall be made as per following conditions:- 4.1.1. The Bidder will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment. 4.1.2. Once a Bidder opts for payment through Bank Transfer, no changes in mode of payment would be permitted.

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Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
	Letter of Credit is necessitated, the Bank charges for extension shall be borne by the party whose default causes such an extension. 4.8. Once a Bidder opts for payment through LC, no mid-way changes in mode of payment are permitted. 4.9. The Letter of Credit shall be subject to and shall be governed by the instant Uniform Customs and Practices for Documentary Credits issued by the International Chamber of Commerce. 4.10. Any amendment in LC terms will be subject to BUYER's approval.	
5	All payments will be carried out with reference to the number of this contract.	
6	The Second/next Stage payment comprising % of the value of goods supplied and full freight and insurance (where admissible) thereon, shall be paid to the Bidder on submission of the following documents, in six copies each: 6.1. Commercial invoices in original. 6.2. Contractor's bill in original. 6.3. Certificate of Conformity and Acceptance test report at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and acceptance certificate issued by the SELLER. 6.4. Proof of Despatch (original copies of RR, P. Way bill of Lading, Airway bill as applicable). 6.5. Packing List. 6.6. Warranty certificate from the supplier. 6.7. Certificate of current manufacture from OEM. 6.8. In case delivery INCOTERMS is CIP in special cases, Insurance documents for 110% of the cost of consignment, except where the supply is Ex-Works. 6.9. Proof of Duty/Tax paid/reimbursable like deposition receipt/challan etc. ***Note:*** *(i) The Invoice and Contractor's bill must show the contract reference number, break-up of costs in terms of unit costs, total costs, exchange rate element, percentage rates of taxes and duties and amount payable/paid, in complete detail.*	

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Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
	(ii) Three copies of Bidder's Commercial Invoices, proof of dispatch, packing list and the specifications will be sent by courier and fax by the Bidder to the BUYER (Wing of Service HQ to be specified) within 3 days after the equipment has been shipped. Intimation may also be forwarded to Ministry of Defence, South Block, New Delhi (Wing to be specified).	
7	Payment of other components of contract- 7.1. Training. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed. 7.2. Reimbursable Expenses. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Bidders may ensure submission of same with details of contractual obligations completed and payments received. **This clause shall form part of LC.** 7.3. Installation and Commissioning Charges. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. **Documents in proof of rates claimed shall need to be annexed**. 7.4. AMC Charges. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.	Payment of other components of contract- 7.1.1. **Training**. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed. 7.1.2. Reimbursable Expenses. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Bidders may ensure submission of same with details of contractual obligations completed and payments received. 7.1.3. Installation and Commissioning Charges Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. 7.1.4. AMC Charges. Commercial invoice/Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.
8	Balance Payment. The balance payment for % shall be paid to the SELLER against presentation of following documents:- 8.1. Copies of invoices (three copies). 8.2. Copy of JRI and acceptance certificate issued by the BUYER. 8.3. Contractor's bill 8.4. Extended bank guarantee wherever required	
9	SELLER's bankers address and account number: - Bank Name: Branch Name: Account No.: Sort Code: SWIFT Code: IFSC Code RTGS No	SELLER's bankers address and account number:- Bank name: Branch name: Bank account No.: IFSC Code MICR Code
10	Where admissible, tax deduction at source will be done **by the Bank releasing payment against LC.**	Where admissible, tax deduction at source will be done **by PCDA.**

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Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
11	Payment/recovery in terms of the Contract will be made **by the Bank releasing payment against LC**. All documents under the LC shall be delivered by the Bank to PCDA (through Trade Finance CPC, New Delhi).	Payment/recovery in terms of the Contract will be made **by PCDA.**

2. **Performance-cum-Warranty Bank Guarantee Clause**. A Performance-cum- Warranty Bank Guarantee (PWBG) of 5% of value of the Total Contract Price including taxes and duties would be furnished by the Bidder in the form of a Bank Guarantee to sequentially act as Performance Bank guarantee till the delivery and as Warranty Bank Guarantee on delivery. The PWBG shall be submitted by the Bidder within one month of signing of contract and shall be valid for a period, until three months beyond the warranty period, as specified in the RFP. If at any stage, the Performance Guarantee is invoked by the Buyer either in full or in part, the Bidder shall make good the shortfall in PWBG within 30 days by an additional Bank Guarantee for equivalent amount. In the event of failure to submit the required Bank Guarantee against invoked Performance Guarantee, equivalent amount will be withheld from the next stage payment till the shortfall in the Bank Guarantee is made good by the Bidder. The prescribed format of the Performance-cum-Warranty Bank Guarantee is placed at **Annexure III to Appendix L to this RFP**.

For Startups and MSMEs under iDEX and TDF, Performance cum warranty security shall be relaxed and kept at minimum as per the GFR i.e. 3% at present or at the minimum rate as revised from time to time, in form of Insurance Surety Bond/ Bank Guarantee as per the convenience of startups/ MSMEs and this amendment shall be restricted to the procurement cases of cumulative value up to Rs 250Cr inclusive of repeat order.The same shall be submitted before release of payment of 2nd stage i.e. " Procurement of Raw Material and Essential Input Resources" stage.

3. **Additional Bank Guarantee in Cases Where Essential Parameters -B are Incorporated**. An Additional Bank Guarantee of % of Base Contract Price of the equipment required with Essential Parameters B would be furnished by the L1 vendor in the form of a Bank Guarantee. The prescribed format of the Additional Bank Guarantee is placed at **Annexure V to Appendix L to this RFP**. Additional Bank Guarantee would be submitted after declaration of L1 by the CNC and shall be valid for a period, until months after signing of the contract. However, in cases where the equipment fielded by the Bidder emerging L1 has already been trial evaluated for Essential Parameters B and found compliant to same, the Bidder will not furnish an Additional Bank Guarantee for Essential Parameters B.

4. **Performance Bank Guarantee for AMC/CMC/PBL *(where applicable)***. The Bidder will be required to furnish a Performance Guarantee by the way of a Bank Guarantee of a sum equal to 5% of the Total Price of AMC/CMC/PBL for contracted duration prior to expiry/return of the PWBG of the Main Contract. Performance Bank Guarantee should be valid for 03 months beyond the period of the AMC/CMC. The format of the Performance Bank Guarantee is to be as per **Annexure III to Appendix L to this RFP**.

For Startups/MSMEs under iDEX and TDF, the Surety Bond/ BG for AMC/CMC/PBL shall be limited to 3% of AMC/CMC/PBL contract value and the same will be reimbursed on a pro-rata basis with each periodically scheduled AMC/CMC/PBL payment. This amendment shall be restricted to the procurement cases of cumulative value up value as at para of Chapter III of DAP 2026.

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Note: ***For the purpose of Bank Guarantees (BG), the bidder can also submit e-BG, Insurance surety bond.***

5. **Indemnity Bond**. (***Note*** *- This para is to be included only in the Single Vendor cases with Defence PSUs/ JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis. In competitive bidding cases, all participating entities will furnish all Bank Guarantees, as applicable*). DPSUs/JV with DPSUs/PSUs/Government Entity may furnish Indemnity Bonds instead of Bank Guarantees towards Advance Payment Bank Guarantee and Performance- cum-Warranty Bank Guarantee as given in **Annexure IV to Appendix L to this RFP**. These entities may also furnish Indemnity Bonds for all milestone based payments if applicable, as brought out in Para 1.5.5.

6. **Inspection**. Pre Dispatch Inspection (PDI) would be at the discretion of the Buyer. In addition Joint Receipt Inspection (JRI) may also be carried out. If it is PDI, the Bidder should intimate at least 45 days prior to the day when the equipment is to be offered for PDI to enable Buyer's QA personnel to be available for inspection. All the expenses towards PDI will be borne by the Bidder except transportation and accommodation of Buyer's PDI team, which will be deputed at Buyer' expense. In case of rejection of Goods during PDI, re-PDI will be undertaken at Bidder's premises at Buyer's sole discretion. All expenses including transportation and accommodation of Buyer's PDI team will be borne by the Bidder. Towards this, the expenses towards transportation and accommodation of Buyer's PDI team will be initially done by the Buyer and subsequently reimbursed by the Bidder either by remittance or by recovery from the Balance Payment/PWBG. In the event of a failed PDI, the Bidder shall consult the Buyer for rescheduling re-PDI. In case of JRI, the representative of the Seller may be present for inspection after the equipment reaches the concerned destination. The Seller would be informed of the date for JRI.

7. **Liquidated Damages (LD)**. In the event of the Bidder's failure to submit the Documents, supply the stores/ goods, perform services, conduct trials, installation of equipment, training and MET as per schedule specified in this contract, the BUYER may, at his discretion withhold cost of the specific lot/batch or 1% of the Total Contract Price, whichever is higher, until the completion of the contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of **1/100** of the **delay percentage** {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per contract)} of the Base Contract Price of the delayed/ undelivered stores/ services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than **10%** of the Base contract price of the value of delayed stores/ services (Any extension given by the Buyer for delay attributable to Buyer or Force Majeure Clause to be factored in delivery period).

8. **Payment Deductions and Damages for Shortfalls in AMC/CMC/PBL Services** ***(where applicable)***. ***The clause for payment deductions and damages for shortfall in AMC/CMC/PBL/LCSC services is to be formulated on case to case basis. A sample formulation is given below.***

In case the cumulative downtime exceeds _____(working days) in the_____(Quarter/ Half- year/Year), payment will be deducted. The total downtime will be calculated at the end of the _____(Quarter/Half-year/Year) and payments will be deducted. The total payments to be deducted will be calculated as follows:-

8.1. Payments would be deducted on pro-rate basis for the duration, by which cumulative downtime exceeds (working days), as follows:-

8.1.1. Per year AMC/CMC/PBL = 'X1'

8.1.2. Period by which cumulative downtime exceeds the specified cumulative

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downtime, in days = 'Y1'

8.1.3. Payment Deduction = 'Z1',
*Where Z1 = [(X1/ Number of days in the year) * Y1]*

8.2. In addition, damages would be deducted to the sum of 0.1% of the per annum AMC/CMC/PBL cost per day, for the duration, by which cumulative downtime exceeds the maximum permissible cumulative downtime per quarter/half-year/year, subject to the maximum value of this damages not being higher than 5% of the annual AMC/CMC/PBL cost.

***Note** : Payment Deductions against LCSC can be defined in similar lines and included as part of the RFP.*

9. **Denial Clause**. In case the delay in delivery is attributable to the Seller or a non-force majeure event, the Buyer may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the Seller of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in prices due to the Price Variation Clause (PVC) and/or any adverse fluctuation in foreign exchange are to be borne by the Seller during the extended delivery period, while the Buyer reserves his right to get any benefit of downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period. The format for extension of delivery period/performance notice under the Denial clause is at **Annexure VI to Appendix L to this RFP**.

10. **Price Variation Clause (*applicable only for cases with delivery period more than 36 months*)**. Price variation may be applicable to Indian Rupee component of the Contract on the cost of basic equipment indicated at Sl (_) of Price Bid Format at Appendix O. L1 determination will be based on overall quoted prices as indicated in the Price Bid Format. The PVC will be applicable 18 months after the last date of bid submission till the date of bid opening and thereafter from the Effective date of Contract. The PVC will be applied during payments as per Payment Schedule at **Annexure VII to Appendix L to this RFP**. The indices for calculation of the price variation along with weightages are enumerated below. The variations are calculated by using the indices published by Government or Chambers of Commerce periodically. The guidelines for calculation of Price Variation are specified at **Annexure VIII to Appendix L to this RFP**.

	Applicable Indices	Assigned Weightages
10.1		
10.2		

*Note: For AMC/CMC/LCSC/PBL, as applicable, PVC is to be formulated and indicated at **Annexure VIII to Appendix L to this RFP.***

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(**Annexure I to Appendix L to Schedule I)**

(Refer Para 1.5.10 and 1.5.11(1) of Appendix L to Schedule I)

GUIDELINES OF PROTECTION OF EXCHANGE RATE VARIATION IN CONTRACTS

1. Parameters to be kept in view while formulation ERV Clause.

1.1. In contracts with Indian Vendors in all categories of capital acquisitions where there is an import content, ERV clause will be provided. However, ERV clause shall not be applicable to contracts in following conditions:-

1.1.1. The delivery period is less than one year; or

1.1.2. The rate of exchange variation is within the band of +/- ___% (being deliberated)

1.2. ERV clause will be framed according to the specific requirements of the contract. While calling for information at the RFP stage/formulation of ERV clauses in the contracts, the following factors are to be taken into consideration depending upon the requirements of the individual contracts:-

1.2.1. Year wise and major currency wise import break up is to be indicated.

1.2.2. Detailed time schedule for procurement of imported material/Services and their value at the FE rates adopted for the contract is to be furnished by the vendor as per the format given below:-

YR	**TOTAL COST OF IMPORTED MATERIAL/ SERVICES (In rupees)**	**FE CONTENT-OUT FLOW (equivalent in rupees Rs in crore)**			
		Dollar Denominated	Euro denominated	Pounds denominated	Other currencies denominated (as applicable)

1.2.3. ERV clause will not be applicable in case delivery periods for imported content are subsequently to be refixed/extended unless the reasons for delivery period extension are attributable to the buyer.

1.2.4. For purposes of ensuring uniformity, the Base Exchange Rate on the ERV reckoning date will be adopted for each of the major foreign currencies. The Base Exchange Rate will be the BC Selling Rate of the Parliament Street Branch of State Bank of India, New Delhi. The ERV reckoning date will be the last date of submission of commercial bids as per RFP. In cases where Option Clause is exercised, the date of reckoning of ERV will be the last date of submission of bids for the RFP of the Original Procurement Case.

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1.2.5. ERV clause in the contract is to clearly indicate that ERV is payable/ refundable depending upon exchange rate as prevalent on the date of transaction with reference to Base Exchange Rate on the ERV reckoning date.

1.2.6. Other issues which are peculiar to the contract.

2. **Methodology for Claiming ERV**

"The prices finalised in the contract are based on the base exchange rates indicated in the contract. The year-wise amount of foreign exchange component of the imported items as indicated in the contract shall be adjusted for the impact of exchange Rate Variation of the Rupee based on the exchange rate prevailing on the date of each transaction, as notified by the SBI, Parliament Street Branch, New Delhi. The impact of notified Exchange Rate Variation shall be computed on an yearly basis for the outflow as tabulated in Annexure….. (The table at Para 1(b) (ii) is to be an Annexure to the contract) and shall be paid/refunded before the end of the financial year based on the certification of Finance Head of the concerned Division…..".

3. Paying authority is to undertake a pre-audit of the documents before payment.

4. Documentation for Claiming ERV. The following documents would need to be submitted in support of the claim on account of ERV:-

3.1 A bill of ERV claim enclosing worksheet.

3.2 Banker's Certificate/debit advice detailing Foreign Exchange paid and Exchange rate as on date of transaction.

3.3 Copies of import orders placed on the suppliers. (d) Invoice of supplier for the relevant import orders.

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(**Annexure II to Appendix L to Schedule I)**

(Refer Para 1.4.1 and 1.5.1 of Appendix L to Schedule I)

BANK GUARANTEE FORMAT FOR ADVANCE

To

The _____
Ministry of Government of India
(complete postal address of the beneficiary)

1. "Whereas President of India represented by the Ministry of Government of India (hereinafter referred to as BUYER) have entered into a Contract No. (No. of Contract), dated (Date of Contract) with M/s (Name of SELLER) (referred to as SELLER) and whereas according to the said Contract the BUYER has undertaken to make an advance payment of Rs/ US $/Euro/PS £/Yen/AUD/SGD being payment of % of the total value of Rs/ US $/Euro/PS £/Yen/AUD/SGD of the said Contract, against issuance of an advance guarantee by a bank.

2. We _____ (indicate the name of the bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the BUYER intimating that the SELLER is in breach of the Contractual obligations stipulated in the said Contract. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our total liability under this guarantee shall be restricted to an amount not exceeding Rs/ US $/Euro/PS £/Yen/AUD/SGD _____. _____

3. We undertake to pay to the BUYER any money so demanded notwithstanding any dispute or disputes raised by the SELLER in any suit or proceedings pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the SELLER shall have no claim against us for making such payment.

4. We, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the BUYER under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till office / Department / Ministry of certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said SELLER and accordingly discharges this guarantee.

5. We, further agree with the BUYER that the BUYER shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the BUYER against the said SELLER and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, Amendment issued vide MoD ID No. 4(50)/D(Acq)/08 dated 20.06.2016 or extension being granted to the said SELLER or for any forbearance, act or omission on the part of the BUYER or indulgence by the BUYER to the said SELLER or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

6. The amount of this guarantee will be progressively reduced by (percentage of advance) of total value of each part shipment/services against the stage payment released by the BUYER for that shipment/services made by the SELLER and presentation to us of the payment documents.

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7. This guarantee will not be discharged due to the change in the constitution of the bank or the BUYER/SELLER.

8. We, undertake not to revoke this guarantee during the currency except with the previous consent of the BUYER in writing.

9. Notwithstanding anything contained herein above:-

9.1. Our liability under this Guarantee shall not exceed Rs/ US $/Euro/PS £/Yen/AUD/SGD (inwords)

9.2. This Bank Guarantee shall remain valid until (hereinafter the expiry date of this guarantee) the Bank Guarantee will cease to bevalid after to us or not. irrespective whether the Original Guarantee is returned

9.3. We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before (Expiry Date).

Dated the day of (month and year)

Place :

Signed and delivered by (Name of the bank)

Through its authorised signatory

(Signature with Seal)

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(Annexure III to Appendix L to Schedule I)

(Refer Para 2, 3, 4 of Appendix L to Schedule I)

BANK GUARANTEE FORMAT FOR PERFORMANCE-CUM-WARRANTY

To

The _____
Ministry of Government of India
(complete postal address of the beneficiary)

Dear Sir,

1. Whereas President of India represented by the _Ministry of __ Government of India (hereinafter referred to as BUYER) have entered into a Contract No. _____ dated (hereinafter referred to as the said Contract) with M/s. _____ (hereinafter referred to as the SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee amounting to Rs/ US $/Euro/PS £/Yen/AUD/SGD _____ which is 5% of the Total Contract Price (including taxes and duties) to cover 5% of Total Contract Price (including taxes and duties) each for Performance and Warranty in sequence, to secure its obligations towards Performance-cum-Warranty to the BUYERs.

2. We, the _____ bank hereby expressly, irrevocably and unreservedly undertake the guarantee as principal obligors on behalf the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to Performance and Warranty clauses, we will pay you, on demand and without demur, all and any sum up to {5% of Total Contract Price (including taxes and duties)} Rupees/ US $/Euro/PS £/Yen/AUD/SGD only at any instance under this Guarantee. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or released from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alterations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Performance-cum-Warranty guarantee shall remain valid for a period until three months beyond the warranty period as specified in the Contract i.e. up to____.

7. Subject to the terms of this Bank Guarantee, the issuing bank hereby irrevocably authorizes the beneficiary to draw the amount of up to Rs/ US $/Euro/PS £/Yen/AUD/SGD {5% of Total Contract Price (including taxes and duties)} for breach/failure to perform by the SELLER of any of the terms and conditions of the Contract related to performance and warranty clause. Partial drawings

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and multiple drawings under this Bank Guarantee are allowed within the above stated cumulative amount subject to each such drawing not exceeding 5% of the Total Contract Price (including taxes and duties) (Rs/ US $/Euro/PS £/Yen/AUD/SGD only) (Mention BG amount).

8. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s _____. We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

9. Notwithstanding anything contained herein above:

9.1. Our liability under this Guarantee shall not exceed Rs/ US $/Euro/PS £/Yen/AUD/SGD (Rupees only (in words).

9.2. This Bank Guarantee shall remain valid until 3 months from the date of expiry of warranty period of the Contract, i.e up to _(mention the date) which is 3 months after expiry of the warranty period and the BG shall cease to be valid after irrespective whether the Original Guarantee is returned to us or not.

9.3. We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before (Expiry Date).

Dated the day of (month and year)

Place :

Signed and delivered by (name of the bank)

Through its authorised signatory

(Signature with seal)

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(Annexure IV to Appendix L to Schedule I)

(Refer Para 5 of Appendix L)

INDEMNITY BOND FOR PERFORMANCE-CUM-WARRANTY

1. This deed made on this day of by M/s, a company registered under The Companies Act 2013 having its registered office at and acting through its corporate office at hereinafter referred to as the "SELLER").

2. Whereas MoD, New Delhi acting on behalf of the President of India (hereinafter referred to as "BUYER") has placed a Contract No_____ dated_____.

3. And whereas, the SELLER has agreed to execute this Indemnity Bond for performance- cum-warranty on the terms and conditions appearing hereinafter.

4. It is hereby agreed and declared by the SELLER that:-

4.1. The SELLER shall duly and faithfully perform its obligation under the said contract and comply with the conditions in the said contract.

4.2. The SELLER shall, in as much as with its control, refrain from such actions or actions as may cause loss, injury, damage to the BUYER.

4.3. In the event of breach/default by the SELLER in complying and in case the breach/default is not remedied by the SELLER up to period of the notification of the breach/default by the BUYER, the SELLER shall indemnify to the BUYER, to the extent of {(Rs only) being 5% of the Total Contract Price (including taxes and duties) of {(Rs only) of any direct losses or damages suffered by the BUYER due to failure of the SELLER.

4.4. The SELLER shall be fully discharged of its obligations under this bond on meeting its liability as per Para c above which shall be restricted to the limit as provided at Para c above.

4.5. The SELLER shall not be liable for any breach/default arising out of force majeure situation or due to any default, action, inaction or failure on the part of the BUYER. The liability of the SELLER under this bond shall remain and in full force until the fulfilment of the obligations of the SELLER under the said Contract.

4.6. The SELLER hereby expressly, irrevocably, and unreservedly undertake and guarantee that in the event that the beneficiary submits a written demand to SELLER stating that they have not performed according to the warranty obligations for the PRODUCTS as per said Contract, SELLER will pay BUYER on demand and without demur any sum up to maximum amount of ____ 5% of the Total Contract Price (including taxes and duties). BUYER'S written demand shall be conclusive evidence to SELLER that such repayment is due under the terms of the said contract. SELLER undertakes to effect payment within _____ days from receipt of such written demand.

4.7. The amount of warranty/guarantee shall not be increased beyond ___ %. Unless a demand under this warranty/guarantee is received by SELLER in writing on or before the expiry date (unless this warranty/ guarantee is extended by the SELLER) all rights under this guarantee shall be forfeited and SELLER shall be discharged from the liabilities hereunder. This warranty/guarantee is personal to the BUYER and not assigned to a third party without prior written permission.

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5. This Indemnity Bond for Performance-cum-Warranty guarantee shall be governed by Indian Law.

For ----------

Signature: Signature : Name: Name : Witness

1.

2.

****

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(Annexure V to Appendix L to Schedule I)

(Refer Para 3 of Appendix L)

FORMAT FOR ADDITIONAL BANK GUARANTEE FOR ESSENTIAL PARAMETER-B CASES

To

The _____ , Ministry ,
_____
Government of India,

(complete postal address of the beneficiary)

1. Whereas President of India represented by the _____Ministry of, Government of India (hereinafter referred to as BUYER) have entered into a Contract No _____ dated _____hereinafter referred to as the said Contract) with M/s _____ (hereinafter referred to as SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee for (%) of Base Contract Price amounting to Rs/ US $/Euro/PS £/Yen/AUD/SGD _to secure its obligations towards meeting the Essential Parameters B to the BUYER.

2. We, the _____ bank hereby expressly, irrevocable and unreservedly undertake and the guarantee as principal obligors on behalf of the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to meeting the Essential Parameter B, we will pay you, on demand and without demur, all and any sum up to a maximum of Rupees/ US $/Euro/PS £/Yen/AUD/SGD _____only. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or release from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alternations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Guarantee shall remain valid until as specified in the Contract.

7. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s ____We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

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8. Notwithstanding anything contained herein above:-

8.1. Our liability under this Guarantee shall not exceed Rupees/ US $/Euro/PS £/Yen/AUD/SGD (in words) .

8.2. This Bank Guarantee shall remain valid until (hereinafter the expiry date of this guarantee). The Bank Guarantee will cease to be valid after us or not. irrespective whether the Original Guarantee is returned to

8.3. We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before (Expiry Date).

Dated the _day of _ (month and year) Place:

Signed and delivered by (Name of the Bank) Through its authorized signatory

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(Annexure VI to Appendix L to Schedule I)

(Refer Para 9 of Appendix L)

FORMAT FOR EXTENSION OF DELIVERY PERIOD/PERFORMANCE NOTICE

Name of the Procuring Entity.....

Extension of Delivery Period/Performance Notice

To
M/s (name and address of firm)

Sub: Contract No..... dated.....for the supply of..... Ref: Your letter no. ..... dated: ..... Dear Sir,

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In your letter under reply you have asked for [further] extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from (fill in date) to (fill in date).

2. Please note that notwithstanding the grant of this extension in terms of Clause (fill in clause number) of the subject contract an amount equivalent to ..... % (..... per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable), viz., (fill in date) will be recovered from you as liquidated damages. You may now tender the Stores for inspection [balance of the Stores] in terms of this letter. Stores if any already tendered by you for inspection but not inspected will be now inspected accordingly.

3. You are also required to extend the validity period of the performance guarantee for the subject contract from (fill in present validity date) to (fill in required extended date) within15 (fifteen) days of issue of this amendment letter.

4. The above extension of delivery date will also be subject to the following Denial Clause:-

4.1. That no increases in price on account of any statutory increase in or fresh Imposition of customs duty, GST or on account of any other taxes/duty, including custom duty), leviable in respect of the Stores specified in the said contract which takes place after (insert the original delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and,

4.2. That notwithstanding any stipulation in the contract for increase in price on any other ground including foreign exchange rate variation, no such increase which takes place after (insert the reckoning date as per DAP 2020) shall be admissible on such of the said Stores as are delivered after the said date.

4.3. But nevertheless, the Buyer shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, GST or on account of any other Tax or duty or on any other ground as stipulated in the price variation clause or foreign exchange rate variation which takes place after (insert the original delivery date).

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5. All other terms and conditions of the contract remain unaltered. This is without any prejudice to Buyer's rights under the terms and conditions of the subject contract.

6. Please intimate your unconditional acceptance of this amendment letter within 10 (ten) days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

Yours faithfully, (Authorised Officer) Duly authorised,
for and on behalf of
The President of India

Note: Select one option within { } brackets; delete portion within [ ] brackets, if not applicable; fill in ( ) brackets. Brackets and this note are not to be typed.

Substitute following first para instead of first para in format above, for issuing a performance notice.

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that (fill in the outstanding quantity) are still outstanding even though the date of delivery has expired. Although not bound to do so, the time for delivery is extended from (fill in date) to (fill in date) and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

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(Annexure VII to Appendix L to Schedule I)

(Refer Para 1.5, 1.4, 10 of Appendix L and 36.2 of Schedule I)

DELIVERY SCHEDULE AND STAGES OF PAYMENT

1. The terms of payment may vary between each project depending upon a variety of factors such as complexity of equipment/system, requirement of validation trials for establishing 'proof of concept', delivery period, integration requirements etc. However, some broad guidelines for payments terms are appended in subsequent Paras.

2. **For Delivery in a Single Lot**

Ser No	**Activity**	**Delivery Timelines (T0 + Wks)**	**Scheme for Payment**	**Scheme for submission and Return of Advance Payment Bank Guarantees**	**Remarks**
2.1.	Signing of contract		Upto 10% of the base contract price	APBG of equivalent amount to be submitted	
2.2.	On submission of Project report (PR) and Project PERT Chart.		5% of the total contract price base contract price	APBG of equivalent amount to be submitted	**In case this stage is not required, 15% of base contract price can be made on signing of contract.**
2.3.	On Dispatch of all equipment/system (and associated spares if applicable)		40 to 60% of the cost of the deliverables		Percentage of payment for delivery of equipment/ system shall be decided on the complexity/ scope of installation, STW and commissioning. In case Installation/ STW/ Commissioning is not required, the complete payments are to be done on completion
2.4.	On Delivery of all equipment/ system (and associated spares if applicable)		Approx15% to 20%of the cost of the deliverables	APBG is to be returned on completion of delivery of all equipment/ system (and associated spares if applicable). In case delivery of	

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2.5.	On delivery of documentation & Training		55 to 75% of the cost of documentation and training	documentation and/or training can be completed only on commissioning of the equipment and cost of documentation/training is substantial (5%-8%, as specified), then APBG is to be returned on pro-rata basis as per completion of delivery of equipment, documentation and training.	of deliveries and APBG(s) are to be returned. ***See Amplifying Instructions at Note below***.
2.6.	OnInstallation/STW/ Commissionin g and Final Acceptanceand completion of delivery of documentation and training.		10 to 30% of the cost of deliverables		

3. **For Delivery in Lots/ Batches**

Sl	Activity	Delivery Timelines (T0 + Wks)	Scheme for Payment	Scheme for submission and Return of Advance	Remarks
3.1.	Signing of contract		10% of the base contract price	APBG of equivalent amount to be submitted	
3.2.	On submission of Project report (PR) and Project PERT Chart.		5% of the base contract price	APBG of equivalent amount to be submitted	In case this stage is not required, 15% of base contract price can be made on signing of contract.
4.	**On Dispatch of all equipment/system**				
4.1.	1st Lot/ Batch		40 to 60% of the cost ofEquipment / System of the Lot		
4.2.	2nd Lot/ Batch		40 to 60%of the costofEquipment/ System of the Lot		
5.	**On Delivery of all equipment/ system**				

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5.1.	1st Lot/ Batch		Approx 15% of the cost of Equipment / System of the Lot	APBG is to be returned on pro-rata basis on delivery of each lot/batch. APBG pertaining to documentation and training can be returned on delivery of a particular lot/batch (to be specified).	Percentage of payment for delivery of equipment/ system shall be decided on the complexity/ scope of installation, STW and commissioning ***See Amplifying Instructions at Note below***.
Sl	**Activity**	**Delivery Timelines (T0 + Wks)**	**Scheme for Payment**	**Scheme forsubmission and Return of Advance Payment Bank Guarantees**	**Remarks**
				In case delivery of documentation and/or training can be completed only on commissioning of the equipment and cost of documentation/training is substantial (5%-8%, as specified), then APBG is to be returned on pro-rata basis as per completion of delivery of equipment, documentation and training.	
5.2.	2nd Lot/ Batch		Approx 15% of the cost of Equipment/ System of the Lot		
5.3.	Delivery of Documentation		80% of thecost of Document ation		
5.4.	Completion of Training		80% of the cost of Training		
6.	**On Installation/ STW/ Commissioning and Final Acceptance**				
6.1.	1st Lot/ Batch		10 to 30% of the cost of Equipment / System of the Lot		
6.2.	2nd Lot/ Batch		10 to 30% of the cost of Equipment / System of the Lot		

Notes*:*

1. ***Indicative Payment Terms for Projects with Installation and Commissioning****. If installation, Integration, STW, Commissioning and Acceptance trials of delivered goods does not involve establishing fructification of a new concept/Development project/validating a proof of*

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concept/IDDM concept, about 10 to 15% of total value of the goods is to be retained for installation, integration, STW, Commissioning and Acceptance.

2. ***Indicative Payment Terms for Projects with Installation and Commissioning Involving Validation of Design/ Proof of Concept****. If installation, Integration, STW, Commissioning and Acceptance trials of delivered goods involves establishing fructification of a new concept/Development project/validating a proof of concept/IDDM concept, about 25 to 30% of total value of the goods is to be retained for installation, integration, STW, Commissioning and Acceptance.*

3. ***Deliveries in Lots/Batches – Definition of Lot/Batch****. In case delivery is in lots/batches and payment is being made as per the lots/batches, completion of common deliverables like documentation and Training can be linked to completion of a particular Lot/ Batches required, to be indicated by linking with relevant sl. of the lot/batch. If such linking of deliverables is not indicated in the above table, each delivery, including documentation and training shall be deemed as independent deliverable.*

4. ***Recommended Methodology for Payment in Case of delayed Commissioning****. If in spite of all efforts to logically evolve the delivery schedule, the goods are ready for delivery and corresponding infrastructure/associated system/platform is not available for installation and integration in a reasonable time, the supplier cannot be denied payment for work accomplished in conformity with the contract schedule. If the next stage of work cannot be executed by the supplier due to delay on the part of the buyer in providing requisite infra/associated system/platform for STW, commissioning and Acceptance trials in as reasonable time, the payment terms should cater for making 60-70% of the associated stage payment (even before accomplishing requisite work) against submission of a bank guarantee for equivalent amount and firm undertaking from the supplier that they will fulfil all the obligations immediately on availability of requisite infra/associated system/platform.*

(If provisions as per Sl 4 above are envisaged, the same shall be included in the RFP as 'Special Conditions of the RFP')

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(Annexure VIII to Appendix L to Schedule I)

(Refer Para 10 of Appendix L)

GUIDELINES FOR PRICE VARIATION CLAUSE

1. In cases where only Indian Vendors participate, Price Variation Clause (PVC) may be applicable for cases with delivery period more than 36 months. Where advance or stage payments are made no price variation will be admissible on such portions of the price, after the dates of such payment. Also, PVC will not be applicable for the deliverables manufactured before contract signing after the commercial bid has been opened. PVC may also be applied in all ab-intio SVC with foreign vendors progressed through agreements like IGA or otherwise. Indices to be applied for such cases will be decided by the Collegiate for RFP vetting.

2. PVC will apply only to the Indian Rupee component of the cost of basic equipment at Sl (A) of Price Bid Format at Appendix N. L1 determination will be based on overall quoted prices as indicated in the Price Bid Format.

3. Maximum PVC applicable will be up to ___% of Price Variation (could be percentage per annum or an overall ceiling or both) and will not be applicable if the variation is within the band of +/- % (is being deliberated).

4. As Capital Acquisition generally has long gestation period with considerable time period between last date of bid submission and signing of contract, PVC will be applicable under following two categories:-

4.1. **Pre-Contract Price Variation**. It will be applicable on the Indian Rupee component of the quoted price of L1 Bidder. Price arrived post application of PVC will be used for negotiations during CNC. The PVC will be applicable 18 months after the last date of bid submission to the date of Bid opening. For calculation of PVC applicable for Pre- Contract PVC period, the base level (PVC reckoning date) will be the month and year 18 months after the last date of bid submission.

4.2. **Post-Contract Price Variation**. It will be applicable on the Indian Rupee component of the Base Contract Price specified in the Contract. For calculation of PVC during post contract period, the base level (PVC reckoning date) will be the month and year of Effective date of Contract.

5. Applicability of PVC is illustrated in the following figure:-

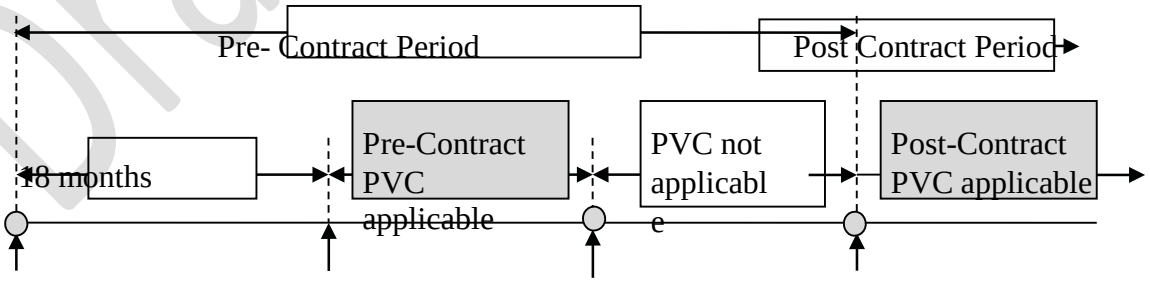


Fig: Application of PVC

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Effective
Date of
Contract
Summar

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- *PVC applicable during Pre- Contract phase 18 months after the last date of bid submission (T_1) to bid opening date (T2)*
- *PVC applicable in post Contract phase after Effective date of Contract (T_C)*

Illustrative Example

If the bids are opened within 18 months from last date of bid submission

- *No Pre- Contract PVC applicable*
- *Post Contract PVC applicable from T_C onwards.*
  Base level for Post Contract PVC will be month and year of T_C.

If the bids are opened 24 months after last date of bid submission

- *Pre- Contract PVC applicable for period between T_1 and T_2.*
  Base level for Pre-Contract PVC will be month and year of T_1.
- *Post Contract PVC applicable from T_C onwards.*
  Base level for Post Contract PVC will be month and year of T_C.

6. **PVC Formula (As at *Rule 225(viii)(b) of GFR 2017*)**. The formula for Price Variation should ordinarily include a fixed element, a material element and a labour element of the Indian Rupee component of the quoted price and Contract Price respectively for calculating pre-contract and post-contract PVC. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while a fixed element may range from 10 to 25%. The portion of the price represented by the fixed element will not be subject to any variation. The portions of the price represented by the material element and labour element alone will attract Price Variation. The formula for Price Variation will thus be:-

$$P1 = P0 \left(F + a\left(\frac{M1}{M0}\right) + b\left(\frac{L1}{L0}\right) \right)$$

Where, P1 is the amount adjusted after applying PVC

Note:
For Pre-Contract Phase
P_0 - Quoted price.
P_1 – Price adjusted after applying Pre-Contract PVC (negotiations will be undertaken on this price)

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For Post Contract Phase

P_0 – Base Contract Price (price negotiated with L1 vendor)

P_1 – Price payable after applying Post Contract PVC.

F is the fixed element not subject to Price Variation.

'a' is the assigned percentage to the material element in the Negotiated/Base Contract Price, as applicable.

'b' is the assigned percentage to the labour element in the Negotiated/Base Contract Price, as applicable.

L0 and L1 are the wage indices at the base month and year and at the month and year of calculation respectively. M0 and M1 are the material indices at the base month and year and at the month and year of calculation respectively.

If more than one major item or material is involved, the material element can be broken into two or three components such as M_X, M_Y and M_Z.

7. **For AMC/CMC/LCSC/PBL (*to be amended as applicable*)**. For services with insignificant inputs of materials), the Price Variation formula should have only two elements viz. a high fixed element and a labour element.

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(Appendix M to Schedule I to Chapter II of Handbook on Guidelines & Annexures)

(Refer Para 11, 57 & 67.2 of Schedule I)

EVALUATION CRITERIA AND PRICE BID FORMAT

1. **Evaluation Criteria**. The guidelines for evaluation of Bids will be as follows:-

1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.

1.2. **In Buy 'Global' Cases**. While carrying out evaluation of bids to determine L1 (including where DCF Technique is applicable), the following criteria would be followed:-

1.2.1 **If Custom Duty Exemption is Not Applicable for the Major Deliverables**

1.2.1.1 **In Case of Foreign Bidders**. All costs, taxes (including GST) and duties quoted by foreign bidders at Serials A to M of Para 2 below [including the basic cost on DDP basis and the Basic Custom Duty (BCD) & IGST (as applicable)] would be considered for purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting Base Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, **on the ERV reckoning date (as defined in Annexure I to Appendix L to this RFP), i.e., the last date of submission of commercial bids as per RFP.**

1.2.1.2 **In Case of Indian Bidders including Defence PSUs**. All costs, taxes (including GST) and duties quoted by the vendor at Serials A to M of Para 2 below would be considered for purpose of comparison of various bids.

1.2.2 **If Custom Duty Exemption is Applicable for the Major Deliverables**

1.2.2.1 **In Case of Foreign Bidders**. All costs of the Deliverables excluding taxes and duties (GST/IGST/BCD, as relevant) quoted by foreign bidders at Serials A to M of Para 2 below would be considered for purpose of comparison of various bids. All the foreign bids will be brought to a common denomination in Indian Rupees by adopting Base Exchange Rate as BC Selling rate of the State Bank of India, Parliament Branch, New Delhi, **on the ERV reckoning date (as defined in Annexure I to Appendix L to this RFP), i.e., the last date of submission of commercial bids as per RFP.**

1.2.2.2 **In Case of Indian Bidders including Defence PSUs**. All costs of the Deliverables excluding all taxes and duties quoted by the Bidder at Serials A to M of Para 2 below would be considered for purpose of comparison of various bids.

1.2.3 **Where DCF Technique as Given in Para 4 is Not Applicable**. L-1

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bidder will be determined on the basis of quoted cost of all items (taxes and duties payable to Central/State/Local Governments to be included/excluded as per Para 1.2.1 and 1.2.2 above, as applicable) but with exclusion of BNE items sourced from common single source in accordance with Para 70 of Chapter II of DAP. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. BNE rate would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by DPSU/Private vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether DPSU or private vendor.

1.2.4 **Where DCF Technique as Given in Para 4 is Applicable**. DCF technique will be applied on quoted cost of all items (taxes and duties payable to Central/State/Local Governments to be included/excluded as per Para 1.2.1 and 1.2.2 above, as applicable) to ascertain the NPV which would be used for determining L1 bidder, but with exclusion of BNE items sourced from common single source in accordance with Para 70 of Chapter II of DAP. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. BNE rate would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by DPSU/Private vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether DPSU or private vendor.

1.3 **In 'Buy (Indian-IDDM)' and 'Buy Indian & Manufacture in India)' Cases**.

1.3.1 **Where DCF Technique as Given in Para 4 is Not Applicable**. L-1 bidder will be determined on the basis of quoted cost of all items including taxes and duties payable to Central/State/Local Governments but with exclusion of BNE items sourced from common single source in accordance with Para 70 of Chapter II of DAP. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub

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vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. BNE rate would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by DPSU/Private vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether DPSU or private vendor.

1.3.2 **Where DCF Technique as Given in Para 4 is Applicable**. DCF technique will be applied on quoted cost of all items including taxes and duties payable to Central/State/Local Governments to ascertain the NPV which would be used for determining L1 bidder, but with exclusion of BNE items sourced from common single source in accordance with Para 70 of Chapter II of DAP. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. BNE rate would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by DPSU/Private vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether DPSU or private vendor.

1.4 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer. In cases where Custom Duty is not exempted, Basic Custom Duty on input material is to be included in the cost of Basic Equipment, Installation/Commissioning/Integration, BNE, ToT, MRLS, SMT, STE , ESP and any other item listed at Column (ii) of Para 2 below.

1.5 If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected based on indicative rates of taxes and duties at columns (vi) and (vii) of Para 2 below. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

2. **Price Bid Format**. The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. Columns of 'quantity', 'unit cost', 'total cost (including all taxes and duties)', 'GST/IGST (%) and Custom Duty (%) are to be filled up with '0', 'positive numerical values' or 'Not Applicable' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

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Ser No	Items	Qty	Unit Cost	Total Cost (iii) x (iv)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Total Cost (including all taxes & duties) (v) + (vi)+ (vii)	Remarks
					GST/ IGST (%)	Custom Duty (%)		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
A.	Cost of **Basic Equipment.** Full							
B.	Cost of **Installation /Commissioning/ Integration** (where applicable)							
B1.	Cost of Buyer Nominated Equipment (if applicable)							
C	Cost of **Transfer of Technology**(where applicable).							
D.	Cost of **Manufacturer's Recommended List of Spares** as per the format given at Annexure XIX. In case equipment is already in usage, the spare parts requirement must be specific rather than being based on MRLS.							
E.	Cost of **Special MaintenanceTools and Special Test Equipment** as per format given at Annexure XX.							
F.	Cost of **Operator's Manual** and **Technical Literature** (in English Language) including Illustrated Spare Parts List as per Annexure XXI.							
G.	Cost of **Training Aids** such as simulators, cut out models, films, charts etc as recommended by the supplier as per Annexure XXII							

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Ser No	Items	Qty	Unit Cost	Total Cost (iii) x (iv)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Total Cost (including all taxes & duties) (v) + (vi)+ (vii)	Remarks
					GST/ IGST (%)	Custom Duty (%)		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
H.	Cost of recommended period of **Training** excluding the cost of travel and boarding and lodging. This should be given under the following two heads as per Annexure XXII. (a) In India. (b) Abroad.							
J.	**Cost of Preservation/De-preservation (if applicable)**							**To be paid as in the contract, if utilised**
K.	**Any other** cost (to be specified).							
L.	**Freight and Transit Insurance** Cost (where applicable).							
M.	**AMC/CMC/PBL** Cost giving year-wise break-up (where applicable).							
N.	**Total Cost** (Total of Serial A to M)						#	# This will be used in determining L1 vendor (duly applying provision s of Para 1 above).
O.	**Foreign Exchange component** of the proposal. (for Indian Vendors only)							This will be with reference to Para 1.2.2 of Annexure XXIV.

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Ser No	Items	Qty	Unit Cost	Total Cost (iii) x (iv)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Total Cost (including all taxes & duties) (v) + (vi)+ (vii)	Remarks
					GST/ IGST (%)	Custom Duty (%)		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
P.	**CDEC (if applicable)**, its authority and amount for which required.							

***Note**: **Taxes and Duties**. All Indirect Taxes and Duties will be paid at actuals or as indicated in the Commercial bid by the Bidder, whichever is lower. In case of any change in the tax structure/rates by BUYER's Government, only incremental/decremented change will be paid.*

3. **Evaluation of L1 in case of EPP**. If the equipment supplied by a Bidder does not have the EPP, then the total cost of Row N of the price bid format, for the purpose of L1 determination, remains as it is. In cases where a vendor's equipment meets the EPP, the total cost at Row N of the price bid format will be multiplied by a credit factor less than 1 and greater than or equal to 0.8, based on the additional technical score assigned for the EPP, as detailed in the RFP.

4. **Evaluation of Bids by DCF Technique** *(**Note**: This clause is be included only if there is AMC/CMC/PBL clause or any other condition in RFP, resulting in different cash outflows in successive years)* –

4.1 **Net Present Value (NPV)** is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid will be equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid -

$$NPVn = \sum_{t=1}^{n} At/(1+r)^t$$

Where,

NPV = Net Present Value

A_t = Expected cash flow occurring at the end of year 't' as mentioned in the Payment schedule of Bid

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

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The bid with the lowest NPV would be selected.

4.2. The Discounting rate will be %". (Note-This will be the Government of India's lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually)

4.3. **Structuring Cash Flows for Tenders/ Bids Received in the Same Currency**. The cash outflows as shown in price bids will be taken into consideration. NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

4.4 **Structuring Cash Flows for Tenders/Bids Received in Different Currencies**. Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi on the ERV reckoning date (as defined in Annexure XXV), ie the last date of submission of Commercial Bids as per RFP. Thereafter, the procedure as described above in Para 4.3 will be applied to arrive at NPV.

4.5 All bidders are required to indicate year-wise and currency-wise amount required as per their price bid in format given below. In case the firm a bidder does not provide year-wise cash flow details in price bid, the amount quoted in their price bid will not be discounted for comparison purposes.

Year	Dollars	Euros	Pound Sterling	Rupees	Total Cash-flow

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(Appendix N to Schedule I to Chapter II of Handbook on Guidelines & Annexures)

(Refer Para 63 of Schedule I)

STANDARD CONDITIONS OF RFP LAW

1. The present Contract shall be considered and made in accordance to the laws of Republic of India.

MEDIATION

2.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

2.2 Any dispute, disagreement of question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to a Mediating Body formed under the Indian Mediation Act 2023.

2.3 Within sixty (60) days of the receipt of the said Notice, a High Level Committee (HLC) will be formed by the Ministry who will:-

2.3.1 Negotiate directly with the other party and place a tentative proposed solution before the HLC; OR

2.3.2 Conduct mediation through a mediator and then place the tentative mediated agreement before the HLC; OR

2.3.3 Itself act as the mediator.

2.4 Once an accepted solution is reached, approval of Defence Secretary will be obtained. In case, the mediation method is not successful, Arbitration guidelines as given at Clause 3 to 6 below will be resorted to.

ARBITRATION
(For Foreign Vendors)

3.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

3.2 Any dispute, disagreement of question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.

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3.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

3.4 The third arbitrator shall be nominated by the two arbitrators within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like Indian Council of Arbitration and ICADR. ***In case, nomination of third arbitrator under Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like ICA and ICADR are not acceptable to the SELLER, then the third arbitrator may be nominated by the President of International Chamber of Commerce, Paris,*** but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

3.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be ***decided by the arbitrator***.

3.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

3.7 The decision of the majority of the arbitrator(s) in the tribunal shall be final and binding on the parties to this contract.

3.8 Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the SELLER and the BUYER.

3.9 In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator, shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the retiring arbitrator.

3.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request the President of International Chamber of Commerce, Paris or dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

3.11 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

3.12 The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

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ARBITRATION
(For Indian Private Vendors)

4.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

4.2 Any dispute, disagreement of question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.

4.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

4.4 The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like Indian Council of Arbitration or ICADR, at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

4.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be decided by the arbitrator.

4.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

4.7 The decision of the majority of the arbitrators shall be final and binding on the parties to this contract.

4.8 Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the SELLER and the BUYER.

4.9 In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator, shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the retiring arbitrator.

4.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

4.11 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

4.12 The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

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ARBITRATION
(For Central & State PSEs)

5. In the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial contracts, such dispute or difference between Central Public Sector Enterprises(CPSEs)/ Ports inter se and also between CPSEs and Government Depatment/ Organisations (excluding disputes relating to Railways, Income Tax, Customs & Excise Department), such dispute or deifference shall be taken up by either party for resolution through Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) as per DPE OM DPE-05/0003/2019-FTS-10937 dated 08 December 2022 and its subsequent amendments and the decision of AMRCD on the said dispute will be binding on both the parties.

ARBITRATION
(For Defence PSUs)

6. In the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial contracts, such dispute or difference between Central Public Sector Enterprises(CPSEs)/ Ports inter se and also between CPSEs and Government Depatment/ Organisations (excluding disputes relating to Railways, Income Tax, Customs & Excise Department), such dispute or deifference shall be taken up by either party for resolution through Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) as per DPE OM DPE-05/0003/2019-FTS-10937 dated 08 December 2022 and its subsequent amendments and the decision of AMRCD on the said dispute will be binding on both the parties.

FORCE MAJEURE

7.1 Should any force majeure circumstances arise, each of the contracting party shall be excused for the non-fulfilment or for the delayed fulfilment of any of its contractual obligations, if the affected party within (days) of its occurrence informs in a written form the other party.

7.2 Force majeure shall mean fires, floods, natural disasters or other acts such as war, turmoil, strikes, sabotage, explosions, beyond the control of either party.

7.3 Provided the acts of The Government or any state parties of the seller which may affect the discharge of the Seller's obligation under the contract shall not be treated as Force Majeure.

PENALTY FOR USE OF UNDUE INFLUENCE

8.1 The Seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or for having done or for borne to do any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offence by the seller or anyone employed by him or acting on his behalf, as defined in Chapter IX of the 'Bharatiya Nyaya Sanhita 2023'or the Prevention of Corruption Act, 1988 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the Seller.

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8.2 Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/penalty as the Buyer may deem proper, including but not limited to termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.

INTEGRITY PACT

9.1 Further signing of an 'Integrity Pact' would be considered between government department and the bidder for schemes exceeding **Rs 20 Crores**. The Integrity Pact is a binding agreement between the agency and bidders for specific contracts in which the agency promises that it will not accept bribes during the procurement process and bidders promise that they will not offer bribes. Under the IP, the bidders for specific services or contracts agree with the procurement agency or office to carry out the procurement in a specified manner. The essential elements of the IP are as follows:-

9.1.1. A pact (contract) between the Government of India (Ministry of Defence) (the authority or the "principal") and those companies submitting a tender for this specific activity (the "bidders");

9.1.2. An undertaking by the principal that its officials will not demand or accept any bribes, gifts, etc., with appropriate disciplinary or criminal sanctions in case of violation;

9.1.3. A statement by each bidder that it has not paid and will not pay, any bribes;

9.1.4. An undertaking by each bidder that he shall not pay any amount as gift, reward, fees, commission or consideration to such person, party, firm or institution (including Agents and other as well as family members, etc., of officials), directly or indirectly, in connection with the contract in question. All payments made to the Agent 12 months prior to tender submission would be disclosed at the time of tender submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.

9.1.5. The explicit acceptance by each bidder that the no-bribery commitment and the disclosure obligation as well as the attendant sanctions remain in force for the winning bidder until the contract has been fully executed;

9.1.6. Undertakings on behalf of a bidding company will be made "in the name and on behalf of the company's chief executive officer";

9.1.7. The following set of sanctions shall be enforced for any violation by a bidder of its commitments or undertakings:

9.1.7.1. Denial or loss of contract;

9.1.7.2. Forfeiture of the EMD (pre-contract) and Guarantee for Performance-cum-Warranty (after signing of contract).

9.1.7.3. Payment to the Buyer of any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.

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9.1.7.4. Refund of all sums already paid by the Buyer along with interest at the rate of 2% per annum above LIBOR rate.

9.1.7.5. Recovery of such amount, referred to in (iii) and (iv) above, from other contracts of the Seller with the Government of India.

9.1.7.6. At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities.

9.1.8. Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

9.1.9. The draft Pre-Contract Integrity Pact is attached as **Annexure I to Appendix N to this RFP.** The vendors are required to sign them and submit separately along with the technical and commercial offers.

9.2 In respect of bids from DPSUs, the concerned DPSU shall enter in to a Pre-Contract Integrity Pact, on the same lines with their sub-vendors individually, in case the estimated value of each sub-contract(s) exceed Rs 20 Crore and such subcontract(s) are required to be entered in to by the DPSU with a view to enable DPSU to discharge the obligations arising out of their bid in question in response to this RFP.

AGENTS (Applicable in case of *Foreign Vendors only*)

10. The Seller confirms and declares to the Buyer that the Seller is the original manufacturer of the stores referred to in this contract. The Seller confirms that he has not engaged any person, party, firm or institution as an Agent including his Agents already intimated to MoD; to, influence, manipulate or in any way to recommend to any functionaries of the Government of India, whether officially or unofficially, to the award of the contract to the Seller, or to indulge in corrupt and unethical practices. The Seller has neither paid, promised nor has the intention to pay to any person, party, firm or institution in respect of any such intervention or manipulation. The Seller agrees that if it is established at any time to the satisfaction of the buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that Seller has engaged any such person, party, firm or institution and paid, promised or has intention to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the Seller will be liable for any or all of the following actions:-

10.1. To pay to the Buyer any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.

10.2. The Buyer will also have a right to put on hold or cancel the Contract either wholly or in part, without any entitlement or compensation to the Seller who shall in such event be liable to refund all payments made by the Buyer in terms of the Contract along with interest at the rate of 2% per annum above LIBOR rate.

10.3. The Buyer will also have the right to recover any such amount referred in (a) and (b) above from other contracts of the Seller with the Government of India.

10.4. At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities.

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11. In case it is found to the satisfaction of the BUYER that the SELLER has engaged an Agent, or paid commission or influenced any person to obtain the contract as described in clauses relating to Agents and clauses relating to Penalty for Use of Undue Influence, the SELLER, on demand of the BUYER shall provide necessary information/inspection of the relevant financial documents/ information, including a copy of the contract(s) and details of payment terms between the vendors and Agents engaged by him.

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(Annexure I to Appendix N to Schedule I)

(Refer Para 9.1.9 of Appendix N to Schedule I)

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas the PRESIDENT OF INDIA, represented by Joint Secretary & Acquisition Manager (Land Systems/Air /Maritime & Systems)/Major General & equivalent, Service Headquarters./Coast Guard, Ministry of Defence, Government of India, hereinafter referred to as the Buyer and the first party, proposes to procure _____ (*Name of the Equipment*), hereinafter referred to as Defence Stores and M/s ___ _____ represented by,_____ Chief Executive Officer (which term, unless expressly indicated by the contract, shall be deemed to include its successors and its assignees), hereinafter referred to as the Bidder/Seller and the second party, is willing to offer/has offered the Defence stores.

***Note**: The Rep of the company signing the document should be CEO of the company. The document signed by any person other than CEO should be authorised by the Board of Directors of the company. Authorisation letter signed by Board of Directors should be attached.*

2. Whereas the Bidder is a private company/public company/partnership/registered export agency(*strike off which are not applicable. If any other option than mentioned here, please write the same*) constituted in accordance with the relevant law in the matter and the Buyer is a Ministry of the Government of India performing its functions on behalf of the President of India.

Objectives

3. Now, therefore, the Buyer and the Bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:

3.1 Enabling the Buyer to obtain the desired defence stores at a competitive price in conformity with the defined specifications of the Services by avoiding the high cost and the distortionary impact of corruption on public procurement

3.2 Enabling Bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption, in any form, by their officials by following transparent procedures.

Commitments of the Buyer

4. The Buyer commits itself to the following:-

4.1 The Buyer undertakes that, no official of the Buyer, connected directly or indirectly with the contract will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder**,** either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.

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4.2 The Buyer will, during the pre-contract stage, treat all Bidders alike and will provide to all Bidders the same information and will not provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidders.

4.3 All the officials of the Buyer will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

5. In case of any such preceding misconduct on the part of such official(s) is reported by the Bidder to the Buyer with full and verifiable facts and the same is prima facie found to be correct by the Buyer, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Buyer and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the Buyer the proceedings under the contract would not be stalled.

Commitments of Bidders

6. The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre- contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following:

6.1 The Bidder will not to offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.

6.2 The Bidder further undertakes that he has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government.

6.3 The Bidder will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

6.4 The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

6.5 The Bidder further confirms and declares to the Buyer that the Bidder is the original manufacturer/integrator/authorised government sponsored export entity of the Defence stores (*strike off which are not applicable. If any other option than mentioned here, please write the same*) and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Buyer or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company or Agent in respect of any such intercession, facilitation or recommendation.

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6.6 The bidder would not enter into conditional contract with any Agents, brokers or any other intermediaries wherein payment is made or penalty is levied, directly or indirectly, on success or failure of the award of the contract. The bidder while presenting the bid, shall disclose any payments he has made during the 12 months prior to tender submission or is committed to or intends to make to officials of the buyer or their family members, Agents, brokers or any other intermediaries in connection with the contract and the details of such services agreed upon for such payments. Within the validity of PCIP, bidder shall disclose to MoD any payments made or has the intention to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution as an annual report during the procurement process.

6.7 The Bidder shall not use improperly, for purposes of competition or personal gain or pass on to others, any information provided by the Buyer as part of the business relationship regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Bidder also undertakes to exercise due and adequate care lest any such information is divulged.

6.8 The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts. Complaint will be processed as per **Guidelines for Handling of Complaints issued vide MoD ID No 1(6)/D(Acq)/13-Vol-II dated 21 September 2015** in vogue. In case the complaint is found to be vexatious, frivolous or malicious in nature, it would be construed as a violation of Integrity Pact.

6.9 The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

7. **Previous Transgression**

7.1 The Bidder declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India.

7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract and if already awarded, can be terminated for such reason.

8. **Bid Security: Earnest Money Deposit**

8.1 Every bidder, while submitting commercial bid, shall submit Bid Security for an amount of Rs _____in the form of Earnest Money Deposit (EMD), in cases where applicable (as provided in Clause 8 herein).

8.1.1. To safeguard against a bidder(s) withdrawing or altering its bid during the bid validity period, Bid Security (also known as EMD) is to be obtained from all bidders except for cases upto Rs 100 Crores (i.e, all cases upto Rs 100 crores of AoN will be exempted from payment of EMD) as follows:-

EMD TABLE (*Remove this Table while issuing the RFP*)

Estimated Cost of Procurement Scheme (Crore)		**EMD Amount (Rs)**
Above (Not including)	**To (Including)**	
-	**100**	Nil
100	**150**	30 Lakh

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Estimated Cost of Procurement Scheme (Crore)		EMD Amount (Rs)
Above (Not including)	**To (Including)**	
150	300	70 Lakh
300	1000	2 Crore
1000	2000	5 Crore
2000	3000	10 Crore
3000	5000	15 Crore
5000	-	25 Crore

8.2. EMD is not required from Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organisation or the concerned Ministry or Department or Startups as recognised by Department of Industrial Policy & Promotion (DIPP), in accordance with the Ministry of Finance office memorandum bearing No. F.20/2/2014-PPD (Pt.) dated July 25, 2017 (as amended from time to time).

8.3. DPSUs are not required to submit EMD when nominated as ab-initio single vendor. DPSUs will submit all BGs and EMD as applicable while participating in multi vendor cases with private vendors.

8.4. **Format of EMD**. The Bid Security may be accepted in the following forms, safeguarding the Buyer's interest in all respect:-

8.4.1. Bank Guarantee from any Indian Public or Private Scheduled Commercial Bank notified by RBI or first-class banks of international repute. The format of the Bank Guarantee for Bid Security is provided at **Annexure II to Appendix N to this RFP**.

8.4.2. Insurance Surety Bond from an Indian Insurance Company notified by Insurance regulatory & Development Authority (IRDAI). The format and guidelines pertaining to the same is provided at **Annexure III to Appendix N to this RFP**.

8.4.3. Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque shall be payable in an acceptable form. The Beneficiary Bank Details for furnishing the same are as follows:

(IFSC Code - SBIN0000691)
State Bank of India New Delhi Main Branch
11 Sansad Marg
New Delhi, Pin: 110001

8.5. **Validity of EMD**. The EMD submitted will be valid for eighteen months initially and will remain in force upto and including 45 days after the period of 18 months. However, if the contract has not been signed before the EMD validity period, then the EMD shall be extended from time to time as required by the Buyer and agreed by the Bidder. No interest shall be payable by the Buyer to the Bidder(s) on the EMD for the period of its currency. In case a Bidder is declared non-compliant at TEC/SE stage, the EMD shall be returned to the said bidder provided the bidder gives a certificate that he does not have any complaint nor wishes to make any complaint. After opening of Bids, for unsuccessful bidders EMD will be returned on declaration of successful bidder(s).

8.6 **Instances of Forfeiture of EMD.**

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8.6.1. If the Bidder withdraws or amends, impairs or derogates from the Bid in any respect within the period of validity of this tender.

8.6.2. If the Bidder having been notified of the acceptance of his tender by the Buyer during the period of its validity.

8.6.1.1. If the Bidder fails to furnish the Performance Security for the due performance of the contract.

8.6.1.2. Fails or refuses to accept/ execute the contract.

8.6.3. In case of violation of Pre-Contract Integrity Pact, EMD will be forfeited besides other legal penalties as may be decided by the Ministry of Defence.

8.7. In the case of successful bidder a clause would also be incorporated in the Article pertaining to Performance-cum-Warranty Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

8.8. The provisions regarding Sanctions for Violation in Integrity Pact include forfeiture of Performance-cum-Warranty Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.

8.9. No interest shall be payable by the Buyer to the Bidder(s) on IPBG for the period of its currency.

9. **Company Code of Conduct**

9.1 Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

10. **Sanctions for Violation**

10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in Chapter IX of the 'Bharatiya Nyaya Sanhita 2023' or the Prevention of Corruption Act 1988 or any other act enacted for the prevention of corruption shall entitle the Buyer to take all or any one of the following actions, wherever required:

10.1.1. To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(s) would continue.

10.1.2. EMD for pre contract period, Performance-cum-Warranty Bank Guarantee post signing of contract shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason therefore.

10.1.3. To immediately cancel the contract, if already signed, without any compensation to the Bidder.

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10.1.4. To recover all sums already paid by the Buyer, in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Base Rate of SBI and in case of a Bidder from a country other than India with interest thereon at
2% higher than the LIBOR. If any outstanding payment is due to the Bidder from the Buyer in connection with any other contract for any other defence stores, such outstanding payment could also be utilised to recover the aforesaid sum and interest.

10.1.5. To encash the advance bank guarantee and Performance-cum-Warranty Bond if furnished by the Bidder, in order to recover the payments, already made by the Buyer, along with interest.

10.1.6. To cancel all or any other Contracts with the Bidder.

10.1.7. To Put on Hold or Suspend or Debar the bidder as per the extant policy.

10.1.8. To recover all sums paid in violation of this Pact by Bidder(s) to any Agent or broker with a view to securing the contract.

10.1.9. If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to debar the Bidder from the bid process or rescind the contract without payment of any compensation to the Bidder. The term '**close relative**' for this purpose would mean spouse whether residing with the Government servant or not, but not include a spouse separated from the Government servant by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependent upon Government servant.

10.1.10. The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Buyer and if he does so, the Buyer shall be entitled forthwith to rescind the contract and all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Buyer resulting from such rescission and the Buyer shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.

10.1.11. In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the Buyer with the Bidder, the same shall not be opened.

10.2. The decision of the Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and binding on the Bidder, however, the Bidder can approach the Independent Monitor(s) appointed for the purposes of this Pact.

11. **Fall Clause**

11.1 The Bidder undertakes that he has not supplied/is not supplying the similar products, systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India and if it is found at any stage that the

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similar system or sub-system was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Buyer, even if the contract has already been concluded.

11.2 The Bidder shall strive to accord the most favoured customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. **Independent Monitors**

12.1 The Buyer has appointed Independent Monitors for this Pact in consultation with the Central Vigilance Commission. The names and addresses of nominated Independent Monitors (at the time of issue of RFP) are as follows (however the vendor must refer to the MoD website at www.mod.gov.in to check for changes to these details):-

(Names & addresses of Independent Monitors holding office on date of issue of RFP to be included)

12.1A All communications to Independent Monitors will be copied to Director (Vigilance). The Designation and Contact details of Director (Vigilance) are as follows:-

(Designation and Address of the Director (Vigilance) to be included)

12.2 After the Integrity Pact is signed, the Buyer shall provide a copy thereof, along with a brief background of the case to the Independent Monitors, if required by them.

12.3 The Bidder(s), if they deem it necessary, may furnish any information as relevant to their bid to the Independent Monitors.

12.4 If any complaint with regard to violation of the IP is received by the buyer in a procurement case, the buyer shall refer the complaint to the Independent Monitors for their comments/enquiry.

12.5 If the Independent Monitors need to peruse the relevant records of the Buyer in connection with the complaint sent to them by the Buyer, the Buyer shall make arrangement for such perusal of records by the Independent Monitors.

12.6 The report of enquiry, if any, made by the Independent Monitors shall be submitted to the head of the Acquisition Wing of the Ministry of Defence, Government of India for a final and appropriate decision in the matter keeping in view the provision of this Pact.

13. **Examination of Books of Accounts.** In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Buyer or its agencies shall be entitled to examine the Books of Accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents in English and shall extend all possible help for the purpose of such examination.

14. **Law and Place of Jurisdiction.** This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Buyer i.e. New Delhi.

15. **Other Legal Actions.** The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

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16. **Validity**

16.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the Buyer and the Bidder/Seller, whichever is later.

16.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

17. The Parties hereby sign this Integrity Pact at (*Place*) on _____ (*Date*)

(The Bottom of each page (except the signature page) of this Integrity Pact is to be Company Stamped along with the initial by the Chief Executive Officer)

BUYER	BIDDER
_____	_____
MINISTRY OF DEFENCE, GOVERNMENT OF INDIA	CHIEF EXECUTIVE OFFICER
Witness	Witness
1.	1. _____
2.	2.

****

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(Annexure II to Appendix N to Schedule I)

(Refer Para 8.1 of Annexure I to Appendix N to Schedule I)

EMD BANK GUARANTEE FORMAT

Whereas **(name and address to be mentioned)** (hereinafter called the "Bidder") has submitted their offer dated……for the supply of ……. (hereinafter called the "Bid") against the Buyer's Request for proposal No. …… KNOW ALL MEN by these presents that WE ……of ……having our registered office at ……. are bound unto **THE PRESIDENT OF INDIA, represented by Joint Secretary & Acquisition Manager (Land Systems/Air /Maritime & Systems)/Major General & equivalent, Service Headquarters/Coast Guard, Ministry of Defence, Government of India** (hereinafter called the "Buyer") in the sum of …… …… ……for which payment will and truly to be made to the said Buyer, the Bank binds itself, its successors and assigns by these presents.

Sealed with the Common Seal of the said Bank this…… day of ……20…… The conditions of obligations are:-

1. If the Bidder withdraws or amends, impairs or derogates from the Bid in any respect within the period of validity of this tender.

2. If the Bidder having been notified of the acceptance of his tender by the Buyer during the period of its validity.

2.1. If the Bidder fails to furnish the Performance Security for the due performance of the contract.

2.2. Fails or refuses to accept/execute the contract.

3. If the bidder violates Pre-Contract Integrity Pact.

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

This guarantee will remain in force upto and including 45 days after the period of 18 months i.e ……(*date*) and any demand in respect thereof should reach the Bank not later than the above date.

Notwithstanding anything contained herein above:

(1) Our liability under this bank guarantee shall not exceed Rs _____.

(2) This Bank Guarantee shall be valid upto and including _____(date) (herein after 'Expiry Date').

(3) The Beneficiary's Right as well as the bank's liability under this Guarantee shall stand

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extinguished on the date of expiry of the guarantee. The beneficiary shall have the right to submit a written claim or demnd is under this guarantee on or before _____(date)

(Signature of the authorized officer of the Bank)

Name and designation of the officer

Seal, name & address of the Bank and address of the Branch*****

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(Annexure III to Appendix N to Schedule I)

(Refer Para 8.1 of Annexure I to Appendix L)

FORMAT OF INSURANCE SURETY BOND

BOND NUMBER: [.]
DATED: [.]

To,
Joint Secretary & Acquisition Manager (LS/Air /MS)/Major General & equivalent
Government of India.
[Address of the Authority]

Dear Sir/Madam,

1. In consideration of you, [name of the Authority], Government of India, having its office at [address of the Authority], (hereinafter referred to as the **"BUYER"**, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the bid of [name of the bidder] a [details of bidder's legal status] registered under [description of law under which the bidder is incorporated] and having its registered office at [address of the bidder](hereinafter referred to as the **"BIDDER"** which expression shall unless it be repugnant to the subject or context thereof include its executors, administrators, successors and assigns) for the supply of [details of the goods/service to be procured] pursuant to the Request for Proposal bearing number [details of the RFP] dated [date of the RFP] (hereinafter referred to as the **"RFP"**), we, [name of the insurance company] a [details of insurance company's legal status] incorporated under [description of law under which the bidder is incorporated] registered as [description of the Insurance company's legal status] under [description of law under which the entity is registered as in insurance company] and having registered office at [address of the insurance company] (hereinafter referred to as the **"SURETY"**, which expression shall unless it be repugnant to the subject or context thereof include our successors and assigns), do hereby, in terms of Clause 8.1 of the Pre-Contract Integrity Pact of the RFP, irrevocably, unconditionally and without reservation discharge the liability for the due and faithful fulfilment and compliance of the terms and conditions of the RFP, including obligations set out in paragraph 5 herein below, by the BIDDER and unconditionally and irrevocably undertake to pay forthwith to the BUYER an amount of INR/USD/EUR/GBP/JPY/AUD/SGD [bond value] (INR/ USD/ EUR/ GBP/ JPY/ AUD/ SGD [bond value in words] only) (hereinafter referred to as the **"BOND VALUE"**), as our primary obligation without any demur, reservation, recourse , contest or protest and without reference to the BIDDER if the BIDDER shall fail to fulfil or comply with all or any of the terms and conditions contained in the RFP – including obligations set out in paragraph 5 herein below. [**Relevant placeholders to be populated**.]

2. Any such written demand made by the BUYER stating that the BIDDER is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the RFP including obligations set out in paragraph 5 herein below shall be final, conclusive and binding on the SURETY.

3. We, the SURETY, do hereby unconditionally undertake to pay the amounts due and payable under this BOND without any demur, reservation, recourse, contest or protest and without any reference to the BIDDER or any other person and irrespective of whether the claim of the BUYER is disputed by the BIDDER or not, merely on the first demand from the BUYER stating that the amount claimed is due to the BUYER by reason of failure of the BIDDER to fulfil and comply with the terms and conditions contained in the RFP including obligations set out in paragraph 5 herein below. Any such demand made on the SURETY shall be conclusive as regards amount due and payable by the SURETY under this BOND. However, our liability under this BOND shall be restricted to an amount not

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exceeding INR/USD/EUR/GBP/JPY/AUD/SGD [bond value] (INR/USD/EUR/GBP/JPY/AUD/SCG [bond value in words] only. **[Relevant placeholders to be populated.]**

4. This BOND shall be irrevocable and remain in full force for [18 (eighteen) months or till the date of signing of the Contract, whichever is later], exclusive of a claim period of [details of the claim period] and shall continue to be enforceable till all amounts under this BOND have been paid. **[Relevant placeholder to be populated. Additionally, MoD to check and confirm the period of this Bond.]**

5. We, the SURETY, further agree that the BUYER shall be the sole judge to decide as to whether the BIDDER is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the RFP, including, inter alia:

5.1. [withdrawal, amendment, impairment, or derogation from the BID in any respect within the period of validity of the RFP.

5.2. if, having notified of the acceptance of the BID, failure to furnish the Performance Security for due performance of the RFP.

5.3. of, having notified of the acceptance of the BID, failure to accept/ execute the Contract, and

5.4. violation of the terms of the Pre-Contract Integrity Pact],

and the decision of the BUYER that the BIDDER is in default as a aforesaid shall be final and binding on us, nothwithstanding any differences between the BUYER and the BIDDER or any dispute pending before any court, tribunal, arbitrator, or any other quasi-judicial entity. **[MoD to check and confirm the conditions for forfeiture.]**

6. The BOND shall not be affected by any change in the constitution or winding up of the BIDDER or the SURETY or any absorption, merger or amalgamation of the BIDDER or the SURETY with any other person.

7. In order to give full effect to this BOND, the BUYER shall be entitled to treat the SURETY as the principal debtor. The BUYER shall have the fullest liberty, without affecting in any way the liability of the SURETY under this BOND from time to time, to vary any of the terms and conditions contained in the said RFP, and the SURETY shall not be released from its liability under these presents by any exercise by the BUYER of the liberty with reference to the matter aforesaid or by reason of time being given to the said BIDDER or any other forbearance, act or omission on the part of the BUYER or any indulgence by the BUYER to the said BIDDER or by any change in the constitution of the BUYER or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the alw relating to sureties would but for this provision have the effect of releasing the SURETY from its such liability.

8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the SURETY and sent by courier or by registered mail to the SURETY at the address set forth herein.

9. We, the SURETY, undertake to make the payment on receipt of your notice of claim on us addressed to [name of authorized personnel of the insurance company] and delivered at our above address which shall be deemed to have been duly authorised to receive the said notice of claim. [**Relevant placeholders to be populated**.]

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10. It shall not be necessary for the BUYER to proceed against the BIDDER before proceeding against the SURETY and the BOND herein contained shall be enforceable against the SURETY, notwithstanding any other security which the BUYER may have obtained from the BIDDER or any other person and which shall at the time when proceedings are taken against the SURETY hereunder, be outstanding or unrealized.

11. We, the SURETY, further undertake not to revoke this BOND during its currency except with the previous express consent of the BUYER in writing.

12. We, the SURETY, declare that we have the power to issue this BOND and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this BOND for and on behalf of the BOND.

13. For the avoidance of doubt, the SURETY's liability under this BOND shall be restricted to INR/USD/EUR/GBP/JPY/AUD/SGD [bond value] (INR/USD/EUR/GBP/ JPY/AUD/SGD [bond value in words] only. The SURETY shall be liable to pay the said amount or any part thereof only if the BUYER serves a written claim on the SURETY in accordance with paragraph 9 here of, [on or before 18 (eighteen) months or the date of signing of the Contract, whichever is later]. [**Relevant placeholders to be populated. MoD to also check and confirm the period of this BOND**.]

14. This BOND shall be construed and interpreted in accordance with and governed by the laws of India, and the courts in New Delhi shall have jurisdiction over all mattes arising out of or relating to this BOND.

Signed and delivered by [.]

By the hand of [.], its [.] and authorized official.

[.]

(Signature of the Authorized Signatory)

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(Appendix O to Schedule I to Chapter II of Handbook on Guidelins and Annexures)

(Refer Para 5.1 of Schedule I)

NON DISCLOSURE AGREEMENT

(To be filled up in two copies in original (one each copy will be with the Disclosing and the Receiving Party))

This Non Disclosure Agreement is entered into by and between SHQ/MoD (Disclosing Party) and _located at (Receiving Party) for the purpose of preventing the unauthorized disclosure of confidential information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of the RFP for procurement of _ (name of the Project).

1. For purpose of this Agreement, "Confidential/ Secret (*as applicable*) Information" shall include all information or material in which Disclosing party is engaged. If Confidential/ Secret (*as applicable*) information is in written form, the Disclosing party shall label or stamp the materials with the word "Confidential/ Secret (*as applicable*)" or some similar warning. If Confidential/ Secret (*as applicable*) information is transmitted orally, the Disclosing Party shall promptly provide a written communication indicating that such oral communication constituted Confidential/ Secret (*as applicable*) information.

2. Receiving party shall hold and maintain the Confidential/ Secret (*as applicable*) information in strictest confidence for the sole and exclusive benefit of the Disclosing party. Receiving party shall carefully restrict exercise to Confidential/ Secret (*as applicable*) information to employees, contractors and third parties as is reasonably required and shall require those persons to sign Non-Disclosure restriction atleast as protective as those in this Agreement. Receiving party shall not, without prior written approval of Disclosing party, use, publish, copy, or otherwise disclose to others, or permit the use by others or to the detriment of Disclosing party, any Confidential/ Secret (*as applicable*) information. Receiving party shall return to the Disclosing party any and all record, notes and other written, printed or tangible materials in its possession pertaining to Confidential/ Secret (*as applicable*) information immediately if Disclosing party requests it in writing.

3. Nothing contained in this Agreement shall be deemed to constitute either party a partner, joint venture or employee of the other party for any purpose.

4. If any provision of this Agreement is held to be invalid or unenforceable by court of law, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.

5. This agreement expresses the complete understating of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations and understandings. This Agreement shall not be amended except with the written consent of both the parties.

6. That in case of violation of any clause of this Agreement, the Disclosing party is at liberty to terminate the services of Receiving party without assigning any reason and shall also be liable to proceeded against in a Court of Law.

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7. This Agreement and each party's obligations shall be binding on the representatives, assigns and successors of such parties. Each party has signed this Agreement through its authorised representatives.

Disclosing Party

(Signature)

(Typed or Printed name) Date _

Receiving Party

(Signature)

(Typed or Printed name) Date _

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(Appendix P to Schedule I to Chapter II of Handbook on Guidelines and Annexures)

(Refer Para 7, 44 , 67.1 of Schedule I)

CRITERIA FOR VENDOR SELECTION

{ *For all Cases except Shipbuilding (Ch XI), Make (Ch III & IV), ChV and Strategic Partnerships (Ch VII)*
Not applicable where only a Commercial RFP has been issued}

1. The following parameters may be used, as a guideline for the Collegiate to adopt, for inclusion in the RFP.

Sl No	Parameter	For all Cases except Shipbuilding (Ch XI), Make (Ch III & IV), ChV and Strategic Partnerships (Ch VII)
Vendors have to submit their bids along with proof of their meeting the criteria specified herein		
1.1	**Financial**	*(Financial Criteria may be rounded off for non-disclosing of AoN cost)*
1.1.1.	Credit Rating	Long term credit rating of CCR-BBB or better and SME-04 or better for SMEs as on 31st March of the previous financial year Not applicable for cases below Rs 150 Crs. For recognized Startups/ registered MSMEs, refer Part III of Annexure I to Appendix A of Chapter I of DAP 2026.
1.1.2.	Average Annual Turn Over	Min Avg Annual Turnover for last 03 financial years, ending 31st March of the previous financial year, should not be less than 30% of estimated annual outflow of project cost of the Buy (Indian-IDDM) project and for Buy (Indian) & Manufacture in India should not be less than 30% of estimated annual outflow of the project cost of the manufacture portion. Not applicable for cases below Rs 150 Crs. For recognized Startups/ registered MSMEs, refer Part III of Annexure I to Appendix A of Chapter I of DAP 2026.
1.1.3.	Net Worth	Net worth of entities, ending 31st march of the previous financial year, should not be less than 5% of the estimated cost of the Buy (Indian-IDDM) project and for Buy (Indian) & Manufacture in India should not be less than 5% of estimated cost of the Manufacture portion. For orders above Rs 5000Cr, the Networth of group companies can be considered on production of suitable documentary assurance. Not applicable for cases below Rs 150 Crs. But Net worth should be Positive. For recognized Startups/ registered MSMEs, refer Part III of Annexure I to Appendix A of Chapter I of DAP 2026.
1.1.4.	Insolvency	The entity should not be under insolvency resolution as per IBC at any stage of procurement process from the issuing of RFP to the signing of contract.
2.1	**Technical**	

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Sl No	Parameter	For all Cases except Shipbuilding (Ch XI), Make (Ch III & IV), ChV and Strategic Partnerships (Ch VII)
2.1.1.	Nature of Business	Manufacturing entity or System Integrator of defence equipment and not a trading company, except in cases where OEM participates only through its authorised Vendors.
2.1.2.	Experience in related field	Min 02Yrs. xperience in broad areas like manufacturing/ engineering/ electronics/ explosives etc. as applicable in the instant case. If not, then cumulative experience of at least 03 years in above areas, resulting in gaining of competence for manufacturing the proposed product. (In case SHQ feels that for particular equipment a lesser experience could be accepted, then the same should be specifically approved by the RFP approving authority before including the same in the RFP).
2.1.3.	(i) Integration Experience (ii)Turnkey Projects Experience	(i) Cases involving Integration Where product involves integration, previous experience of not less than one year/ one project in integration of systems/ equipment shall be required. (ii) Turnkey Projects – Experience of successful completion of one Turnkey project of similar nature within last 05 Years with value of at least 20% of AoN cost or currently executing a contract of similar nature with value of at least 30% of the AoN cost. In case of no experience in turnkey projects the vendor for main component of the turnkey project may be selected if it has experience as per Sl 2(b) above and experience of installation or integration of similar equipment/ system or system of systems
2.1.4.	Quality control	For ICT Cases –(i) Certification to be included if linked to scope of work – Gartner Quadrant/ ISO9001/ CMMi3 or more (specifying development/ service/ acquisition models) / ISO 27001. For Information Security and large value projects preferably CMMi5 may be specified. (ii) Compliance with IEEE/ ITU standards depending upon nature/type of project or solution required.
3.1.	**Others**	
3.1.1.	Industrial License	Possess or be in the process of acquiring a license, if the product under projectrequires license as per relevant Govt Act, Rules & Instructions on licensing.
3.1.2.	Registration	Registered for Min 02 Years, 01 years for MSMEs. Min no of years not applicable for JVs constituted specifically for a project.

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Appendix Q to Schedule I to Chapter II of Handbook on Guidelines and Annexures)

(Refer Para 63.2 of Schedule I)

OPTION CLAUSE

(No blanks to be left)

1. **In case of Indian Bidders**. The BUYER shall have the right to place separate order on the SELLER on or before---------- (-------- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ------ year from the effective date of the Contract. Price Variation Clause, FERV etc, if applicable and included in the original Contract, will also be applicable for Option Clause Contract. For arriving at prices payable, the Price Variation will be applied on the Base Contract price of the original Contact with the month and year of Effective date of Contract as Base Level Indices.

2. **In case of Foreign Bidders**. The BUYER shall have the right to place separate order on the SELLER on or before---------- (-------- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ------ year from the effective date of the Contract.

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(Appendix R to Schedule I to Chapter II of Handbook on Guidelines and Annexures)

(Refer Para 64 of Schedule I)

DOCUMENTS TO BE SUBMITTED BY THE BIDDER ALONG WITH THEIRTECHNO-COMMERCIAL PROPOSALS

(Tentative List and will vary from case to case)

1. The list of documents which needs to be mandatorily submitted by the Bidders as part of the **Technical Proposal envelope** are placed below. Non-submission of the documents may result in disqualification of the Bidder from the bidding process.

Ser No.	Reference	Document Description
1.1.	Para 4B of RFP	Information by Bidder on Cyber Security
1.2.	Para 6	Undertaking by Bidders on banning/ debarment/ suspension & Land Border Clause
1.3.	Para 7	Documents to be submitted by Bidders supporting compliance to Vendor Selection Criteria {*for multi-vendor cases in Buy (Indian-IDDM) & Buy and Manufacture (Indian) cases*}
1.4.	Para 8	Indigenisation Plan
1.5.	Para 18 of RFP	Declaration by Bidder: Government Regulation
1.6.	Para 19 of RFP	Declaration by Bidder : Obligations relevant to Transfer of Conventional Arms
1.7.	Para 20 of RFP	Disclosure : Agents (*Applicable in case of foreign vendors only)*
1.8.	Para 21 of RFP	Declaration by Bidder : Patent Rights
1.9.	Para 25 of RFP	Declaration by Bidder : Fall Clause
1.10.	Para 32 of RFP	Technical offer covering performance parameters and RFP requirements.
1.11.	Annexure I to Appnedix A of RFP	Undertaking to comply with Essential Parameters B
1.12	Appendix B of RFP	Compliance Table
1.13.	Appendix C of RFP	Warranty Clause
1.14.	Appendix D of RFP	Information Proforma : Agent (*If applicable*)
1.15.	Appendix H of RFP	Certificate: Malicious Code
1.16.	Annexure I to Appendix J of RFP	Manufacturer's Recommended List of Spares (MRLS) (without cost)
1.17.	Annexure II to Appendix J of RFP	List of SMT/STEs, Jigs, Fixture and Infrastructure (without cost)
1.18.	Annexure III to Appendix J of RFP	Technical Literature (without cost)
1.19.	Annexure IV to Appendix J of RFP	Training Aggregates (without cost)
1.20	Appendix Q to Schedule I of DAP 2026	Option Clause

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2. The list of documents which needs to be mandatorily submitted by the Bidder along with the **Commercial Proposal envelope** are placed below. Non-submission of the documents may result in disqualification of the Bidder from the bidding process.

Ser No.	Reference	Document Description
2.1.	Annexure I to IV of Appendix J of RFP	All Annexures (MRLS, List of SMT/STEs, Jigs, Fixture and Infrastructure, Technical Literature, Training Aggregates) along with cost
2.2.	Appendix M of RFP	Price Bid

3. The 'IP and EMD' envelope will contain the following documents. Non-submission of the documents may result in disqualification of the Bidder from the bidding process.

Ser No.	Reference	Document Description
3.1.	Annexure I to Appendix N of RFP	Pre-Contract Integrity Pact
3.2.	Annexure II & III to Appendix N of RFP	EMD Bank Guarantee/ Insurance Surety Bond

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(Appendix S to Schedule I to Chapter II of Handbook on Guidelines and Annexures)

GLOSSARY (Being populated)

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CHAPTER III

PROCEDURE FOR PROCUREMENT UNDER 'MAKE' CATEGORY

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Appendix A to Chapter III

(Refers to Paragraph 13 of Chapter III of DAP 2026 and Paragraph 4.2 of Chapter III of Handbook for Practitioners)

GUIDELINES FOR ACQUISITION UNDER 'MAKE' CATEGORY

1. **'Make' Sub-Categories**. The "Make" category, as outlined in the DAP 2026, is structured into three sub-categories: Make-I (Government Funded), Make-II (Industry Funded), and Make-III.

Planning, Evaluation and Acceptance of Necessity (AoN) in Make Projects

2. **Advance Planning and Consultations.**

2.1. **Identification of Projects and Consultations with Industry**. Post identification of potential projects to be undertaken under the Make Category, SHQ will carry out a preliminary assessment of enabling technologies to realize the requisite equipment / system / platform or their upgrades. SHQ may refer Defence Industry Databank available within MoD to reach out to vendors having expertise in technologies envisaged in the project, hold extensive consultations and conduct outreach Seminars / Webinars. The SoC at the Approval-In-Principle stage must inter alia incorporate brief specifications, quantity, industry capability to design & develop the System, prospective vendors, technologies involved in the project, and any similar projects already underway in iDEX, TDF, D&D, etc.

2.2. **Approval-In-Principle of Make Projects**. The Collegiate Committee for granting Approval-In-Principle shall be headed by the Secretary (DP) with members from SHQ, Acquisition Wing, DDP, HQ IDS, DRDO, MoD (Fin). Projects once accorded AIP under 'Make' shall not be retracted due to technology being developed by DRDO / DPSU.

2.3. **Suo-Moto Proposals.** Suo-Moto proposals forwarded by the Industry under Make-II and Make-III will be examined by SHQ in a time-bound manner, preferably within eight weeks. Suo-Moto proposals rejected by SHQ will be informed to the collegiate committee headed by the Secretary (DP). In Make-I / Make-II / Make-III, where solutions have been offered even by a firm as a Suo-Moto proposal, the cases would be progressed as a Resultant Single Vendor. However, SHQ should seek multivendor options in such cases, if feasible, before progressing the case as a Single Vendor Case. The feasibility study in the case of Suo-Moto proposals shall be completed within six weeks, provided no other vendor expresses interest within 21 days of uploading the AIP details on the MoD, DDP and SHQ websites.

3. **Project Facilitation Team (PFT)**.

3.1. SHQ will constitute a PFT, before the conduct of the Feasibility Study / after the AIP has been accorded, under a Major General equivalent / Brigadier equivalent officer / Colonel / Captain / Group Captain level officer. PFT will consist of representatives from SHQ, HQ IDS, DDP, DGQA / DGAQA / DGNAI, MoD (Finance) / IFA, DRDO, as required and other experts if considered necessary.

3.2. The Project Facilitation Team (PFT) is responsible for conducting feasibility studies, preparing key project documents, assisting in evaluations, trials, and approvals, and supporting Development Agencies throughout the prototype development phase. The mandate and responsibilities of PFT are as given in **Appendix B**.

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4. **Preliminary Services Qualitative Requirements (PSQRs)**. The aspects with respect to the formulation of PSQRs are enumerated below:-

4.1. The applicability of Spiral Development for platforms / systems would be considered during the PSQR formulation itself. In case SHQ have opted for multi-stage PSQRs for Spiral Development, SoC shall separately list out the Minimum Order Quantity (MoQ) for first stage and option for tentative MOQ for subsequent stages of development. If required, the process of formulation of upgraded PSQRs for next phase & accord of AoN shall be initiated immediately after successful completion of trials (FET / SSCT) for 1st stage, if decided by SHQs considering the relevance for capability enhancement under spiral development, at that time. The spiral development shall be progressed with the DA(s) who has successfully developed / supplied the platform / system in the previous phase of development.

4.2. If there are any changes in PSQRs that have been discussed with the industry during the Feasibility study, final PSQRs shall be discussed with the industry once again to obtain the revised cost of the project estimated by the industry.

4.3. The desirable parameters may be absorbed as Enhanced Performance Parameters in SQRs during the conversion of PSQRs to SQRs. The proposed credit scores for each parameter for inclusion in SQRs need to be part of the SoC for the accord of AoN. (Credit score of up to 20%, for evaluation of L1, with each individual attribute not exceeding a credit score of up to 5%). However, if all DAs involved in D&D have successfully demonstrated any desirable parameter, the same shall be included as an Essential Parameter A in SQRs.

5. **Accord of AoN**.

5.1. SHQ will prepare the SoC and take AoN as per the procedure outlined in Chapter II. Draft EoI (including Project Definition Document for Make-I) & broad Trial / testing methodology will be part of the SoC for AoN. To fast-track low value ‘Make’ projects (up to Rs. 250 Crore), the circulation of SoC to various stakeholders is dispensed with, as stakeholders are part of PFT.

5.2. The estimated cost of the prototype phase and the final procurement of the developed product would be indicated separately in the SoC. For the Make–I category, the AoN will be sought based on the combined estimated cost of the prototype phase and the cost of subsequent procurement under the ‘Buy (Indian-IDDM)’ category. While for Make–II and Make–III categories, the AoN will be sought only for the cost of final procurement under the ‘Buy (Indian-IDDM)’ category and the ‘Buy (Indian) and Manufacture in India’ category, respectively.

5.3. The SoC will highlight the following: -

5.3.1. Indigenous Design requirement in accordance with Para 26 of Chapter I of DAP 2026 (if applicable).

5.3.2. Recommended level of Indigenous Content in accordance with Para 27 of Chapter I of DAP 2026.

5.3.3. Minimum Order Quantity (MOQ) which can be exclusively committed**,** keeping in mind the financial viability of the identified project at the production stage, after the successful development of a prototype. In non-delegated cases of new equipment where scaling has not yet been done or has been exempted, quantity vetting will be done at the AoN stage based on the MOQ for all Make cases, based on

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justification vis-à-vis the requirement of SHQs in the SoC. The SHQs will concurrently initiate a case for scaling. However, quantity vetting and scaling will be dispensed with in all Make cases for initial procurement,

5.3.4. Envisaged 'Development Timeline' for prototype.

5.3.5. Estimated development cost of prototype.

5.3.6. Estimated procurement cost of orders under the Buy (Indian-IDDM) / Buy (Indian) and Manufacture in India category.

5.3.7. List of tentative DAs for the issue of EoI (for Make-I & Make-II) and list of probable vendors in case of Make-III.

5.3.8. Tentative timeframe of procurement.

5.3.9. Acceptability of multiple technical solutions and division of ordered quantity among successful DAs, where applicable.

5.3.10. Foreclosure Criteria.

5.3.11. Recommended credit scores for the desirable parameters in PSQRs for conversion to EPP in SQRs.

5.3.12. Envisaged delivery schedule.

6.3.13. Earmarking for MSMEs, if applicable.

5.3.14. Composition of the PFT

Expression of Interest (EoI)

6. The EoI shall be approved by the PSO concerned at SHQ and may contain information in accordance with the sample format at **Appendix C** to this Chapter. SHQ may, if required, engage Standing Consultancy Firms to assist in the preparation of EoI, industry outreach programmes and evaluation of EoI, etc. Expenditure for engaging consultants will be borne by SHQs from their allotted revenue budget. The PFT will assist SHQ in assessing EoI responses based on approved criteria. Illustrative evaluation criteria are given in a sample format at **Annexure II to Appendix C**. Where required, PFT / SHQ reps may also visit the vendor's premises. The EoI issued to shortlisted vendors shall highlight the following:-

6.1. PSQRs.

6.2. Scope of the project, including the number of Prototypes required.

6.3. Time frames and critical activities.

6.4. Milestones.

6.5. List of trials/items/facilities/consumables that will be provided free of cost, and also specify the number of times such free trials will be allowed.

6.6. Quantities in the procurement phase preferably cover the requirements of five years.

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6.7. Acceptability of Multiple Technological Solutions, if available.

6.8. Details of Evaluation Criteria for assessment of EoI.

Commercial Negotiations by CNC.

7. The benchmark cost will be calculated on the basis of the Last Purchase Price of the imported item (where applicable) and adjusted for inflation / escalation and other relevant factors. CNC will also consider the earlier commercial bids submitted at the RFP stage in Make-I cases, while benchmarking. The challenges in design and development leading to the escalation of cost may also be considered by the CNC if justified. In case of procurement of new equipment or where LPP is not available, the benchmarking will be carried out as given in the relevant provisions of Chapter II of DAP 2026. The following additional aspects shall be applicable for the CNC:-

7.1. Negotiations in case multivendor projects having procurement cost less than Rs 150 crores shall be carried out only in special circumstances, with reasons to be recorded. However, CNC will carry out negotiations for all single vendor cases, other than resultant single vendor, irrespective of the value of the project. For products which are being developed under 'Make-II' and ‘Make-III’ as an import substitutes and their prices are known, no benchmarking & no negotiation may be carried out, even in Single Vendor Cases, if the offered price is lower than Import price / Last Purchase Price (LPP) suitably adjusted for inflation / escalation and other relevant factors by 20% or more. However, in such cases, the CNC will satisfy itself that the price of the selected offer is reasonable with respect to the AoN cost and consistent with the quantity required.

7.2. For cases under delegated powers of SHQs, CNC will comprise a maximum of five members, including the representatives of the user directorate (Member- Secretary), Tech Dte, IFA, Advisor (Cost) and chaired by a designated authority at the appropriate level. The negotiated cost and contract vetting are to be undertaken by CNC only; the MOQ and approval of CFA at SHQ are to be obtained. The CNC will be completed within 30 days of commencement of the same in a collegiate manner. Observations, if any, will be resolved within this stipulated time & no extension will be granted. Post CFA approval, the Contract will be signed within the prescribed timelines.

7.3. For cases under non-delegated powers, standard CNC composition as per **Appendix H, Chapter II of DAP 2026** will continue, and CFA approval will be obtained by MoD Acquisition.

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Appendix B to Chapter III

(Refers to Paragraph 12 of Chapter III of DAP 2026 and Paragraph 4.2 of Chapter III of Handbook for Practitioners)

FUNCTIONS OF PROJECT FACILITATION TEAM (PFT)

1. The PFT shall be inter alia responsible for the following functions: -

1.1. Conduct of Feasibility Study.

1.2. Preparation of Project Definition Document (PDD) **(Only for Make-I).**

1.3. Assist SHQ in the preparation and issuance of EoI, including the format of DPR.

1.4. Assist SHQ in analysis of EoI responses and evaluation of DPRs (Only for Make-I) and shortlisting of DAs by Secretary DP.

1.5. Assist in finalization of trial methodology

1.6. Facilitate the issue of RFP by Acquisition Wing (for non-delegated cases)/concerned SHQ (for delegated cases) for solicitation of commercial offers for prototype phase and commercial offer for procurement phase to shortlisted DAs **(Only for Make-I)**.

1.7. Recommend in consultation with Acquisition Wing two DAs (in consultation with Acquisition Wing for non-delegated cases), as applicable, from the shortlisted panel, based on commercial offers RFP responses to SHQ / DPrB for final selection **(Only for Make-I)**.

1.8. Assist SHQs in obtaining CFA approval through DDP for **Make-I cases**, as per financial powers detailed in **Para 21 of Chapter III of DAP 2026**.

1.9. Assist in the preparation of the draft Project Sanction Order, obtaining requisite approvals and issuing the Project Sanction Order by SHQ.

1.10. Assist/ handhold DAs by providing clarifications related to functional or operational aspects of the equipment under development, as may be sought by the DAs from time to time, during the design and development of the prototype and undertake Confirmation of Prototype Development.

1.11. Assist in the conversion of PSQRs to SQRs post CoPD, prior to commencement of Field Evaluation Trials / Single Stage Composite Trials.

1.11. Assist in finalization of the trial methodology.

1.12. Facilitate provisioning of trial range/test facilities/consumables, etc., as mentioned in the EoI.

1.14. Coordinate solicitation of the Revised Commercial Offer through the Acquisition Wing in non-delegated cases and SHQs in delegated cases.

1.15. Coordinate Field Evaluation trials/ Single Stage Composite Trials with the SHQ, based on the trial methodology. SHQ will formulate the Trial Directive and constitute the Trial Team.

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The Trial Directive must specify the fundamental points to be addressed for validating the 'Essential' Parameters.

1.16. Periodically assess the project's relevance vis-à-vis contemporary technology, cost and time overruns, or any other relevant factors, and introduce timely corrective measures, and recommend invoking the 'Foreclosure Clause' to AoN according authority, if considered necessary **(Only for Make-I**).

1.17. Any other responsibilities as may be entrusted by the AoN according authority / DPrB / PSO at SHQ.

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Appendix C to Chapter III
(Refers to Paragraph 17 of Chapter III of DAP 2026)

PROJECT DEFINITION DOCUMENT (PDD): AN ILLUSTRATIVE FORMAT

1. The PDD would be prepared by the PFT in consultation with DAs. It could contain the following: -

1.1. Brief description of the project.

1.2. PSQRs.

1.3. System requirements and functionalities.

1.4. Major components of the proposed system.

1.5. Maintenance and operational philosophy.

1.6. Testing.

1.7. Documentation.

1.8. Life cycle management.

1.9. Feasibility study details.

1.10. Milestones.

1.11. Phases of implementation.

1.12. Technology demonstrators, if any.

1.13. BFE required for development / Testing.

1.14. Foreclosure Criteria / Risk management.

1.15. Safety and security aspects.

1.16. Phase wise induction schedule.

1.17. Time frames for execution of the project.

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Appendix D to Chapter III

(Refers to Paragraphs 18.1and 35 of Chapter III of DAP 2026 and Paragraph 7.1 of Chapter III of Handbook for Practitioners)

EXPRESSION OF INTEREST (EoI): AN ILLUSTRATIVE FORMAT FOR MAKE I PROJECTS

1. General information about the product/equipment/system, number of systems required (for the prototype development phase and procurement phase), Life span, estimated financial aspects, performance/capabilities sought, security features, IPR aspects, payment aspects with linkage to milestones, grounds on which EoI respondent can be disqualified, grounds for blacklisting by any Indian government agency (of domestic / foreign technology partner), and product audit by nominated agencies of government etc.

2. Technical requirements of the project with proposed specifications and expected tolerance limits of various parameters.

3. Guidelines in vogue for formation of the Association of Persons (AoP) i.e. consortium.

4. **Financial Eligibility Criteria (Suggested)**. As per Para 7 of Chapter 3 of DAP 2026 and Paras 11 and 12 of Appendix A to Chapter I of Handbook for Practitioners. Specific notes for planning are as under: -

4.1. In case of wholly owned subsidiary / subsidiary of a company, the strengths of its holding company may be taken into account for the financial criteria, if the holding company provides the 'Holding Company Guarantee' as per the format prescribed at Annexure-I of Appendix D.

4.2. Guidelines for Putting on Hold, Suspension, Debarment and any other penal action on the Entities dealing with Ministry of Defence, as promulgated by Government from time to time, will be applicable on procurement process and bidders.

5. **Technical Eligibility Criteria (Suggested)**. In addition to the eligibility criteria laid down at Para 7 of Chapter III of DAP 2026, the following may also be considered by SHQ for inclusion in the EoI, where applicable :-

5.1. **Integration Capability**. For large and complex projects (particularly under Make-I category), only companies with demonstrated technical capability of integration of "System of Systems", which refers to any system with multiple technologies of major systems in aerospace (including aircraft, helicopter, remotely piloted aircraft, spacecraft), ships and crafts, submarine, weapon systems (including command & control systems), etc, may be considered. To establish the same, the company should have:

5.1.1 Successfully commissioned at least one project with a capital expenditure of not less than Rs. 500 Crores (Rupees Five Hundred Crores only) on each such plant / project.

OR

5.1.2 Successfully signed at least one contract in the product or related domain (eg. Aerospace/ shipbuilding/ armoured fighting vehicles/weapon systems / command & control systems, as the case may be) of value not less than Rs. 300 Crores (Rupees Three Hundred Crores), during the last seven (07) financial years.

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5.2. **Domain-Specific Criteria**. The minimum acceptable technical criteria in the product/solution domain are to be decided by SHQ in consultation with DDP. These could include, inter alia, the following:-

5.2.1. Special static facilities necessary for development, fabrication or assembly of the product.

5.2.2. Design and manufacturing capabilities such as design simulators / software, tempering and machining, specialised welding technology, high-end control systems, etc.

6. **Detailed Project Report (DPR) (*Applicable for Make-I only*)**. All Development Agencies / vendors shall submit a DPR along with their response to the EoI. A suggested format for the preparation of DPRs by Development Agencies / vendors is in **Appendix E to Chapter III of the Handbook for Practitioners**.

7. Illustrative details to be sought from EoI respondents: -

7.1. Outline features of the proposal.

7.2. Estimated Capital expenditure.

7.3. Roles, responsibilities and expertise details of consortium members, if any.

7.4. Role of foreign technology provider, if any.

7.5. Recommended stages/phases of development with priorities & time schedules.

7.6. Requirement of specialised testing assistance where facilities are available only with government entities, DPSUs and DRDO / DGQA / DGAQA / DGNAI.

7.7. Cost-sharing Aspects.

7.8. Undertaking to furnish the cost of the final product and the following cost breakup during the evaluation stage itself, once the final configuration of the end product under development is frozen.

7.8.1. **Cost Breakup**. To include material cost, labour cost, software cost (if any), fixed cost and any other cost.

7.8.2. **Material Breakup**. To include mechanical parts, electrical parts, electronics parts, software, alloys, any other material used, ruggedisation and accessories

8. Documents to be submitted by EoI respondents: -

8.1. Information Proforma (all partners /collaborators) as per **Annexure-II to Appendix C**.

8.2. Documents as per **Annexure-III to Appendix C**.

8.3. Copy of MoUs with consortium partners, if applicable.

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Annexure I to Appendix D

(Refers to Paragraph 7.3 of Chapter III of DAP 2026 and Paragraph 4.1 of Appendix D of Chapter III of Handbook for Practitioners)

HOLDING COMPANY GUARANTEE FORMAT

This GUARANTEE ("Guarantee") is issued on the _____ day of _____, ___ by _____, a Company organised and existing under the laws of _____ having its Registered Office at _____ (hereinafter referred to as "Guarantor" and/or "_____"), at the request and/or behest of _____, a Company organised and existing under the laws of _____ having its Registered Office at _____ (hereinafter referred to as Wholly Owned Subsidiary/Subsidiary), in favour of "Ministry of Defence, Government of India" (hereinafter referred to as "Beneficiary" or "MoD").

WHEREAS,

The Beneficiary floated a RFI/EoI dated _____ inviting offers from Vendors for _____(purpose). The Vendor have submitted their quotation dated _____ and advised the Beneficiary that the Vendor is the subsidiary of the Guarantor. The Guarantor is ready and willing to give a Parent Company Guarantee (PCG) inter alia for the performance of their Subsidiary to the terms and conditions of the RFI/EoI and on failure to assume the said obligations. We, the Guarantor are hereby recording the terms and conditions governing our obligations under this Guarantee with the intent of being legally bound by the same and hereby agree, covenant and bind ourselves as follows: -

1. The Guarantor hereby irrevocably and unconditionally guarantees to MoD that its wholly owned Subsidiary/Subsidiary will perform its obligations under the terms and conditions of the EoI/RFI, if the contract is being awarded to them in future for _____ and agrees to provide further comfort letters/guarantees, if so desired by beneficiary, in terms of the RFI/EoI.

2. The Guarantor unconditionally and irrevocably guarantees to the Beneficiary that it will make available or cause to be made available to the Wholly Owned Subsidiary/Subsidiary all financial, technical and other resources required to ensure that the Wholly Owned Subsidiary/Subsidiary can carry out its obligations as per the RFI/EoI terms and conditions and that the Wholly Owned Subsidiary/Subsidiary at all times fully and effectively discharge its obligations under the terms and conditions of RFI/EoI, including by discharging the obligations within the time and cost so stipulated.

3. The Guarantor hereby agrees that if the Wholly Owned Subsidiary/Subsidiary shall in any respect commit any breach or fails to fulfil any of the terms of the Contract/EoI/RFI or complete it in all respects or if there is a failure to make any supplies or if any material, equipment or machinery under the contract so supplied is not of the required specifications or does not perform as envisaged under the contract, then the Guarantor will forthwith perform the same and fulfil all the obligations required under tender terms & conditions on behalf of their Wholly Owned Subsidiary/Subsidiary, without any extra cost and time implications.

4. The Guarantor further undertakes to indemnify all losses, damages, expenses, claims, costs and proceedings which may be suffered or incurred by Beneficiary due to the failure or breach on the part of its Wholly Owned Subsidiary/Subsidiary.

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5. The Guarantor assures and undertakes that during the term of the contract or of any guarantee for performance as per the contract, the Wholly Owned Subsidiary/Subsidiary shall continue to be the *(name of the company) ---- Subsidiary / a wholly owned subsidiary of the Guarantor and the Guarantor's liability shall not be affected due to any incapacity or lack of power or legal personality or change in the status of the Wholly Owned Subsidiary / Subsidiary or the Guarantor.

6. The Guarantor's liabilities under this Guarantee shall not exceed the liability of the Wholly Owned Subsidiary/Subsidiary under the tender terms and conditions but this shall in any manner not affect the Guarantor's own responsibilities and liabilities under the Guarantee.

7. The obligation of the Guarantor shall take effect from the date of this Guarantee and shall remain in full force until all the obligations of the Wholly Owned Subsidiary/Subsidiary have been fully performed and discharged and/or all sums of money payable to Beneficiary have been fully paid under the contract being entered into by Beneficiary with the Wholly Owned Subsidiary / Subsidiary. The Guarantor further undertakes to perform forthwith without insisting on any proof of breach of Contract by its Wholly Owned Subsidiary / Subsidiary and purely on Beneficiary's written demand.

8. The liabilities of the Guarantor shall not be discharged, diminished or otherwise affected by:-

8.1. Any change in the Articles of Association or Bye-Laws or constitution of the Wholly Owned Subsidiary/Subsidiary or the Guarantor.

8.2. Any time, indulgence, waiver or consent given to Wholly Owned Subsidiary/Subsidiary by the Beneficiary.

8.3. Any amendment to the Contract or any security or other guarantee or indemnity to which Wholly Owned Subsidiary / Subsidiary has agreed.

8.4. The dissolution, amalgamation, reconstruction or reorganisation of Wholly Owned Subsidiary/Subsidiary or Guarantor.

9. **Notice**. Any notice, demand, declaration or other communication to be given by the Beneficiary or the Guarantor to the other shall be in writing, in English language and delivered in person or by Courier Services or by Facsimile or by E-Mail to the address given below:-

For Guarantor	
Attention of	
Mailing Address	
Email Address	
Fax No.	
For Beneficiary	
Attention of	
Mailing Address	
Email Address	
Fax No.	

10. **Governing Law and Jurisdiction.** This Guarantee shall be exclusively governed by and construed in accordance with the laws of India without giving effect to the principles of conflict of laws therein. No party shall take a plea that any forum is inconvenient. It may been forced in terms of the Indian laws.

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11. **Dispute Resolution.** Any dispute arising out of or in relation to this Guarantee shall be resolved by arbitration of a sole arbitrator to be appointed as per the rules set out in the RFI/EoI.

12. This Guarantee may be executed in one or more counterparts, all of which shall be read and construed as one document and any fax copy or scanned copy or print of a scanned copy of a signed Guarantee shall be deemed to be an original signature.

13. No modification, alteration or amendment of this Guarantee or any of its terms or provisions shall be valid or legally binding unless the Beneficiary consents to the same in writing.

14. No failure to take any action with respect to a breach of this Guarantee or a default by any other party shall constitute a waiver of the Beneficiary's right to enforce any provision of this Guarantee or to take action with respect to such breach or default or any subsequent breach or default.

15. Waiver of any breach or failure to comply with any provisions of this Guarantee shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of or failure to comply with any other provision of this Guarantee, unless any such waiver has been consented to by the concerned party in writing.

16. This document has been executed by a duly authorised signatory on behalf of the Guarantor having the requisite power to do so.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as at the date First above written.

For and on behalf of Guarantor,

_____ **Witness**

(Signature) Signature :
Name :
Designation :
Date :

****

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Annexure II to Appendix D

(Refers to Paragraph 8.1 of Appendix D to Chapter III of Handbook for Practitioners)

INFORMATION PROFORMA: AN ILLUSTRATIVE LIST OF ELEMENTS

1. **General Information**.

1.1. Name of the Company.

1.2. Address of the Registered Office.

1.3. Category of Industry (Large Scale/Medium Scale/Small Scale).

1.4. Nature of Company (Public Limited/Private Limited).

1.5. CIN

1.6. Shareholding pattern.

2. **Business Information**.

2.1. Type / Description of current products.

2.2. Products already supplied to Services/PSUs/DRDO/~~OFB~~/any other defence Organizations

2.3. Details of ISO, Quality Assurance and other Certification.

3. **Technical Information**.

3.1. Availability of area for factory (including covered, uncovered and bonded space).

3.2. Details of Developmental Facilities:-

3.2.1. Manpower.

3.2.2. Inspection and Quality Control.

3.2.3. Laboratory and Drawing Office Facility.

3.3. Integration capabilities for system-of-systems projects.

3.4. Capability criteria specific to the product / solution / technology being offered. (To be decided by SHQ).

4. **Financial Information**.

4.5. Revenue and Net Profit during the last three Financial Years.

4.6. Present Net Worth of the Company.

4.7. Credit Ratings from RBI / SEBI approved agencies.

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Annexure III to Appendix D
(Refers to Paragraph 8.2 of Appendix D to Chapter III of Handbook for Practitioners)

DOCUMENTS / INFORMATION TO BE SUBMITTED AS PART OF RESPONSES TO EoI: AN ILLUSTRATIVE LIST

1. Latest Certificate of Incorporation by the Registrar of Companies (RoC).

2. Latest Memorandum of Association and Articles of Association of the Company.

3. Auditor certified the data of company for:-

   3.1. Share holding pattern including details of FDI.

   3.2. Net worth.

   3.3. Annual Consolidated Turnover.

4. Credit Rating Certificate.

5. Copy of Association of Persons (AoP) Agreement.

6. Certificate for Technical Eligibility criteria.

7. Any other undertaking / affidavit as required by the MoD.

Note. The company / organisation is to certify the correctness of reply(ies) to this EoI on an undertaking signed by the authorised signatory.

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Appendix E to Chapter III

(Refers to Paragraph 18.2 of Chapter III of DAP 2026 and Paragraph 6 of Appendix D of Chapter III of Handbook for Practitioners)

DETAILED PROJECT REPORT (DPR): AN ILLUSTRATIVE LIST OF DPR ELEMENTS

1. The PFT would order the preparation of the Detailed Project Report and provide the following inputs to the nominated DA(s):-

1.1. Preliminary Service Qualitative Requirements (PSQRs).

1.2. Time frames and critical activities.

1.3. Milestones.

1.4. Evaluation process and acceptance criteria

1.5. List of trials/items/facilities/consumables that will be provided free of cost, and the number of times such free trials will be allowed.

1.6. Commercial Negotiation aspects.

1.7. Project Monitoring Methodology.

2. The DPR would stipulate the scope of the work in terms of the following: -

2.1. PSQRs and compliance for eligibility.

2.2. Envelope along with weightages for enhancing SQRs.

2.3. Overview of the project.

2.4. Scope of the project.

2.5. Infrastructure requirements.

2.6. Operational requirements.

2.7. Integration requirements.

2.8. Estimated Bill of Material/Phase-Wise Cost Break-up and critical phases susceptible to cost over-runs.

2.9. Technical specifications of equipment to be used for the project.

2.10. Sources of Raw Materials for the project: -

2.10.1. Imported/Indigenous.

2.10.2. Brief Description.

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2.10.3. Estimated CIF Value.

2.10.4. Percentage FE Content in Final Product.

2.11. Source and quantum of sanctioned, installed and back-up power supply.

2.12. Details of important facilities that will be employed in the project, including but not limited to: -

2.12.1. Production.

2.12.2. Design software, robotics and other advanced technology tools.

2.12.3. Environmental Test Facilities.

2.12.4. Tool Room, Metrology and Test Equipment & Facilities.

2.12.5. Types of Instruments, Make and Model, Date of Purchase,

2.13. **Indigenisation Criteria.**

2.13.1. Indigenous design capability.

2.13.2. Indigenous manufacturing capability.

2.13.3. Indigenous content in percentage of total cost.

2.13.4. Percentage of proprietary items.

2.13.5. Components to be manufactured indigenously.

2.13.6. Components designed indigenously but likely to be manufactured abroad.

2.13.7. Components likely to be procured from abroad, along with the country of origin.

2.13.8. Methodology to build up on technologies and experience from the current project for new deliverables/upgrades.

2.14. Estimated timelines for various phases of prototype development, total timeframe for implementation of the project and critical phases most susceptible to slippages.

2.15. Critical activities and milestones.

2.16. Estimated expenditure for various phases of prototype development inclusive of all taxes & duties to be incurred by DA, estimated total capital expenditure.

2.17. Detailed risk analysis and risk management plan.

2.18. Funding for development of prototype and carrying out research activities.

2.19. Role of technology provider, if any.

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2.20. Upfront disclosure of details of foreign collaboration, if any including major assemblies and sub-assemblies to be defined as Priority I and II.

2.21. Requirement and employment plan of proof firing and other specialised testing assistance where facilities are available only with DRDO / DGQA / DGAQA / DGNAI / SHQ.

2.22. Utilisation of existing government infrastructure for leasing, maintenance and manufacture of components, assemblies and sub-assemblies.

2.23. Evaluation process and acceptance criteria.

2.24. Sharing of development cost.

2.25. Premium for insurance cover against collateral/third party damages.

2.26. Quantities required for prototype.

2.27. The requirement of a minimum order quantity for the successful developer.

2.28. Methodology for life-cycle support, mid-life upgrades or life extensions, if applicable.

2.29. Any other detail as required, such as Project Management Plan, QA Plan, detailed project validation of simulators if used, configuration management plan (CMP), Verification and Validation Plan, etc.

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Appendix F to Chapter III
(Refers to Paragraph 22.4 of Chapter III of DAP 2026)

GUIDELINES FOR APPROVAL AND ACCEPTANCE OF COST-SHARING ARRANGEMENTS

Procedures

1. The cost estimates shall be prepared by the finally shortlisted DA(s) and shall be submitted to the PFT within the required date and time as part of the DPR.

2. The DA(s) shall prepare the cost estimates in accordance with the general principles outlined in this Appendix and shall record a certificate to that effect as part of the documentation submitted.

3. These cost estimates shall be examined by the PFT as part of the EoI. The PFT shall hold consultations with the DA as required and shall submit its final recommendations to the competent authority **for approval**.

4. The approved cost estimates shall then be communicated by the PFT to the DA(s) as part of the Project Sanction Order (development contract); and shall form the basis for design and development of prototype and claiming of costs by the DA(s).

5. Claims for reimbursement of MoD share shall be made by the DA(s) upon completion of different phases at Paragraph 17.7 of Chapter III of DAP 2026 and Appendix B to Chapter-III of Handbook for Practitioners, as finalised in the EoI. The cost to be reimbursed shall be restricted to the actual cost.

6. Indian Accounting Standard 7 (AS7), as amended from time to time, shall be followed for accounting procedure.

7. The following criteria shall be used by the Ministry of Defence for determining whether, what and up to what extent the costs incurred by DA shall be paid out of public funds:-

7.1. Costs Allowability;

7.2. Cost Allocability;

7.3. Cost Reasonableness; and

7.4. Terms of the Contract.

8. The DA shall not charge any unallowable costs; and shall segregate the same from any proposal, billing, indirect cost pool or claim submitted to the Ministry. The costs incurred on bad debts, land, permanent buildings, entertainment, contributions or donations, fines, legal expenses, penalties, advocacy, business development, losses on other contracts, alcoholic beverages, and business organisation costs such as costs of incorporations, re-organisations and mergers are specifically considered unallowable for the purpose of these guidelines. The cost of working capital i.e. interest cost (as per National Bank rates) may be allowed as one of the components of cost of development.

9. A cost shall not be presumed to be allowable merely because the DA actually incurred the costs, unless it meets the test of relevancy, financial prudence, reasonability and relationship.

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10. **Allocability of the Cost**. A cost is allocable if it is assignable or chargeable to one or more cost objectives on the basis of relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a Government contract if it: (a) is incurred specifically for the contract; (b) benefits both the contract and other work and can be distributed to them in reasonable proportion to the benefits received; and (c) is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown. In any case, indirect costs shall not exceed 10% of the total approved cost for prototype development.

11. A cost is reasonable if it would have been incurred by a prudent entity in the conduct of competitive business. To be reasonable, the cost must be: (i) generally recognised as an ordinary or necessary cost of business; (ii) follow sound business practices; (iii) comply with Central, State, and local laws; and (iv) be consistent with the Development Agency's established business practices. The determination of the reasonableness of a particular cost shall depend on all relevant facts and circumstances concerning the costs, and the decision of the Ministry of Defence in this regard shall be final. If there is any change in the Indian Accounting Standard 7, the changes will be suitably incorporated in the DAP by the Acquisition Wing, in consultation with MoD (Fin).

12. The Development Agency shall submit a break-up of cost estimates for each stage outlined in Appendix E to Chapter III. These stages shall also form specific potential exit points for the Ministry of Defence without any further liability, if the Ministry of Defence is of the considered opinion that requisite and timely progress has not been made by the DA for successful completion of that phase.

13. The Ministry of Defence shall not, under any circumstances, entertain or consider any revisions, submissions or arguments for inclusion of unallowable costs as specified in these Guidelines.

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Appendix G to Chapter III
(Refers to Paragraphs 23.1 & 37 of Chapter III of DAP 2026)

SUGGESTED FORMAT FOR PROJECT SANCTION ORDER

THIS AGREEMENT made ..... day of ..... 20 ..... between the President of India, hereinafter referred to as "the Government" (which expression, unless expressly excluded by the context, shall be deemed to include his successors and assigns) of the one part and

M/s/ Shri (in case of Sole proprietor) ....., a Company incorporated under the Companies Act 2013/ a Partnership firm incorporated under the Indian Partnership Act 1932/ Sole proprietor and having its/ his Registered Office at ...., carrying on business under the name and style ....., hereinafter referred to as "the Contractor" {which expression, unless expressly excluded by the context, shall be deemed to include its/ his successors, executors, administrators and assigns (Company)/ his successors, heirs or assigns (Sole proprietor)/ partner or partners for the time being of the said firm, the survivors of them and their respective successors, executors administrators and assigns (Partnership)} of the other part.

WHEREAS, the Government had invited quotations for the designing/ developing/ manufacturing and supply of the said prototype and/ or store ..... in accordance with the specifications laid down in **Schedule A** hereto (and hereinafter known as "the said store") and the contractor has submitted his quotation for the same vide his letter reference .....dated ....., which has been accepted by the Government

AND WHEREAS, an Agreement is required to be executed between the parties in respect thereof.

Or
(for negotiated contract only)

WHEREAS, the Government desires to entrust to the contractor the work of designing/ developing / manufacturing and supplying the said prototype and / or store ..... in accordance with the specifications laid down in **Schedule A** hereto.

AND WHEREAS, the contractor has agreed and is in a position to undertake designing/ developing/ manufacturing of the said prototype and/ or store and supply the same to the Government for the conduct of FET / SSCT.

NOW IT IS AGREED AND DECLARED BY AND BETWEEN THE PARTIES AS FOLLOWS:-

Clause 1

1.1 The contractor shall design, develop and manufacture the said prototype and/ or store and shall supply the same, complete with all accessories thereto, as per Schedule A annexed hereto at the fixed net price of ₹ ....., including packing and all packing materials.

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1.2 The contractor shall not be entitled to any other additional payments, such as for tooling, dies, or any other charges on any account whatsoever, unless otherwise expressly provided for in this Agreement (not to appear in cost plus contract).

Clause 2

2.1 The contractor shall manufacture and deliver the said store by ..... for tests and technical trials to the Project Facilitation Team, the Accepting Officer or the consignee as intimated by the Purchaser in writing.

2.2 Should the Government desire any modifications or improvements, additions or alterations to the specifications laid down in Schedule A hereto, the same shall be carried out by the contractor on the undermentioned terms:-

(a) If the modifications or improvements are of a minor nature and are intimated before the job under the previous specifications had been carried out. (without payment).

(b) If the modifications or improvements are of a major nature and the result in additional expenditure to the contractor, if required, re-costing will be undertaken as per extant provisions.

Note:- The decision of the Government whether the modifications or improvements are of a major or minor nature and whether such additional expenditure is involved or not, shall be final and binding on the contractor.

2.3 Should the Government after proper development and acceptance of the said store, desire any further technical assistance or any further modification to the store, the same shall be undertaken by the contractor on such terms as are agreed between the parties to the contract.

Clause 3

3.1 The contractor shall carry out necessary tests and trials before offering the same for trials to the Government who may detail its representatives to witness these tests if so required.

3.2 The contractor shall afford the Government, without in any way making it responsible, all proper and reasonable facilities for examining, inspecting and testing the stores/ machinery and workmanship used or intended to be used during the progress of the manufacture of the store, and shall also supply free of charge such apparatus, materials, tools or labour as may be required from time to time for the purpose of such examinations, inspections and testing.

3.3 The contractor shall bear the cost of tests and trials. However, for such tests and trials, necessary facilities/ materials/ components etc., i.e. …… (To be indicated, as per the RFP), may be provided free of cost by the Government.

Clause 4

4.1 The Contractor undertakes to provide the complete information and data relating to production, i.e. the procurement, design, drawings, specifications and manuals as required by the certification authority, as per the list attached hereto and the test equipment, if required by the certification authority.

Clause 5

5.1 The contractor agrees to supply free of cost all necessary tools and spares required to operate the store during trials and tests:-

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Clause 6

6.1 Save as otherwise provided in the contract, all actions taken and all notices to be given or taken hereunder by the Government, be taken or given by the Contract Signing Authority/ Authorised Signatory and on behalf of the contractor by its Manager/ Proprietor/ Authorised Partner.

6.2 After signing of this agreement, the Contractor shall correspond directly with the Contract Signing Authority/ Authorised Signatory in all matters concerning the contract and the implementation of the terms thereof.

Clause 7

7.1 The parties agree that in respect of all other matters relating to the designing/ developing/ manufacturing and supply of the said store, the general conditions of contract enclosed as Appendix A to this agreement and the special conditions enclosed as **Appendix B** to this Agreement shall apply.

Clause 8

8.1 The contractor agrees to bear the stamp duty payable on this Agreement under the Indian Stamp Act, ...

IN WITNESS WHEREOF the President of India has caused ..... to sign this Agreement. For and on behalf and the common seal of the Company has been affixed hereto and these presents signed by ..... and ..... Manager/ Sole Proprietor/ Authorised Parties of the Company, the day, months and year first above written.

Signed for and on behalf of
The President of India by:

1. .....

2. .....

The common seal of the Company has been affixed and these present have been signed by ..... and .....

Manager/ Sole Proprietor/ Authorised Partner of the Company in the presence of:-

1. .....

2. .....

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Appendix H
(Refers to Paragraph 26.2 of Chapter III of DAP 2026)

PHASES IN DESIGN AND DEVELOPMENT OF PROTOTYPE FOR MAKE-I SUB-CATEGORY

1. The Design and Development stage under Make-I projects is expected to undergo the following phases: -

Phase		Activities	Remarks
1	Project Definition	• Mobilisation of initial start-up resources, including development laboratories	• As specified in the DPR
2	Preliminary Design	• Establishment of design parameters for configuration, performance in compliance with user requirements	• Tests and studies to be conducted must be specified
1.3	Detailed Design	• Detailed design of systems and sub-systems down to all components • Finalisation of specifications of various equipment, systems, subsystems • Firming up of engineering design drawings/documents and process plan	• Acceptable variances in parameters may be indicated as % or range. • Several critical design reviews may be needed to fine-tune the designs. • Concerned SHQ/PFT is to provide platform/equipment/ interface details as approved at the DPR stage.
1.4	Fabrication/ Development	• Manufacture of subassemblies in limited numbers as agreed to in DPR against total numbers required for subsequent stages.	• Fabrication to be based on final specifications arrived at in Phase III (Detailed Design)
	Test and Analysis	• Testing of several components, systems and sub-systems is to be undertaken concurrent with design	• Software is also to be included in tests/analyses • Design testing through simulation can also be undertaken • Testing may require specialised facilities such as firing ranges for proof firing, etc. Laboratory and other in-house facilities are to be made available to the DA as approved in the DPR. • Existing Government Infrastructure for Trials, Testing and Inspection be made available on Time Sharing or on prescribed charges as defined in the policy on

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Phase		Activities	Remarks
			the subject. The procedure may be simplified for ease of business.
(f)	Integration	• Integration of systems/sub-systems • Finalisation of interface details and performance and assembly of modules/sub-systems	• System integration testing in accordance with approved test procedures is to be progressed concurrently
(g)	Performance Evaluation	• Technical and limited field trials of the prototype • Changes in design may be needed until final proving and meeting of essential SQRs	• DA and PFT are to assess performance against stated SQRs • Subject to time limits approved in DPR.

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Appendix J to Chapter III
(Refers to Paragraph 30 of Chapter III of DAP 2026)

INTELLECTUAL PROPERTY RIGHTS OF THE GOVERNMENT IN 'MAKE-I' PROJECTS

Guiding Principles

1. The Government shall retain only a license in the Intellectual Property[2] being generated under contract; and the contractor retains title or ownership and all other rights in intellectual property that are not granted to the Government, subject to conditions prescribed herein.

2. During the development of prototype, if any technology/product is developed, which the Government considers to be sensitive or classified and needs to be restricted for use in other purposes or for export, the Government through PFT or any other expert or body may identify such technology/product. The provisions for IPRs in respect of such technology / product will be separately negotiated in compliance with the laws and regulations on the subject.

3. All technology licensing is divided up between two mutually exclusive categories of deliverables:

3.1. Technical Data (TD)[3]; and

3.2. Computer Software (CS)[4]. The Government shall also have certain rights to subject inventions and patents generated under the "Make" contract.

4. The EoI shall contain details of :-

4.1. The delivery requirements, storage formats and storage medium; and

4.2. The associated data rights, in all technologies required to be developed or delivered under the "Make" contract. Officials connected with award of "Make" projects shall ensure that all such delivery requirements are clearly stated in the EoI and the "Make" contract signed, if any, including delivery and form in which source code is required as a contract deliverable.

5. The Government's standard license rights in:-

5.1. Subject inventions and associated data; and

---

[2] The term 'Intellectual property' shall refer to all categories of intellectual property as provided in TRIPS Agreement.

[3] "Technical data" means recoded information, regardless of the form or method of the recording, of a scientific or technical nature (including computer software documentation). The term does not include computer software or data incidental to contract administration, such as financial and/or management information.

[4] (a) "Computer software" means computer programs, source code, source code listings, object code listings, design details algorithms, processes, flow charts, formulae and related material that would enable the software to be reproduced, recreated or recompiled. Computer software does not include computer data bases or computer software documentation.

(b) "Computer program" means a set of instructions, rules, or routines recorded in a form that is capable of causing a computer to perform a specific operation or series of operations.

(c) "Computer software documentation" means owner's manuals, user's manuals, installation instructions, operating instructions, and other similar items, regardless of storage medium, that explain the capabilities of the computer software or provide instructions for using the software. (d) "Computer data base" means a collection of data recorded in a form capable of being processed by a computer. The term does not include computer software.

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5.2. All other data generated under the "Make" contract, including technical data and computer software whether associated with such subject inventions or otherwise, shall be "Government-Purpose Rights" (GPR). In respect of subject inventions, the Government shall hold a non-exclusive, non-transferable, irrevocable, paid up (royalty-free) license to practise, or have practiced for on its behalf, the subject invention throughout the world.

6. These guiding principles shall apply at both the prime and subcontract levels; i.e., the prime DA(s) shall incorporate the rights of the Government as prescribed in this Annexure in all their subsequent sub-contracts and agreements insofar as technology development under "Make" projects is concerned.

Government Rights

7. The Government shall have "Government-Purpose Rights" and "Unlimited Rights" as explained in succeeding paragraphs.

8. For all subject inventions[5] under the "Make" Contract, including technical data and computer software associated with such subject inventions, the Government shall hold "Government-Purpose Rights" (GPRs), in that it shall hold a non-exclusive, non-transferable, irrevocable, paid up (royalty-free) license to practice, or have practiced for on its behalf, the subject invention throughout the world. These GPRs shall automatically convert to "Unlimited Rights" as defined under this section upon the expiry of ten years.

9. For the purpose of all technical data and computer software, whether related to subject inventions or otherwise, GPRs shall imply the right to use such technical data and computer software within the Government without restriction and the right to authorise any other entity for any government purpose including re-procurement. More specifically, "Government- Purpose Rights" includes the rights to:-

9.1. Use, modify, reproduce, release, perform, display, or disclose technical data within the Government without restriction; and

9.2. Release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for Government purposes.

9.3. Form, Fit and Function data and Manuals or instructional and training materials for installation, operation, or routine maintenance and repair;

9.4. Computer software documentation required to be delivered under the "Make" contract;

9.5. Corrections or changes to computer software or computer software documentation furnished to the contractor by the Government;

9.6. Computer software or computer software documentation that is otherwise publicly available or has been released or disclosed by the contractor or subcontractor without restrictions on further use, release or disclosure other than a release or disclosure resulting from

[5] "Subject Invention" implies any invention of the contractor conceived or first actually reduced to practice in the performance of work under a Government Contract. "Invention" implies any invention or discovery that is or may be patentable or otherwise protectable under the Patent Laws in force in India.

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the sale, transfer, or other assignment of interest in the software to another party or the sale or transfer of some or all of a business entity or its assets to another party;

10. For these guidelines, "Government Purpose" means an activity in which the Government of India is a party, including cooperative agreements with international or multi-national defence organisations, or sales or transfers by the Government of India to foreign governments or international organisations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose technical data for commercial purposes or authorise others to do so.

11. In addition to standard GPRs, Government rights in computer software to be delivered under contract shall also include the right to:-

11.1. Use of a computer program with government computer(s);

11.2. Transfer to another Government computer;

11.3. Make copies of computer software for safekeeping, backup or modification purposes;

11.4. Modify computer software;

11.5. Disclose to service contractors;

11.6. Permit service contractors to use computer software to diagnose/correct deficiencies, or to modify to respond to urgent or tactical situations; and

11.7. Disclose to contractors or any other third parties for the purposes of emergency repair and overhaul.

March-In Rights

12. The Government shall have "March-In" rights for all items covered under its "Government-Purpose Rights". "March-In" Rights shall include the right to work the patent, either by itself, or by another entity on behalf of the Government, in case the contractor fails to work the patent on its own within a specified and reasonable period of time.

13. Under its march-in rights, the Government can require the contractor to grant, or may itself grant a license for, inter alia, the following reasons: -

13.1. The contractor fails to work the patent towards practical application within a reasonable time; OR

13.2. Where health and safety requirements so require the Government to act in public interest; OR

13.3. For National Security Reasons; OR

13.4. To meet requirements for public use not reasonably satisfied by the contractor; OR

13.5. For failure of the contractor to substantially manufacture the products embodying the subject invention in India; OR

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13.6. For failure of the contractor to comply with any of the requirements laid down under these guidelines.

Miscellaneous.

14. The contractor is required to have a timely and efficient disclosure system in place for reporting of intellectual property generation under the "Make" contract to the Ministry of Defence. Failure to disclose in a timely manner, or failure on the part of the contractor to invoke his/her default right of ownership, shall imply that all IPRs shall ab-initio vest in the Government of India. The contractor may elect to retain title of any invention made in the performance of work under a contract. If the contractor does not elect to retain title, the title shall ab-initio vest in the Government as stated above, and the contractor shall only be entitled to a license on such terms and conditions that the Government may deem fit. Such license to the contractor shall usually be (a) revocable, non-exclusive and royalty-free; (b) extend to its domestic subsidiaries and affiliates; and (c) include the right to sublicense; but (d) shall not be transferable without prior approval of the Government.

15. The contractor shall also be required to submit periodic reports about commercialization and manufacturing activities undertaken for products embodying the subject invention under "Make" contracts.

16. The Government's IPRs shall flow down from the prime contractor to all subcontractors at all tiers; that is, every subcontractor will have the same obligations vis-à-vis the Government as applicable to the prime contractor under the main procurement contract. To this end, the sub-contractors shall have limited contractual privity with the Government solely for their IPR obligations to the Government.

17. The ownership of any rights by the contractor does not include an absolute right to transfer of any software, product or documentation; and such transfer, including export thereof, shall continue to be governed by and be subject to the Export Policy, Export Guidelines and all applicable laws, rules, regulations, orders and instructions of the Government of India. All such transfers and exports shall require prior and explicit approval of the Ministry of Defence.

18. Where the DA is not a consortium, ownership rights in intellectual property being generated under the "Make" contract shall vest with the Government upon dissolution of such DA. Where the DA is a consortium, the ownership rights in the IP generated under the "Make" contract, upon dissolution of the consortium, shall vest amongst the partners as per their agreement on the subject contained in the joint partnership agreement of the consortium, without government rights as licensee being adversely affected in any manner.

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Appendix K to Chapter III
(Refers to Paragraph 32 of Chapter III of DAP 2026)

TENTATIVE TIMELINES FOR MAKE-I PROJECTS

Ser No	Stage of Procurement	Timeline in Weeks	Cumulative Timeline in Weeks
Phase I			
1.	Approval of proposals as Make projects by the 'Make' Collegiate to be headed by Secy DP		
2.	Formation of PFT and Completion of Feasibility Study	12	T_0 – 24
3.	Approval by the Collegiate, headed by Secy DP, for Make-I Sub-category & uploading on MoD / DDP website	2	T_0– 12
4.	Preparation of PSQRs, SoC & Circulation of SoC	10	T_0 - 10
5.	Accord of AoN		T_0
6.	Issue of EoI	4	T_0 + 4
7.	EoI response submission, including DPR & Pre EoI meeting	8	T_0 + 12
8.	EoI response evaluation and Shortlisting of DAs	4	T_0 +16
9.	Issue of RFP for Limited Commercial Offer for Prototype Development and Commercial Offer for Procurement Phase	6	T_0 + 22
10.	Receipt of Commercial Offers	12	T_0 + 34
11.	Evaluation of Commercial offer and Selection of DAs	8	T_0 + 42
12.	CFA Approval	4	T_0 + 46
13.	Project Sanction Order	4	T_0 + 50
	Total Timeline for Phase I	**50 weeks**	
Phase II			
14.	Prototype Development & CoPD	-	As per DPR
15.	PSQRs to be converted to SQRs	4	T_0 + 54
	Total Timeline for Phase II	**4 weeks + Development Period**	
Phase III– FET till Contract			
16.	Solicitation of Revised Commercial Offers	4	T_0 + 58
17.	FET and acceptance of Trial Report	22 - 42	T_0 + 84 to T_0 + 100
18.	Finalisation of CNC	6	T_0 + 90 to T_0 + 106
19.	CFA Approval	4 - 12	T_0 + 94 to T_0 + 118
20.	Signing of contract	2	T_0 + 96 to T_0 + 120
	Total Timeline for Phase II	**38 - 66 weeks**	
	Total	**90 – 120 weeks + Development Period**	

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Appendix L to Chapter III
(Refers to Paragraph 45 of Chapter III of DAP 2026)

TENTATIVETIME LINES FOR MAKE-II PROJECTS

Ser No	Stage of Procurement	Timeline in Weeks	Cumulative Timeline (in Weeks)
Phase I			
1.	Approval of proposals as Make projects by the 'Make' collegiate to be headed by Secy DP		
2.	Formation of PFT and Completion of Feasibility Study	12	T_0 – 24
3.	Approval by the Collegiate, headed by Secy DP, for Make-II Sub-category & uploading on MoD / DDP website	2	T_0– 12
4.	Preparation of PSQRs, SoC & Circulation of SoC	10	T_0 - 10
6.	Accord of AoN		T_0
7.	Issue of EoI	4	T_0 + 4
8.	EoI response submission	8	T_0 + 12
9.	EoI response evaluation	4	T_0 + 16
10.	Issue of Project Sanction Order	2	T_0 + 18
	Total Time of Phase I	**18 weeks**	
Phase II			
10.	Prototype Development and CoPD	30 - 52	T_0 + 48 - T_0 + 70
12.	Conversion of PSQRs to SQRs	2	T_0 + 50 - T_0 + 72
	Total Time of Phase II	**32 – 54 weeks**	
Phase III			
13.	Issue of Commercial RFP	2	T_0 + 52 - T_0 + 74
14.	Receipt of Responses to RFP	4	T_0 + 56 - T_0 + 78
15.	SSCT & Acceptance of Trial Report	8	T_0 + 64 - T_0 + 86
16.	Finalisation of CNC	4	T_0 + 68 - T_0 + 90
17.	CFA Approval	4 - 12	T_0 + 72 - T_0 + 102
18.	Signing of contract	2	T_0 + 74 - T_0 + 104
	Total Timeline for Phase III	**24 – 32 weeks**	
	Total Time period from AoN to Contract	**74 – 104 weeks**	

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Appendix M to Chapter III

(Refers to Paragraph 47 Of Chapter III of DAP 2026)

PROPOSED TIMELINES FOR MAKE-III PROJECTS

Ser No	Activity	Timeline in Weeks	Cumulative Time in weeks
Phase I			
1.	Approval of proposals as Make projects by the collegiate headed by Secy DP		
2.	Formation of PFT and Completion of Feasibility Study	12	T_0 – 24
3.	Approval by the Collegiate, headed by Secy DP, for Make-III Sub-category & uploading on MoD / DDP website	2	T_0– 12
4.	Preparation of SQRs / Tech Specifications, SoC & Circulation of SoC	10	T_0 - 10
5.	Accord of AoN		T_0
6.	Issue of Techno Commercial RFP	6	T_0+06
7.	Receipt of Responses to RFP	12	T_0+18
8.	Evaluation of RFP responses by TEC and Acceptance of TEC Report	10	T_0+28
	Total timeline for Phase I	**28 weeks**	
Phase II			
9.	Readiness of Product	30 - 52	T_0+58 to T_0+80
10.	Limited Validation / Integration trials & acceptance of trial reports	6	T_0+64 to T_0+86
11.	Finalization of CNC	4	T_0+68 to T_0+90
12.	CFA Approval	4 - 12	T_0+72 to T_0+102
13.	Signing of Contract	2	T_0+74 to T_0+104
	Total timeline for Phase II	**46 – 76 weeks**	
Total		**74-104 weeks**	

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CHAPTER IV

PROCEDURE FOR 'INNOVATION' CATEGORIES

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INDEX SHEET: GUIDELINES & ANNEXURES CHAPTER IV

PROCEDURE FOR 'INNOVATION' CATEGORIES

Ser No	Appendix	Content	Reference	
			From	Pages
1.	Appendix A	Benchmarking Guidelines	Refers to Paragraph 10.3 of Chapter IV of DAP 2026	284
2.	Appendix B	Payment Terms	Refers to Paragraph 10.3 of Chapter IV of DAP 2026	285
3.	Appendix C	iDEX / TDF Flowchart and related timelines	Refers to Paragraph 16 of Chapter IV of DAP 2026	287

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APPENDIX A TO CHAPTER IV

(Refers to Paragraph 10.3 of Chapter IV of DAP 2026)

BENCHMARKING GUIDELINES

1. **Benchmark Models Committee (BMC):** Benchmarking is a key milestone that provides the cost basis for contract negotiation beyond the indicative AoN cost. Upon receipt of the SSCT Report, concurrent benchmarking will be conducted by the BMC, headed by the Advisor (Cost)/ Director (Cost) in non-delegated/ delegated cases, along with SHQ representatives, as per extant guidelines. BMC will include DIO/TDF representatives and subject matter experts from reputed institutions as needed. SHQ/Acquisition Wing will nominate experts for BMC with support from DIO/TDF. BMC will complete benchmarking within 4 weeks.

2. BMC recommendations may be accepted or reviewed by the CNC. Until then, BMC data will be sealed with the CNC Chair.

3. The benchmark price shall include Base Price (including development cost/ R&D cost as only one of the factors), and Innovation Advantage Factor (IF). The IF shall include the relevant parameters like IP valuation, Functional value, Import Advantage and can be determined based on the Degree of Risk as indicated in the following table:

Degree of Risk in Innovation	**Innovation Advantage Factor (IF)**
Low	20%
Moderate	30%
High	40%

4. The following guidelines will help the BMC in deciding the benchmark price for the innovation category products under iDEX/TDF: -

4.1. Benchmark price includes two components: Base Price & IF.

Benchmark Price = Base Price x (1 + IF)

4.2. Base Price = (Raw Material & Manpower cost for production of the defined quantities in procurement contract) + (Design & Development cost in iDEX/TDF).

5. Design and Development Cost in iDEX / TDF considers the cost of product development, including the cost of manpower, input costs/ costs of components, testing software and other infrastructure setup, etc., for product development.

6. The overall degree of risk in innovation will be processed (as per iDEX / TDF Risk Categorisation guidelines) and produced in the BMC by DIO.

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APPENDIX B TO CHAPTER IV

(Refers to paragraph 14 of chapter IV of DAP 2026)

PAYMENT TERMS

THE PAYMENT SCHEDULE FOR THE AWARD OF CONTRACT AND POST CONTRACT MANAGEMENT IS AS FOLLOWS:

Ser No	Payment Stage	Timeline (T_0+W)	Percentage Payment	Scheme for Submission and Return of Securities & Remarks
1	Signing of Contract & Advance Payment		Advance payment Up to 15% of Base Contract Value*	Advance payment within 21 days of contract execution can be made against the mortgage of IP rights, Bank Guarantee, Insurance Surety Bond, or any combination, as opted by the Start-up / MSME. If the IP rights have sufficient value, no Bank Guarantee or Surety Bond is required.
2	Procurement of Raw Material or Essential Input Resources		100% of the Raw Material cost with adjusted advance released	1. The procurement contract shall mention the instance at which and the quantity of raw material for which payment for the acquisition of raw material would be made. The trigger for payment shall be only an invoice for the amount calculated and a certificate given by the statutory auditor of the company, as per the contract. For software projects, the manpower utilization cost will also be factored. 2. Performance Cum Warranty Security shall be submitted before the release of the payment.
3	On receipt of all the equipment/ system and associated spare parts (if applicable)		Cumulatively, 80% of the Cost of Deliverables	Pre-Dispatch Inspection may be conducted as per the requirement
4	On delivery of documentation & Training		85% of the Cost of Training	

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Ser No	Payment Stage	Timeline (T_0+W)	Percentage Payment	Scheme for Submission and Return of Securities & Remarks
5	On Installation/ STW/ Commissioning and Final Acceptance and completion of Delivery of documentation and training.		100% of the Contract Value, including taxes and certifications (within 30 days of completion of commissioning, documentation & training)	Up to 3% LD for start-ups and MSMEs with defined extensions
6	AMC		Payment as per the AMC periodic schedule submitted	3% of AMC contract value shall be considered as security, and the same shall be adjusted with the release of Performance security (either by holding the same or in case of escalation of value, the remaining amount of security shall be submitted by Start-up/ MSME)

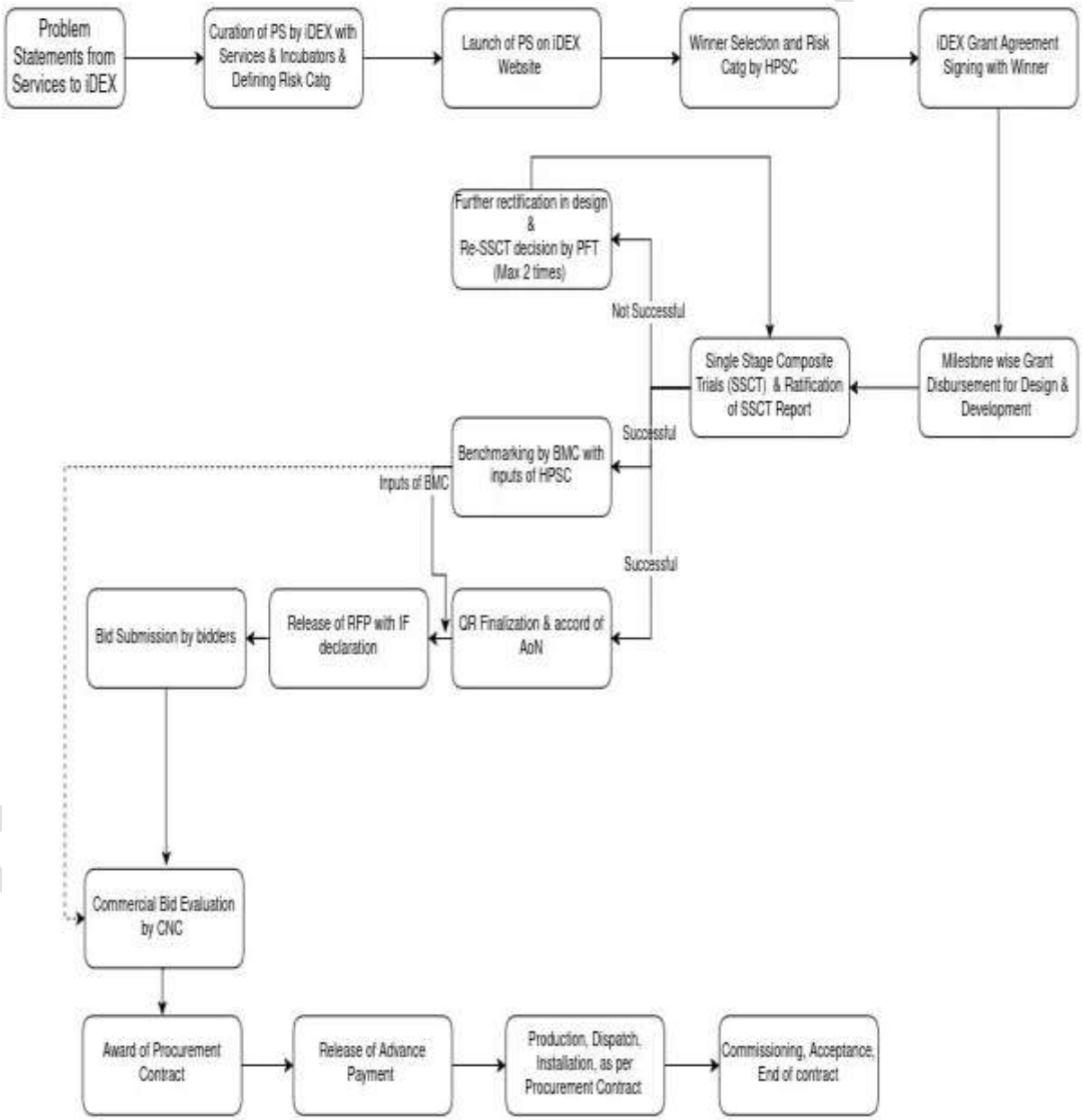
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APPENDIX C TO CHAPTER IV

(Refers to Paragraph 16 Of Chapter IV of DAP 2026)

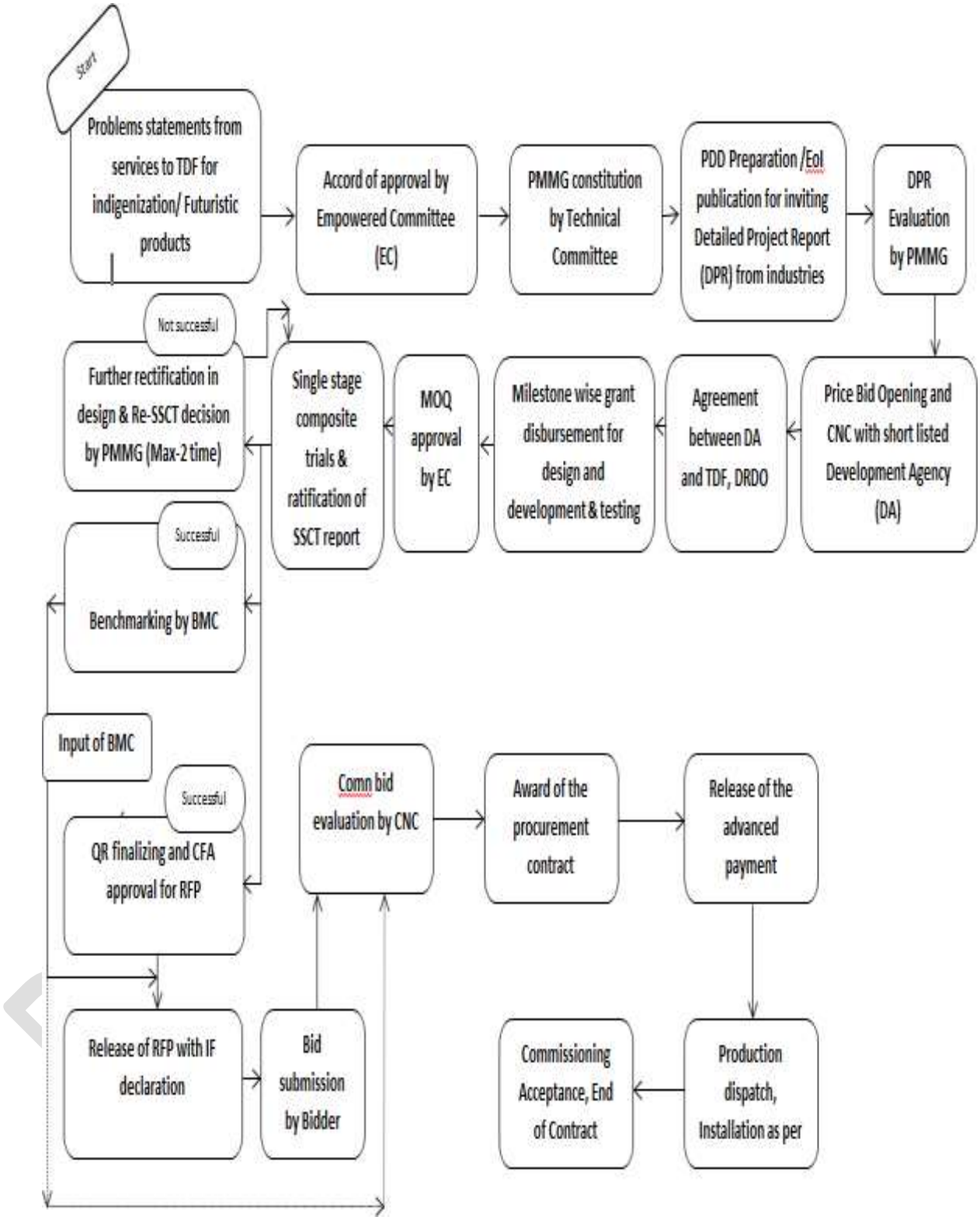
IDEX / TDF FLOWCHART AND RELATED TIMELINES

1. iDEX Process Flowchart.



Note: The above flowchart includes processes defined in the iDEX/TDF guidelines

2. TDF Process Flowchart and Related Timelines.



Note: The above flowchart includes processes defined in TDF SoP

3. Suggested procurement timelines for products developed under iDEX / TDF.

Ser No	**Activity**	**Timeline**	**Cumulative Timeline**
3.1	Ratification of SSCT/ Report	2 Weeks	T_0-6 weeks
3.2	SoC Preperation	4 Weeks	T_0-4 weeks
3.3	Accord of AoN	T_0	T_0
3.4	Issue of Commercial RFP to SSCT Compliant Winners / DAs	2 Weeks	T_0+2 weeks
3.5	Response to RFP including Pre-Bid Meeting	4 Weeks	T_0+6 weeks
3.6	Contract Negotiation and Finalisation by CNC	4 Weeks	T_0+10 weeks
3.7	CFA Approval for Procurement	2 Weeks	T_0+12 weeks
3.8	Award of Contract	2 Weeks	T_0+14 weeks

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CHAPTER V

PROCEDURE FOR ACQUISITION OF SYSTEMS DESIGNED AN DEVELOPED BY DRDO/DPSU/ CENTRAL GOVERNMENT RESEARCH ORGANISATIONS

Draft DAP 2026

INDEX SHEET : GUIDELINES & ANNEXURES : CHAPTER V

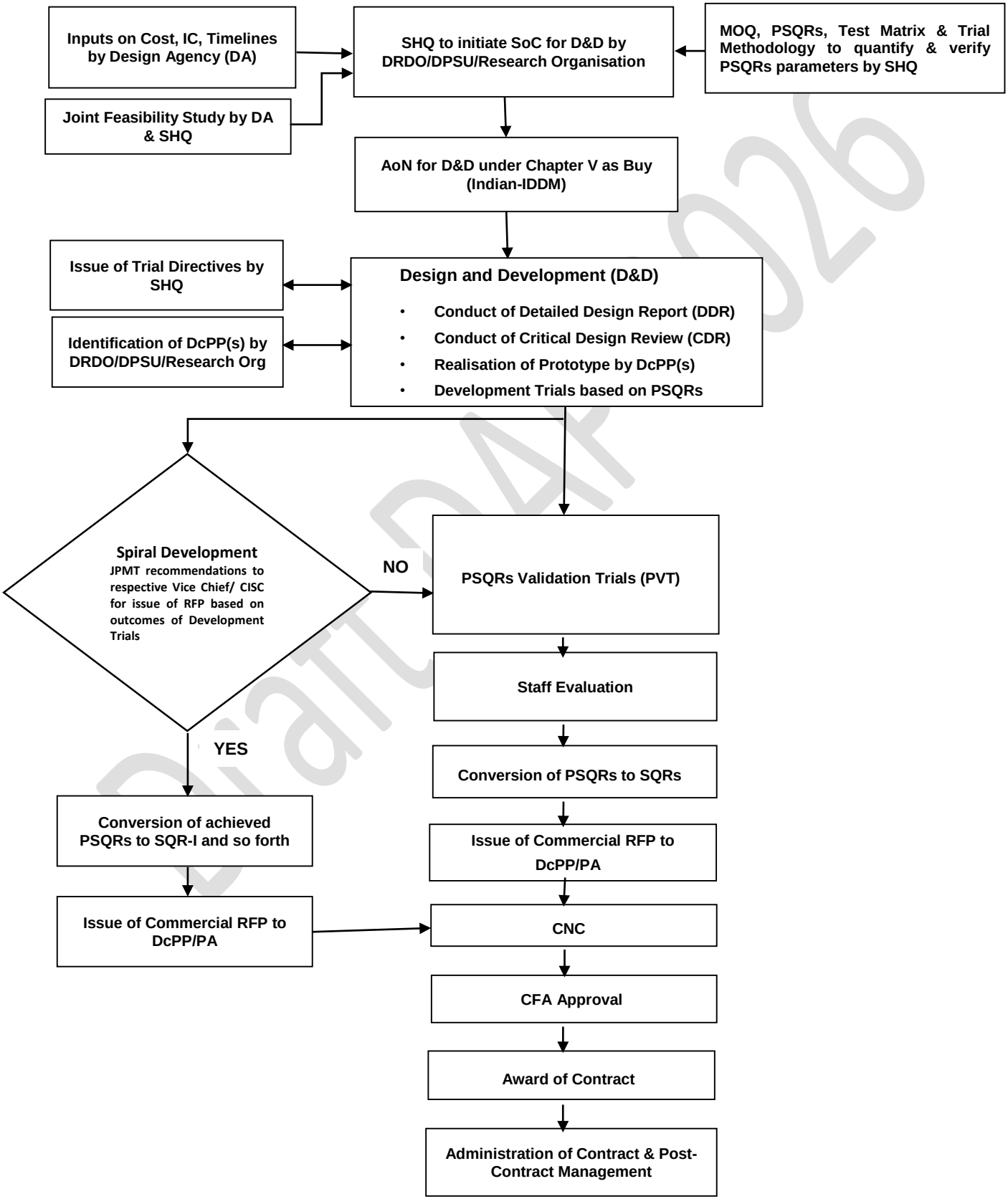
PROCEDURE FOR ACQUISITION OF SYSTEMS DESIGNED AND DEVELOPED BY DRDO/DPSU/CENTRAL GOVERNMENT RESEARCH ORGANISATIONS

Ser No	Appendix	Content	Reference	
			From	Pages
1	Appendix A	Flowchart for Acquisition of Systems Designed & Developed By Research Organisations	Refer to Paragraph 2 of Chapter V of DAP 2025	291
2	Appendix B	Procedure for Selection of DcPP(s)	Refer to Paragraph 3 of Chapter V of DAP 2025	292
3	Annexure 'I' to Appendix B	Responsibility of DcPP (s)	Refer to Paragraph 1.9 of Appendix B to Chapter V	294
4	Appendix C	Constitution and Role of Joint Project Monitoring Team (JPMT) and Project Monitoring Team (PMT)	Refer to Paragraph 20 and 21 of Chapter V of DAP 2025	295
5	Appendix D	Apex Board (AB) and Bi-Annual Review & Monitoring Committee (BRMC)	Refer to Paragraph 22 of Chapter V of DAP 2025	297

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Appendix A of Chapter V
(Refer to Paragraph 2 of Chapter V of DAP 2026)

FLOWCHART FOR ACQUISITION OF SYSTEMS DESIGNED AND DEVELOPED BY DRDO/DPSU/ CENTRAL RESEARCH ORGANISATIONS



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Appendix B of Chapter V
(Refer to Paragraph 3 of Chapter V)

PROCEDURE FOR SELECTION OF DcPP(s)

1. Introduction: This procedure will be followed for all the cases where AoN is accorded by DAC/DPB/SPB post promulgation of instant guidelines.

1.1 Definition: Development cum Production Partner (DcPP) is an Indian industry which is involved in development of the system with DRDO/ Central Government Research Organisation. DcPP through DRDO/ Central Government Research Organisation will be responsible for integration, production, supply, maintenance, support, obsolescence management & its associated components to the Services during its entire life cycle, post placement of contract(s) by MoD. **MoD (Acquisition Wing)** will issue commercial RFP for production to the DcPP(s) post development trials followed by conversion of PSQRs to SQRs.

1.2 The selection of DcPP(s) will be done on competitive basis. Exploration of likely DcPP(s) amongst the Indian Industries will normally be done through the process of Expression of Interest (EoI) on open mode to encourage competition for shortlisting the potential industry partners and subsequently DRDO/ Central Government Research Organisation will issue RFP to the shortlisted industries on Limited Tender Basis for development of the system. However, Limited Bidding mode may also be considered directly, for selection of DcPP(s), for cases where the database of the potential/ capable industries working in the requisite field are maintained with DRDO/ Central Government Research Organisation and are updated periodically through open EoI. Limited bidding, if required to be undertaken, should be in exceptional cases only with explicit approval of CFA of the development contract.

1.3 A thorough evaluation of the Techno commercial bids will be carried out by Techno Commercial Evaluation Committee (TCEC) duly appointed by the DRDO/ Central Government Research Organisation. Technical experts from DRDO/ Central Government Research Organisation labs, rep of the MoD Acquisition, rep of SHQ and experts from other Government Department/ Academic institution to be a member of TCEC. The evaluation of Techno commercial bids will be done within the framework of RFP. The TCEC will prepare compliance matrix showing how the techno-commercial parameters of bids received are compliant with the parameters mentioned in the RFP.

1.4 A minimum of two DcPPs will be selected through a competitive process and the procedure shall be conducted under a two-bid system.

1.5 Commercial Negotiation Committee (CNC) will study the recommendations of TCEC besides ensuring transparency, fairness and negotiating the price. CNC will be as per the CFA for demand approval. After opening of financial bids, CNC will complete the negotiation, even if the quoted costs exceed the level of delegated powers of the CFA who had approved the demand. CNC will be responsible for establishing the cost reasonability of the successful bid(s). (H1/L1).

1.6 The CNC will recommend the DcPP(s) for award of the development contract.

1.7 The constitution of the various committees and execution of their tasks to be carried out as per DRDO Procurement Manual 2025 for DRDO and for Central Research Organisations other than DRDO, the guidelines/ SoP will be forwarded subsequently by DDP/ Acquistion Wing, MoD.

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1.8 Approval of DcPP(s) will be accorded by Secretary DD R&D & Chairman, DRDO, for DRDO and respective administrative Secretary in case of Central Research Organisation, before placement of the development contract. The selected industries will be declared as DcPP(s).

1.9 In case, DcPP(s) quotes exorbitantly high price during production phase or is unable to meet the requirements of the Users; DRDO/ Central Government Research Organisation may choose additional industries for supply of the system through Transfer of Technology (ToT) route. The responsibilities of DcPP(s) are illustrated in the Annexure 'I' to Appendix 'B' of this Chapter.

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Annexure 'I' to Appendix B of Chapter V
(Refer to Paragraph 1.9 of Appendix B to Handbook on Guidelines & Annexures)

RESPONSIBILITY OF DCPP (S):

1. The DcPP(s) will be involved from the initial stages of design and development.

2. DcPP(s) through DRDO/ Central Government Research Organisation will be responsible for realisation of prototypes for Development Trials, PSQR Validation Trials, integration, production, supply, maintenance and Life Cycle Support for the system and its associated components delivered to the Services as per the contractual terms and conditions.

3. The Licensing Agreement for Transfer of Technology (LAToT) will be signed with selected DcPP(s) on successful completion of development trials.

4. DcPP(s) will produce the system as per the supply chain, established during the development stage, in accordance with the provisions of LAToT.

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APPENDIX C OF CHAPTER V

(Refer to Paragraphs 20 and 21 of Chapter V of DAP 2026**)**

CONSTITUTION AND ROLE OF JOINT PROJECT MONITORING TEAM (JPMT) AND PROJECT SITE COORDINATION TEAM (PSCT)

1. All DRDO/DPSU/ Research Organisations projects would be monitored by the JPMT with members as indicated below.

2. The suggested constitution of JPMT is as follows:

2.1	Major General / Brigadier Rank officer from concerned SHQ	-	Chairman
2.2	Project Director/ Deputy Project Director Nodal Lab	-	Co-Chair
2.3	Reps of participating labs	-	Member
2.4	Rep of DISB for DRDO cases	-	Member
2.5	Rep of DP&C of DDP	-	Member
2.6	User Rep	-	Member
2.7	Rep of CEMILAC, if required	-	Member
2.8	Rep of QA Agency	-	Member
2.9	Subject experts from R&D Centers/Academia/ other Research Establishment labs, if required	-	Member
2.10	Rep of Maintenance Agency, if required	-	Member
2.11	Rep of DRDO/ DPSU/Research Establishment	-	Member Secretary
2.12	Rep of DcPP(s)	-	Member
2.13	Rep of MoD (Acquisition)	-	Member

Note: Chairman may co-opt/nominate other members as and when necessary.

3. JPMT shall meet quarterly or as on required basis. Chairman JPMT may call for a meeting of the team at a short notice during the critical phase of the project and forward the minutes of meetings to Acquisition Wing.

4. The role of JPMT is as follows: -

4.1 Reviewing detailed schematic/product Tree with current status.

4.2 Reviewing technical progress of project as per original Gantt/PERT chart clearly indicating any change from reference base line prepared and approved at the time of sanction of the project.

4.3 Discussion on unresolved technical issues and their proposed solutions.

4.4 Deliberation on key issues including new issues brought up for approval.

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4.5 Recommending enhancement of funds, PDC extension and closure of projects.

4.6 Preparation of draft Trial Directive (methodology, timelines and platforms).

4.7 Facilitate conduct of trials with SHQ.

4.8 Based on development trials, recommend issue of commercial RFP in spiral development cases.

5. **PSCT**. PSCT would consist of members as decided by SHQ Option to augment the PSCT for any project related activity with additional members with relevant core competencies would be with the SHQ. Role of PSCT shall, inter alia, include the following: -

5.1 Address day-to-day project coordination including functional requirements, provide operational inputs and seek directions from SHQ on complex issues.

5.2 Participate in all testing and trials along with Design Agency and DcPP and function in close coordination with the project team.

5.3 Attend all project related meetings and discussions including that of JPMT.

5.4 Assist in availability of Service resources in terms of ranges, platforms or earmarking of specific units/sub-units of Services and coordinate activities between multiple agencies from the Services.

5.5 Give periodic updates to Chairman and Co-Chair of JPMT and SHQ.

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APPENDIX D OF CHAPTER V

(Refer to Paragraph 22 of Chapter V of DAP 2026)

APEX BOARD (AB) AND BI-ANNUAL REVIEW & MONITORING COMMITTEE (BRMC)

1. **Constitution of Apex Board**.

1.1	Secretary DD R&D and Chairman DRDO	-	Chairman
1.2	Respective Vice Chief/CISC	-	Co-Chair
1.3	FADS	-	Member
1.4	DG (Acquisition), MoD	-	Member
1.5	Cluster DGs, Nodal & participating Labs	-	Member
1.6	DG (R&M)	-	Member
1.7	DG (PC & SI)	-	Member
1.8	Addl. FA (R&D)	-	Member
1.9	Director, Nodal & participating Labs	-	Member
1.10	Chairman, JPMT	-	Member
1.11	Director DP&C of DDP	-	Member
1.12	Director DISB of DRDO	-	Member
1.13	Rep DcPP	-	Member
1.14	Project / Programme Director	-	Member Secretary

Note: Chairman may co-opt / nominate members on requirement basis.

2. **Terms of Reference (ToR)**.

2.1 To monitor major milestones and to decide on remedial actions in case of slippage of schedule.

2.2. To recommend for continuing the D&D or foreclosure, in case, some PSQR parameters are not fully met in the prototype(s) realised by DcPP(s).

2.3. To approve new Work Centers and allocation of tasks based on the recommendations of appropriate Boards.

2.4. To approve alternate approaches to meet the schedule / overcome technical challenges.

2.5. To approve / ratify changes in system specifications based on the recommendations of appropriate Boards.

2.6. To recommend ‘Way Forward’ for issues that crop up during the execution of project or recommend foreclosure, if necessitated.

3. **Meeting Frequency.** Once in six months.

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4. **Constitution of BRMC**.

4.1.	Secretary, DP	- Chairman
4.2.	Respective Vice Chief/CISC	- Co-Chair
4.3.	FADS	- Member
4.4.	DG (Acquisition), MoD	- Member
4.5.	Respective JS in DDP	- Member
4.6.	Director DP&C of DDP	- Member
4.7.	CMD, DPSU	- Member
4.8.	Chairman, JPMT	- Member
4.9.	Project Director (DPSU)	- Member Secretary

Note: Chairman may co-opt / nominate members on requirement basis.

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CHAPTER VI

PROCEDURE FOR PROCUREMENT UNDER 'MAKE' CATEGORY

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INDEX SHEET : GUIDELINES & ANNEXURES CHAPTER VI

FAST TRACK PROCEDURE

Ser No	Appendix	Content	Reference	
			From	Pages
1	Appendix A	Statement of Case for Proposal under Fast Track Procedure	Refers to Paragraph 6.1 of Chapter VI of DAP 2025	300
2	Appendix B	Suggested Time Frame under FTP	Refers to Paragraph 34 of Chapter VI of DAP 2025	301

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Appendix A

(Refers to Paragraph 6.1 of Chapter VI of DAP 2026)

STATEMENT OF CASE FOR PROPOSAL UNDER FAST TRACK PROCEDURE

TITLE OF THE CASE

1. Name of the Item(s) being Procured.
2. Quantity of Item(s) being Procured.
3. Acquisition Category.
4. Justification for Procurement.
    - 4.1 Brief of the Situation Necessitating Procurement under FTP.
    - 4.2 Deficiency in Capability Observed which Needs Urgent Rectification.
    - 4.3 Broad Purpose of Item(s) being Procured.
    - 4.4 Whether Equipment is in Service / Fresh procurement.
    - 4.5 Source of Procurement.
5. **Quantity**.
    - 5.1 Basis / Justification for Projected MOQ.
    - 5.2 Proposed Distribution of Item(s) being Procured.
6. Details of OR / SQR / OEM Defined Specifications.
7. Demonstration / LVT (Scope & Details).
8. Product Support & Maintenance Aspects (ESP / AMC / CMC).
9. Time Schedule for Induction (Full details of induction / delivery schedules).
10. Estimated Cost of Proposal.
11. Reservation for MSMEs / Start-Ups (If applicable).
12. Availability of Funds.
13. Mode of Tendering and Vendor List.
14. Splitting Sources of Supply (if applicable).
15. Details of the Empowered Committee (along with powers to negotiate and conclude contract, if applicable)
16. Details of Approval Sought

(_____)
Officer initiating the proposal

Note: *This is only an indicative format. Information may be provided as per this format, to the extent feasible. If required, additional information may also be provided.*

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Appendix B of Chapter VI of DAP 2025
(Refers to Paragraph 34 of Chapter VI of DAP 2026)

SUGGESTED TIME LINES FOR FTP

Ser No	Activity	Timeline (In Weeks)	
		Time	**Total Time**
1	Accord of AIP	02	T_0 - 02
2	**Accord of AoN**	**-**	**T_0**
3	Issue of RFP	02	T_0 + 02
4	Pre-Bid Meeting	02	T_0 + 04
5	Issue of Reply / Clarifications to Pre-Bid Queries	01	T_0 + 05
6	Submission of Bids	02	T_0 + 07
7	TEC*****	02	T_0 + 07 - T_0 + 09
8	LVT / Demonstration / On-Site Evaluation by EC*****	02	T_0 + 07 - T_0 + 11
9	Contract Negotiations	06	T_0 + 13 - T_0 + 17
10	Oversight Committee[#]	02	T_0 + 13 - T_0 + 19
11	**CFA Approval**	01 - 06	T_0 + 14 - T_0 + 25
12	**Contract Signing**	01	T_0 + 15 - T_0 + 26
Delivery (from the date of signing of contract)		Max 104 weeks	T_0 + 119 - T_0 + 130

Notes:-

* Activities at Serial 7 and 8 would be carried out only for procurement of new equipment.

[#] Activity at Serial 10 shall be carried out if ordered

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CHAPTER IX

REVITALISING DEFENCE INDUSTRIAL ECOSYSTEM THROUGH STRATEGIC PARTNERSHIPS

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INDEX SHEET: GUIDELINES & ANNEXURES CHAPTER IX

REVITALISING DEFENCE INDUSTRIAL ECOSYSTEM THROUGH STRATEGIC PARTNERSHIPS

Ser No	Appendix	Content	Reference	
			From	
1.	Appendix A	Ownership structure	Refers to Paragraph 12 of Chapter IX of DAP 2026	303
2.	Appendix B	Minimum qualifying criteria	(Refers to Paragraph 24 of Chapter IX of DAP 2026	305
3.	Appendix C	Procurment Process For Cases Under Strategic Partnership (SP) Model	(Refers to Paragraph 20 of Chapter IX)	307
4.	Annexure I to Appendix C	Flow Chart of Activities-SP Model	Refers to Paragraph 20 to Appendix C of Chapter IX of DAP 2026	325
5.	Appendix D	Terms of reference for Empowered Project committees(EPC)	(Refers to Paragraph 20 of Chapter IX of DAP 2026)	326

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Appendix A
(Refers to Paragraph 12 of Chapter IX of DAP 2026)

OWNERSHIP STRUCTURE

1. **Ownership Structure and Form**. The applicant must be a public company as defined under the Companies Act, 2013 ("Applicant Company"). The objective of the Strategic Partnership model is to build capabilities in India to manufacture defence equipment. The bidder is required to ensure that the IPR for the platform design is licensed in perpetuity by the original IPR holders to the MoD for the purpose of undertaking modification, design changes development of training aids/simulators post completion of warranty of each platform. In certain extreme circumstances of conflict like war, the GoI would have the right to acquire control over the intellectual property used and facilities developed pursuant to the Strategic Partnership.

2. The Applicant Company and subsequently the Strategic Partner when appointed should be an Indian company owned and controlled by resident Indian citizens. The management of the Applicant Company should be in Indian hands with majority representation on the board of directors. The chief executive(s) of the Applicant Company shall be resident Indians who are part of the Indian group owning and controlling the Applicant Company or the Strategic Partner.

3. The calculation of foreign investment in the Applicant Company shall include: -

3.1 The paid up equity share capital held by the foreign company either by itself through its subsidiary companies or nominees in the Applicant Company;

3.2 The paid up equity share capital held by other foreign investors in the Applicant Company; and

3.3 The quantum represented by that proportion of the paid-up equity share capital to the total issued equity share capital held or controlled by persons mentioned in 3.1 or 3.2 above in an Indian company or a limited liability partnership which is a shareholder in the Applicant Company ("Indian Entity"). It is pertinent to note that, for the calculation of foreign equity in the Indian Entity equity held by Foreign Portfolio Investors ("FPI(s)") (category I and II only) and Indian mutual funds will not be included.

4. Further, a company is considered as 'Owned' by resident Indian citizens if more than fifty percent (50%) of the capital in itis directly or beneficially owned by resident Indian citizens and / or Indian companies, which are ultimately owned and controlled by resident Indian citizens. This implies that the maximum permitted FDI shall be forty nine percent (49%). No pyramiding of FDI in Indian holding companies or in Indian entities subscribing to shares or securities of the Applicant Company or the Strategic Partner shall be permitted. Indirect foreign investment shall be accounted for in counting the forty-nine percent (49%) FDI. In case of any subsequent change after grant of AoN in shareholding pattern / ownership of the SP, prior approval of AoN according authority would be taken to continue with the project. In cases where Applicant Company is able to demonstrate significant, verifiable and tangible Transfer of Technology (ToT), duly justified in the Statement of Case (SoC) then a special dispensation may be considered by the Defence Acquisition Council (DAC) to exempt the applicant company for the conditions stipulated at Para 23 and sub-paras 23.1 & 23.2 of chapter I.

5. 'Control' shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements. For example, in the event Company A, having twenty five percent (25%) FDI (and no other foreign investment), holds fifty percent (50%) of the Applicant

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Company, presuming the Applicant Company has no other foreign investment, it shall be construed to have twelve point five percent (12.5%) of foreign investment.

6. The application should be supported by an Affidavit testifying to the truth and accuracy of the information supplied.

7. The financial information shall be accompanied by unqualified report from the statutory auditor appointed under Section 139 of the Companies Act, 2013 or corresponding sections under previous Companies Act, about the correctness and accuracy of the financial information submitted. For any materially false statement, the Applicant Company shall be disqualified.

8. The Strategic Partner shall be permitted to incorporate subsidiary companies in the nature of SPV or use existing subsidiaries as SPVs in respect of specific projects or contracts awarded by the MoD when procurement contracts are required. No other assignment of the contract or project shall be permitted. The status and contract with the Strategic Partner is not assignable. Final integration of system of systems shall be carried out by the Strategic Partner or its SPV in India. SPV shall be wholly owned by the Strategic Partner and the shareholding of such a Strategic Partner in the SPV should be locked in for the term of the Strategic Partnership. The only permitted exception to this condition is that in case of company(ies) or entity(ies) providing technology for a project or a contract so requires such company(ies) or entity(ies) shall together be allowed a maximum of forty nine percent (49%) in the SPV without loss of control or ownership of the SPV by the Strategic Partners. The making of the SPV and the terms of the joint venture shall be scrutinized by the MoD to ensure that the SPV and/ or the Strategic Partner are Indian owned and majority controlled by resident Indian citizens as defined in Paragraphs 3, 4 and5 above. Such SPVs should be set up in compliance with the policies and guidelines issued from time to time by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. However, the overall responsibility of performance as owed to the MoD shall always be that of the Strategic Partner. Strategic Partner and SPV(s) would be jointly and severally liable. SPV's joint and several liability(ies) with the Strategic Partner shall be prorated to the extent of its work share, as agreed at the time of approval of the SPV by the MoD.

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Appendix B
(Refers to Paragraph 24 of Chapter IX of DAP 2026)

MINIMUM QUALIFYING CRITERIA

1. **Technical Gate**. Demonstrated capability of integration of 'System of Systems', which refers to any system with multiple technologies of major systems like aircraft, ships, chemical plants, power plants, automobiles etc as specified in the EoI.

2. **Financial Gate**. Following aspects inter-alia, as specified in the EoI/ RFP: -

2.1 Consolidated Turnover.

2.2 Net worth.

2.3 Rating.

3. **Other Conditions**. Promoters and directors of Applicant and Segment Group Company should not be willful defaulters to banking system as on date of this application.

Segment Specific Criteria

4. **Submarines**.

Ser No	Attributes	Yes/No
4.1	Availability of at least one suitable Dry dock or Building bay with ship lift/ floating dock for submarine of 3000T displacement and length of 90m.	
4.2	Availability of at least two slots for water frontage/wet basin/outfitting berths/outfitting bays for submarine of 3000T displacement and length of 90m.	
4.3	Should have successfully delivered a Warship/Ship as lead or prime contractor in the past five years.	

5. **Fighter Aircraft/Helicopters**.

Ser No	Attributes	Yes/No
5.1	Availability of hangar and land space exclusively for production, assembly and testing of Aircraft/Helicopters.	
5.2	Experience in production of Aircraft/Helicopters/ systems and components thereof.	
5.3	Availability of special machining/processing facilities for composites for Aircraft/Helicopters.	

6. **Armoured Fighting Vehicles (AFV)/Main Battle Tank (MBT).**

Ser No	Attributes	Yes/No
6.1	Mobility track, Test driving track and adequate land bank available.	
6.2	Simulation and Modelling capabilities for complex systems.	
6.3	Integration of complex automotive and/or armament systems.	
6.4	Processing facilities for metals and composites including forging, casting, machining and forming/moulding.	

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7. **Niche technology Systems with Strategic Implication**.

Ser No	Attributes	Yes/No
7.1	Availability of adequate exclusive infrastructure for production, assembly and testing of Selected Niche Technology System.	
7.2	Experience in production of selected Niche Technology System and components thereof.	
7.3	Availability of any other additional facilities/ resources required for selected Niche Technology System production.	

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Appendix C
(Refers to Paragraph 20 of Chapter IX of DAP 2026)

PROCURMENT PROCESS FOR CASES UNDER STRATEGIC PARTNERSHIP (SP) MODEL

Acquisition Process

1. The acquisition process for the procurement under the Strategic Partnership (SP) Model will involve the following processes:-

1.1. Issue of Request for Information (RFI) to foreign OEMs.

1.2. Finalisation of SQRs (PSRs for submarines).

1.3. AIP by DPB.

1.4. Expression of Interest (EoI) to Indian Industry and foreign OEMs.

1.5. DAC approval for shortlisting of potential SPs Foreign OEMs and accord of AoN.

1.6. Issue of RFP for solicitation of offers.

1.7. Evaluation of Technical offers by Technical Evaluation Committee (TEC).

1.8. TOC, as necessary, in accordance with Ch-II of DAP 2026.

1.9. Field Evaluation.

1.10. Staff Evaluation.

1.11. TOC, as necessary, in accordance with Ch-II of DAP 2026.

1.12. Commercial negotiations by Contract Negotiation Committee (CNC).

1.13. Approval of the Competent Financial Authority (CFA).

1.14. Award of Contract.

1.15. Contract administration and Post Contract Management.

Request for Information (RFI)

2. The RFI will be sent to potential foreign OEMs for seeking relevant information, on specific procurement schemes. The issue of RFI is not a commitment for procurement.

3. The main objectives of the RFI are as follows:-

3.1. To formulate /refine /rationalise the SQRs (PSRs for submarines); this exercise may involve rational combination of different product specifications and shall result in a practical and achievable product requirement.

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3.2. To generate input for structuring the EoI and the RFP.

3.3. To determine the indicative budgetary and cost implications.

4. The RFI shall clearly indicate the following:-

4.1. Capabilities sought in the equipment/ system/ platform {draft ORs (OSRs for submarines), as applicable}.

4.2. Tentative quantity required and anticipated delivery timeframes.

4.3. Tentative time schedule for the acquisition processes (issue of EoI).

5. The RFI shall seek the following inputs from the OEMs:-

5.1. Details for generating/ refining/ rationalizing the SQRs (PSRs for submarines), as applicable.

5.2. Details that go into determining the cost of the scheme, including factors such as Maintenance philosophy, Annual Maintenance Contract (AMC), Performance Based Logistics, training etc.

5.3. Scope, depth and range of ToT and key technologies sought.

5.4. Applicable key technologies and materials required for manufacturing of the equipment/ system/ platform and the extent of their accessibility in case they are not available in India.

5.5. Information related to indigenisation roadmap, setting-up eco-system of Indian Tier I/ II/ III vendors, creation of R&D capabilities and skilling provisions etc.

5.6. Willingness to support SP in establishing system for integration of platforms, Indigenisation efforts, ToT implementation and Life Cycle support/ Performance Based Logistics/maintenance aspects.

5.7. Approximate cost estimate.

6. RFI is also advance intimation for the OEM to obtain requisite government clearances. At least three months shall be given to OEMs after issuing the RFI, for a structured response and interaction.

7. RFI shall be formulated by SHQ, in consultation with DRDO, DDP and HQ IDS to ensure that comprehensive response is generated from OEMs to facilitate addressing all aspects of operational requirements. A copy of the RFI will be shared with DRDO, DDP and HQ IDS, for their comments, which shall be provided within four weeks, post which it will be considered as 'nil-comments'. The comments obtained may be duly incorporated, wherever applicable. RFI shall also ask for details about the OEMs as per Annexure II of Appendix A to Chapter II.

8. Suitable interactions with the OEMs will be planned by the SHQ. After interaction, OEMs may be given adequate time to respond to the RFI.

Formulation of SQRs (SRs for Submarines)

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9. Based on the Operational Requirements (ORs)/OSRs for submarines and the RFI response the SHQs will formulate Staff Qualitative Requirements (SQRs)/ Preliminary Staff Requirements (PSRs) in consultation with all stakeholders, as per procedure enumerated in succeeding paragraphs. For the segments of fighter aircraft, helicopters and armoured fighting vehicles the SQRs shall be appended to the SoC, while seeking AoN. In case of submarines, Preliminary Staff Requirements (PSRs) will be attached to the SoC.

Services Qualitative Requirements (SQRs) {Preliminary Staff Requirements (PSRs) for Submarines}

10. **Characteristics of Services Qualitative Requirements (SQRs)**. Capital acquisitions for Fighter Aircraft, Helicopters and Armoured Fighting Vehicle (AFV) segments will be based on SQRs, which need to lay down the fundamental user requirements in a comprehensive manner. The SQRs need to be detailed, realistic, achievable and verifiable and must avoid ambiguity of any type. SQRs must be broad based and must not be tailored from/ for a particular product or service and must result in procurement of the items that best meet the requirements of the forces. As far as possible, SQRs shall specify the requirements of military grade, ruggedised and Commercially Off the Shelf (COTS) items. It may not be viable for all SPs to produce a complex and costly equipment precisely customised for unique requirements, within limited time and in limited numbers, for assessment and evaluation at Field Evaluation Trial (FET) stage. Hence the parameters of SQRs, are classified as under: -

10.1. **Essential Parameters-A**. These parameters are generally a part of the contemporary equipment available in the market and form the core of the SQR; Essential Parameters-A will be tested and validated at FET stage.

10.2. **Essential Parameters-B**. Though not available, originally in the equipment fielded for the FET, these parameters can be developed and achieved by the SPs in conjunction with OEMs, using available technologies. These parameters need to be tested and validated within a specified time frame as stipulated in the contract. These tests for Essential Parameters-B shall also validate that there is no adverse effect on any of the Essential Parameters- A. However, SPs shall be able to substantiate and need to provide an undertaking, at stage of responding to RFP that they will develop and meet the Essential Parameters-B in partnership with the OEM, within their existing capabilities.

(**Note**: In procurement cases involving Essential Parameters-B, an Additional Bank Guarantee valued between 5% and 10% of the contract value of equipment required with Essential Parameters-B, as determined by the AoN according authority, needs to be submitted, in addition to the Performance Bank Guarantee. The quantum of the Additional Bank Guarantee must be stated in the RFP issued to prospective Indian SPs. Failure to meet the Essential Parameters-B after signing of the contract and within the stipulated time frame, will lead to forfeiture of all bank Guarantees (Performance Bank Guarantee, Additional Bank Guarantee and Advance Bank Guarantee if any) and attract other penal provisions as may be prescribed by the Government. On meeting the Essential Parameters-B as per contract terms, the Additional Bank Guarantee will be released and returned to the contracted vendor (Indian SP). Essential Parameters-B will not be evaluated at the FET stage, even if any equipment, as claimed by the OEM(s), can meet them. Essential Parameters-A and Essential Parameters-B (if applicable) are non-negotiable requirements to be met by the SP and the OEM, prior to commencement of equipment delivery. The provision to incorporate Essential Parameters-B will be used only when required, with DAC's approval and will not be used when two or more OEM claim to possess the same at the RFI stage. Essential Parameters-B will not be included where only single OEM is shortlisted. Essential Parameters-B may also be incorporated in the SoC, for provision of partial quantities of the items being procured, to meet different/ higher specification for specific operational requirements).

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10.3 **Enhanced Performance Parameters (EPP)**. EPP are those parameters that enhance the capability of the equipment vis a-vis the essential parameters; a SQR may not contain EPP in all cases. Inability to meet the EPP does not preclude SPs from being eligible for the bidding/ bid evaluation. However, if a SP claims to have equipment meeting the EPP as specified in SQR and RFP, then they must provide details of the same in their technical bids, which have to be tested for compliance during the FET itself. Equipment successfully meeting the EPP parameters will be awarded a credit score of up to 20%, for evaluation of L1, with each individual attribute not exceeding a credit score of up to 5%, as approved by the AoN according authority. Bid evaluation criteria/ determination of L1 for categories of cases involving EPP, is as elucidated below:-

10.3.1. In case procurement involves EPP, then the EPP and their credit scores need to be explicitly detailed in the RFP (issued to Indian SP). In such cases, if the equipment supplied by an SP does not have the EPP, then the commercial quote of the SP, for the purpose of L1 determination, remains as it is.

10.3.2. In cases where an SP's equipment meets the EPP, the commercial quote will be multiplied by a credit factor less than 1 and greater than or equal to 0.9, based on the additional technical score assigned for the EPP, as detailed in the RFP. For example, if a SP quotes ₹10 Crores for an equipment and meets a certain EPP for which an additional credit score of 2% is being provided, then the commercial quote of this SP will be considered for L1 determination purpose only, as ₹9.8 Crores (10 Crores multiplied by 0.98) and not₹10 Crores. However, for all purpose other than L1 determination, the value of the commercial quote will be considered as ₹10 Crores only.

11. **Characteristics of Staff Requirement (SRs) for Submarines**. In case of submarines, capital acquisitions will be based on Staff Requirements (SRs), which need to lay down the fundamental user requirements in a comprehensive manner. The SRs need to be detailed, realistic, achievable and verifiable and must avoid ambiguity of any type. The parameters of SRs are classified as under:-

11.1. **Outline Staff Requirements (OSRs**). SHQ is to prepare the Outline Staff Requirements (OSRs), which are to include the role of the submarine, dimensions of its hull, limiting dimensions if any, capability of major machinery, weapons, sensors and details of accommodation, manpower, endurance, etc. The OSRs will form the basis on which the feasibility studies and concept design of the submarine, identification of OEMs/Vendors for specific weapons, sensors, machinery and equipment are to be carried out.

11.2. **Preliminary Staff Requirements(PSRs)**. OSRs are to be refined based on the RFI and thereafter converted into PSRs.

11.3. **Staff Requirements (SRs**). EoI process will seek final validation of the PSRs. After deliberations with OEMs for feasibility of incorporating all requirements of PSRs into the design of the Project, SRs are to be finalised.

12. **Preparation**.

12.1. The SQRs (SRs for submarines) will be drafted by the user directorate at SHQ. In order to make broad based SQRs (PSRs for submarines), information obtained through the issue of RFI is to be considered. The inputs so obtained shall result in the form of a compliance table of SQRs (PSRs for submarines), vis-a-vis technical parameters of equipment available in world market, in as much detail as possible. For submarines, PSRs will be converted into SRs based on EoI response/discussions in accordance with Paragraph 11(c) above.

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12.2. Draft SQRs (SRs for submarines) will be circulated by SHQ to all stake holders concerned including other possible user directorates, maintenance directorate, HQ IDS, DRDO, DDP, Director General of Quality Assurance (DGQA)/Director General of Aeronautical Quality Assurance (DQAQA)/Director General Naval Armament Inspectorate (DGNAI) (as applicable), Directorate of Standardisation, ADG Acq Tech and any other necessary department for obtaining their views/comments. The agencies will also be represented on the Staff Equipment Policy Committee (SEPC) for approving the SQRs (SRs for submarines). In cases where there is commonality of equipment, HQ IDS will constitute a Joint Staff Equipment Policy Committee (JSEPC) with representation from the services concerned, for the preparation of the Joint Service Quality Requirements (JSQR), if an ab-initio single OEM/SP situation is likely, then the case will progress as per provisions of Paragraph Para 42 of Chapter II.

13. The resources of SEPC may be augmented by professional technical experts who have extensive knowledge/experience on the equipment/systems under consideration. Their services shall be utilized for review, rationalization and finalization of the SQRs/SRs, prior to accord of approval. SHQ/HQ IDS may maintain a list of such experts drawn from academia and /or experts from industry, as required.

14. **Approval**. SQRs (SRs for submarines) must be cleared by SEPC and approved by the competent authorities at the respective SHQs.

Approval In Principal (AIP).

15. Potential projects identified to be progressed under Strategic Partnership by SHQ, will be fielded for obtaining Approval-in-Principle (AIP) by DPB.

Empowered Project Committee (EPC)

16. For smooth and efficient implementation of Strategic Partnership Model, DG (Acquisition) is to constitute Empowered Project Committees (EPC) under a three star officer from the SHQ/(lead Service for Joint cases) for each of the SP cases, and with JS level members drawn from MoD (Acquisition),DDP, MoD (Finance), DRDO, Advisor (Cost), and DGQA, as applicable. The Empowered Project Committee may co-opt additional subject matter experts with adequate domain expertise in relevant fields like procurement, contract law and ToT arrangements, on as required basis.

17. The Committee shall be guided by Chapter IX of DAP2026, on Revitalising Defence Industrial Ecosystem through Strategic Partnerships and the Guidelines as enumerated in this document. The board terms of reference for the Empowered Project Committee are placed at Appendix D to Chapter IX of Handbook to Guidelines and annexures.

Transaction Advisors

18. To enable smooth and effective implementation of the Strategic Partnership (SP) Model a Transaction Advisor (TA) may be hired for undertaking the "Advisory Service" by providing assistance (including legal) to MoD/EPC during selection of Strategic Partners (SPs) and Foreign OEMs. The TA will inter-alia be responsible for assisting the EPC in formulation and evaluation of EoI and RFP, as well as formulation of Contract documents. The TA will also ensure legal vetting of EoI and RFP prior issue as well as vetting of the responses, besides legal vetting of Contract documents.

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Expression of Interest (EoI)

19. After accord of AoN by DAC, the Empowered Project Committees (EPC) will issue separate EoI to Indian Industry/ DPSU (wherever applicable) and foreign OEM(s) with an aim to shortlist potential SPs and OEM(s) respectively, as per procedures enunciated in subsequent paragraphs.

EoI for Shortlisting of SP

20. EPC shall issue an EoI to seek applications from Indian Private Industry/ DPSUs (as applicable) for selection for Strategic Partner in identified segments. EoI shall inter alia seek information related to Minimum Qualification Criteria comprising of financial, technical and segment-specific parameters. The EoI shall be hosted on the MoD website and given due publicity. Potential SPs shall provide response to the EoI within two to four months depending upon the assessment of EPC. Any extension sought beyond stipulated time period and upto a period of eight weeks shall be approved by the Chairman of EPC, based on the merits of the case. The extension so accorded shall be equally applicable to all stakeholders. Request for any further extension shall be sought from DG (Acquisition).

EoI for Shortlisting of Foreign OEM

21. The process of shortlisting foreign OEMs will be done simultaneously with the process of identifying potential SPs. Based on SQRs (PSRs for submarines) an EoI will be issued to potential OEMs shortlisted at the RFI stage. Subsequent to the accord of AoN, additional vendors who did not respond to the RFI, can also express interest for receipt of EoI, within four weeks from the date of publication of details on the MoD and SHQ websites. EoI shall inter-alia define the following: -

21.1 Technologies to be acquired along with the range and depth of transfer of technology (ToT) to achieve the stipulated level of indigenisation and development of industrial eco-system in India. The ToT requirements shall be identified in consultation with DRDO and other stakeholders.

21.2 Progressive indigenisation desired both in respect of main platform as also spares/ maintenance.

21.3 Willingness to support SP in establishing system for integration of platforms, implementation of ToT and life cycle support/ Performance Based Logistics/ MToT/maintenance aspects.

22. EoI may also seek details that go into determining the cost of the scheme, including factors such as maintenance philosophy, Annual Maintenance Contract (AMC), Performance Base Logistics, R&D roadmap, training etc, to assist in arriving at effective benchmarking subsequently.

23. EPC shall ensure that the potential foreign vendors are Original Equipment Manufacturers (OEMs) for Export Agencies authorized/ sponsored by foreign Governments (applicable in the case of countries where domestic laws do not permit direct export by OEMs). While short-listing the OEMs, EPC shall take into account their ability to transfer requisite technology for indigenous production.

24. In this context, OEMs will need to indicate whether they have consulted their government(s), and necessary licenses to transfer technology will be granted in case the OEM is selected as a partner for the SP to manufacture the platforms/ equipment in India. Wherever required, OEMs will be required to provide a letter of assurance from their respective government, prior to issue of RFP. Such a commitment may also be supported by Inter-Governmental agreements to be signed between India and the country(ies) concerned, either once the L1 has been determined or at the stage of award of contract.

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25. OEMs shall provide response to the EoI within two to four months depending upon the assessment of EPC. Any extension sought by the foreign OEM beyond stipulated time period and upto a period of eight weeks shall be approved by the Chairman of EPC in accordance with provision of Paragraph 60 below, based on the merits of the case. The extension so accorded shall be equally applicable to all stakeholders. Request for any further extension shall be sought from DG (Acquisition).

26. Based on the responses, EPC shall hold consultations with the potential OEMs. These consultations will inter-alia relate to SQRs (PSRs for submarines), technology transfer aspects, delivery timelines, and indigenisation roadmap proposed.

27. The final shortlisting of OEMs shall inter-alia into consideration the following factors:-

27.1 Range, depth and scope of technology transfer offered in identified areas.

27.2 Extent of indigenous content proposed.

27.3 Extent of eco-system of Indian vendors/ manufactures proposed.

27.4 Measures to support SP in establishing system for integration of platforms indigenisation efforts, ToT implementation and life cycle support or Performance Based Logistics/MToT/ maintenance aspects.

27.5 Plans to train skilled manpower.

27.6 Extent of future R&D planned in India.

28. **Transfer of Technology (ToT)**.

28.1 The primary objective of SP Model is to progressively build indigenous capabilities in the private sector to design, develop and manufacture platforms/ complex weapon systems for ***the future needs*** of the Armed Forces. To achieve this, ToT needs to be optimized to effectively infuse desired critical technologies into the industrial eco-system to enable self-sufficiency for Next-Gen indigenous defence systems.

28.2 **ToT for Submarines**. In case of submarines, the aim of ToT will also be to fill in the gaps in the design expertise at SHQ/ Shipyard, besides leveraging current project to obtain critical technologies to achieve self-reliance in submarine design and construction in the long term.

28.3 **Scope, Range and Depth of ToT**. During discussions with foreign OEMs at the EoI stage, EPC will explore feasibility of maximizing ToT. Based on the deliberations during the EoI stage, EPC will finalise the scope, range and depth of the ToT. The board terms of reference for ToT can be as follow: -

28.3.1 Identify Transfer of Technology (ToT) modules required for extant/ future platforms. 'Segment-specific' technologies may also be included for ToT, as applicable.

28.3.2 Identify the depth, range and scope of technology required for each module.

28.3.3 Identify maintenance technologies required for life-cycle support of the platforms, as well as associated technologies that are envisaged per the proposed maintenance philosophy.

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28.4 As ToT, comes at a considerable price, it needs to be incentivised.

29. **Indigenous Content (IC)**. India has developed a vibrant industrial ecosystem, which is engaged in design and manufacture of cutting-edge components. In line with the 'Make in India' initiative of Government of India, the EPC, needs to make all efforts to maximised IC in the project. Similar to ToT, the IC also needs to be incentivised.

30. **EoI-Areas for Incentivisation**. In order to realize full potential of the SP Model, it is essential to provide rational and transparent incentives to OEMs offering ToT and IC over and above the Minimum Qualifying Threshold. Towards this, EPC in consultation with Transaction Advisers is to draw out a transparent mechanism, as follows:-

30.1 **ToT**. Set Minimum Qualifying Threshold with respect to number of technology modules required to be transferred. Additionally, accord suitable weightage for these technology modules to duly compensate for their cost.

30.2 **IC**. Accord suitable weightage for additional IC, especially in respect of hardware (equipment and platform), that is excluding the services, work force and infrastructure costs. Indigenous Content will be calculated only for the 'Make' component of the Contract. Additionally, BNE/ BFE, as well as Tax and levies will not be considered towards IC calculation.

30.3 **Exclusive Global Hub**. Similar consideration/ weightage is to be accorded to OEMs, who offer to setup exclusive global manufacturing line or exclusive hub for MRO/ spares in India.

30.4 **Building Indigenous Eco-System**. Lay down minimum cut off percentage (by value) for Tier I/II/III/IV OEM suppliers to progressively manufacture their equipment/parts/spares in India. SPs, which ensure higher percentage of indigenisation, over and above the cut-off limit, will be incentivised.

31. **EoI Approval**. EoI prepared by the EPC with above provisions would be examined and approved by DG (Acquisition) on file, prior to issue.

32. Given the diversity and complexity for the segments under the SP Model; that is, Helicopters, Fighter Aircraft, Submarines, Armoured Fighting Vehicle, Niche technology systems with strategic implications etc., the ToT requirements as also Indigenous Content for each of the segment would vary, and accordingly specific details to be included in the EoI for each of the SP segments will be issued separately.

33. On receipt of EoI response, the EPC will nominate a team under SHQ to undertake technical evaluation, to examine the extent of variations/differences in the characteristics of the equipment being offered by various OEMs, as also other provisions. The technical evaluation will be submitted to EPC for seeking further clarifications/technical discussions with the OEMs.

34. **Cost Estimate**. During the EoI process, approximate cost estimation received as per RFI response may be further refined to assist subsequently in benchmarking during CNC.

35. **Finalisation of SRs for Submarines**. Based on the EoI deliberations, the PSRs for submarines are to be converted into SRs as per procedure enumerated at Paragraphs 10 to 14 above, prior to presenting the case to DAC for 2nd Stage approval.

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DAC Approval for Shortlisting of Potential SPs, Foreign OEMs and Accord of AoN

36. Once the potential SPs and foreign OEMs have been shortlisted, the EPC shall seek DAC approval. The SoC for seeking AoN will be prepared by SHQ, and is to also list out proposed 'Incentivisation Model' (giving out the areas being incentivised along with the Incentivisation procedure). The SoC is to also include broad trial methodology including cases where trials are not visualized or trials need to be conducted abroad in OEM/vendor premises in accordance with Paragraph 34 of Chapter IX of DAP 2026, or where evaluation is planned through computer simulation.

37. The SoC will be signed, with date, by the Head of the respective User, Plans Directorate/equipment of the Services. Seven copies of the SoC will be prepared, justifying the procurement proposal. One copy each will be forwarded to HQ IDS, DDP, DRDO, MoD (Finance), JS& AM, ADG Acquisition Technical and FM. HQ IDS will examine aspects of interoperability and commonality of equipment of the three Services. All stakeholders will forward their comments to SHQ within four weeks, who will then compile all the comments and give their final views. The SoC will thereafter be forwarded to HQ IDS for fielding in the SPB.

38. After evaluating the recommendations of the stake holders, the SPB will examine the case, and if found in order, refer it to DAC for accord of AoN. In order to ensure that AoN according process is completed in a time bound manner, each case will be processed by DRDO/DDP/MoD/MoD (Finance) within four weeks of receipt, so that the proposal is considered by the AoN according authority within a four to six weeks cycle.

39. At the time of accord of AoN, DAC shall consider the participation of DPSUs/PSUs in the specific proposal, keeping in view the order book position, capacity and price competitiveness. In case of Submarine segment, DPSU are also required to have previous experience in construction of submarines.

Buyer Furnished Equipment (BFE) and Buyer Nominated Equipment (BNE)

40. BNE/BFE will be clearly defined in the RFP. EPC is to formulate the lists of BFE and BNE and undertake consultations with OEM and SP on integration issues during the EoI stage. Both the SP and the OEM(s) of the BNE/BFE will be responsible for seamless integration of their equipment, while ensuring the performance parameters of the platform. Inclusion of BNE in projects under SP Model is to be in accordance with MoD ID No 1(13)/D(Acquisition)/16 dated 30 Jun 17 (as amended from time to time).

41. **Procurement of Submarine Borne Equipment**. The procurement of submarine borne equipment will be undertaken by the shipyard in accordance with the shipyards internal policy, as is being followed for construction of naval ships.

42. **Weapons and Sensors**.

42.1. In case of some platforms, not all the potential collaborators (OEMs) may be able to provide the complete range of weapons/sensors require d from the platform. Further, due to geo-strategic conditions, the governments of collaborators may not be willing to offer weapons/sensors to OEMs of certain other countries. EPC is therefore to arrive at a Weapon/Sensor Matrix indicating the likely source of weapons/sensors for the shortlisted platforms catering for the geo-strategic sensitivities of various OEMs. The Weapon/Sensor Matrix is to include the options of importing foreign weapon systems/ sensors already inducted and/ or on offer, both proven and under development.

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42.2. Such procurements of weapons/sensors will be undertaken post selection of the SP and foreign OEM (collaborator for the main platform), and will not be considered as Single Vendor procurement. Such a commitment, may, if required, be supported by Inter-Governmental agreements to be signed between India and the country(ies) concerned, at the stage of award of contract.

42.3. Contract with SP is to include the likely weapons/sensors and their OEMs that have been shortlisted for the selected platform as per the Weapon /Sensor Matrix. It is to further define the clear division of responsibility between SP and weapons/sensors OEM with regard to integration, testing and proving of these weapons/sensors.

Solicitation of Offers

43. Once the DAC approval has been obtained for shortlisted potential SPs and OEM(s), RFPs shall be issued to the short-listed Indian companies.

44. Solicitation of offers will be as per 'Single Stage-Two Bid System'. It will imply that a RFP will be issued soliciting the technical and commercial bids together, but in two separate and sealed envelopes.

45. **RFP Vetting and Issue**. The procedure for RFP vetting and issue will be as follows: -

45.1. SHQ will prepare draft RFP in consultation with all agencies concerned such as procurement and maintenance directorates at SHQ, Quality Assurance agencies, DRDO, etc.

45.2. After the draft RFP has been circulated and necessary changes incorporated, where applicable, it is to be submitted to EPC.

45.3. EPC is to finalise the RFP, after single-stage vetting and forwarded it to DG (Acquisition) for approval. SHQs shall however ensure that all issues/observations raised by the stakeholders are taken into consideration and resolved as applicable, prior forwarding the draft RFP to EPC.

45.4. Once approved, the RFP will be issued by the ADGs Acq Tech on behalf of the EPC.

Request for Proposal (RFP)

46. The RFP will be a self-contained document that will enable SPs to make their offer after consideration of full requirements of the acquisition. The RFP document will be finalized base on the EoI evaluation/deliberations. Wherever required, Transaction Advisers may be consulted. This will be applicable for all acquisitions under the SP Model. Besides the name of shortlisted OEMs, the RFP will generally consist of five parts as under:-

46.1. The first part elaborates the general requirement of the equipment, the numbers required, the time frame for deliveries, the environmental parameters for functioning, conditions of usage and maintenance, requirement for training, Engineering Support Package (ESP)/Performance Based Logistics (PBL), and warranty/guarantee conditions etc. It specifies the prescribed procedure and last date and time for submission of offers.

46.2. The second part of the RFP incorporates the SQRs (SRs for submarines) describing the technical parameters of the proposed equipment in clear and unambiguous terms. In case equipment is being procured for the first time and needs to be evaluated, the RFP will include

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the requirement of field evaluation on a 'No Cost No Commitment' (NCNC) basis. Compliance of offers will be determined only based on the parameters spelt out in the RFP.

46.3. The third part of the RFP outlines the commercial aspects of the procurement, including clear statements on Payment Terms, Performance-cum Warranty Guarantees, and Additional Bank Guarantee in respect of Essential Parameters-B (if applicable) and Guarantees against Warranty Service to be performed by the supplier. It also includes standard contract terms along with special contractual conditions, if any.

46.4. The fourth part of the RFP defines the criteria for evaluation, trial methodology and acceptance, both in terms of technical and commercial contents. A format will be enclosed for submission alongwith commercial offer to facilitate preparation of Comparative Statement of Tenders (CST) duly incorporating credit score for EPP wherever applicable and identification of Lowest (L1) SP. Submission of incomplete details in the format enclosed, along with commercial offer, will render the offer liable for rejection.

46.5. RFP will also include the approved 'Incentivisation Model'.

47. In addition, the RFP shall also seek following requirements (as determined during EoI process):-

47.1. ToT (scope, range and depth).

47.2. ToT for maintenance infrastructure.

47.3. Mandatory requirements related to indigenisation roadmap, creation of R&D capabilities and skilling provisions etc.

47.4. Maintenance philosophy, such as performance Based Logistics, Annual Maintenance Contract (AMC), other maintenance arrangements etc.

Maintenance Philosophy

48. Given the importance of the weapon platforms/systems being acquired under the SP Model, there is a need to formulate a suitable maintenance philosophy in consultation with OEMs Besides Level 1 to Level 2 maintenance with Services, due cognizance is to be given to Performance-Based Logistics (PBL) to optimize systems readiness and meet performance goals for a system/platform through long term support arrangements with clear lines of responsibility. SHQ may choose any one or a combination of the various options listed in succeeding paragraphs.

49. **Performance-Based Logistics (PBL)**. PBL is the purchase of support as an integrated, affordable, performance package designed to optimize system readiness and meet performance goals for a system/platform through long-term support arrangements with clear lines of authority and responsibility. Simply put, performance-based strategies buy outcomes, not products or service. The SP will continue to remain the single point of contract for obsolescence management, availability of maintenance eco-system and supply chain thereby ensuring the defined availability of the platforms in accordance with the original specifications for the duration of Platform Life. The scope and estimated costs of PBL may be obtained during EoI stage and finalised prior issue of RFP.

50. **Spares**. The Services will stock all the Level 1 to Level 2 maintenance/ breakdown spares, as well as B&D and war reserve spares. Additionally, the RFP shall also seek cost of the manufacturer's Recommended List of Spares (MRLS), Itemised Spares Parts Price List, optional equipment and the likely consumption rate of the spares based on the exploitation pattern of the

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equipment, as applicable. The RFP shall also seek roadmap for indigenous production of spares, besides mentioning that the SP/OEM shall finalise the terms for lifetime product support.

51. The provision of ToT to SP for providing maintenance infrastructure will be applicable for SP Model cases. The foreign OEM will have to transfer technology for maintenance to SP, which will be responsible for providing base repairs (third line), and the requisite spares for the entire life cycle of the equipment the RFP will spell out the specific requirements of ToT for maintenance infrastructure that could cover the production of certain spares, establishment of base repair facilities including internationally accredited test facilities and the provision of spares for the entire life cycle of the equipment. The SP will be responsible for providing maintenance facilities and support of the equipment, through its life cycle.

52. Adequate training of personnel for undertaking 'O' Level and 'I' Level maintenance without the involvement of SP may also be factored.

53. SP will also be considered for undertaking depot level servicing, refits, as also mid-life upgrade of the platforms, as and when due.

Modifications for Submarines

54. Due to long gestation period, the construction of submarines may require to accommodate unforeseen changes necessitated due to minor operational requirements of the user etc. There may be occasions when systems/equipment, which are still under development or those not fully evaluated, have to be considered in order to ensure that the submarine, when ready has the latest state of art capabilities at the time of induction into service. Further, due to operational reasons, adaption of developmental systems, shortfalls observed during installation/trails of equipment/ systems etc, may require modifications in design. Since it is not feasible to forecast these, a provision needs to be made for the same while obtaining CCS/CFA approval. In this context, the DAC will examine the extent of modification cost recommended by the SHQ during the accord of AoN. Based upon the DAC decision, a percentage of the project cost will be included in the CFA approval on 'Not Exceeding Basis' for modifications. Towards this, the detailed procedure and cost methodology for modifications will be incorporated in the segment specific guidelines issued for the submarines. EPC is to also incorporate the same in the RFP as well as the Contract.

SP Interaction with OEM

55. The list of short-listed OEMs along with extracts of EoI, as necessary, shall also be annexed to the RFP, so that the short-listed Indian companies can freely engage with such OEMs and finalise their techno-commercial offer in agreement with any of these OEMs. One Indian company can engage with any or all OEMs, but can finally submit only one offer in agreement with any one of the OEMs.

56. **Pre-bid Meeting**. Consequent to the issue of RFP, a number of queries relating to the RFP may be raised by the potential SPs. It shall be ensured that all the queries are answered in an acceptable time frame so that the potential SPs are able to submit their techno-commercial offers by the due date. If necessary, a pre-bid meeting of all the potential SPs may be invited by the SHQ under the aegis of EPC. The clarifications shall be processed by the SHQ and be given in writing to all the shortlisted SPs by the Member-Secretary EPC preferable within three weeks of the pre-bid meeting. However, it needs to be ensured that the SQRs (SRs for submarines) shall not be changed/ amended at this stage.

Evaluation of Response to RFP

57. The offers received shall be opened on the notified date and time, by the members of a committee nominated by EPC and chaired by the TMs, in the presence of the bidders or their authorised

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representatives, as may choose to be present. The Committee will open the envelope containing the sealed technical and commercial offers. The technical offer will be opened by the committee and sent to SHQ for evaluation by the Technical Evaluation Committee (TEC) and the sealed envelope containing the commercial bid will be sent to the concerned AM in the EPC, unopened. Offers which do not conform to the prescribed procedure for submission of offers, or which are received after the scheduled time for submission of offers and unsolicited offers, will not be accepted.

58. In case a single bid is received at the bid submission stage, the Technical Evaluation Committee nominated by SHQ will proceed with the process and complete the Technical Evaluation without retracting the RFP. Within four weeks from the acceptance of the Technical Evaluation Committee (TEC) report, the case must be referred to the AoN according authority. In case it is concluded that there is no scope for change in SQRs and other conditions of the RFP, and that retraction and reissue of RFP is not likely to increase the SP-OEM base, then the case may be progressed with the approval of DAC, provided the SP agrees to hold the original commercial bid till completion of the procurement process. In such single vendor situation, efforts shall be made to complete the acquisition process before expiry of original validity of commercial bid.

59. **Extension of Time**. No extension of time will be provided under normal circumstances. However, situations may arise in which it may be appropriate to extend the time allowed for submission of offers. If the SP is seeking an extension, the request with justification must be received by the member-secretary of the concerned EPC at least two weeks prior to bid submission date, failing which such requests may not be entertained. Upto a period of eight weeks from the original date of submission of offers, the extension can be granted by the Chairman EPC. For any further extension, approval is to be sought from the DG (Acquisition).

Technical Evaluation Committee (TEC)

60. A TEC will be constituted by the Service Headquarters under intimation to Chairman EPC for evaluation of the technical bids received in response to RFPs. It will include representative of the user service, maintenance agency, DRDO and representatives of QA, as deemed necessary. The TEC will examine the extent of variations/differences, if any, in the characteristics of the equipment offered by various OEMs with reference to the QRs and prepared a "Compliance Statement' short listing the equipment for trials/induction into service, as applicable. TEC will also examine compliance of SPs to other provisions of RFP. Non-compliance of SP to any of the required provisions will lead to rejection of the bid at this stage. The TEC may invite the SPs (along with OEMs, if required) for technical presentation/clarifications on technical issues.

61. A technical offer, once submitted, shall not undergo subsequent material changes. However, minor variations which do not affect the basic character/profile of the offer may be acceptable, under the following conditions: -

61.1. To ensure fair play, an opportunity to revise minor technical details shall be accorded to all SPs in equal measure.

61.2. No dilution of SQRs (SRs for submarines) is carried out.

61.3. No extra time is given to any SP to upgrade their product to make it SQR compliant, except in case of Essential Parameters-B.

61.4. The original commercial quote submitted earlier must remain firm and fixed.

62. The Chairman EPC will formally accept the report of the TEC, after due examination by the EPC in cases where all SPs are compliant. In cases where one or more SP(s) are non-compliant, the

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TEC report is to be referred to DG (Acquisition) through respective ADG Acq Tech for approval. Issues, if any, raised by the EPC members on the TEC Report shall be addressed in a collegiate manner with SHQ. In case technical evaluation by TEC leads to a single vendor situation, the procurement process will continue as planned without retracting the RFP for this reason. EPC will however examine reasons for single vendor situation, record the same in their report and submit the report to the DAC. In case it is concluded that there is no scope for change in SQRs (SRs for Submarines) and other conditions of the RFP; and that retraction and reissue of RFP is not likely to increase the SP/OEM base, then the case may be progressed further with the approval of the DAC, provided the SP agrees to hold the original commercial bid till completion of the procurement process. In such single vendor situation, efforts shall be made to complete the acquisition process before expiry of original validity of commercial bid.

Field Evaluation Trials(FET)

63. After completion of the TEC, all shortlisted SPs will be asked to provide the desired number of units of the equipment/ weapon system for trials in India, except when trials are to be conducted at OEM/vendor premises to expedite FET in accordance with Paragraph 34 of Chapter IX of DAP 2026

64. FET will be conducted by the User Service based on trial methodology given in the RFP. The trial methodology shall be comprehensive and un-ambiguous in its scope. Methodology for evaluation of each parameter shall also be clearly detailed in the RFP, so that the SPs/ OEMs fully understand its implications. Parameters, which can be evaluated at TEC stage, based on documents or certificates rendered by accredited agencies, may not be included in the field trails. The scope of field trials shall be optimized to cover all required parameters and the trial methodology must be approved by the PSO concerned at the SHQ, prior to the inclusion in the RFP.

65. SHQ will formulate the Trial Directive in conformity with the trial methodology given in the RFP and constitute the Trial Team. The Trial Directive must specify the fundamental points that need to be addressed for validating the essential parameters and EPP along with the evaluation credit, scope thereof, as stipulated in SQRs. The SQRs of the equipment will be a part of the trial directive. Deviations, if any required, due to limitation of EUT may be considered after specific approval of DAC. Parameters not mentioned in the RFP shall not be considered for FET. The validation of the support system and maintainability trials, integral to and complementing the trial programme of the weapon system shall be held simultaneously, wherever feasible. Representative of DRDO, QA agency and EPC may also be part of FET, based on requirement. A representative of the concerned ADG Acq Tech may also attend the FET as an observer. Compliance or otherwise, vis-à-vis the RFP parameters, will be specifically communicated to all the SPs/OEMs at the trial location itself.

66. It will also be ensured that all verbal communication with the SPs/OEMs is confirmed in writing within a week and all such correspondences are recorded and documented. FET shall be conducted by the user and a detailed Field Evaluation Report shall be drawn up and sent to SHQ for Staff Evaluation.

67. FET will be conducted by the user, only pertaining to conditions where the equipment is most likely to be deployed. In other conditions where the probability of deployment is not high, appropriate certifications confirming the functional effectiveness under such conditions may be obtained; in cases where applicable, simulations-based testing may be resorted to. All weather testing shall be carried out only in cases in which such testing is absolutely essential. All the requirements for FET must be stated in the trial methodology included as part of the RFP.

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68. **Trials for Submarines**.

68.1. The requirement of Field Evaluation Trials, as per Chapter II of DAP2026, will not be applicable for procurement cases in respect of acquisition/construction of Submarines, where there is no prototype available for conduct of NCNC Trials. However, Technical Evaluation and Delivery Acceptance Trials for these will be carried out.

68.2. Further, Simulated Signature Studies of complete platforms in respect of stealth characteristics, magnetic signature, EMI/EMC, Noise analysis, etc, may be included. The requirement of trials in the case of specialized new induction equipment/sensors being bought through the shipyard route shall be detailed in the RFP.

68.3. **Liquidated Damages (LD) for Performance Penalties**. Since there will be no FET for submarines and the performance parameters of the platform will only be evaluated during the Acceptance Trials, there may be a need to impose performance-based penalties, through reduction in vessel cost on the lines of relevant provisions in the ChapterXII, in respect of multiple user defined parameters. The EPC may decide the list of Performance Parameters for acceptance of submarines, failure of which will attract 'outright rejection' and 'imposition of LD'. For reference, EPC may consult previous Submarines contracts of the GoI to arrive at suitable clauses. Inputs from the SHQ based on experience gained over a period of time on construction/acquisition/operation of submarines may also be factored in formulating the LD clauses, as required.

69. The trial team, for equipment being procured for more than one Service will have representative of each Service for whom equipment is being procured. Such trial team will be headed by representative from the Service nominated as the lead Service.

70. Single OEM equipment being fielded by multiple Indian SPs may have joint trials if two or more Indian SPs so desire. The Indian SPs, who will jointly field the equipment, may place a request and provide an undertaking that they will accept the trial results jointly and severally.

71. FET will be conducted on NCNC basis. There may be cases where trials are not visualised or trials need to be conducted abroad in OEM/ vendor premises. Where held evaluation is not feasible, there may be possibility of conducting evaluation through computer simulation. In such cases, the broad scope of the trials shall be included in the SoC while seeking DAC approval for shortlisted SPs and OEMs.

72. There may be cases when, during the process of trials in India, it emerges that certain validations need to be carried out abroad in the OEM/ vendor premises. This may be necessitated due to export restrictions, security related issues, availability of testing infrastructure/platforms or such like reasons. Permission for such validations to be carried out abroad will have to be sought from the DG (Acquisition).

73. In certain cases, particularly in those involving integration of systems or sensitive equipment the EPC can depute a multi-disciplinary Technical Delegation abroad for evaluation. The Technical Delegation shall have representatives, on need basis, from the user service, DRDO, Maintenance agency, QA agency and the ADG Acq Tech. Such committee will be constituted after due approval of the Defence Secretary on file.

74. Any SP failing to produce equipment for trials by due date will normally be given a grace period of 15 days to produce the equipment for trials. An additional grace period of up to 30 days may be obtained by SHQs from EPC. Equal opportunity will be provided to all SPs while granting such grace period. SPs, who fail to provide their equipment even after providing 45 days grace period, will

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be asked to explain the reasons for the delay in producing equipment for trials. If the reasons for delay furnished by the SP is found satisfactory by SHQ, case for granting grace period beyond 45 days will be processed by SHQ through EPC, for approval of DG(Acquisition). In any case extension will be limited to six months from the due date. Further extension would require the approval of the DAC**.** However, if the equipment is not fielded at the start of trials, then the SP/vendor/equipment will not be considered at a later point of time.

Staff Evaluation

75. The Staff Evaluation will analyse, the Field Evaluation results and shortlist the equipment recommended for introduction into the services. The Staff Evaluation Report will be forwarded by the SHQs to the EPC. Issues, if any, raised by the EPC on the Staff Evaluation Report, shall be addressed in a collegiate manner with the SHQ. After due examination, the EPC will forward the Report to the DG (Acquisition) for acceptance.

76. In case no SP meets the SQRs in the field evaluations, then the case will be foreclosed after informing the DAC. A fresh RFP will be issued after reformulating the SQRs. The ADGs Acquisition Technical, on behalf of EPC will inform the appropriate SPs about result of trials and evaluation, along with reasons for disqualification. Such communication will be done after acceptance of TEC/Staff Evaluation (Whichever is applicable).

77. Cases, in which bids have been submitted by more than one bidder in a competitive manner and the Staff Evaluation (after trials). Shortlists only one equipment for introduction into service, will not be considered as a single vendor situation, as the techno-commercial offers would have been received before trials and the commercial bids would be competitive in nature. In other terms, bidders would have submitted their offers in an open competition without being aware that only a single bidder would get approved after the trials.

Contract Negotiation Committee (CNC)

78. **CNC Composition**. The CNC will be constituted by the DG (Acquisition)simultaneously with conduct of FET. The standard composition of the CNC shall be as follows: -

78.1. Acquisition Manager - Chairman.

78.2. ADG Acq Tech.

78.3. Finance Manager.

78.4. Advisor (Cost).

78.5. DGQA/DGAQ/DQAN Representative, as applicable.

78.6. Procurement Agency Representative.

78.7. User Representative.

78.8. Representative of Contract Management Branch at SHQ.

78.9. Repair Agency Representative.

78.10. Director/ Jt Director from User Directorate - Member Secretary.

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Notes:

(i) Chairman CNC may co-opt additional ad visors/Subject Matter Experts as associates with approval of DG (Acquisition), on as required basis.

(ii) The organizations /agencies concerned shall ensure that their representatives in the CNC have adequate background and authority to take a decision without any need to refer back to their organization / agency.

(iii) In the absence of the designated member, the authorized representative would be deemed to be suitably empowered to take decisions.

79. CNC shall establish a benchmark and reasonableness of price, as a preliminary activity in an internal meeting. Cases in which contracts have earlier been signed and benchmark prices are available, the CNC will arrive at the reasonable price, taking into consideration the escalation/foreign exchange variation factor. Wherever necessary, services of experts or information from institutional sources may be utilized by the CNC for preparing benchmark price for a given scheme. The benchmarking shall be completed after FET, but prior to acceptance of Staff Evaluation. The commercial bids however shall be opened only after successful acceptance of Staff -Evaluation Report.

80. The sealed commercial offers of the technically accepted SPs shall be opened by the CNC at a predetermined date and time under intimation to SPs, permitting such SPs or their authorized representatives to be present, wherever applicable. The bids of the competing firms shall be read out to all members present and signed by all members of CNC. CNC will carry out all processes after opening of commercial bids, till the finalisation of CNC Report.

81. The contract negotiation process will start with preparation of a 'Compliance Statement' incorporating the commercial terms offered in the RFP and that sought by the SP(s), analysis of the discordance and the impact of the same. A similar statement will be prepared in regard to deviations noticed in the delivery schedules, performance-cum-warranty/guarantee provisions, acceptance criteria, Engineering Support Package (ESP)etc. Comprehensive analysis of the commercial offer will form the basis for subsequent decisions.

82. The CNC will prepare a Comparative Statement of Tenders (CST) with a view of evaluating the technically acceptable offers and determine the lowest acceptable offer (L1 SP). The methodology detailed in Paragraph 31 to 33 above, will be used wherever weightage for ToT, IC, global hub and indigenous eco-system are applicable.

83. Once the L1 SP is identified in multi-vendor cases, the contract shall be concluded with the SP and normally there will be no need for any further price negotiations. However, it is important that reasonability of prices being accepted for award of contract is established.

84. Once the commercial offers are opened and the price of the SP is found to be within the benchmark fixed in the internal meeting, there shall be no need to carry out any further price negotiations. The RFP in multi-vendor cases shall clearly lay down that no negotiations will be carried out with the L1 SP once the reasonability of the price quoted by the SP is established. Aspects of advance and stage payments (where applicable) shall also be given upfront in the RFP so that it facilitates selections of L1 SP.

85. The endeavour shall be to conclude the CNC early so that the operational/urgent requirement of the indenting Service is met in a time-bound manner.

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86. To ensure product support during the assured life cycle of the product, the CNC will also finalise the following with the L1 SP:-

86.1. Assured supply of information on product/technological improvement, modifications and upgrades.

86.2. Obsolescence management and life time purchases.

86.3. An illustrated spares price catalogue with base price and pricing mechanism for long-term.

87. Vetting of the draft contract will be progressed concurrent with CNC process in accordance with DAP 2026.

Other Procurement Processes/Steps

88. Other aspects relevant to procurement such as Inter Government Agreement, Approval of Competent Financial Authority (CFA), Award of Contract, Contract Administration and Post-Contract Management and subsequent procurement of already contracted equipment (Repeat Order), etc, shall be processed as per extant procedures listed at Chapter II of DAP2026, to the extent applicable. Once the SP having the lowest bid has been shortlisted, no additional DAC approval will be required for commencement of contractual negotiations, or for approval of the Competent Financial Authority (CFA).

89. The Pre-Contract Integrity Pact(PCIP), listed as detailed in Paragraph 35 of Chapter II of DAP 2026, shall apply mutatis mutandis.

90. **Periodic Monitoring**. Given the importance of cases being pursued under the SP Model, DG (Acquisition) will review all cases on quarterly basis.

91. **Process Flow Chart**. The Process Flow Chart for cases being progressed under SP Model is placed as Annexure.

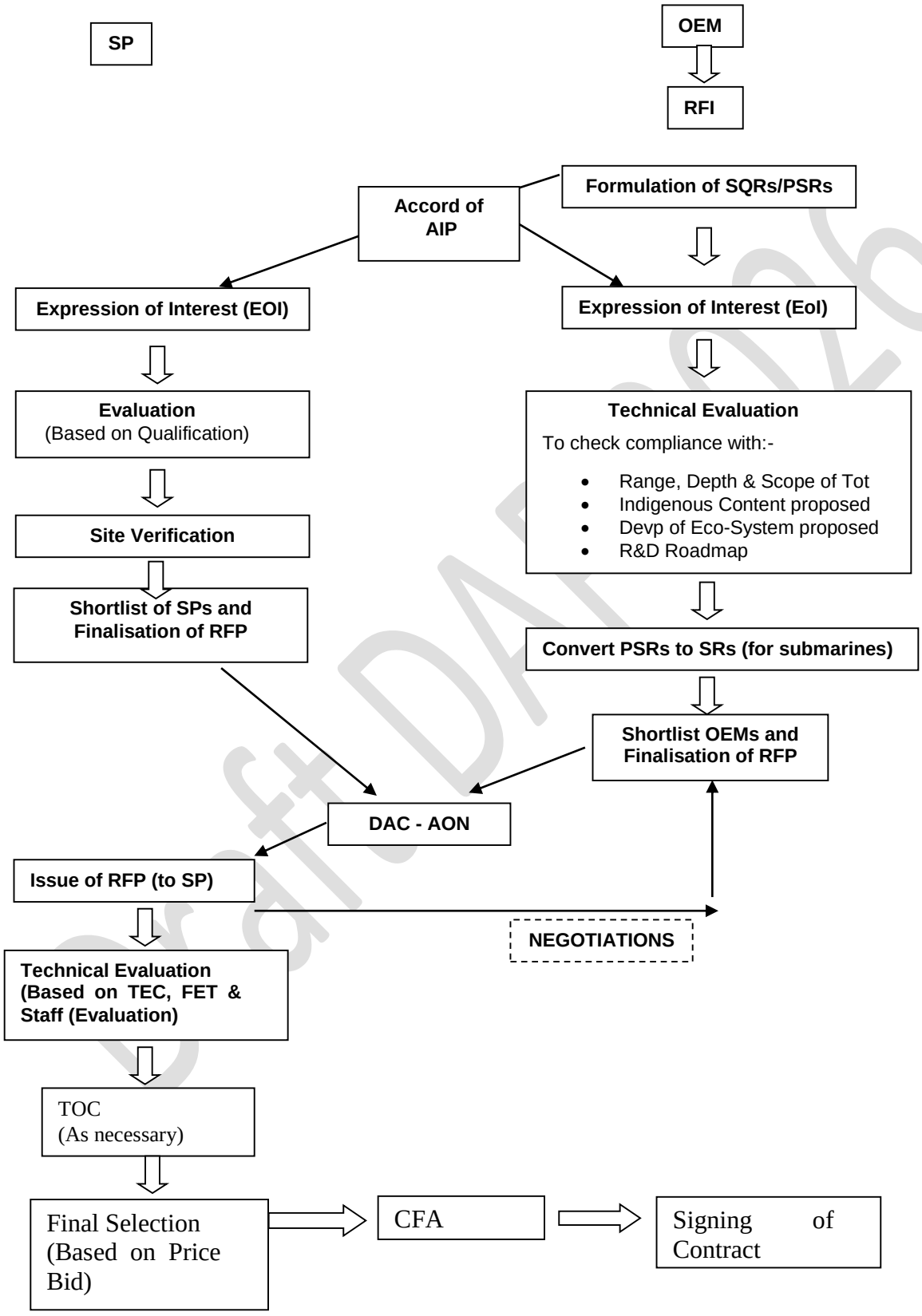
92. **Conformity with DAP**. In following the above procedure for progressing cases under SP Model, any deviation, discrepancy or issues unresolved between the stakeholders are to be referred to the DG (Acquisition) for clarification and decision. Further any changes in DAP and/or policy letters on common processes will apply to the above procedures mutatis mutandis.

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Annexure I to Appendix C

(Refers to Paragraph 20 to **Appendix C** of Chapter IX of DAP 2026)

FLOW CHART OF ACTIVITIES-SP MODEL



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Appendix D
(Refers to Paragraph 20 of Chapter IX of DAP 2026)

TERMS OF REFERENCE FOR
EMPOWERED PROJECT COMMITTEES(EPC)

1. For smooth and efficient implementation of Strategic Partnership Model, MoD is to constitute an Empowered Project Committee (EPC) under a three-star officer from the lead SHQ for each of the SP cases. The broad terms of reference for composition and responsibilities of EPC are enumerated in the succeeding paragraphs.

Composition of EPC

2. The EPC is to broadly constitute JS level members from the following wings of the Govt of India:-

2.1. Three Star officer from lead SHQ -Chairman.

2.2. Acquisition Wing (each from Acquisition and Technical Sections).

2.3. DDP.

2.4. MoD (Fin).

2.5. DRDO.

2.6. Advisor (Cost).

2.7. DGQA, DGAQA, DQAN (as applicable).

2.8. APSO of the Steering Directorate.

2.9. Principal Director of the Steering Directorate.

2.10. Directorate/ Jt Director from Steering Directorate -Member Secretary.

2.11. Directorate/ Jt Director from Maintenance Directorate (to address maintenance issues).

Note. The Empowered Project Committee may also co-opt additional Subject Matter Experts as associates with adequate domain expertise in relevant fields like procurement, contract law and ToT arrangements, on as required basis.

3. The Committee shall be guided by Chapter IX of DAP 2026 and the Guidelines as enumerated in this document. The EPC shall steer the case from the formulation of the Expression of Interest (EoI) to conclusion of the Contract, as mentioned in the succeeding paragraphs. However, finalization and approval of SQRs (SRs or submarines) will remain the responsibility of the SHQs.

Expression of Interest (EoI)

4. **Shortlisting of Strategic Partner (SP)**. The committee is to undertake the following with respect to short listing of SP:-

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4.1. Formulation of EoI including defining Minimum Qualifying Criteria for the Technical & Finance Gates and Segment Specific criterion.

4.2. Issuance of EoI to Indian Private Industry/DPSUs (as applicable) for selection of Strategic Partners. Keeping the security and other relevant aspects in view, appropriate publicity may be given to the proposed procurement with a view to generated maximum competition.

4.3. Evaluation of EoI responses by applicant companies based on minimum qualification Criteria comprising financial, technical and segment-specific parameters. Verification of the qualified applicant companies for applicable segment to be carried out as per Appendix B to Chapter IX of handbook on Guidelines and Annexures of DAP 2026.

4.4. Shortlisting of qualified SPs for the concerned Segment.

5. **Shortlisting of Foreign OEM**. The process of short listing of OEMs will be done simultaneously with the process of identifying potential SPs. Based on SQRs (PSRs for submarines) an EoI will be issued to potential OEMs shortlisted at the RFI stage. Subsequent to the accord of AoN, additional vendors who did not respond to the RFI, can also express interest for receipt of EoI, within four weeks from the date of publication of details on the MoD and SHQ websites. EoIs hall inter-alia define the following:-

5.1. Technologies to be acquired along with the range and depth of transfer of Technology (ToT) to achieve the stipulated level of indigenisation and development of industrial eco-system in India. The ToT requirements shall be identified in consultation with DRDO and other stakeholders.

5.2. Progressive indigenisation desired both in respect of main platform as also spares/maintenance.

5.3. Willingness to support SP in establishing system for integration of platforms, indigenisation efforts, ToT implementation and life cycle support/ performance Based Logistics/maintenance aspects.

5.4. Approximate cost estimation to assist in subsequent benchmarking.

6. EPC shall ensure that the potential foreign vendors are Original Equipment manufacturers (OEMs) or Export Agencies authorised/ sponsored by foreign Governments (applicable in the case of countries where domestic laws do not permit direct export by OEMs). While short-listing the OEMs, EPC shall take into account their ability to transfer requisite technology for indigenous production.

7. **Transfer of Technology (ToT)**. ToT being one of the primary objectives of procurement under the SP Model, EPC is to explore feasibility of maximizing ToT, especially for critical technologies, as enumerated at Paragraph31ofAppendix C to Chapter IX.

8. **Indigenous Content (IC**). India has developed a vibrant industrial ecosystem, which is engaged in design and manufacture of cutting edge components. In line with the 'Make in India' initiative of the Government of India, the EPC, needs to make all efforts to maximise IC in the project. Similar to ToT, the IC also needs to be incentivised.

9. **Areas for Incentivisation**. To provide impetus to indigenisation, EPC is to incentivize ToT and IC. OEMs, who offer to setup exclusive global manufacturing line or exclusive hub for MRO/ spares in India, shall also be incentivised.

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10. **Building Indigenous Eco-system**. To develop indigenous defence eco-system, Tier I/II/III/IV OEM suppliers need to be encouraged to either set up indigenous manufacturing or enter into a joint venture with Indian Companies to progressively manufacture their equipment/parts/spares in India. Towards this, EPC, based on EoI response is to lay down minimum cut off percentage (by value) for Tier I/II/III/IV OEM suppliers to progressively manufacture their equipment/parts/spares in India. SPs, which ensure higher percentage of indigenisation, over and above the cut-off limit, need to be incentivised. To create favourable environment for OEM suppliers to shift manufacturing to India, EPC may also explore other measures such as concessionary provisions for exports, customs, taxes, etc.

11. For incentivisation, the EPC in consultation with Transaction Advisers will need to draw out appropriate 'Incentivisation Models' which accord suitable weightages for the factors highlighted above. The 'Incentivisation Models' will be vetted by MoD (Fin) and DG(Acquisition); and be presented to DAC for second stage approval. The EPC is to be guided by Paragraph31 to 33 of Appendix C to Chapter IX of handbook on Guidelines and Annexures of DAP 2026.

12. **Weapons and Sensors**. All the potential collaborators may not be able to provide the complete range of weapons required for the platform. Further, due to geo-strategic conditions, the governments of collaborators may not be willing to offer weapon/sensor systems to OEMs of certain other countries. EPC is to arrive at a Weapon/sensor Matrix indicating the likely source of weapons/sensors for the shortlisted platforms catering for the geo-strategic sensitivities of various OEMs in accordance withParagraph 43 of Appendix C to Chapter IX of handbook on Guidelines and Annexures of DAP 2026.

13. **Maintenance Philosophy**. Given the importance of the weapon platforms/systems being acquired under the SP Model, EPC, post discussions with foreign OEMs is to formulate a suitable maintenance philosophy in consultation with SHQs and incorporate the same in the RFP document. Besides Level 1 to Level 2 maintenance with Services, due cognizance is to be given to Performance-Based Logistics (PBL) to optimise system readiness and meet performance goals for a system/platform through long-term support arrangements with clear lines of responsibility. Wherever applicable, MToT shall be made a mandatory pre-requisite, and the EoI and RFP shall include the need for MToT and setting up of internationally accredited testing and certification facilities in India in greater detail.

14. EPC in consultation with SHQ, may recommend any one or a combination of the various options listed at Paragraph50 to 54 of Appendix C to Chapter IX of handbook on Guidelines and Annexures of DAP 2026.

DAC Approval for Shortlisting and AoN

15. Alongwith shortlisting of potential SPs (Indian industry / DPSU approved by DAC) and foreign OEMs, EPC is to seek DAC approval. The SoC for DAC approval is to be accompanied by draft RFP, and is to also list out proposed 'Incentivisation Model' (giving out the areas being incentivised along with the Incentivisation procedure) RFP will also include broad trial methodology; including cases where trials are not visualised or trials need to be conducted abroad in OEM/vendor premises in accordance with Paragraph 34 of Chapter IX of handbook on Guidelines and Annexures of DAP 2026; or where evaluation is planned through computer simulation.

16. **Request for Proposal (RFP)**. Post approval of DAC for shortlisted SPs and foreign OEMs and finalisation of SQRs (SRs for submarines) by SHQ, RFP shall be issued to the short-listed SPs. The RFP will be a self contained document that will enable SPs to make their offer after consideration of full requirements of the acquisition. The RFP document will be finalised in consultation with Transaction Advisers based on the EoI evaluation.

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17. The EPC shall inter-alia be responsible for the following processes:-

17.1. Incorporation of ToT, IC and PBL as defined above in RFP document.

17.2. Evolving methodology for Incentivisation in consultation with TA, in areas as laid down in EoI Guidelines.

17.3. Vetting of draft RFP including Incentivisation Model, for the applicable Segment as prepared by SHQ.

17.4. Issuance of RFP by concerned ADG Acquisition Technical after approval by-DAC iaw para 15 above.

17.5. Conduct of pre-bid meetings; clarifications sought be deliberated by EC and response issued through respective ADG Acq Tech.

17.6. Vetting of TEC report in a collegiate manner with SHQ allowed by acceptance of TEC report by Chairman EPC, in caseswhere all SPs/OEMs are complaint; or by DG (Acquisition) in case s where one or more SPs/OEMs are non-compliant.

17.7. Nomination of observer rep from EPC for FET, if required (Not applicable for submarine segment).

17.8. Vetting of Staff Evaluation, Prior acceptance by DG (Acquisition).

17.9. Conduct of CNC.

17.10. Determination of L1.

17.11. Forwarding of case for CFA approval through Acquisition Wing.

18. **Field Trials for Submarines**. The requirement of Field Evaluation Trials, as per Chapter II of DAP 2026, will not be applicable for procurement cases in respect of acquisition/construction of Submarines; except in specific cases, as brought out in Para-34 of Ch-VII. Further, 'Simulated Signature' studies of complete platforms in respect of stealth characteristics, magnetic signature, EMI/ EMC, Noise analysis, etc may be included. The requirement of trials in the case of specialized new induction equipment/sensors being brought through the shipyard route shall be detailed in the RFP. The EC is to decide the list of Performance Parameters for acceptance of submarines, failures of which will attract 'outright rejection' and 'imposition of LD'. For reference, EC may consult previous Submarines contracts of the GoI **to** arrive at suitable clauses. Inputs form the SHQ based on experience gained over a period of time on construction/acquisition/operation of submarines may also be factored in formulating the LD clauses.

Contract Negotiation Committee (CNC)

19. **CNC Composition**. The CNC will be constituted by the DG (Acquisition)simultaneously with conduct of FET. The standard composition of the CNC will be as per Paragraph 78 of Appendix C of Chapter IX of handbook on Guidelines and Annexures of DAP 2026. Any change in the composition of the CNC may be effected with approval of DG (Acquisition).

20. CNC shall establish a benchmark and reasonableness of price, as a preliminary activity, in an internal meeting. The benchmarking shall however be opened only after successful acceptance of Staff Evaluation Report.

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21. The CNC will prepare a Comparative Statement of Tenders (CST) with a view of evaluating the technically acceptable offers and determine the lowest acceptable offer (L1Vendor). Once the L1 vendor is identified further price negotiations are to be undertaken in accordance with extant procedures. The endeavour shall be to conclude the CNC early so that the operational/urgent requirement for the indenting service is met in a time bound manner.

Other Procurement Processes/Steps

22. For subsequent procurement processes including, but not limited to staff Evaluation, Contract Negotiation Committee (CNC), Inter Government Agreement, Approval of Competent Financial Authority (CFA), Award of contract etc. Acquisition Wing shall remain the nodal body for processing the case, as per Procurement Procedure for SP Model Appendix C to Chapter IX and Chapter II of DAP 2026, to the extent applicable.

23. For Contract Administration and Post-Contract Management, SHQ will nominate a sub-committee with suitable members who will be the single point contact for the selected SP/OEM and will be inter-alia responsible for initial handholding, periodic monitoring and technical oversight of SP. The subcommittee may co-opt appropriate domain experts, on as required basis.

Additional Provisions

24. The Chairman of the EPC is empowered to co-opt or hire additional advisors from SHQ/MoD/DRDO/DPSUs/external experts with adequate domain expertise in relevant fields like procurement, contract law and ToT arrangements on as required basis for various phases of the tender process.

25. Any extension sought by the SP(s) or foreign OEM(s) shall be approved by the Chairman of EPC based on the merits of the case. The extension so accorded shall be equally applicable to all stakeholders. Request for extension of eight weeks will be approved by Chairman, EPC and approval for any further extension has to be sought from DG (Acquisition).

26. Any issues beyond the scope of the EPC may be referred to DG (Acquisition) on file for decision.

27. In order to process the case expeditiously, absence of members from deliberations and meetings may be permitted with the approval of the Chairman, EPC. However, it is to be ensured that all members or their duly authorised representatives sign the minutes of Meeting, within three working days of an y meeting. The Chairman, EPC at his discretion may form subcommittee(s) from amongst members / co-opted advisers to expedite the process. Report of the subcommittee is to be considered and accepted by the EPC.

28. **Conformity with DAP**. In following the above procedure for progressing cases under SP Model, any deviation, discrepancy or issues unresolved between the stakeholders are to be referred to the DG(Acquisition) for clarification and decision. Further, any changes in DAP and/or policy letters on common processes will apply to the above procedures mutatis mutandis.

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CHAPTER X

PROCEDURE FOR LEASING

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INDEX SHEET : GUIDELINES AND ANNEXURES CHAPTER X

PROCEDURE FOR LEASING

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Appendix A to Chapter X
(Refers to Para 27 of Chapter X of DAP 2026)

STATEMENT OF CASE TO BE CONSIDERED BY THE DAC FOR ACCORD OF AoN FOR A LEASE

Name of Proposal -

Service-

Reference No allocated (to be entered by the Secretariat)

SHQ -

DAC -

Brief of Proposal

1. **Introduction**. Provide a brief of the case.

2. **Proposal**. State the mission needs that need to be fulfilled. Bring out, what is the capability deficiency that needs to be rectified and alternatives that have been examined. Examine benefits of lease option vis-à-vis other options including option to buy.

3. **Details of Asset Proposed**.

3.1. List the details of type and quantity of asset proposed to be acquired through lease.

3.1.1. Provide details of how quantity required has been worked out?

3.1.2. Indicate if the asset sought is new unused or previously used asset.

3.1.3. In case of phased induction of asset, provide details for each phase.

3.2. Period for which lease is considered.

3.3. **Maintenance Aspects**. In case of a Dry lease or a Conveyance Lease, provide plan for how engineering/maintenance support is catered for the period of lease.

3.4. **Details of LOR**. Attach copy of Lease Operational Requirements (LOR).

3.5. **Op Demo**. In case operational demonstration of the asset has been completed, provide summary of the trials.

3.6. **Manpowe**r. What is the effect of induction of asset on manpower requirements?

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3.7. **Single Vendor Clearance**. In case of a Single Vendor, provide details of the vendor and justification for the single vendor option.

Note: Lease cases with DPSUs or under Inter Governmental Agreements are not to be considered as Single Vendor cases.

3.8. **Option Clause**. In case, option clause needs to be included, due justification for the same to be provided.

4. **Financial Aspects**. To include cost of proposal (including all taxes and duties) and recurring expenditure, if any. The basis of cost estimation and the base year for which the cost is indicated. The SoC should also examine, if the option clause will be economically viable. Recommendation on method for determination of L-1 vendor, where applicable, should also be made.

5. **Annual Acquisition Plan/ Budgetary Provisions**.

5.1. Whether the proposal is included in the AAP (include AAP serial number).

5.2. Availability of necessary budgetary provisions. The provisions need to be confirmed for the period of lease in the current five-year plan period.

6. **Comments of HQ IDS**. To comment on issues related to commonality and interoperability.

7. **Comments of DDP**. To comment on indigenous capability to manufacture and supply, product support, time frame and approximate costs and the resources available to the industry. Also comment, if such capability does not exist indigenously.

8. **Comments of Acquisition Wing**.

9. **Comments of MoD (Finance)**.

10. **Final Comments of SHQ**. Final comments to be based on inputs of HQ IDS, DDP, Acquisition Wing and MoD (Finance).

11. **Draft RFP**. Draft RFP should accompany the SoC for accord of AoN.

12. **Details of Approvals Sought**.

12.1. AoN.

12.2. Quantity to be leased.

12.3. Period of lease.

12.4. Type of lease.

12.5. Estimated cost (including taxes and duties).

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12.6. LOR.

12.7. Option Clause.

12.8. Maintenance/AMC – if applicable.

12.9. Any other aspect that requires a specific approval, including open tendering.

xxx (Signature)
(Secy Empowered Committee)

Details to be mentioned by the DAC Secretariat

13. Decision of DAC and reference number allotted.

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Appendix B to Chapter X
(Refers to Para 29 of Chapter X of DAP 2026)

SAMPLE LEASE CONTRACT

Explanatory Note

Lease of military assets involves several nuances unique to the domain. Type/nature of military asset, coordination with multiple stakeholders including leasing firms, its financiers, OEMs, Govt of OEMs, insurers and others. Unique complexities of military leasing require constant and proactive coordination and communication between all the stakeholders, which can help design a leasing solution that is optimized for the particular goals and objective of the MoD. Accordingly, this annexure is meant to provide only as guidance to the Empowered Committee for a sample lease contract. The Empowered Committee should exercise flexibility to enter into a deal that provides the most optimal solution for all parties and addresses the specific goals and objectives of the MoD/SHQ.

Index of Articles

Preamble

Article 1	Scope of Agreement
Article 2	Effective Date and Period of Contract
Article 3	Advance Payment Bank Guarantee
Article 4	Performance cum Warranty Bond
Article 5	Conditions Precedent
Article 6	Insurance
Article 7	Liability
Article 8	Payment Terms
Article 9	Delivery and Re-delivery
Article 10	Title and Risk of Loss
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Article 15	Termination
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Article 20	Force Majeure
Article 21	Non-disclosure of Contract Documents
Article 22	Notices
Article 23	Transfers & Sub-letting
Article 24	Patents and other Industrial Property Rights Article 25 Amendments
Article 26	Training
Article 27	Option Clause
Article 28	Buyer Furnished Equipment

Note: Where ever, the content of the article is annotated as '*same as the SCD'*, substitute the following terms: -

1. For *SELLER*, read as *Lessor*.
2. For *BUYER*, read as *Lessee.*
3. For *to sell*, read as *to lease*.

The Sample Lease Contract is drafted with *an Aircraft* as a sample article of lease. Substitute '*Aircraft*' with the actual article under lease and incorporate resultant changes, as necessary.

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Preamble

(Same as the SCD, with the following change)
(Substitute paragraph 1 of SCD with the following paragraph)

This Contract is made on this day, the (date) day of (Month & Year) in New Delhi, between the President of India represented by the Joint Secretary & Acquisition Manager (Land/Air/Maritime Systems)/Major General & equivalent, Service Headquarters/Coast Guard, Ministry of Defence, Government of India, hereinafter referred to as the LESSEE (which terms unless excluded by the context, shall be deemed to include his successor in office) on one part and M/s (name of the company with address) duly represented by and incorporated under the laws of , having its registered office at, (which terms unless expressly indicated by the context shall be deemed to include its successors and its assignee), hereinafter referred to as the "LESSOR" on the other part. WHEREAS, The LESSEE agrees to accept the lease and the LESSOR agrees to provide on lease the Goods and Services (hereinafter collectively referred as "Deliverables") described in Annexure-I of this Contract and in accordance with the terms and conditions of this CONTRACT AND WHEREAS the LESSOR is the rightful owner of the deliverables as more specifically described in Annexure – I.

Article 1

Scope of Agreement

(Same as the SCD, with the following change)

1.1. The LESSOR undertakes to provide on lease to the LESSEE and the LESSEE undertakes to take on lease and pay for all deliverables in accordance with the terms and conditions stipulated in this Contract [for the lease of (nomenclature of the asset)] and accompanied accessories and the quantities, unit prices and total value and their operating/usage/maintenance conditions are as specified in Annexure I of this Contract.

1.2. The term of this lease shall commence on the Effective Date of Contract and shall continue for a period of (*period in months or years*) there from except as may be terminated in accordance with this Contract.

1.3. The Total Contract Price including taxes and duties applicable at the time of signing of Contract of the deliverables to be supplied according to this Contract amounts to Rs/USD/Euro/Pound Sterling…….

Article 2

Effective Date & Period of Contract

(Same as the SCD, with following changes)

Amended Article 2.1 is as follows

2.1. The Contract shall come into effect on the date of signature of both the parties on the Contract (Effective Date) and shall remain valid for a period of (type the period, in months or years here) till (type end date here). The deliveries, supplies and performance of the services shall commence from the effective date of the Contract. However, the date of delivery would be reckoned from the date of release of Advance payment by the Lessee to the Lessor (T_0), provided the Lessor submits the documents mandated by the DAP 2026 for release of advance by the Lessee within 45 days of

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signing of Contract. In the event of the Lessor not submitting the said documents within 45 days of signing of Contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of Contract.

Sub Para 2.2 (a) (iv) related to ABG for Essential Parameters B, is not applicable.

Article 3
Advance Payment Bank Guarantee (APBG)
(Same as the SCD, with following explanatory notes)

Note – 1: The advance payment in normal acquisition contracts is replaced with 'Commitment Fee' for a Lease Contract. The APBG is a guarantee for such a fee.

3A.4 The Advance Payment Bank Guarantee (APBG) shall be for a period exceeding the period for delivery of leased asset by three months. Advance payment guarantees will typically not be applicable for a Finance lease.

Article 4
Performance cum Warranty Bond
(Same as SCD)

Article 5
Conditions Precedent (CP)
(Amend as applicable to the respective case. CPs will be different on case to case basis)

Sample CP are:-

5.1. **Lessor Conditions Precedent.** The obligation of Lessor to lease the (asset) in accordance with this contract is conditional upon the fulfilment of the following conditions or waiver of any of the same by the Lessor, on or before the first day of the Lease period: -

5.1.1. Receipt by the Lessor of a certificate evidencing the insurance required to be maintained by the Lessee under this contract.

5.1.2. Receipt by the Lessor of a copy of Lessee's Operator Certificate (or such a document) and any other licence or approval required from the Lessee's regulatory or other authority or other Govt entity to enable the lessee to perform its obligations under this contract and

5.1.3. Receipt by the Lessor of the EMD in full.

5.1.4. Other conditions as may be applicable depending on the specifics of the lease agreement.

5.2. **Lessee Conditions Precedent**. The obligation of the Lessee to lease the (asset) from the Lessor shall be conditional upon the fulfilment of the following conditions or waiver of any of the same by the Lessee, on or before the first day of the Lease period:-

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5.2.1. Receipt by the Lessee of a certificate evidencing the insurance required to be maintained by the Lessor under this agreement and

5.2.2. Receipt by the Lessee of a copy of Lessor's operator certificate and any other licence or approval required from the regulatory or other authority or other government entity to enable Lessor to perform its obligations under this agreement.

5.2.3. Other conditions as may be applicable depending on the specifics of the lease agreement.

Article 6
Insurance

Note: *Please refer to Chapter X for details. This article is to be included, if the Lessee has obtained or will obtain insurance for the Lease. If the insurance and liability for loss/damage will be borne as per existing regulations, chose appropriate clauses from the draft clauses below*.

6.1. During the period of Contract, Lessee shall cause to be provided and maintained in full force and effect, at Lessee's sole cost and expense, a policy or policies of insurance providing the coverage described in this Article covering all operations of the asset ('Insurance Policies').

6.1.1. Asset liability insurance covering all operations of the asset, which coverage shall:

6.1.1.1. Include a territory provision sufficient to cover all operations permitted by this Contract, with limits of not less than (include amount of insurance in words and numbers) per occurrence on a combined single limit basis, covering claims for death, bodily injury and property damage.

6.1.1.2. List Lessor and Lessee as named insureds and list as additional named insureds each of Lessee's and Lessor's affiliates and their respective directors, officers, managers, employees and agents (as applicable).

6.1.1.3. Be endorsed so that it is primary and non-contributing to any other insurance that is available to any of the insureds.

6.1.2. All-risk physical damage and hull war and allied perils insurance ("Hull Coverage") on the asset for the agreed value of (include amount of insurance in words and numbers) ("Casualty Value"). Such Hull Coverage shall name Lessor and Lessee as loss payees as their interests shall appear, shall specify any deductibles applicable to each and every loss.

6.2. The Insurance Policies maintained under this Agreement shall:

6.2.1. Be placed with insurance companies that.

6.2.1.1. Are qualified to do business in the India,

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6.2.1.2. Will submit to the jurisdiction of any competent state or central court in India with regard to any dispute arising out of the policy of insurance or concerning the parties herein;

6.2.1.3. Will respond to any claim or judgment against Lessee and Lessor in any competent court; and

6.2.1.4. Are reasonably satisfactory to both Lessor and Lessee.

6.2.2. Provide for not less than thirty (30) days (no less than ten (10) days in the case of any non-payment of premium and such lesser period as is standard in the industry for war risk insurance) advance written notice to be received by each of the insured parties prior to any adverse material change, deletion or cancellation in the Insurance Policies, any of the coverages thereunder or any required policy provisions set forth in this Article that reduces coverage available; provided, however, that war risk and allied perils policy coverages may provide for not less than seven (7) days or such lesser period prior written notice as shall be customary in the aviation insurance industry for prior written notice of cancellation.

6.2.3. The Insurance Policies shall contain an endorsement providing that coverages under such Insurance Policies shall not be voided by any act or negligence of any person, including another insured under the policies; provided that there is neither consent nor actual knowledge by the insured party that such action would void coverage under the policy and shall include a waiver of subrogation in favour of Lessee and its officers, directors, managers, employees and agents. All Insurance Policies shall provide for a severability of interest/cross liability endorsement, so as to ensure that the insurance shall operate in all respects as if a separate policy has been issued covering each party insured, although underwriters' overall limit of liability will not increase.

6.3. Promptly following the execution of this Contract and annually thereafter, Lessee shall provide Lessor with certificates of insurance and endorsements evidencing the effectiveness (and renewal, as applicable) of such Insurance Policies in compliance with the insurance requirements specified in this Article.

Alternate Formulation

(If no insurance is obtained by the Lessee)

6A.1 In case of loss or damage to the asset (details as per list at Annexure) is caused due to any reason, the depreciated cost of the same (as per details at list Annexure) will be reimbursed by the Lessee to the Lessor.

Article 7
Liability

Note: *This article is to be included, if the Lessee has obtained or will obtain insurance for the Lease. If the insurance and liability for loss/damage will be borne as per existing regulations, chose appropriate clauses from the draft clauses below*. Amend standard liability clause as negotiated.

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6.4. **Limitations of Liability**. LESSOR UNDERSTANDS AND AGREES THAT THE INSURANCE POLICIES ARE LESSOR'S SOLE REMEDY AGAINST LESSEE FOR ANY AND ALL LOSS OR DAMAGE TO THE AIRCRAFT AND/OR INJURY OR DEATH OF ANY PASSENGER AND/OR FOR ANY AND ALL CLAIMS, DAMAGES, LOSSES, EXPENSES AND LIABILITIES INCLUDING, BUT NOT LIMITED TO, DIRECT OR INDIRECT LOSS OR DAMAGE TO THE AIRCRAFT, DIMINUTION IN VALUE OF THE AIRCRAFT, LOSS OF INCOME, REVENUES, PROFITS OR BUSINESS OPPORTUNITIES OR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR IN ANY WAY CONNECTED WITH THE AIRCRAFT UNDER THIS AGREEMENT, WHETHER ON THE GROUND OR IN THE AIR AND THE OTHER TRANSACTIONS CONTEMPLATED HEREBY, UNLESS SUCH CLAIMS, DAMAGES, LOSSES, EXPENSES OR LIABILITIES ARE SOLELY THE RESULT OF LESSEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR LESSOR'S FAILURE TO MAINTAIN THE INSURANCE POLICIES REQUIRED HEREUNDER. Lessor understands that Lessee and each of the other insureds have no liability for any event or occurrence not covered by the foregoing insurance, unless such event or occurrence is solely the result of the gross negligence or wilful misconduct of Lessee or one of the other insureds or Lessor's failure to maintain the insurance policies required hereunder. Lessor hereby waives any claim for damage, loss or expense arising out of the operation, use or maintenance of the Aircraft or of other services relating to the Aircraft hereunder and the covenants not to assert any claim against Lessee or its affiliates or their respective officers, directors, managers, employees and agents in respect thereof, unless such claim for damage, loss or expense is attributable to Lessee's gross negligence or wilful misconduct. Lessee shall not be limited in the manners set forth in this Article for any damages, losses or expenses arising from Lessor's failure to maintain the insurance required herein. This Article shall survive any termination of this Contract.

Alternate Formulation

(If no insurance is obtained by the Lessee)

7A.1 Lessor understands and agrees that:-

7A.1.1 Any claims against loss or damage to the asset will be reimbursed by the Lessee as per depreciated values placed at Annexure.

7A.1.2 Any and all THIRD-PARTY claims, damages, losses, expenses and liabilities including, but not limited to, direct or indirect loss or damage in any way connected with the asset under this agreement, whether on ground or in the air, will be processed by the Lessee as per existing rules.

7A.2 Lessor hereby waives any claim for damage, loss or expense arising out of the operation, use or maintenance of the asset or of other services relating to the asset hereunder and the covenants not to assert any claim against Lessee or its affiliates or their respective officers, directors, managers, employees and agents in respect thereof, unless such claim for damage, loss or expense is attributable to Lessee's gross negligence or wilful misconduct. Lessee shall not be limited in the manners set forth in this Article for any damages, losses or expenses arising from Lessor's failure to maintain the insurance required herein. This Article shall survive any termination of this Contract.

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Article 8
Payment Terms
(*As negotiated during CNC*) (Include as an Annexure)

Article 9
Delivery & Re-Delivery
(Sample conditions for an aircraft are as follows. To be suitably amended on case to case basis).

8.1. **Delivery : Condition of Asset**.

8.1.1. Lessor shall deliver the asset to the Lessee as per this Article on a (*date*/or *delivery schedule/period as per Annexure I*) ("Delivery Date")

8.1.2. Lessor shall deliver the asset to the Lessee on the Delivery Date in the following condition: -

8.1.2.1. Current on and in compliance with manufacturers recommended inspection and maintenance program, with all calendar and hourly inspections (as applicable) that must be completed on or before the Delivery Date completed without deferment or extension.

8.1.2.2. Operational and in an airworthy condition (if applicable, eg, for an aircraft) with a current and valid Standard Airworthiness Certificate and registered on the FAA Civil Aircraft Registry (amend as appropriate).

8.1.2.3. With all systems functioning normally in accordance with manufacturer's specifications and in compliance with all applicable certification documents (as applicable) (for eg in case Airworthiness Directives and manufacturer mandatory service bulletins in case of an aircraft) with compliance dates on or prior to the Delivery Date;

8.1.2.4. All asset logbooks (or equivalent documents, as applicable) shall be legible, complete, continuous in the English language and shall comply in all respects with applicable regulations.

8.1.3. Upon delivery of the asset in accordance with the terms of this Agreement, Lessee will execute and deliver the Delivery and Acceptance Certificate in a mutually agreed format (Place the format as an annexure as applicable).

8.2. **Port Consignee.** (*Include if applicable*)

Sl No	Asset	Concerned Embarkation HQ / Place/ Address
9.2.1		
9.2.2		
9.2.3		

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8.3. **Ultimate Consignee.** (*Include if applicable*)

Sl No	Asset	Name of Depot/ Place/Address
9.3.1		
9.3.2		
9.3.3		

8.4. (*Include if applicable*) The Lessor shall intimate to the Lessee by letter or fax, six weeks in advance, the anticipated date of delivery of each consignment The information shall consist of quantities of the deliverables and all other details required in connection with the shipment of the consignment. A copy of similar intimation shall also be forwarded to:-

9.4.1. Service HQs (Specify the branch/address).

9.4.2. GoI, MoD, South Block, New Delhi (Provide address).

9.4.3. Commandant COD ultimate consignee depot.

9.4.4. Commandant Port Consignee.

9.4.5. DGQA/DGAQA/DGNAI – if applicable.

8.5. Invoices and other despatch documents shall be prepared in favour of _____ (fill in the details, as applicable).

8.6. Two copies each of the despatch documents as listed in LC documents shall be forwarded to the following address within 72 hours after the goods have been despatched or earlier, if possible:-

9.6.1. Port consignee.

9.6.2. Service HQ (Branch/address).

9.6.3. Ultimate consignee.

8.7. The Lessor will also forward a copy of the Air way bill and commercial invoice by fax on the day of despatch to _____ (branch/address may be specified).

Re-Delivery (If Required)

8.8. Upon termination of this Contract by expiration of the period or otherwise, Lessee shall deliver to Lessor (or its designated representative) custody and possession of the asset and all documentation (provide list as annexure, as applicable) at (*place, location, address*) or such other mutually agreed location as may be specified by Lessor ("Re-delivery").

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8.9. (*Amend as applicable*) Upon Redelivery, the asset shall be in the following condition unless waived by Lessor:-

8.9.1. Current on and in compliance with manufacturer's recommended inspection and maintenance program, with all calendar and hourly inspections that must be completed on or before the Redelivery date completed;

8.9.2. Operational and in a serviceable condition with a current and valid maintenance (or other) documentation;

8.9.3. With all systems functioning normally in accordance with manufacturer's specifications and in compliance with all applicable Directives and applicable manufacturer mandatory service bulletins with compliance dates on or prior to the Re-delivery date;

8.9.4. Lessee shall have paid Lessor all amounts due for hours operated by Lessee during the Contract and Lessee shall have provided to Lessor all documentation required under the applicable programs with respect to such use;

8.9.5. Lessee should pay any deficiency charges in event any of the components that do not meet agreed condition at redelivery. Rates related to such deficiencies should be agreed to and documented in the lease.

8.9.6. All logbooks shall be legible, complete, continuous in the English language and shall comply in all respects with applicable regulations; and

8.9.7. Clear of all Liens to the extent created by or through Lessor.

8.10. Upon return of the asset in accordance with the terms of this Contract, Lessor will execute and deliver to Lessee the Redelivery Certificate as per (provide reference of the format). In event of delay in redelivery, lessee would be required to arrange for secured storage and required maintenance of the aircraft at the Lessee cost until redelivery occurs.

8.11. Notwithstanding anything in the Agreement to the contrary, in the event Lessor shall have failed to pay its portion of the Maintenance cost as required under this Contract, Lessee shall have no liability for the failure of the asset to meet the condition required herein to the extent that such failure relates to the Maintenance for which Lessor was financially responsible.

9.12. Other conditions as may be agreed on a case to case basis.

Article 10
Title and Risk of Loss

10.1. In addition to Articles 12.1 till 12.5 of the SCD, following additional articles apply.

10.2. **Title – No Liens/Quiet Use**.

10.2.1. Title to the asset shall remain vested in Lessor during the period of Contract and

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the asset shall be registered in the name of Lessor (as applicable). Lessee shall have no right, title or interest in or to the asset except as expressly provided herein and shall take no action or fail to take any action reasonably requested by Lessor that would impair the continued registration of the asset in the name of Lessor.

10.2.2. Lessee shall ensure that no liens or encumbrances of any nature or description whatever ("Liens") are created or placed against the asset, (including the engines, parts and components and all associated rights and the related international interests).

10.2.3. As long as Lessee Pays Rent and other amounts payable hereunder and performs and complies with all of the other terms and conditions hereof, neither Lessor nor any person acting through or on behalf of Lessor or in its stead, nor any person with rights granted by Lessor will interfere with the peaceful and quiet use and enjoyment of the asset by Lessee, which use and enjoyment shall be without hindrance.

10.3. **Risk of Loss or Damage**.

10.3.1. Subject to provisions of Article 7 (Liability), Lessee shall bear the risk of loss, damage or destruction of the asset from the time of delivery until the asset is returned to Lessor pursuant to this Contract. Lessee shall provide written notice to Lessor of any material damage concurrently with its report of same to the applicable governmental authority and if no such report is required, such written report shall be delivered to Lessor within thirty (30) calendar days of the occurrence of such damage.

10.3.2. Except as hereafter provided, in the event of damage to the asset during the period of Contract which is not an "Event of Loss", Lessee will, subject to Article 7 and prior written approval from Lessor, repair or cause to be repaired, any such damage at its expense and the insurance proceeds shall be paid to the repair facility or to reimburse Lessee (to the extent Lessee paid such expenses) upon submission of an invoice issued by the repair facility.

10.3.3. Upon the occurrence of an "Event of Loss" of the asset, Lessor shall be entitled to the proceeds of the Hull Coverage. Upon receipt of the full Casualty Value by Lessor, this Contract shall terminate as set forth in this Contract. Lessor shall have no obligation to replace the asset with any other asset and Lessee shall have no obligation to make future payments of Rent to Lessor hereunder.

10.3.4. An "Event of Loss" with respect to the asset shall mean any of the following events with respect to such property.

10.3.4.1 Loss of the asset due to destruction, damage beyond repair or rendition of such property permanently unfit for normal use;

10.3.4.2 Any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss or constructive total loss; or

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10.3.4.3 The condemnation, confiscation or seizure of or requisition of title to or use of, such property by the act of any government (foreign or domestic) or of any state or local authority or any instrumentality or agency of the foregoing for a period in excess of sixty (60) consecutive days ("Requisition of Use"). The date of such Event of Loss shall be the date on which the sixty (60) consecutive day period ends in the case of Requisition of Use, the date of such destruction or damage or the date on which the Aircraft is declared a constructive total loss. An Event of Loss with respect to any engine or APU shall not, without loss of the airframe, be deemed an Event of Loss with respect to the Aircraft.

Article 11
Liquidated Damages

As per the format of the SCD, but will be drafted on case to case basis. For lease cases, the LD clause of DAP 2026 may be applicable only for the period till the delivery of the asset. Thereafter, for a deficiency on the part of the lessor regarding his obligations of servicing/maintenance etc, which leads to the eqpt lying unused/idle, then specific LD/penalty clauses to be incorporated, which could also include non-payment of lease rentals for such period. This would not be applicable, if lessee (MoD) is responsible for maintenance/service.

Article 12
Denial Clause
(*As per the SCD*)

Article 13
Claims
(As per the format of the SCD, but will be drafted on case to case basis)

Article 14
Taxes & Duties
(As per the format of the SCD, but will be drafted on case to case basis)

Article 15
Termination

15.1. The Contract may be terminated.

15.1.1. Immediately upon the mutual consent of all parties;

15.1.2. By the non-breaching party if an Event of Default has occurred and the breaching party has not cured within the applicable cure period (if any) provided for in this Contract;

15.1.3. Automatically upon receipt by Lessor of the Casualty Value following an Event of Loss; or

15.1.4. Either party following a determination by a mutually agreeable authorized service

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facility that the asset is damaged to the extent that it is improbable that it can be made operative within sixty (60) days. All amounts payable by one party to another in the event of a termination of this Contract prior to the expiration of the Term shall be paid to the other party within thirty (30) days of the date of termination and this obligation shall survive the termination of this Contract.

Events of Default

15.2. **Events of Default.** The term "**Event of Default**" means:-

15.2.1. Non-payment by a party of any Rent and/or any other amount due pursuant to this Contract within thirty (30) days after receipt of notice from the other party or failure to pay any or all of the same on the due date;

15.2.2. Failure to maintain, use or operate the asset in compliance with Applicable Law;

15.2.3. Failure to comply with all of the insurance coverages required under this Contract;

15.2.4. Failure to return the asset to Lessor on the date and in the manner required by this Agreement;

15.2.5. Bankruptcy, insolvency, receivership or similar proceeding by or against Lessee or Lessor or any of its properties or business;

Breach by a party of any other covenant, condition or agreement under this Contract that continues for thirty (30) days after written notice by the non-defaulting party to the defaulting party (but such notice and cure period will not be required if Lessee operates the asset when the insurance required hereunder is not in full force and effect or if such breach cannot be cured by practical means within such notice period).

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Article 16	Law	:	As per the SCD
Article 17	Arbitration	:	As per the SCD
Article 18	Penalty for use of undue influence	:	As per the SCD
Article 19	Agents	:	As per the SCD
Article 20	Force Majeure	:	As per the SCD
Article 21	Non-disclosure of Contract Documents	:	As per the SCD
Article 22	Notices	:	As per the SCD
Article 23	Transfers & Sub-letting	:	As per the SCD
Article 24	Patents & other Industrial Property Rights:		As per the SCD
Article 25	Amendments	:	As per the SCD
Article 26	Training	:	As per the SCD
Article 27	Option Clause	:	As per the SCD
Article 28	Buyer Furnished Equipment	:	As per the SCD

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Annexure I of Appendix B
(Refers to Article 1 of the Sample Lease Document)

1. **Statement of Quantities, Duration of Lease and Cost of Lease**.
(Sample data filled in)

Ser No	**Item**	**Qty**	**Period of Cost**	**Cost per Period**	**Taxes/ Duties**	**Remarks**
-1-	-2-	-3-	-4-	-5-	-6-	-7-
Recurring Payments						
1.1.	Cost of Basic asset (List all basic equipment)					
	1.1.1. Challenger 400 ac	3	Hourly	USD 4,000	18%	To be paid monthly
	1.1.2. Special Tractor	1	Monthly	USD 250	12%	To be paid qtly
	1.1.3. Additional cost for usage beyond the maximum period contracted in the Lease (on per hour, per day, per week, per month, per quarter or per year basis)		Hourly	USD 4,500	18%	To be paid monthly
1.2.	Any other Cost					
	1.2.1.					
Non-Recurring Payments						
1.3.	Cost of commissioning/ installation (If applicable)	--	One Time	MUSD 1.2	8%	One-time payment, after completion of installation
	1.3.1.					
	1.3.2.					
1.4.	Cost of fitment of Buyer Furnished Equipment (BFE) (If applicable)	!!	One time	MUSD 1.8	8%	One-time payment, after completion of fitment
1.5.	Cost of removal of BFE (At the end of lease period) (If applicable)	!!	One time	MUSD 1.6	8%	One-time payment, on completion of removal

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Ser No	Item	Qty	Period of Cost	Cost per Period	Taxes/ Duties	Remarks
-1-	-2-	-3-	-4-	-5-	-6-	-7-
1.6.	Cost of Spares (to be included only if not included in A(i) above					Include details as a separate Annexure
1.7.	Cost of Special Maintenance Tools and Special Test Equipment (If applicable)					
1.8.	Cost of Manuals, Technical Literature and Documentation (If applicable)					
1.9.	Cost of recommended period of training (If applicable)					Include details as an annexure
1.10.	Cost of delivery/ transportation (If applicable)					
1.11.	Cost of Re-delivery					This is the cost that Lessee has to pay (for de-modifications or conversion) at the time of handing over the asset back to Lessor at the end of the lease
1.12.	Any other costs					Details to be specified. Attach separate annexure if required
1.13.	Total Cost					All one-time costs to be added up. All period costs to be extrapolated for the total period of Lease. Total cost will be used for determination of L1 vendor
1.14.	Foreign Exchange Components (For Indian vendors only)					
1.15.	CDEC (if applicable), its authority and amount for which required					

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2. **Usage Limits**. The formulation of this para will depend on case to case basis. Based on RFI response, include minimum/ maximum usage limits of the asset to be leased. For e.g. 150 flight hours per aircraft per annum or 2,000 operating hours per asset per year or six hours every night or 150 km every month.

3. **Performance Metrics**. List the performance metrics that will be used to measure satisfactory performance of the leased asset. For e.g. system availability (serviceability percentage, platform availability, system uptime (hours per), utilisation rate (hours per).

4. **Stages of Payment**. Same as per para 2.1 of the SCD. After delivery of asset, there will be lease rental payments as per the payment periodic agreed in the contract (Monthly, Quarterly, Six-monthly or annual payments – linked to usage/custody of asset).

5. **Operations**.

5.1. During the period of contract, Lessee shall be solely and exclusively responsible for the use, operation and control of the asset and Lessee shall use and operate the asset in a careful manner and in conformity with the (include applicable law, rules or regulations affecting operation of the asset) and in accordance with the asset operating manual.

5.2. Lessee shall not fly, operate, use or locate the asset in, to or over any such country or area (temporarily or otherwise) (i) which is excluded from the required insurance coverages or would otherwise cause Lessee to be in breach of the insurance requirements or other provisions of this Agreement; or (ii) in which there are recognized or threatened hostilities.

5.3. All operations of the asset during the Term shall be under Lessee's operational control and Lessee shall be solely responsible for its possession and use; and (ii) Lessee shall not sell, transfer, assign, encumber, sublet or part with possession of the asset or any of its rights under the Contract except for the performance of maintenance on the asset or unless the parties otherwise agree in writing.

5.4. Lessee shall bear all costs of operating the asset, except the cost of certain Maintenance which shall be shared by the parties in accordance with this Contract *(provide reference to the applicable clause). (Amend the clause, if the operating costs will be borne by the Lessor*).

5.5. Lessee shall not permit any liens to be placed on the asset, other than those liens (i) in favour of or created by or through Lessor or Lessor's lender, if any; or (ii) Permitted Liens (provide reference to the article on Permitted Liens).

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6. **Maintenance**. (*Amend as per conditions of the Lease, as applicable to the asset*).

6.1. Lessee shall, during the period of contract, at its own cost and expense, maintain, inspect, service, repair, overhaul and test or cause the asset to be maintained, inspected, serviced, repaired, overhauled and tested so as to keep the Aircraft in good operating condition as delivered to Lessee on the Delivery Date ordinary wear and tear excepted and in compliance with all Applicable Law and the manufacturer's recommended inspection and maintenance program ("Maintenance"). For the avoidance of doubt, the Maintenance costs and expenses to be borne by Lessee shall include, but not be limited to, the cost of all parts and consumables used in the maintenance process that are not covered under or specifically addressed in (*provide reference to the article under which such exemptions are listed*).

6.2. Lessee shall perform or cause to be performed all Maintenance by persons and agencies which are duly approved. Lessee shall ensure that the Maintenance is conducted in a manner that does not modify or impair any existing warranties or service maintenance plans and agreements covering the asset or any part thereof. All logbooks, records and documents (including any computerized maintenance records) pertaining to the asset and its engines and their maintenance during the period of contract shall be maintained in English and in accordance with the applicable regulations and returned to Lessor upon termination of this contract with all entries duly completed and properly signed off.

6.3. Lessee shall pay to Lessor the rate specified in the payment terms as and when due under such agreements and provide such information and documentation required there under. Lessor shall timely remit such payments. Upon execution of this Contract, Lessor shall provide to Lessee complete and current copies of any maintenance agreements with respective OEMs/repair agencies and shall provide to Lessee any and all amendments, extensions, notices or other documentation relating to such programs. Lessor shall not reduce the coverage under such programs without the prior written consent of Lessee.

6.4. Lessee shall be entitled during the period of Contract to acquire and install at its own cost and expense, any additional accessories, devices or equipment as it desires (the "Additions") but only so long as such Additions (i) are approved in writing by Lessor; (ii) are ancillary to the asset; (iii) are not required to render the asset complete for its intended use by Lessee; (iv) will not impair the originally intended function or use of the asset or diminish the value of the same; and (v) can be readily removed without causing material damage to the asset.

6.5. Unless otherwise agreed to in advance by the parties, Lessor shall bear the full cost of any discretionary asset upgrades, capital improvements or major refurbishment made during the period of Contract. In the event the Lease is terminated by either party for any reason prior to the expiration of the period of Contract, Lessor shall refund to Lessee the amount paid by Lessee for upgrades, improvements and refurbishment of the asset paid for by Lessee under this Article on a pro-rated basis based on the actual number of calendar days remaining in the Contract from and after the effective date of termination.

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CHAPTER XI

PROCEDURE FOR DEFENCE SHIP BUILDING

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PROCEDURE FOR DEFENCE SHIP BUILDING

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Appendix A-1 to Chapter XI

(Refers to Paragraphs 53, 80 and 107 of Chapter XI of DAP 2026)

TERMS OF PAYMENT- SHIPS

The terms of payment may vary between each project depending upon a variety of factors such as indigenous content, necessity for building infrastructure, imports, design considerations and development of indigenous technology. However, some broad guidelines for payment terms for multivendor cases are appended below: -

Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalised during CNC
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel/ Hull Construction (b) Submission Cardinal date programme /Production PERT	
III	5%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalised and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only (b) Completion of main engines, gear boxes, girders and Seatings/m/c seating as applicable to erecting of 60% hull	
VI	5%	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship series only (b) All access holes to be cut and preparation of main seating in m/c compartment (c) Placement of order for majority equipment and systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b) Manufacture/procurement of W/T doors and hatches (c) Submission of network of balance activities upto delivery alongwith resource allocation	
VIII	10%	(a) Completion of installation of machinery, equipment and fittings with associated system required for reaching pre-launch stage and submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	

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Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalised during CNC
IX	5%	Completion of 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	5%	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	10%	Completion of Basin Trials	
XIII	5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings, manuals for the ship to be made available to the concerned agencies as per specifications (d) Completion of first reading of D-448 and acceptance of vessel	
XV	10%	On completion of 'shipyard guarantee liabilities' and GRDD	Payment for Stage XV may be done along with Stage XIV on submission of Bank Guarantee of equivalent amount

NOTE :-

Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. However, for high value projects, SHQ may revise the APBG requirement and provide justification for the same in the SoC while seeking specific AoN

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Appendix A-2 to Chapter XI

(Refers to Paragraphs 53, 80 and 107 of Chapter XI of DAP 2026)

TERMS OF PAYMENT- SUBMARINES

The terms of payment may vary between each project depending upon a variety of factors such as indigenous content, necessity for building infrastructure, imports, design considerations and development of indigenous technology. However, some broad guidelines for payment terms for multivendor cases are appended below:-

Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalised during CNC
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel/ Hull Construction) Submission Cardinal date programme /Production PERT	
III	15%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalised and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only (b) Completion of main engines, gear boxes, girders and Seatings /m/c seating as applicable to erecting of 60% hull	
VI	15 %	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship series only (b) All access holes to be cut and preparation of main seating in m/c compartment (c) Placement of order for majority equipment and systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b)Manufacture/procurement of W/T doors and hatches (c) Submission of network of balance activities upto delivery along with resource allocation	
VIII	15%	(a) Completion of installation of machinery, equipment and fittings with associated system required for reaching pre- launch stage and	

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Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalised during CNC
		submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	
IX	2.5%	Completion of 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	2.5 %	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	2.5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	2.5%	Completion of Basin Trials	
XIII	2.5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	2.5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings, manuals for the ship to be made available to the concerned agencies as per specifications (d) Completion of first reading of D-448 and acceptance of vessel	
XV	5 %	On completion of all 'shipyard guarantee liabilities' and GRDD'	Payment for Stage XV may be done along with Stage XIV on submission of Bank Guarantee of equivalent amount

Note :-

Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. However, for high value projects, SHQ may revise the APBG requirement and provide justification for the same in the SoC while seeking specific AoN.

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Appendix B to Chapter XI

(Refers to Paragraphs 53, 80 and 107 of Chapter XI of DAP 2026)

TERMS OF PAYMENT - YARD CRAFTS/AUXILIARIES

In addition to the broad guidelines indicated in Appendix A1-A2, a seven stage indicative guideline for yard crafts is given below: -

Stage	% of Vessel cost	Activity	Pre-Requisites
I	10%	On signing of the Contract (10% of Contract Cost)	On submission of bank guarantee of equal value and Performance – cum-Warranty Bond of 5% of the contractual cost. DPSUs ma submit indemnity bond whe nominated.
II	20%	(a) Proof of ordering of steel/Hull construction Material (b) Submission of cardinal date (c) Submission of main hull structural drawings. (d) Order for all major pre-launch items finalised and placed (e) Erection of equipment schedule. (f) Submission of equipment of equipment schedule. (g) Completion of main engines, Gear box girders and seatings / machinery seatings as applicable to erection of 40% hull.	To be certified by owner's representative/overseer.
III	10%	(a) Completion of main engines, gear box girders and seatings /machinery seatings as applicable to erection of 70% hull. (b) All access holes to be cut and preparation of main seatings in machinery compartment. (c) Manufacture /procurement of W/T doors and hatches (d) Pressure test of built in tanks (e) Submission of network of balance activities	To be certified by Owner's representative/Overseer.
IV	10%	(a) Erection of 100% main hull (b) Placement of order for major equipment and	To be certified by Owner's representative/Overseer.

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		system affecting conduct of basin trials (c) Pressure test of built in tanks (d) Submission of network of balance activities	
V	15%	(a) Completion of installation of machinery, equipment and fittings with the associated systems required for reaching pre launch stage. (b) Launching of vessels or equivalent stage of construction reached. Note. If large amount of machinery is to be placed after the launch of the vessel, this stage may be split into two @10% or 7.5% each	To be certified by Owner's representative/Overseer.
VI	30%	(a) Completion of Basin Trials (b) Completion of inclining experiment and draft survey for subsequent crafts (c) Successful completion of contractor's sea trials (form part of vessel acceptance trials) (d) Successful completion of final machinery trials (e) Stowage of all on-board spares (f) All documentation, drawings , manuals for the ship to be made available to the concerned agencies as per specifications (g) Completion of first reading of D-448 and acceptance of the vessel.	To be certified by Owner's representative/Overseer.
VII	5%	All defects, deficiencies and contractor's liabilities including guarantee repairs and dry docking to be completed.	To be certified by Owner's representative/Overseer. Payment for Stage VII may be done along with Stage VI on submission of Bank Guarantee of equivalent amount

Note :-
Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount.

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Appendix C to Chapter XI

(Refers to Paragraphs 14, 71.6, 93, 95 of Chapter XI of DAP 2026)

GUIDELINES ON CAPACITY ASSESSMENT INDIAN SHIPBUILDING ENTITIES

1. In accordance with Paragraphs 14, 71 and 93 of this Chapter, there is a need to undertake Capacity Assessment of a shipbuilding entity (shipyard/company/JV) prior recommending an entity for nomination/ issuance of RFPs for ship or yardcraft construction. This is aimed at determining the capability of the entity to undertake the intended shipbuilding activity. The assessment would include technical and financial capacity/ capability including infrastructure of the entity. Such an assessment would ensure that only entities with requisite capacity and capability are permitted to participate in the Indian Naval/ Coast Guard ship and yard craft building projects.

2. **Technical and Financial Assessment Parameters**.

2.1. **Technical Capacity Assessment (TCA) Parameters**. Technical Capacity Assessment of the entities would be undertaken against objective parameters listed at Annexure I for each ship category. **It is mandatory for the bidder to qualify all parameters listed at Annexure I**.

2.2. **Financial Assessment Parameters**. Financial Assessment Parameters for each category of ship defined at Annexure II would be included in the RFP of the project. Assessment of the financial status of the entity vis-à-vis the parameters indicated in the RFP would be undertaken prior to commencement of TEC, by the Financial Parameter Evaluation Team (FPET), constituted by SHQ with broad time frame for completion being 04 weeks from the date of opening of Technical Bids. FPET shall include a Finance member {Representative from the MoD (Fin) for non- delegated power case(s) and representative from PIFA (Cap) for delegated power case(s)} in addition to listed TEC members; FPET would be completed within four weeks. For delegated power cases in all situations, FPET would be approved by the SHQ. For MoD cases where all entities participating in the RFP are found compliant, the FPET report would be approved by the SHQ. However, in case an entity or entities participating in the RFP are found non- compliant to the Financial Assessment Parameters, the FPET report would be approved by DG(Acquisition). TEC would be progressed only for entities qualifying the stipulated financial parameters.

3. **Assessment of Entities**.

3.1. **Acquisition by Nomination**. If validity of Technical Capacity Assessment of entities proposed for nomination by MoD for a particular project/ ship category has expired, SHQ would undertake Technical Capacity Assessment of entities indicated,

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against objective parameters listed at Annexure I. Names of entities qualifying all Technical Parameters, shall be forwarded to MoD/DDP and MoD/Acquisition Wing prior processing the case for AoN.

3.2. **Acquisition on Competitive Basis**. The procedure for assessing the entities for undertaking a project on Competitive Basis is amplified in the subsequent paragraphs.

4. **Technical Capacity Assessment**. The Technical Capacity Assessment of entities including DPSUs/PSUs/State PSUs and private entities would be undertaken as per the amplification orders to be issued by SHQ, by a Standing Committee comprising of the following and would be approved by CWP&A:-

4.1.	ACCP/ACWP&A	-	Chairman
4.2.	Commodore(SP)	-	Member
4.3.	PD (Ship Acquisition)	-	Member from Coast Guard
4.4.	Representative SHQ/ WDB (Captain)	-	Member
4.5.	Representative SHQ/DNP	-	Member
4.6.	Cdr(SP)	-	Member Secretary /SHQ

5. **Initiation of Technical Capacity Assessment (TCA)**. The Technical Capacity Assessment of entity would be coordinated by SHQ, on either of the following occasions for which amplifying orders shall be issued by SHQ:-

5.1. On application as new entity, or, on expiry of its existing validity.

5.2. If an entity whose Technical Capacity Assessment has not been undertaken over the last two years responds to the RFI for construction of a Naval/ICG vessel/yardcraft.

5.3. Entity responding for a project of a higher category (higher than the technically cleared lower category) subject to meeting the Technical parameters at Annexure I.

5.4. As and when deemed necessary by SHQ/MoD.

6. **Technical Capacity Assessment Procedure**. As a part of fresh TCA, the technical assessment shall be undertaken as follows:-

6.1. **Technical Capacity Assessment by Warship Overseeing Team (WOT)**.

6.1.1. Details of infrastructure available would be sought from entities by SHQ, to assess parameters provided in Annexure I to these Guidelines. Entities failing to provide all relevant documents within three months of the notice would be given an additional month for submitting the requisite documents, failing which, entity would be declared 'Not Qualified' and would not be eligible for participating in any RFP (for ship categories for which valid TCA Certificate is not held) for the next six months, or, till obtaining TCA certificate for SHQ, whichever is later.

6.1.2. The relevant WOT shall carry out initial technical capacity assessment of the entity's

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capacity and capability.

6.1.3. The Technical Capacity Assessment would entail physical inspection of the entity's facilities and infrastructure, to validate the TCA pro-forma/ inputs submitted by the entity.

6.1.4. The initial technical capacity assessment report, along with the nominated WOT recommendations, would be forwarded to SHQ for appraisal and approval.

6.2. **Technical Capacity Assessment Report**.

6.2.1. The Standing Committee would thereafter study the initial Technical Capacity Assessment report and visit the concerned entity, as necessary, as per the amplification orders to be issued by SHQ.

6.2.2. Additional members, where and if required, may be co-opted into the committee, to validated specific issues/aspects of the entity being assessed.

6.2.3. If the entity is found suitable, a Technical Capacity Assessment (TCA) certificate shall be issued by SHQ, indicating the maximum light ship displacement, LOA, beam, draught and air draught (as applicable), along with the approved categorisation for which the entity has been cleared, based on the entity's infrastructure. The TCA to be issued within 45 days of receipt of all documents, shall remain valid for two years from the date of issue.

6.2.4. If any entity is found unsuitable, it shall be informed of areas on which they have been disqualified.

7. RFPs for construction of warships and yardcraft are to be issued only to entities with a valid Technical Capacity Assessment certificate for type/category of vessel cleared. Entities failing to either submit complete documents within the stipulated period of three months, or failing to meet the stipulated criteria, would not be considered for issuance of RFP (for ship categories for which valid TCA Certificate is not held), for the next six months or till obtaining TCA certificate, whichever is later.

8. **Re-validation of Technical Capacity Assessment**. The entity is required to forward to NHQ/ DSP, all requisite documents as per the TCA proforma, three months prior to expiry of Technical Capacity Assessment. In the eventuality of an entity not submitting valid documents or an entity whose TCA is pending at SHQ due to non-submission of complete documents, the entity would be given an additional month for submitting the requisite documents, failing which the entity would be declared 'Not Qualified' and would not be eligible for participating in any RFP (for ship categories for which valid TCA Certificate is not held) for the next six months, or till obtaining TCA certificate from SHQ, whichever is later.

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Annexure I to Appendix C

(Refers to Paragraphs 2.1 & 3.1 of Appendix C of DAP 2026)

TECHNICAL CAPACITY ASSESSMENT PARAMETERS FOR SHIPBUILDING PROJECTS

Ser	Category/Type of Vessels Naval/ICG Ship Category	CAT A	CAT A*	CAT B	CAT C	CAT D	CAT D*
	Parameter	**Weapon Intensive Warships Destroyers and Frigates, etc (WE>5000T)**	**Weapon Intensive Warships (Wt<5000T) Frigates, Corvettes, etc**	**Low Weapon Intensive Warships (LCV, OPV, ASW craft, Missile Vessels, MCMV, Training Ships, Pollution Control Vessel, MPV, etc)**	**Aux. Ship & Support Vessels (Survey Vessels, DSV, FAC, FPV, IB etc)**	**Minor Naval Combatant & Yardcraft (FIC*, ISV*, Ferry Craft, Tugs, Supply Vessels, IC, Auxiliary Barges, Harbour Craft, etc)**	**Non-Propelled Yardcraft (Yardcraft, Barges, Pontoons etc)**
1.	**Warship Construction License**	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory for Starred (*) ships. Class certification on stability to be provided for remaining	Not mandatory. Class certification on stability to be provided
2.	**Building Dock/Slipway / Ship Lift Features for ships as defined at TCA#**	Building Dock/ Slipway/ Ship Lift for ship more than 5,000T Light ship Displacement, LOA greater than 125m, and draught greater than 5 m	Building Dock/Slipway/ Ship Lift for ship lesser than 5,000T Light ship Displacement, LOA greater than 90m, and draught lesser than 5 m	Building Dock/Slipway/ Ship Lift for ship lesser than 4,000T Light ship Displacement, LOA greater than 60m, and draught lesser than 4 m	Building Dock/Slipway/ Ship Lift for ship more than 3,000T Light ship Displacement, LOA greater than 40m, and draught lesser than 4 m	Building Dock/Slipway/ Ship Lift/ Building Berth for ship lesser than 1,000T Light ship Displacement, LOA greater than 8m, and draught lesser than 3 m	Building Dock/Slipway/ Ship Lift/ Building Berth/ Adequate space for vessels lesser that 500T Light Ship Displacement
	#. The Technical Capacity Assessment (TCA) certificate issued by SHQ would indicate the maximum light ship displacement, LOA, beam, draught and air draught (as applicable), along with the approved categorisation for which the entity has been cleared. This would be based on the entity's shipbuilding dock/slipway/ship-lift infrastructure.						

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Ser	Category/Type of Vessels Naval/ICG Ship Category	CAT A	CAT A*	CAT B	CAT C	CAT D	CAT D*
	Parameter	**Weapon Intensive Warships Destroyers and Frigates, etc (WE>5000T)**	**Weapon Intensive Warships (Wt<5000T) Frigates, Corvettes, etc**	**Low Weapon Intensive Warships (LCV,OPV, ASW craft, Missile Vessels, MCMV, Training Ships, Pollution Control Vessel, MPV, etc)**	**Aux. Ship & Support Vessels (Survey Vessels, DSV, FAC, FPV, IB etc)**	**Minor Naval Combatant & Yardcraft (FIC*, ISV*, Ferry Craft, Tugs, Supply Vessels, IC, Auxiliary Barges, Harbour Craft, etc)**	**Non-Propelled Yardcraft (Yardcraft, Barges, Pontoons etc)**
3.	**Water Frontage/ Outfitting & Berthing Facilities with support services**	Berth greater than 125m with water depth greater than 5m (at all times)	Berth greater than 90m with water depth greater than 4m (at all times)	Berth greater than 60m with water depth greater than 4m (at all times)	Berth greater than 40m with water depth greater than 3m (at all times)	Firms to indicate modalities of floating out and outfitting.	Firms to indicate modalities of floating out and outfitting.
4.	**Lifting capacity**	Capability to lift Minimum 150T on building berth and 50T on outfitting berth with all round reach	Capability to lift Minimum 150T on building berth and 50T on outfitting berth with all round reach	Capability to lift Minimum 100T on building berth and 25T on outfitting berth with all round reach	Capability to lift Minimum 40T on building berth and 20T on outfitting berth with all round reach	Capability to lift Minimum 10T on building berth and 05T on outfitting berth with all round reach	Capability to lift Minimum 5T on building berth and 02T on outfitting berth with all round reach
5.	**Steel Stockyard Capacity**	Storage for 8,000T steel	Storage for 5,000T steel	Storage for 3,000T steel	Storage for 1500T steel	Storage for 300T steel	Storage for 100T steel
6.	**Steel Fabrication**	CNC machines and automatic/ semi- automatic welding facilities with minimum capacity of 500T fabrication monthly.	CNC machines and automatic/ semi-automatic welding facilities with minimum capacity of 500T fabrication monthly.	CNC machines and automatic/ semi-automatic welding facilities with minimum capacity of 300T fabrication monthly.	CNC machines and automatic/ semi-automatic welding facilities with minimum capacity of 300T fabrication monthly.	Minimum capacity of 100T fabrication monthly.	Minimum capacity of 50T fabrication monthly.
7.	**Steel bending and forming facility**	In-house for thickness till 20mm	In-house for thickness till 20mm	In-house for thickness till 20mm	Lesser than 20mm (Firms to indicate in-house/ outsourced capacity)	Lesser than 12mm (Firms to indicate in-house/ outsourced capacity)	Lesser than 8/10mm (Firms to indicate in-house/ outsourced capacity)

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8.	**Exposure to Shipbuilding**	Demonstrated capacity in Construction and successful delivery of at least one Warship of CAT 'A*/B' except LCU/PCV with experience in installation of weapons/ Sensors.	Demonstrated capacity in Construction and successful delivery of at least one Warship of CAT B except LCU/PCV with experience in installation of weapons/ Sensors.	Demonstrated capacity in Construction and successful delivery of at least one ship of CAT C.	Demonstrated capacity in Construction and successful delivery of at least one ship of CAT C or a self-propelled vessel of light ship displacement greater than 500T.	Demonstrated capacity in Construction and successful delivery of at least one non propelled vessel (as applicable).	Demonstrated capacity in maritime structures including Pontoons, buoys etc. under class rules.
9.	**Quality Control**	Must hold ISO 9001:2015 and OHSAS 18001:2007 or later certification	Must hold ISO 9001:2015 and OHSAS 18001:2007 or later certification	Must hold ISO 9001:2015 and OHSAS 18001:2007 or later certification	Must hold ISO 9001:2015 and OHSAS 18001:2007 or later certification	Must hold ISO 9001:2015 certification	Must hold ISO 9001:2015 certification

Note 1:-

1. For Platforms larger than those indicated in CAT 'A', eligible shipyard would be shortlisted by an appraisal committee on a case to case basis.

2. For platforms not defined in the above categorisation, the TCA committee based on the platform's role, maximum light ship displacement, LOA, beam, draught and air draught (as applicable) and capabilities, would forward recommendation on the platform's categorisation for approval by DG(Acquisition).

3. In eventuality of a new entity taking over an Indian shipyard/ entity, the existing exposure to shipbuilding of the Indian shipyard/ new entity would be considered in for the above Categorisation.

4. The following additional condition would be applicable for undertaking TCA of a Joint Venture:-

4.1. The Joint Venture firm should be a registered Indian company having 'Warship Construction License' or' Class Certification' as indicated at Sl 1 of the Table.

4.2. The assessment would be undertaken based on the technical infrastructure available in India, either with the JV firm or with individual JV members.

4.3. For considering eligibility in the criteria of 'Exposure to Shipbuilding', either the capability of the JV firm or of at least one of its members would be considered.

Note 2:- Indicative list of Documents to be submitted by entities for Technical Capacity Assessment is as follows:-

2.1.	Type of Entity- Size/ Classification of Entity (Proprietary/ Partnership/ Public Limited Company/ Government PSU/ JV/ Small Scale/ Medium Scale/ Large Scale Entity)
2.2.	Warship Production and Factory License
2.3.	Valid/ Current Certification of Class for Building Dock, slipway, ship lift with dimensional details clearly indicating the maximum light ship displacement, LOA, beam, draught and air draft (as applicable) of vessel which can be handled.

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2.4.	Valid/ Current Certification of Class for water frontage/ jetty/ outfitting and berthing facilities clearly indicating dimensional details of berth available with minimum depth at all times.
2.5.	Details of Load test/ safe to work certificate clearly indicating lifting capacity of cranes hoists and horizontal transporters at building dock, outfitting jetty, inside shops, mobile cranes and Gantries along with details of largest block that can be handled.
2.6.	Details with layout (approved by Factory Inspector) of the shipyard indicating the capacity of app covered and uncovered areas of Steel Stockyard, Blasting & Printing, Equipment Stores, Hull Production Shop, Pipe Production Shop, Galvanizing Bay, Machine Shop, Pre- Outfitting Shop, Paint Shop & Paint Store and Electrical Shop.
2.7.	Self-Certification of facilities indicating the minimum capacity of monthly steel fabrication.
2.8.	Self-Certification of facilities like welding, forming, cutting, bending, blasting, pipe fabrication, control techniques to minimise deformations and other production machinery and electrical installations indicating technical specifications and in house capabilities.
2.9.	Details of Ships delivered classified by tonnage and propulsion.
2.10.	Details of Collaboration if any (Indian/Foreign)
2.11.	Copy of certificate from ISO and OHSAS
2.12.	Additional documents in accordance with amplification orders issued by SHQ

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Annexure II to Appendix C
(Refers to Paragraph 2.2 of Appendix C of DAP 2026)

FINANCIAL ASSESSMENT PARAMETERS FOR SHIPBUILDING PROJECTS

Eligibility and Qualification Criteria			**CAT F1**	**CAT F2**	**CAT F3**	**CAT F4**	**CAT F5**	**Documentation Required (To be submitted along with the bid)**
			Outflow required for the Project per Year = Estimated Value of Contract/ Number of Years prescribed for completion of the Project					
Ser	**Subject**	**Requirement**	**Rs 3000 Cr and above**	**Greater than Rs 1000 Cr and less than or equal to Rs 3000 Cr)**	**Greater than Rs 75 Cr and less than or equal to Rs 1000 Cr)**	**Greater than Rs 25 Cr and less than or equal to Rs 75 Cr**	**Lesser than or equal to Rs 25 Cr**	
1.	**Credit Rating**	Credit Rating from RBI approved Credit Rating Agencies at time of bid submission till declaration of L1. Latest Credit rating to be submitted by the TEC-qualified entities at time of CNC	Minimum A or equivalent	Minimum A or equivalent	Minimum BBB or equivalent	Minimum BB or equivalent	Minimum BB or equivalent	Credit Rating Certificate from RBI approved agencies.
2.	**Average Annual Turnover**	Minimum average turnover of the bidder during the best three out of five FYs calculated as per audited balance sheets	15% of outflow required for the Project per year at time of bid submission	20% of outflow required for the Project per year at time of bid submission	30% of outflow required for the Project per year at time of bid submission	40% of outflow required for the Project per year at time of bid submission	50% of outflow required for the Project per year at time of bid submission	FORM-1 Standardised Shipbuilding RFP at Appendix E to Chapter XI of handbook on Guidelines and Annexures
3.	**Working Capital**	Working Capital shall be more than or equivalent to 25% of Outflow required for the project per year	The bidder shall demonstrate access to unutilised line of credit/ overdraft facility/ cash credit facility from its consortium of Banks during bid submission vide a letter issued by the Bank or lead Bank of the consortium. Alternatively or complimentarily, the Bidder should demonstrate liquid asset in the form of cash/ marketable securities in its Balance Sheet. The amount required as working capital for the project would be indicated in the RFP.					FORM-2 Standardised Shipbuilding RFP at Appendix E to Chapter XI of handbook on Guidelines and Annexures

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Note:-

1. Credit Rating should only be from RBI approved Credit Rating Agencies.

2. Annual Turnover is defined as "Annual Sales volume net of all discounts, taxes and interest earnings etc. excluding extraordinary income".

3. The Audited Balance Sheets, Profit and Loss Account and cash flow statement of Group Companies shall not be considered for evaluation.

4. Annual Turnover would be substantiated through (i) Audited Balance Sheets of the relevant financial years, provided the figures, are stated in the Balance Sheet(s) or (ii) Specific certificate(s) issued by its Statutory Auditors.

5. In case of a Joint Venture, the JV firm should meet all the above mentioned financial criteria for the project.

6. In case of a new formed Joint Venture (less than 05 year old), the Financial Criteria will be assessed as follows:-

6.1 **Credit Rating**. The lead JV partner should meet the minimum credit rating required for the category.

6.2 **Average Annual Turnover**. Would be based on the turnover of individual JV members on the ratio of their share holding pattern based on the audited balance sheets.

6.3 **Working Capital**. JV firm should meet the Working Capital requirement.

Appendix D to Chapter XI

(Refers to Paragraph 48 of Chapter XI of DAP 2026)

GUIDELINES FOR INCLUSION OF BUYER NOMINATED EQUIPMENT (BNE)

1. The following will apply to Defence Ship Building cases under Chapter XI of DAP 2026:-

1.1 In ship building cases, the procurement of equipment is governed by Para 44, 45, 46, 47, 48, 49, 50, 77 and 78 of Chapter XI of DAP 2026.

1.2 **Weapons & Related Sensors System**. Relevant details shall be brought out in SoC for weapons & related sensors nominated on Single Vendor by SHQ; the procedure of obtaining DAC approval as per Para 47 of Chapter XI of DAP 2026 will be followed.

1.3 **Non Weapons & Related Sensors System**. For other equipment, the following guidelines will be adhered to:-

1.3.1 **Single Vendor Equipment (Single Vendor BNE/ Cat 'A')**. Equipment in this category is of complex high grade Mil-spec nature, integral to the design of the ship and is core to the performance of the warship in its envisaged role. Vendors for such equipment shall be vetted by a 'Single Vendor Committee' in accordance with Para 48 of Chapter XI of DAP 2026 for Nomination cases and Para 78 and 91 of Chapter XI for competitive cases prior RFP Collegiate. The details of such items shall be included in the SoC.

1.3.2 **Limited Vendor Base Items (Limited Vendor BNE/ Cat 'B')**. Complex system with SHQ defined Statement of Technical Requirements (SOTRs), where there is a limited vendor base, fall in this category. The limited vendor list for these critical equipment/ systems of the ship is prepared by the SHQ and items are being procured by shipyards. In case such items can be procured from Indian OEMs on competitive basis, the list may not include foreign vendors. This vendor list may be updated regularly.

1.3.3 **Open Tender/ Shipyard Vendor List (Non BNE/ Cat 'C*'/ Cat 'C')**. Low technology/ wide production base marine items and other basic COTS equipment fall in this category. The broad/ technical specifications are provided by the SHQ and the shipyards procures these through their procurement procedure.

2. Any exception or modification to this procedure should be specifically brought out in the SoC to be approved by AoN according authority.

Cover Page

सत्यमेव जयते
Ministry of Defence
Government of India

REQUEST FOR PROPOSAL

BY

MINISTRY OF DEFENCE

GOVERNMENT OF INDIA

FOR ACQUISITION

(With details of Project/ Vessel/ Platform, as relevant)

This document is the property of Government of India/ Ministry of Defence.

The contents of this RFP must not be disclosed to unauthorised persons and must be used only for the purpose of submission of Bids.

This document contains __ pages including cover page and Appendices.

Appendix E
(Refers to Para 73 & 93 of Chapter XI)

(THIS RFP PROVIDES A STANDARDISED FORMAT IAW GUIDELINES UNDER SECTION 'B' AND SECTION 'C' OF CHAPTER XI. IT MAY BE VARIED DEPENDING ON USER REQUIREMENTS, TYPE/ COMPLEXITY OF EQUIPMENT/ MACHINERY/ TEST EQUIPMENT AND OPERATIONAL IMPERATIVES SHQ MAY ALTER IT AS PER THEIR SERVICE REQUIREMENTS)

Tele:
E-mail: _____

File No:_____

Additional Director General
Acquisition-Technical (M&S)
New Delhi-110011

To

REQUEST FOR TECHNICAL AND COMMERCIAL PROPOSAL FOR (GENERIC NOMENCLATURE OF PROJECT/ VESSEL/ PLATFORM)
CATEGORY: …….. *(AS PER AON)*

Dear Sir/Madam,

1. The Ministry of Defence, Government of India, intends to procure _____ and seeks participation in the procurement process from prospective Bidders subject to requirements in succeeding paragraphs.

Synopsis

2. **Broad Description of Vessel/Equipment/System**.

The details of the project/vessel/platform proposed to be acquired, along with its intended use and basic configuration/ composition may be included in the Para to enable the Bidder to get a preliminary idea of the project.

(*For Illustration: Indian Navy intends to procure sixteen Anti-Submarine Warfare Shallow Water Craft (16 x ASW SWC). These crafts should be capable of operating within 200 nm of the Indian coast in sea states upto 6-7).*

3. The salient aspects and timelines of the acquisition are tabulated below. In case of any variation in the details furnished below or in any Annexures(s) with that mentioned in the RFP, information furnished in the main body of the RFP at referred Paragraph is to be followed.

Ser	Description	Details	Reference Para of the RFP
1.1.	Project/Vessel/Platform required		

Ser	Description	Details	Reference Para of the RFP
1.2.	Quantity Required		
1.3.	Categorisation of Procurement		
1.4.	Minimum IC Content required		
1.5.	Place(s) of Delivery		
1.6.	Warranty Period		
1.7.	CMC Period, if any		
1.8.	Offsets required, if any		
1.9.	EMD Amount		
1.10.	Last date for submission of Pre-bid queries		
1.11.	Date and time for Pre-bid meeting		
1.12.	Last date and time for Bid Submission		

4. **Special features of the RFP (if any)**.

Special requirements of RFP like the requirement of integration with other systems, linking of Trials with completion of delivery, infrastructure augmentation required etc. are to be specified to draw the attention of bidders to critical aspects of the RFP.

(*For Illustration: The vessels supplied by the bidder shall be designed with the best shipbuilding practices conforming to stipulated IN/CG specifications and extant Class Notations. Also, the bidder shall deliver vessel post completion of all requisite Test & Trials as specified in the RFP, including the Part IV)*

5. This Request for Proposal (RFP) consists of following four parts:-

Ser	Description	Page No.
(a)	Part I – General Requirements	
(b)	Part II - Technical Requirements	
(c)	Part III – Commercial Requirements	
(d)	Part IV – Bid Evaluation and Acceptance Criteria	

6. The Government of India invites responses to this request only from the Bidder to whom the RFP is being issued. The bidder is required to forward the list of authorized persons for interacting with SHQ in relation to this instant RFP.

7. The end user of the equipment is the Indian Armed Forces.

8. This RFP is being issued with no financial commitment and the Ministry of Defence reserves the right to withdraw the RFP and change or vary any part thereof or foreclose the procurement case at any stage. The Government of India also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

9. This RFP is non-transferable.

10. In addition to various Appendices and their Annexures, attached with this RFP, reference to various paragraphs of DAP-2026 has been made in the RFP. The DAP-2026 is an open domain document that is available at GoI, MoD website www.mod.gov.in.

11. The receipt of the RFP may please be acknowledged.

Yours faithfully,

O/o ADG Acq-Tech
(Maritime & Systems)

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Disclaimer

This RFP is neither an agreement nor an offer by the MoD to prospective Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in submitting their proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by the MoD in relation to the Project. This RFP document and any assumptions, assessments and statements made herein do not purport to contain all the information that each Bidder may require. In the event of any discrepancies, ambiguities or contradiction in the information, data or details provided in different sections of this RFP, the same shall be clarified during the pre-bid meeting, and the clarification asked thereafter shall prevail and be binding on all bidders. The Bidder shall bear all its costs associated with or relating to the preparation and submission of proposal pursuant to this RFP. Where necessary, MoD reserves the right to amend or supplement the information, assessment or assumptions contained in this RFP. The MoD reserves the right to withdraw the RFP or foreclose the procurement case at any stage. The issuance of this RFP does not imply that the MoD is bound to shortlist a Bidder for the Project. The MoD also reserves the right to disqualify any Bidder should it be so necessary at any stage on grounds of National Security.

PART I – GENERAL REQUIREMENTS

1. This part consists of the general requirement of the Project/ Vessel/ Platform and Services, hereafter collectively referred as 'Deliverables', the numbers required, the time frame for deliveries, conditions of usage and maintenance, requirement for training, Engineering Support Package (ESP), Offset obligations and warranty/ guarantee conditions, etc. It includes the procedure and the date & time for submission of bids.

Non-Disclosure

2. The Bidding documents, including this RFP and all attached documents provided by the MoD, are and shall remain or becomes the property of the MoD. These are transmitted to the Bidders solely for the purpose of preparation and the submission of a proposal in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their proposal. The provisions of this Para shall also apply mutatis mutandis to Bids and all other documents submitted by the Bidders, and the MoD will not return to the Bidders any proposal, document or any information provided along therewith (except unopened Technical Bid, Commercial Bid and EMD, as relevant).

3. Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process, or concerning the Bidding Process. The MoD will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. MoD may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or MoD or as may be required by law or in connection with any legal process.

4. **Confidentiality of Information**. No party shall disclose any information to any 'Third Party' concerning the matters under this RFP generally. In particular, any information identified as 'Proprietary' in nature by the disclosing party shall be kept strictly confidential by the receiving party and shall not be disclosed to any third party without the prior written consent of the original disclosing party. This clause shall apply to the sub-contractors, consultants, advisors or the employees engaged by a party with equal force.

5. **Classified RFPs (*Where applicable*)**. In case of issue of a classified RFP and/or documents as part of procurement process, applicable provisions will be as follows:-

5.1. All the relevant precautions and procedures for handling the RFP/document/Information have to be followed that are applicable to the relevant level of security classification, as per extant government orders on the subject. A Non-Disclosure Agreement would have to be signed by all Bidders in accordance with the format placed at **Appendix Q**. The Non-Disclosure Agreement would have to be signed by the Bidder prior to receipt of the RFP (SHQ to seek such NDA from the prospective bidders in advance).

5.2. **‘Restricted Information’ Categories under ‘Official Secrets’ under Section 5 of the Official Secrets Act, 1923**. Any contravention to the above mentioned provisions by any Bidder, sub-contractors, consultants, advisors or the employees of a contractor, will make them liable for penal consequences under the above said legislation.

6. **Business Eligibility**

6.1. **Undertaking by Bidders**. The Bidder will submit an undertaking that they are currently not banned/ debarred / suspended from doing business dealings with Government of India/ any other government organisation and that there is no investigation going on by MoD against them. In case of ever having been banned/ debarred / suspended from doing business dealings with MoD/ any other government organization, in the past, the Bidder will furnish details of such ban/ debarment along with copy of government letter under which this ban/ debarment/ suspension was lifted/ revoked. The Bidder shall also declare that their sub-contractor(s)/ supplier(s)/ technology partner(s) are not Suspended or Debarred by Ministry of Defence. In case the sub-contractor(s)/ supplier(s)/ technology partner(s) of the Bidder are Suspended or Debarred by Ministry of Defence, the Bidder shall indicate the same with justification for participation of such sub- contractor(s)/ supplier(s)/ technology partner(s) in the procurement case.

6.2. Subsequent to submission of bids if any sub-contractor(s)/supplier(s)/technology partner(s) of the Bidder is Suspended or Debarred by Ministry of Defence, the Bidder shall intimate the Ministry of Defence regarding Suspension or Debarment of its sub-contractor(s)/ supplier(s)/technology partner(s) within two weeks of such order being made public.

7. **Financial Assessment Parameters**. The detailed Financial Assessment Parameters for the Bidders for participation in the instant acquisition case are placed at **Appendix R** to this RFP. All Bidders are to submit details as per the criteria along with the Technical Bids. These would be evaluated by a Financial Parameters Evaluation Team. In case the bidder is admitted with NCLT or an appeal is pending under Insolvency & Bankruptcy Code -16 (and amendment thereof), Bidder will not be eligible for participation in the acquisition process. The date of bid submission will be considered for admission or otherwise. The bidder has to separately submit a self-declaration certificate indicating that no such case is pending under IBC along with the bid submission for examination by SHQ.

8. **Indigenous Content**. For the purposes of this RFP and the acquisition contract (if any) signed by the Ministry of Defence with the successful Bidder, indigenous content shall be as defined under **Para 8 to 12 of Chapter I** and **Appendix B** to **Chapter I** of **DAP 2025**. In addition, reporting requirements for prime (main) Bidders (and for sub-contractors/ suppliers/ technology partners reporting to higher stages/tiers) shall be as prescribed under **Para 4 to 7** of **Appendix B** to **Chapter I** of **DAP 2025**.

(or as approved by AoN/ competent authority)

The right to audit Bidder/ sub-contractors/ suppliers/ technology partners shall vest in the Ministry of Defence as prescribed under **Para 10 of Appendix B to Chapter I of DAP 2025**; and aspects of delivery, certification, payments, withholding of payments and imposition of penalties shall be as prescribed under **Para 11** to **15 of Appendix B to Chapter I of DAP 2025** thereof. Furthermore, Bidders will be required to submit their indigenisation plan in respect of indigenous content as stipulated in **Para 4 to 7** of

Appendix B to **Chapter I** and **Para 39** of Chapter II of **DAP 2025, as per the categorization of the project**. Compliance to IC with reference to claims made by vendors will be carried out during TEC stage, as per **Annexure II to Appendix A**. Verification of the cost aspects of IC shall be undertaken at CNC stage. The **DAP 2025** is available at MoD, GoI website (www.mod.gov.in) for reference and free download.

In Buy (Indian-IDDM) cases, the IC claim shall be examined at TEC stage. Requirement to provide details of indigenous content (equipment/ system wise), sources of supply etc and indication as percentage cost of the equipment/system to the vessel cost be included in the RFP. It may be specified that shipyard is to furnish necessary supporting documentation to support IC claim. Vague undertakings or assertions shall not be accepted at TEC stage.

9. **Year of Production**. Deliverables [Project/ Vessel/ Platform (including major equipment & system fit)] supplied under the contract should be of latest manufacture i.e manufactured after the date of Contract with unused components/ assemblies/ sub-assemblies, conforming to the current production standard and should have 100% of the defined life at the time of delivery *(other than permitted running hours during assembly/ acceptance trials).* Deviations, if any, should be clearly brought out by the Bidder in the Technical Proposal.

10. **Delivery Schedule**. The delivery schedule of Project/ Vessel/ Platform along with its weapon, sensors and equipment and the, relevant payment stages is specified at **Annexure I to Appendix M**. The Vessel(s) will be delivered along with all onboard equipment/systems, On Board Spares, Documentation, Tools, accessories and Test equipment or as specified separately. The acceptance of weapon, sensors and equipment will be specified in the RFP by SHQ as per requirement.

The acceptable range of delivery schedule of the vessel(s) must be indicated clearly in the RFP. Option for the bidder to indicate earliest delivery schedule must be given only in unavoidable cases with due regards to its induction schedule and financial implications/budgetary constraints

11. Once the contract is concluded and the delivery schedule is established, the Bidder shall adhere to it and ensure continuity of supply of deliverables and their components under the contract.

12. **Upkeep, Maintenance and Preservation of Machinery and Equipment**. The Bidder shall be responsible for the maintenance, upkeep and preservation of all equipment, material and systems procured for the Vessel/ Platform. All activities undertaken on machinery/ systems based on Manufacturers' recommendation up to time of delivery is to be recorded and thereafter handed over to the Buyer prior to delivery. Before the date of delivery of any item of machinery to the Bidder's premises/ yard, the Bidder shall advise the main machinery contractor as to when the item is likely to be installed on board the Vessel for service. The preservation and packaging of the equipment shall be decided between the Bidder and the main machinery contractor, so as to ensure that there is no damage in transit and deterioration during the period when the item is in storage. Whether the item is supplied by the SHQ or not, the removal of packaging shall be carried out in the presence of the Naval Overseer. After both the overseer and the Bidder are satisfied about the condition of the equipment, the item shall become the responsibility of the Bidder for the further preservation until inducted into service. A logbook shall be maintained by the Bidder indicating the maintenance carried out till handing over of the equipment and system. The deliverables/ components

are to be preserved by the Bidder till delivery to the Buyer. In case, JRI necessitates unpacking to the extent that the preserved life of the deliverables is affected, Bidder is to undertake re-packing to restore the preserved life to the specified period at his own cost. In cases of any delay in STW/ installation/ Integration trials/commissioning and if preservation period expires during the storage prior installation/ post installation and prior trials (as applicable), the deliverables are to be re-preserved by the Bidder. In case of Buyer Furnished Equipment (BFE), cost towards upkeep and preservation will be in accordance with Para 29 or as mutually agreed between Buyer and Bidder.

13. **Warranty**. The supplied Vessel(s)/ Equipment shall carry a warranty of ____ months/ years/ operational hours (**not to be left blank**) from the respective date of acceptance of each Vessel. In case of systems/ equipment, which have not completed trials prior delivery, the warranty of that particular system/ equipment would commence from the day of successful completion of trials (as applicable on case to case basis). Draft Warranty Clause is given at **Appendix C** to this RFP.

14. **Offset *(If applicable)***. Offset obligation shall be discharged by the Bidder in accordance with provisions of **DAP 2026**. The Bidder has to undertake Offset contracts amounting to __% or (as approved by the DAC) of the value of 'Buy' portion of the Contract amount. The technical offer should include a written undertaking to this effect. Failure to discharge this undertaking at any stage will result in disqualification of the Bidder from further participation in the evaluation process and the offer will be treated as null and void. The terms and conditions of Offset are given at **Appendix D** to this RFP.

(The procedure for implementation of the offset obligation is placed at Appendix 'E' to Chapter II of **DAP 2026***).*

15. **In Service Life/ Shelf Life/ Reliability Assessment**.***(as applicable*** The minimum Service life of the Project/ Vessel/ Platform is required to be __ years *(not to be left blank* The In Service Life/Shelf Life of the vessel(s)/ equipment respectively shall be stipulated in the bid. In case of shelf life of equipment, the relevant storage conditions should be clearly specified. The Bidder is required to give details of reliability model, reliability prediction and its validation by designer based on the operating parameters defined in the GLS of the RFP to ensure reliability of vessel/s throughout Service. The efficacy of reliability model/ prediction/ validation would be verified during technical evaluation as indicated in **Para 47** of this RFP.

16. **Product Support**. The Bidder would be bound by a condition in the contract that they would be in a position to provide product support in terms of maintenance, materials and spares for a **minimum period of ___ years** and **___ years for electronic items (may be specified on as required basis)**. Towards this the Bidder is to obtain contractual commitments from the various equipment manufacturers/ vendors to provide product support for the said period from the date of delivery of the Vessel(s) at the Buyer's designated Naval/ CG base port. Even after the said mandatory period, the Bidder would be bound to give at least 2 years notice to the Buyer prior to closure of the said production line, to assess the requirement of life time buy of all spares before closure of the said production line. This said aspect would also form an integral part of the Contract. This, however, shall not restrict the Buyer from directly sourcing sub-

equipment/sub-assembly and spares from their respective OEMs/ sub-vendors on completion of warranty. In case the sub-equipment/ sub-assembly/ parts require tuning/ calibration/ integration by the Bidder prior replacement, the same is to be undertaken by the Seller at fair and reasonable cost, as mutually agreed between Buyer and Bidder.

17. **Codification**. The Bidder agrees to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the contract as per part list (including MRLS). In case, the NSNs are not available, the bidder agrees to codify using basic technical characteristics as required for codification in consultation with MoD/Directorate of Standardisation. In case of IPR issues, codification will be undertaken as Type IV codification (where only the manufacturer details and part number are to be provided).

18. **Obsolescence Management**. ***(if applicable)*** Actionable obsolescence management plan along with the mechanism for intimation of notification of obsolescence is to be proposed by the Bidder in consultation with the equipment/system OEMs after signing of the contract. The modalities of the mechanism for intimation of notification would be deliberated during CNC. The mutually agreed mechanism for intimation would form an integral part of the contract. All upgrades and modifications carried out by the OEM on the equipment / weapon/ sensor during the next ___ years or during the life cycle must be intimated to the SHQ as per the agreed mechanism.

19. **First Outfit of Naval Stores**. The Bidder shall supply the first outfit of Naval/CG Stores (Permanent & Consumable) along with the delivery of the vessel as per the list given in **Appendix A**. This will be factored in determination of L1 {Ser (a)1(ag)of Price Bid at **Appendix N**}.

20. **Training of Crew and Maintenance Personnel**. The crew of the vessel(s) and shore maintenance staff are required to be trained on the operation and maintenance of hull, electrical and engineering equipment, weapons and sensors installed onboard (Details at **Appendix A**) in English language and Hindi language (if required). The Crew are required to be trained for vessel Operation and onboard Repairs while the Maintenance Personnel of Refitting Agency are to be trained for Planned Preventive Maintenance and other repairs (Details at **Appendix A**) by the Bidder or the OEM of the equipment, as applicable. This training shall be designed to give the operators/ maintainers necessary knowledge and skills to operate & maintain equipment (level 1 to 4 or ‘O’/ ‘I’/ ‘D’), as applicable. The syllabus

will be defined by the Bidder in consultation with the Buyer at the time of technical discussions prior to finalizing/ ordering of the equipment. The maintenance training will be imparted to the satisfaction of the Buyer and Bidder will ensure that the training content and period will be to impart working proficiency up to the required level. All training requirements such as training aids, projection system, complete equipment with accessories/ optionals, technical literature, spares, test equipment/ test set up, charts, training handouts, power point presentations, Computer Based Training (CBT), Documentation, Simulators etc will be catered by the Bidder. The expenses towards the stay and travel of Buyer's reps will be borne by the Buyer. All training shall be scheduled in consultation with SHQ and completed prior delivery of 1st ship of the class, i.e. 1st reading of D448 or as defined in RFP. The Bidder is to provide videos on maintenance and training for equipment/ weapons/ sensors/ systems installed onboard vessels as part of the training document. These video should be integrated with the IETM level 4 documentation provided with the vessel(s).

Finalisation of the list to be done with SCNE *List of such equipment/ weapons/ sensors/ system to be indicated in the technical bid.*

20.1. The Bidder would provide the following training to the personnel of the Buyer based on agreed terms of contract *details of total training duration, number of trainee, batch, size, place of training etc to be included as applicable*

20.1.1. **Operator Training**. Operator training for _____ duration (in working days), ____ strength in ___ batch(es) are to be provided both at Bidder/Buyer premises *to be indicated*

20.1.2. **Repair and Maintenance Course**. Maintenance training for duration (in working days), ___ strength in ___ batch(es) at Bidder/ Buyer premises is to be undertaken both for Field and Base level repairs.

20.1.3. The above training should meet the needs of repair & maintenance of the complete vessel, equipment, SMTs/STEs, test set up, assemblies/sub-assemblies as per the stipulated repair philosophy.

20.1.4. Training for QA personnel as per scope mentioned in Para 47 of RFP for ____ personnel in ____ batches are to be undertaken in Bidder/ Buyer premises. Bidder to provide the duration (working days) for training as per defined scope, in the Technical Bid.

21. **Government Regulations**. It may be confirmed that there are no Government restrictions or limitations in the country of the Bidder or countries from which Equipment/ Weapons/ Sensor/ Systems or subcomponents are being procured and/or for the export of any part of the deliverables being supplied.

22. It may be further confirmed that all national and international obligations relevant to transfer of conventional arms of the country of the supplier or countries from which parts and components are being procured, have been taken into account for the duration of the contract. Accordingly, thereafter there would be no review, revocation or suppression of Defence export licence and other related clearance issues to the supplier for the contract that could impinge on the continuity of supply of items and their parts or components under the contract.

23. **Agents**. *(Applicable in case of foreign vendors only)* The Bidder is required

to disclose full details of any such person, party, firm or institution engaged by them for marketing of their equipment in India, either on a country specific basis or as a part of a global or regional arrangement. These details should include the scope of work and responsibilities that have been entrusted with the said party in India. If there is non-involvement of any such party, then the same also be communicated in the offers specifically. The information is to be submitted as per the format placed at **Appendix E** to this RFP. Without prejudice to the obligations of the Bidder as contained in various parts of this document, appointment of an Agent by Bidders will be subjected to the following conditions:-

23.1. Details of all Agents will be disclosed at the time of submission of offers and within two weeks of engagement of an Agent at any subsequent stage of procurement.

23.2. The Bidder is required to disclose termination of the agreement with the Agent, within two weeks of the agreement having been terminated.

23.3. MoD reserves the right to inform the Bidder at any stage that the Agent so engaged is not acceptable where upon it would be incumbent on the Bidder either to interact with MoD directly or engage another Agent. The decision of MoD on rejection of the Agent shall be final and be effective immediately.

23.4. All payments made to the Agent 12 months prior to bid submission would be disclosed at the time of bid submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.

23.5. The Agent will not be engaged to manipulate or in any way to recommend to any functionaries of the Govt of India, whether officially or unofficially, the award of the contract to the Bidder or to indulge in corrupt and unethical practices.

23.6. The contract with the Agent will not be a conditional contract wherein payment made or penalty levied is based, directly or indirectly, on success or failure of the award of the contract.

23.7. On demand, the Bidder shall provide necessary information/inspection of the relevant financial documents/information, including a copy of the contract(s) and details of payment terms between the Bidder and the Agent engaged by him.

24. **Patent Rights.** The Bidder should confirm that there are no infringements of any Patent Rights in accordance with the laws prevailing in their respective countries.

25. **Integrity Pact**. In the subject RFP, the Bidder is required to sign and submit Pre Contract Integrity Pact (PCIP) given at Annexure I to **Appendix O** to this RFP and shall also deposit Rs _____ Crores/ Lakhs *as applicable* EMD through any of the instruments mentioned therein. This would be submitted in a separate envelope clearly marked as 'IP and EMD at the time of submission of Technical and commercial offers. Bids submitted without PCIP/ EMD (if applicable) will be rejected and will not be further processed. The Beneficiary Bank Details for furnishing EMD are as follows:-

(IFSC Code - SBIN0000691)

State Bank of India New
Delhi Main Branch
C Block, 11 Parliament Street
New Delhi, Pin: 110001

(An Integrity Pact would be signed between MoD and the bidders for schemes exceeding Rs 20 Crores, irrespective of the value of the commercial bids submitted by bidders).

26. **Transfer of Technology (ToT)**. *if applicable* The Govt. of India, Ministry of Defence is desirous of design/development, manufacture, repair, overhaul *as applicable* of **(generic name of Project/Vessel/Platform)** under ToT. Aspects of ToT which are to be fulfilled by the Bidder are given at **Appendix F** to this RFP. Govt reserves the right to negotiate ToT terms subsequently but the availability of ToT would be a pre-condition for any further procurements.

***Note**:*
The ToT outcomes of the project and the methodology for assessing the delivery of ToT outcomes shall be clearly brought out in this section. The details should include the scope & depth of the technology required range of technology for design/development and manufacture of systems, sub-systems, assemblies, components, materials, etc, as well as for repair, overhaul, production from CKD/SKD kits and production from raw material and components level. Aspects which are to be included in the RFP in case production from CKD/SKD/IM kits are given at Appendix F. Since range and depth of technology involves cost, the criteria for selection of range and depth should be optimized based on value addition to the ecosystem and capabilities intended to be augmented. The nominated Production Agency (PA) for the receipt of technology or DRDO will be closely associated in the preparation of RFP. Reference is to be made to the 'Legal Framework in ToT Agreements' as promulgated by DDP.

27. **Transfer of Technology for Maintenance Infrastructure**. *As applicable* The Govt of India, Ministry of Defence is desirous that the depot level maintenance (third line) and the life time support for the *generic name of the equipment* be carried out through an Indian private/ public firm. The Bidder is required to select an Indian entity which would be responsible for providing base/ depot level repairs (third line) and the requisite spares for the entire life cycle of the equipment. For this purpose, the Bidder is required to set up maintenance infrastructure and facilities for third line repairs in India at the premises of the selected Indian firm as per the terms and conditions laid down in **Appendix G** to this RFP.

28. **Fall Clause**. If the vessel~~/s~~ being offered by the Bidder has been supplied/ contracted with any organisation, public/private in India, the details of the same may be furnished in the technical as well as commercial offers. The Bidders are required to give a written undertaking that they have not supplied/ is not supplying the similar systems or subsystems at a price lower than that offered in the present bid to any other Ministry/Department of the Government of India and if the similar system has been supplied at a lower price, then the details regarding the cost, time of supply and quantities be included as part of the commercial offer. In case of non-disclosure, if it is found at any stage that the similar system or subsystem was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, will be applicable to the present case and with due allowance for elapsed time, the difference in the cost would be refunded to the Buyer, if the contract has already been concluded.

29. **Modifications**. In the event of any requirement of modifications onboard the vessel(s) during the construction/ trials within or after Warranty period that would require any deviation from the approved schedules/plan of construction, the Bidder is to take up all such modifications, with cost and time implications in consultations with the Buyer. The Buyer has the right to propose such modifications which should be undertaken by the Bidder. All such modifications, if approved by the Buyer, would then be executed by the Bidder at additional costs, total of which shall not exceed___ _____ % of the sum of basic cost of vessel (including the cost of BNE/ Systems) and total extended time restricted to a maximum of ____ % of original contract period under the project beyond which the same will be approved by the concerned approving authority as per **Appendix C to Chapter XII of handbook on Guidelines and Annexures**. The scope of the work and financial implications would be mutually agreed upon between the Seller and the Buyer.

30. **Contingency**. Contingency upto _____% of the sum of basic cost of vessel (including the cost of BNE/ systems) excluding taxes, duties and levies may be catered for unforeseen expenditure for the project. Contingencies can be both Buyer and Bidder contingencies wherein both the parties do not have any control over the situation. Payment towards contingencies will be made as per actuals. Contingencies, inter alia, would cover broad categories such as the following:-

30.1. Extension of Warranty/ Guarantee of the equipment to cover delays not attributable to shipyard.

30.2. Operations and Maintenance of equipment and additional charges for services of Engineers in case of delays in ship's delivery not attributable to shipyard.

30.3. To cover preservation cost of equipment with respect to delay in ship's delivery not attributable to shipyard.

Bid Timelines

31. **Queries**. Any queries/ clarifications to this RFP may be sent to this office by ____(date). A copy of the same may also be sent to:-

(Address of the User Directorate)

Replies to queries received from Bidders up to the pre-bid meeting would be sent by SHQs to the office of ADG Acq Tech (M&S) within two weeks of Pre-bid meeting and ADG Acq Tech (M&S) should send the response to Bidders within one week thereafter,(timelines can be changed subject to pre-bid query received for a particular project).

32. **Pre-Bid Meeting**. A pre-bid meeting will be organized by SHQ at ___ hrs on _____(date) at _____(venue) to answer any queries or clarify doubts regarding submission of proposals. The Bidder or his authorised representative is requested to attend. Necessary details may be sent a week in advance to _____*user directorate*, to facilitate obtaining of security clearance.

33. **Submission of Bids**. The supporting documents pertaining to Financial Assessment Parameters, Technical bid, Commercial bid and IP & EMD should be sealed separately in four different envelopes and marked appropriately (each envelope

should clearly state this letter number and the type of Vessel(s)). All four envelopes shall thereafter be enclosed in one single envelope. The quotes are to be super-scribed with Bidder's name, address, and official seal and ink signed by an authorised representative of the Bidder. The single envelope containing envelops of supporting documents pertaining to Financial Assessment Parameters, Technical and Commercial bids shall be submitted along with 'IP & EMD , as applicable, to the undersigned at the following address by _____hours on _____:-

O/o ADG Acq-Tech (M&S)
Room No 05, D-II Wing
Sena Bhawan
New Delhi - 110011

Or address as applicable.

34. The Technical bids and supporting documents pertaining to Financial Assessment Parameters, as indicated at **Appendix R**, will be opened at _____hours on _____at the same venue as indicated at Para ___above. The Bidder or his authorised representative is welcome to be present at the opening of the proposals. Necessary details may be sent a week in advance to facilitate obtaining of security clearance.

35. **Financial Parameter Evaluation Team (FPET)**. The Financial Assessment Parameters in accordance with **Appendix R** will be evaluated by a Financial Parameter Evaluation Team (FPET) constituted by SHQ prior to TEC, to ascertain the bidder's financial status. Supporting documents pertaining to financial assessment criteria, as indicated at **Appendix R**, are to be submitted by the bidders in a separate sealed envelope at the time of bid submission to be opened with the Technical Bid. TEC would be progressed only for bidders qualifying the stipulated Financial Assessment Parameters.

36. **Technical Evaluation Committee**. The Technical Bids of financially qualified bidders will be evaluated by Technical Evaluation Committee (TEC). The TEC will then evaluate bids to confirm that the Vessel(s) being offered meets the essential parameters as elaborated subsequently in this RFP at **Appendix A**.

PART II – TECHNICAL REQUIREMENTS

37. The second part of the RFP incorporates the aspects of Staff Requirements/ Guideline Specifications (SRs/ GLS) describing the technical parameters of the proposed vessels. The operational characteristics and features that should be met by the vessel/s are elucidated at **Appendix A** to this RFP and the Compliance Table at **Appendix B** to this RFP.

38. ~~.~~ **Technical Offer**. The Technical Offer must enable detailed understanding of the functioning and characteristics of the project/ vessel/ platform as a whole and each sub system independently. It must include the performance parameters as listed at **Appendix A** to this RFP and any other information pertaining to the technical specifications of the project/ vessel/ platform considered important/ relevant by the Bidder. The technical proposal should also include maintenance schedules to achieve maximum life and expected life of each assembly/subassembly (or Line Replaceable Unit (LRU)/ Shop Replaceable Unit (SRU)), storage conditions/ environment condition recommended and the resultant guaranteed in-service/shelf life of the vessel/ equipment/ weapon/ system etc.

39. **Technical Details**.

39.1. The technical details should be factual, comprehensive and include specifications of the offered vessel(s) including its system/ equipment/ weapon sensors against broad requirements/ Functional Design Deliverables Set-I (in case Vessel is designed by SHQ iaw Section C of Chap XII of DAP-2026) listed in **Appendix A** to this RFP. Post signing of Contract, the Bidder would be required to provide Statement of Technical Requirements (SOTRs) and Ordering Instructions (OIs) for vetting by SHQ in respect of all major equipment (*for ships designed by SHQ, the technical specification of equipment would be provided by Buyer along with generic SOTR format to facilitate preparation of SOTR by Seller post signing of the contract).*

39.2. Insufficient or incomplete details may lead to rejection of the offer. Mere indication of compliance may be construed as incomplete information unless vessels~~s~~(s) including its system/ equipment/ weapon & sensors specific technical details are available in the offer. A format of the compliance table for the technical parameters and other conditions of RFP is attached as **Appendix B** to this RFP.

39.3. Bidder to provide an undertaking that all the requirement stipulated in the RFP/ GLS have been examined & there is no deviation from the RFP/ GLS. In case of any deviation from the stipulated requirement, bidder to indicate them explicitly for evaluation by TEC.

40. The technical offer should have a separate detachable compliance table as per format given at **Appendix B** to this RFP stating specific answers to all the parameters as listed at **Appendix A** to this RFP. It is mandatory to append answers to all the parameters listed in **Appendix A** to this RFP. Four copies of the Technical Proposal should be submitted (along with one soft copy), however only one copy of the commercial proposal is required.

41. **Build Strategy**. As part of the Technical Bid, the bidder shall indicate the

Broad Plan and Build Strategy of work for undertaking the construction of the Vessel(s) in keeping with the required delivery schedule and availability of Yard resources such as station/ shipyard/ dry-dock / slipway, where the Vessels are likely to be built. The details are as placed at **Appendix A**. The Broad aspects to be submitted as part of Build Strategy are placed at **Appendix H** (Appendix to be included as applicable).

42. **Malicious Code Certificate**. The Bidder is required to submit a **'Malicious Code Certificate'** ***(only for Electronic items and Software)*** along with the Technical Proposal. The format is placed at **Appendix J** to this RFP.

43. **Repair and Maintenance (ESP/AMC/CMC/LCSC/PBL)**. *as applicable*
After induction, the vessel(s)/ equipment/ system would be repaired and maintained as per the repair and maintenance philosophy at **Appendix K** to this RFP. The information on Engineering Support Package that is required to be provided is enclosed at **Annexure I** to **V** to **Appendix K** to this RFP. The details of AMC/CMC/LCSC/PBL proposals, if sought, must also be submitted separately by the Bidder with technical aspects being included in the technical offer and commercial aspects being included in the commercial offer.

1. In case equipment is already in usage, the spare parts requirement must be specific based on the consumption pattern, rather than being based on MRLS.

2. In case consumables are required to be supplied by the Bidder during warranty phase, the same may be included in the Para.

3. If post warranty AMC/CMC/PBL is also being sought from the OEM, the level of AMC/CMC/PBL required (with spares/without spares/repair rate contract) must be clearly indicated.

Note: The ESP/AMC/CMC/LCSC/PBL to be sought needs careful deliberation as it will impact not only the operational availability and life of the equipment but also the overall Life Cycle Cost. The maintenance philosophy (by own resources/AMC/CMC/LCSC/PBL) is to be evolved and the requirement of spares/tools/documents/training shall be clearly spelt out based on the usage, operational criticality, nearest availability of shore/field support and past experience of similar equipment. The flow chart placed at Annexure I to Appendix C to Chapter II of DAP *-2026 gives various scenarios and resultant formulations to aid in arriving at the requirements.*

44. **Spares**. There would be two types of spares required to be provided by the Seller namely MRL-OBS and MRL-B&D. The spares requirement will be as per **Appendix K** to this RFP. The spares are required to be categorized in four categories as follows:-

44.1. Manufactured by equipment/ systems OEM and can be sourced as per Part No.

44.2. Bought out items and customized by the equipment/ systems OEM for the specific purpose and such customization would require OEM intervention.

44.3. Bought out from other OEMs/ Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part

No./Identification No. as given by OEM/Third Party and directly utilised.

44.4. General Engineering items/ COTSs which can be sourced by stating the relevant standards and item description.

***Note**. The OEM Part No./ Identification No. of items in addition to bidder assigned part number are also required to be given. To the extent feasible, NATO Stock Number (NSN) be also provided.*

45. **Base & Depot (B&D) Spares**. The Seller is to arrange supply of MRLS-B&D spares for five years of exploitation, up to 15% (excluding levies, taxes and handling charges) of the Basic Cost of the vessel. This would be based on the likely consumption rate and exploitation pattern of the equipment. The Seller would seek the comprehensive priced part identification list of spares along with manufacturer recommended B&D spares from all sub vendors along with the technical bid of all the machinery/equipment/weapon and sensors and forward it to the Buyer post signing of contract. This list would contain price, description, pattern no. and quantity fitted on each equipment and respect of various parts/ components. The format for specifying the MRL–B&D is placed at Annexure II to **Appendix K**. The quotation of spares from the sub vendors should be valid for at least 18 months. The Buyer shall subsequently range and scale the B&D spares as per internal orders. The cost negotiation of B&D spares (Landing Cost) would be carried out with the Seller, by a committee constituted by the Buyer. The Seller would be required to present his Sub-vendor(s) before this Committee during cost negotiations, if and when called for by the Committee. The Seller is to undertake of the ranged and scaled spares as per the ordering instructions issued by the SHQ with approval as per internal orders. The bidder is to indicate the total handling charges, remuneration, material overhead, etc., (termed as Cost of Handling) for B&D spares in the price bid at Ser (m) of the format placed at **Appendix N**. This cost quoted by the bidders at Ser (m) would be counted towards determination of L1. No other charges except this serial and taxes/levies as admissible would be paid over and above the B&D spares price negotiated by the Committee. The remuneration, handling charges etc of B&D spares as quoted in the price bid at Ser (m) would be paid on pro rata basis along with the stage payment of B&D spares on documentary evidence.

Evaluation of Technical Offers

46. The Technical Offer submitted by the Bidder will be evaluated by a Technical Evaluation Committee (TEC) to confirm that the Vessel(s)/ being offered meets the Guideline Specifications (GLS). Details of break-up of various elements in percentage (%) terms of Indigenous and Foreign Content, as per format given at **Annexure I** to **Appendix A**, are to be submitted with Technical Offer. For cases where ToT for license production/ maintenance infrastructure is sought, the TEC will examine the compliance of the Bidder as per the stated requirements of RFP

47. **Tests and Trials**. For a vessel(s) to be finally accepted in service it is mandatory that it successfully clears all tests/ trials/ evaluations as per RFP *including Part IV trials, if applicable*. The trial evaluation process is listed in **Appendix A**.

48. **Adherence to Government Procurement Policy**. It may be confirmed that there are no Government restrictions or limitations in the country of the Bidder or

countries from which subcomponents are being procured and/ or for the export of any part of the deliverables being supplied hence, bidder will submit a Model Certificate for Tender in compliance to rule 144 (xi) of the General Financial Rules (GFR)-2017'. The format of certificate is given as **Annexure II to Appendix A**. Govt of India/Min of Finance, Department of Expenditure, Procurement Policy Division Order No. F.7/10/2021-PPD (1) dated 23.02.2023 to be adhered to w.r.t procurement of goods/ items/ machinery/ services from countries which shares a land border with India.

Quality Assurance Plan & Acceptance Test Procedure

49. The Bidder shall be responsible to the Indian Navy/ CG for ensuring Quality of sub contracted parts or materiel. Towards this the SELLER shall ensure a robust quality organisation (QMS/ ISO 9000:2015 or latest standards) and indicate quality system being followed in their Yard in the Technical Bid. After the contract is finalised, Bidder would be required to provide the Standard Acceptance Test Procedure (ATP) in respect of the vessel and its main equipment to the Buyer for approval. The concerned Quality Assurance agencies of the Buyer, reserves the right to modify the ATP, if necessary. As the Vessel is being built to Classification Society Rules/ Naval specified specs (as applicable), the vessel would be inspected by the Classification Society/ applicable inspecting authority. The Buyer reserves the right to undertake additional Buyer inspections either directly or through its representatives. The Project Overseeing Team of the Buyer will represent the Buyer for co- ordination of all inspections/ trials to be conducted on board the vessel or in the Shipyard, either on its own or with the assistance of any other Buyer nominated trial/ inspection agency(s). The Bidder will keep the Project Overseeing Team informed of trials/ inspections to be carried out by Inspecting authority/ Classification Society. The Buyer, through the Overseeing Team will have final decision in this regard.

Marking and Packaging of Equipment/ Spares (OBS / B&D)

50. **Marking of Deliverables**. The Bidder through OEMs/ Vendors shall ensure that each deliverable of an equipment/ Spares (OBS/ B&D) is marked clearly and indelibly, as follows:-

50.1. In accordance with the requirements specified in the RFP or if no such requirement is specified, with the indicated codification number or alternative reference number specified.

50.2. Ensure that any marking method used does not have a detrimental effect on the strength, serviceability or corrosion resistance of the deliverables.

50.3. Where the deliverables have a limited shelf life, with the cure date/ date of manufacture or expiry date expressed as months and years.

51. Where it is not possible to mark a deliverable with the required particulars, these should be included on the package in which the deliverable is packed.

52. The Bidder through OEMs/ Vendors shall pack or have packed the deliverables, as applicable:-

52.1. In accordance with DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.

This standard is for packaging of non-explosives only. Not to be referred in case of ordnance stores. For explosives/ordnance stores, refer to relevant JSS/Standards.

52.2. To ensure that each deliverable may be transported in an undamaged and serviceable condition.

52.3.

53. The Bidder through OEMs/ Vendors shall ensure that each package containing the deliverable is labeled to include:-

53.1. The name and address of the consigner and consignee including

53.1.1. The delivery destination/ address if not of the consignee

53.1.2. Transit destination/ address (for aggregation/ disaggregation, onward shipment etc)

53.2. The description and quantity of the deliverables.

53.3. The full part number in accordance with codification details or as per ____.

53.4. The makers part, catalogue, serial, batch number, as appropriate.

53.5. The contract number.

53.6. Any statutory hazard markings and any handling markings including the mass of any package which exceeds 3 kgs.

53.7. The Packaging Label (military J, N or P, special H, commercial A, C etc) (specify reference to DEFSTAN 81-041 (Part 1)/STANAG-4280 or equivalent Military Standard.)

Note 1: Packages to be used for defence material shall be designed to an appropriate Military Packaging Level. The Packaging Level as per DEFSTAN 81-041 Part 1 needs to be defined in RFP based on the type of stores, storage, handling and transportation requirements. Commercial Packaging may be either Trade Package or Export Trade Package where Code A or C is used respectively. For special requirements Code H is used. In Military Level Packaging Code P, N & J are used based on storage and distribution requirements. The details of the conditions applicable for deliverables being inducted needs to clearly identified and compared to the conditions of each code as defined in DEFSTAN 81- 041 Part 1, to arrive at correct packaging level.

Note 2: The requirements of Packing/ Storage/ Preservation/ De-Preservation/ Re-Preservation are to be indicated in the RFP based on the delivery schedules of various components of a complex system or integration requirements and availability of other systems. The flow chart placed at Annexure III to Appendix C to Chapter II of DAP *gives the various scenarios and resultant formulations to aid in arriving at the requirements.*

54. **Monitoring of Project Based on Contractual Milestones**. *as applicable*

After placement of order, the progress of the project will be monitored by the Buyer for compliance with various activities towards achieving contractual milestones involving delivery/ installation/ integration/trials etc. The contractual milestones will be integral part of the contract. In case the project does not proceed as per the indicated timelines for various contractual milestone(s), the Buyer will have the right to invoke Termination of the project. The indicative list of Contractual Milestones and broad range of timelines (earliest and latest time for completion) for the project is as follows (to be amended as per project requirement):-

Ser	**Milestone ***	**Timeline (T_0+Weeks)**	**Remarks**
54.1.	Submission of Advance BG as per Contract		
54.2.	Ordering of steel material proportionate to designed tonnage of vessel		
54.3.	Submission of GA drawing & PERT		
54.4.	Ordering of major equipment (to be defined)		
54.5.	Commencement of trials (ie Basin trial/ CST etc)		
54.6.	Stoppage/ No construction activities after Steel cutting/ launching etc		

** Note: To be finalised by the Collegiate on a case to case basis.*

55. The Bidder is to indicate the proposed timelines for the above milestones in the Technical Bid. The timelines will be finalised with the Bidder by Contract Negotiation Committee. On conclusion of the Contract, these milestones will be monitored by the Buyer.

56. The Project Monitoring Meeting is to be organized at _____months interval. Buyer at his own expense may depute to the Bidder's premises/ Yard at quarterly (or as considered necessary) intervals, teams of representatives to review and coordinate the progress of the commitments made by both the sides under the contract. Further, the Bidder may depute suitable reps at their own expenses for Apex Steering Committee reviews.

PART III - COMMERCIAL REQUIREMENTS

57. The third part of the RFP consists of the commercial clauses and Standard clauses of contract. The bidders are required to give confirmation of their acceptance of these clauses.

Commercial Bid

58. The Bidder is requested to take into consideration the ***Commercial Clauses and Payment Terms*** given at **Appendix M** to this RFP while formulating the Commercial Offers and confirm acceptance of these clauses. The bidders are required to quote their price in Price bid format given in **Appendix N** to this RFP.

59. Commercial offers will be opened only of the Bidder whose proposal is cleared by FPET and TEC and complying to Credit Rating criteria as on date of commercial bid opening, till determination of L1. Latest Credit rating to be submitted by the TEC qualified entities at the time of opening of commercial bid. The Commercial Offer must be firm and fixed and should be valid for at least 18 months from the date of submission of bid as per RFP. *(period may be amended, if required)*

Commercial Bid Opening

60. The Commercial Offers will be opened by a committee (Contract Negotiation Committee/ CNC) and if Bidder desires he may depute his representative, duly authorised in writing, to be present at the time of opening of the offers.

61. The date, time and venue fixed for this purpose will be intimated separately after the Technical evaluations are completed and approved by competent authority at MoD/ SHQ.

62. The committee will determine the lowest bidder (L1). (**The Buyer Furnished Equipment (BFE) and Buyer Nominated Equipment /system/components (BNE) to be procured from a single source, if any, would not be included in determination of L1 (as per Table 1 of Annexure I to Appendix N))**. However, the interfacing cost of these with other equipment/system/components will be included in L1 determination. In case one of the BFE/ BNE equipment/system/component supplier is also a bidder then he has to provide the complete data required for interfacing to all other Bidders through BUYER/directly under a undertaking of sufficiency and correctness.

This provision would be applicable only in multi-vendor cases. For such cases the aspects of advance/stage payments if any and all requisite details for the Bidder to formulate a comprehensive commercial proposal be indicated upfront in the RFP so that selection of L1 is facilitated.

Additional Aspects

63. **Standard Conditions of RFP.** The Government of India desires that all actions regarding procurement of Vessel (s) are totally transparent and carried out as per established procedures. The bidder is required to accept our standard conditions furnished at **Appendix O** to this RFP regarding Agents, penalty for use of undue influence and Integrity Pact, access to books of accounts, arbitration and clauses related to Law. These conditions along with other clauses of the Contract form the Standard Contract Document (as at Chapter VI of DAP 2026) and indicates the general conditions of contract that would be the guideline for all acquisitions. The draft contract would be prepared as per these guidelines.

64. **Option Clause**. *as applicable* The format of option clause is placed at **Appendix P** to this RFP.

PART IV: BID EVALUATION AND ACCEPTANCE CRITERIA

65. A list of documents/details to be submitted along with the bids is placed at **Appendix S** as a reference to help in completeness of bid and meeting the procurement process schedule.

66. The bids shall be unconditional. Any condition or qualification or any other stipulation contained in the bid shall render the bid liable to rejection as a non-responsive bid.

67. The bid and all communications in relation to or concerning the bidding documents shall be in English language.

68. **Evaluation and Acceptance Process**.

68.1. **Evaluation of Financial Parameters**. To evaluate the bidder's financial status, assessment of financial parameter as elaborated at **Appendix R** would be undertaken prior to the TEC stage by Financial Parameter Evaluation Team (FPET). TEC would be progressed only for bidders qualifying the stipulated Financial Assessment Parameters.

68.2. **Evaluation of Technical Proposals**. The technical proposals forwarded by the Bidders will be evaluated by a Technical Evaluation Committee (TEC). The TEC will examine the extent of variations/ differences, if any, in the technical characteristics of the Vessel (s) and its equipment offered by various Bidders with reference to the GLS/ SRs and prepare a 'Compliance Statement' for shortlisting the Bidders. This shall include technical parameters of equipment where field evaluation is envisaged. The TEC will also verify whether the Bidder has submitted the undertaking to submit the Offset proposal in accordance with Para 14 of this RFP. The TEC will also evaluate the percentage of Indigenous Content based on brief plan of Indigenisation data provided by bidder.

68.3. **Evaluation of Commercial Bid**. The Commercial bids of only those bidders will be opened, whose Financial Assessment Parameters and technical bids have been cleared by FPET and TEC respectively; and whose offset offers have been accepted technically, wherever applicable. Comparison of bids would be done on the basis of Evaluation criteria given in **Appendix N** to this RFP. The L-1 bidder would be determined by Contract Negotiation Committee (CNC) on the basis of **Appendix N** to this RFP. Only L-1 bidder would be invited for negotiations by CNC.

68.4. **Contract Conclusion/ Placement of Order**. *as applicable* The successful conclusion of CNC will be followed by contract conclusion/ placement of order. The Build Specification will form part of the contract.

Appendix A

(Refers to Para 19, 20, 35, 36, 37, 38, 39, 40, 46 & 47 of RFP)

GUIDELINE SPECIFICATIONS (GLS)/ FUNCTIONAL DESIGN DELIVERABLES SET-I (APPLICABLE TO SECTION 'C' ONLY) FOR VESSEL(S)

*(**Note**: These guidelines and specifications are indicative. These may vary as per the type of vessel(s)/ Services/ equipment and the intended requirements. SHQmay amend as per their requirements.)*

1. **Operational Characteristics and Features**. This information would be different for various vessel(s)/ equipment. As such only the guidelines for formulating this Appendix have been stated here and information provided here should flow from SRs.

2. **Technical Parameters**. All technical parameters listed in the SRs in terms of size, weight, performance, operating environment, power, torque, preservation, utility life, storage, shelf life etc, should be specified.

3. **Performance Parameters and Additional Features**. If any, should also be explained.

4. Based on above guidelines, this Appendix should be formulated very carefully for the vessel/type of equipment. The broad headings under which the Appendix could be populated are appended in succeeding paragraphs:-

5. **Test and Trial Methodology (Including Field Trials/ Simulated Study etc)**. Refer Appendix L.

6. **First Outfit of Naval Stores**. (The First Outfit of Naval stores to be listed as per the requirement of the SHQ/ CGHQ).

7. **Training of Crew and Maintenance Personnel**.

8. **Documentation including QAP/ IETM**.

9. **Operating Conditions of the Vessel(s)**.

10. **COTS Technology**.

11. **Build Strategy**.

12. **Buyer Nominated Equipment including Guideline Equipment specs for SOTR/ OBS/ B&D**.

13. **Buyer Furnished Equipment**.

14. **Miscellaneous including FOAL/ Rigging Warrant/ CNAL/ CRETE/ ASE/ GSE/ Medical**.

15. **Procedure for Processing Modifications/ Contingency Proposals.**

****

Annexure I to Appendix A
(Refers to Para 46 of RFP)

DETAILS OF INDIGENOUS CONTENT (IC)

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) *Total Contract Price less Taxes & Duties*	Remarks
(a)	1. **Share of Indigenous Costs**		Outline details of indicated Serials (aa) to (ag) are to be enclosed in support of IC claim. Indicative share of Indigenous equipment, listed at Annexure II to Appendix N (excluding those covered under Ser r(i) below) are to be indicated, as a % of Base Contract Price.
	(aa) Planned Share of Cost of Material including Yard material like steel, aluminum etc.		
	(ab) Planned Share of Cost of other Direct and Indirect Expenses including labour on material		
	(ac) Planned Share of Cost of Indigenous equipment		
	(ad) Planned Share of Cost of Share of Other Direct and Indirect Expenses including labour on equipment, including installation, STW and trials etc.		
	(ae) Planned Share of Cost of Overheads on labour, material and equipment including misc overheads.		
	(af) Planned Share of Miscellaneous Costs		
	(ag) Planned Share of Cost of First outfit of Naval stores		
	2. **Share of Import Costs**		Outline details of indicated Serials (aa) to (ag) are to be enclosed in support of IC claim. Indicative share of Imported equipment, listed
	(aa) Planned Share of Cost of Import Material including Yard material like steel, aluminum etc. excluding Custom Duties, Freight/ Transportation and insurance for products imported in India.		
	(ab) Planned Share of Cost of other Directand Indirect Expenses including labour on material.		

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) *Total Contract Price less Taxes & Duties*	Remarks
	(ac) Planned Share of Cost of Import equipment excluding Custom Duties, Freight/ Transportation and insurance for products imported in India.		at Annexure II to Appendix N (excluding those covered under Ser r(ii) below) are to be indicated, as a % of Base Contract Price.
	(ad) Planned Share of Cost of other Direct Expenses including labour on equipment, including installation, STW and trials etc.		
	(ae) Planned Share of Cost of all license fees, royalties, technical fees and other fees/payments paid out of India.		
	(af) Planned Share of Miscellaneous Costs		
(b)	**Share of Basic Cost of vessel** (Total of Ser 'a' above)		
(c)	Planned Share of Cost of Onboard Spares (Manufacturers Recommended List of Spares) as per the format at Annexure I to Appendix K.		
(d)	Planned Share of Cost of Special Maintenance Tools and Special Test Equipment and software as per Annexure III to Appendix K.		
(e)	Planned Share of Cost of Technical Documentation (in English Language) as per Annexure IV to Appendix K.		
(f)	Planned Share of Cost of Training Aggregates as per Annexure V to Appendix K		
(g)	Planned Share of Cost of Training excluding the cost of travel, boarding and lodging separately for operators and maintenance technicians and QA Representative. This should be given under the following two heads (as applicable) (Appendix K refers)		

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) *Total Contract Price less Taxes & Duties*	Remarks
	(i) In India		
	(ii) Abroad		
(h)	Planned Share of Cost of ToT (as applicable) (as per Appendix F)		
(j)	Planned Share of Cost of knowhow/Information for setting up of maintenance infrastructure (as applicable)		
(k)	Planned Share of Cost of Freight and Transit Insurance (as applicable)		
(l)	Planned Share of Cost of Project Monitoring System (as per Annexure III to Appendix M), where applicable		
(m)	Planned Share of Cost of Handling B & D Spares		
(n)	**Planned Share of Total Cost** { Ser (b) to (m) above} (excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I to Appendix N)		
(p)	Planned Share of AMC Cost giving year-wise break-up (where applicable)		
(q)	**Planned Share of Total Cost with AMC** { Ser (n) + (p)} (excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I to Appendix N) **[A]**		
(r)	**Planned Share of Basic Cost Share of Specified Single Vendor BNE at Table 1 of Annexure I to App N**		Indicative cost share of Indigenous and Imported equipment are to be indicated, as a % of Base Contract Price.
	(i) Planned Share of Basic cost of Buyer Nominated Equipment – Indigenous (as per Section A of Table 1 of Annexure I to App N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. **[B]**		

Ser	Items	To be indicated as a Percentage (%) of Total Base Contract Price (ie) *Total Contract Price less Taxes & Duties*	Remarks
	(ii) Planned Share of Basic cost of Buyer Nominated Equipment – Imported (as per Section B of Table 1 of Annexure I to App N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. **[C]**		
	(iii) Planned Share of Total Basic Cost of Single Vendor BNE as per Table 1 of Annexure I to Appendix N **[D] = [B] + [C]**		
(s)	**Grand Share of Total Cost including basic cost of specified single vendor BNE as per Table 1 of Annexure I to Appendix N** **[A] + [D]**		This Total share should amount to approximately 100%

Annexure II to Appendix A
(Refer to Para 49 of Part II of RFP**)**

CERTIFICATE IN COMPLIANCE TO RULE 144 (xi) OF THE GENERAL FINANCIAL RULES (GFR), 2017 ISSUED VIDE MINISTRY OF FINANCE ORDER (PUBLIC PROCUREMENT ORDER NO 4 DT 23 FEB 2023)

Model Certificate for Tenders

"I have read the clause (Restriction under Rule 144(xi) of the General Financial Rules (GFRs), 2017 issued vide Ministry of Finance Order (Public Procurement Order No 4 dt 23 Feb 2023) regarding restrictions on procurement from a bidder of a country which shares a land border with India; I certify that ……
(Bidder) is not from such a country or, if from such a country, has been registered with the Competent Authority. I hereby certify that……. (Bidder) fulfils
All requirements in this regard and is eligible to be considered (where applicable, evidence of valid registration by the Competent Authority shall be attached)".

Model Certificate for Tenders for Works Involving Possibility of Sub-contracting.

"I have read the clause (Restriction under Rule 144(xi) of the General Financial Rules (GFRs), 2017 issued vide Ministry of Finance Order (Public Procurement Order No 4 dt 23 Feb 2023) regarding restrictions on procurement from a bidder of a country which shares a land border with India and on sub-contracting to contractors from such countries; I certify that ……(Bidder) is not from such a country or, if from such a country, has been registered with the Competent Authority and will not sub-contract any work to a contractor from such countries unless such contractor is registered with the Competent Authority. I hereby certify that ……(Bidder) fulfils all requirements in this regard and is eligible to be considered (Where applicable, evidence of valid registration by the competent Authority shall be attached)'.

Model Additional Certificate by Bidders in the Cases of Specified ToT

"I have read the clause (Restriction under Rule 144(xi) of the General Financial Rules (GFRs), 2017 issued vide Ministry of Finance Order (Public Procurement Order No 4 dt 23 Feb 2023) regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that ……(Bidder) does not have any ToT arrangement requiring registration with the competent authority".

OR

"I have read the clause (Restriction under Rules 144(xi) of the General Financial Rules (GFRs), 2017 vide Ministry of Finance Order (Public Procurement Order No 4 dt 23 Feb 2023) regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that……..(Bidder)
has valid registration to participate in the procurement".

Appendix B
(Refers to Para 8, 38 (b) & 39 of RFP)

COMPLIANCE TABLE

For _____(Vessel(s) name)

Ser ~~No~~	**Requirement as per the RFP**	**Compliance/ Partial Compliance**	**Indicate references of Paras/Sub Paras of the Main Technical Document**
General Conditions of RFP (Para to ___)			
Technical Parameters as per Appendix A			
		For compliance to Technical Parameters, the bidder is to furnish an undertaking that he is complying to all Technical Parameters and Terms & Conditions of RFP (***clause wise compliance matrix is not required to be furnished***). However, ***the bidder has to clearly bring out non-compliance, if any, in covering letter of Technical bid. 'No Deviation Certificate/ Undertaking' to be submitted with T-bid.***	
Commercial Parameters as per RFP			
	Commercial clauses of RFP	For compliance to Commercial clauses, the bidder is to furnish an undertaking that he is complying to all commercial parameters and Terms & Conditions of RFP ***(clause wise compliance matrix is not required to be furnished)***. However, ***the bidder has to clearly bring out non-compliance, if any, in covering letter of Commercial bid.***	
	Performance-cum-Warranty Bank Guarantee as per Para _____of RFP		
	Advance Payment Bank Guarantee as per Para __of RFP		
	Earnest Money Deposit as per Para ____of RFP (indicate amount of EMD		

Note 1:- An indicative list of document (both Commercial & Technical) to be submitted with Technical bid is indicated as Annexure to GLS.

****

Appendix C
(Refers to Para 13 of RFP)

WARRANTY CLAUSE
(To be amended as per requirement and no blanks to be left)

1. The SELLER warrants that the Vessel, the associated equipment and service under this contract conform to technical specifications prescribed and shall perform according to the said Technical Specifications.

2. The SELLER warrants for a period of __months from the date of acceptance of the Vessel by the Buyer at the designated Indian Port or as applicable, that the vessel and the associated equipment and service supplied under this contract and each component used in the manufacture thereof shall be free from all types of defects/failures. In case of systems/equipment, which have not completed trials prior delivery, the warranty of that particular system/equipment and service would commence from the day of successful completion of trials.

3. If within the period of warranty, the Vessel(s) and (or) stores and (or) spares are reported by the BUYER to have failed to perform as per the specifications, the SELLER shall either replace or rectify the same free of charge, maximum within days of notification of such defect by the BUYER provided that the goods are used and maintained by the BUYER as per instructions contained in the Operating Manual. Warranty of the equipment would be extended by such duration of downtime. Record of the down time would be maintained by user in log book. Spares and all consumables required for warranty repairs shall be provided free of cost by SELLER. All activities including diagnosis, rectification, calibration, transportation etc, required for making equipment serviceable and available would be the SELLER's responsibility. The SELLER also undertakes to diagnose, test, adjust, calibrate and repair/replace the goods/equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty period, at the cost mutually agreed to between the BUYER and the SELLER. The SELLER shall intimate the assignable cause of the failures.

4. SELLER hereby warrants that necessary service and repair backup during the warranty period, including routine maintenance beyond Unit Level (delete if CAMC/AMC is not part of the contract), shall be provided by the SELLER and he will ensure that the cumulative downtime period for the vessel (s) and or the fitted equipment / weapon/ sensor/ system equipment does not exceed ___of the warranty period.

5. If a particular Vessel, the associated equipment and service, spares fails frequently and/or, the cumulative down time exceeds__% of the warranty period or a common defect is noticed in more than__% of the quantity of goods with respect to a particular item/component/sub-component, that complete item/equipment shall be replaced free of cost by the SELLER within a stipulated period of days of receipt of the notification from the BUYER duly modified/upgraded through design improvement in all equipment supplied/yet to be supplied and ESP supplied/yet to be supplied. Thereafter, the Buyer reserves the right to make good the defects at Seller risk and cost.

6. SELLER shall associate technical personnel of maintenance agency and QA of BUYER during warranty repair and shall provide complete details of defect, reasons and remedial actions for averting recurrence of such defects.

7. In case the complete delivery of the Engineering Support Package is delayed beyond the period stipulated in this contract, then the **SELLER** undertakes that the warranty period for the goods/stores shall be extended to that extent.

8. **The SELLER warrants that the** Vessel, the associated equipment and service **supplied will conform to the Temperature and Humidity conditions as mentioned at Appendix A to RFP.**

9. The SELLER shall extend back to back warranty of equipment/ system or any other item whose specified warranty by the OEM is more than the above mentioned warranty period at no additional cost to the Buyer.

***Note**: Wherever applicable the clause related to MTBF related warranties may be added as part of this Appendix.*

****

Appendix D
(Refers to Para 14 of RFP)

TERMS AND CONDITIONS OF OFFSETS

1. The Procedure for implementing Offset provision given at Appendix D and relevant Annexures to Chapter II of DAP 2026 (available at www.mod.gov.in) will be followed. Terms and conditions for submission of technical and commercial offset offer are given in succeeding paras.

2. **Submission of Written Undertaking to Meet the Offset Obligation**. You are required to give a written undertaking to the effect that you will meet the offset obligation as laid down in the RFP. This undertaking in the format at **Annexure I** will be included in the envelope containing your technical offer which is to be submitted by __(specify the date). This undertaking is binding on you and that failure at any stage, on your part to meet the offset obligation specified in the RFP will disqualify you from any further participation in the contract and render your offer as null and void.

3. **Submission of Technical and Commercial Offset Offers**.

(a) The Technical and Commercial offset offers would have to be submitted by ____(**12 weeks** from the date of submission of the technical and commercial offers of the main proposal). **Exact date as calculated and given in the RFP or intimated later by the O/o ADG Acq Tech (M&S) will be binding.** These offset offers would have to be submitted together in two separate sealed covers to the **O/o ADG Acq Tech (M&S)** at the following address: -

_____
_____
_____
_____

(b) The technical offset offer would contain details of the products, services and investment proposals indicating relative percentages, proposed Indian partners for offset investment and other relevant information in the format given at **Annexure II**. Details of Banked offset credits as discharged offset obligations will also be indicated. The commercial values of the offset proposals are not to be indicated in this technical offset offer.

(c) The Commercial Offset Offer, format in **Annexure III**, will contain the detailed offer specifying the absolute amount of the offset with a breakup of the details, phasing, Indian partner and banked credits as discharged obligations.

(d) The model formats at **Annexure II and Annexure III** may be amended by the vendor without however deviating from the mandatory offset requirements prescribed.

****

Annexure I to Appendix D
(Refers to Para 2 of Appendix D)

UNDERTAKING TO COMPLY WITH OFFSET OBLIGATIONS

1. The Bidder _____(name of the company) hereby

(a) Undertakes to fulfil the offset obligation as laid down in the Request For Proposals.

(b) Undertakes to ensure timely adherence to fulfilment of offset obligations.

(c) Accepts that any failure on the part of the Company to meet offset obligations will render disqualification from any further participation in the contract and render ibid offer as null and void.

(d) Undertakes to furnish technical details of offset obligations indicating products and services and corresponding Indian Industry partner(s) for the same when so required to by Ministry of Defence, Government of India, after being found to satisfy the SQRs.

(e) Undertakes to translate the detailed technical offset offer given at Para (d) above into a business implementation plan now furnishing complete commercial details of investments, products and services, Indian Industry partners, amount, phases and time plan for the same in the form of a commercial offset offer as and when so required to by MoD, GoI.

****

Annexure II to Appendix D
(Refers to Para 3(b) of Appendix D)

FORMAT FOR SUBMITTING TECHNICAL OFFSET OFFER

1. The Bidder ---------- hereby offers the following offsets in compliance with the technical offset obligations in the RFP.

Ser	Eligible Offset Products /Services Being Offered	Avenue for discharge (quote sub Para of 3.1 of Appendix D to Chapter II)	Multiplier applicable (quote applicable Para)	Percentage of Total Offsets	IOP/ Agency for discharge	Time Frame for Discharge of Offsets	Whether Related to Main Equipment Being Supplied (Yes/No)	Remarks
(a)								
(b)								
(c)								

***Note**: Vendor to provide following along with technical offset offer:-*

(i) Undertaking that IOP is an eligible offset partner as per applicable guidelines.

(ii) Company profile of IOP/agency.

(iii) Details with quantities of the proposed offset.

(iv) Letter of IOP/agency confirming acceptance of the offset project in case of direct purchase or investment.

(v) List of Tier-1 sub-contractors, if any, through whom offset obligations are proposed to be discharged, with percentage of discharge.

(vi) Proposals for Technology Acquisition by DRDO under Para 3.1(e) of Appendix E to Chapter II should be submitted separately in the format at Annexure IX to Appendix E to Chapter II.

(vii) Details of banked offset credits accumulated under certain DPPs, as certified by DOMW, pre-approved banked offset credits will be considered for discharge of offset obligations subject to maximum of 50 percent of the total obligations under each procurement contract.

Annexure III to Appendix D
(Refers to Para 3(c) of Appendix D)

FORMAT FOR SUBMITTING COMMERCIAL OFFSET OFFER

1. The Bidder _____ hereby offers the following offsets in compliance with the technical offset obligations in the RFP.

Ser	Eligible Offset Products /Services Offered	Avenue for Discharge (quote sub Para of 3.1 of Appendix D to Chapter II)	Multiplier applicable (quote applicable Para)	Percentage of Total Offset	IOP/ Agency for discharge	Time Frame for Discharge of Offsets	Whether Related to Main Equipment Being Supplied (Yes/No)	Remarks
(a)								
(b)								
(c)								

Note *: Vendor to provide following along with commercial offset offer:-*

(i) Undertaking that IOP is an eligible offset partner as per applicable guidelines.

(ii) Company profile of IOP/agency.

(iii) Details with values of the proposed offset, including details of Tier-1 sub-contractors, if any.

(iv) Letter of IOP/agency confirming acceptance of the offset project in case of direct purchase or investment.

(v) Value of investment "in kind" supported by documentary evidence.

(vi) Bidder to provide Detailed Project Report (DPR) with cost breakup relating to Para 3.1(b) and (c) of the offset guidelines at Appendix E to Chapter II should be indicated, as applicable.

(vii) Details of banked offset credits accumulated under certain DPPs, as certified by DOMW, pre-approved banked offset credits will be considered for discharge of offset obligations subject to maximum of 50 percent of the total obligations under each procurement contract.

****

Appendix E to RFP
(Refers to Para 22 of RFP)

INFORMATION PROFORMA
Engagement of Agent by Foreign Vendor
(Separate sheets to be filled in case of multiple Agents)

1. Procurement Case……

2. Has the vendor engaged/proposes to engage any Agent
[Yes/No] :

3. If Yes, Details of Engaged Agent:

Name of the Firm/Individual
……....

Address
……..……

Registration No ……....

4. Date of Engagement ……

5. Period of Engagement ……

6. Scope of Work and Responsibilities
……

7. Payment Details:-

Payments made in last 12 months …….....

Brief Terms of Payment…….....

……

8. Any other details
…….....……

9. Declaration. It is certified that the above information is true. Any change in the information, including termination of an Agent, will be intimated within two weeks of occurrence. Details of further payments will be intimated annually.

Place:
Date:

(Authorised signatory)
Vendor Name and Address

****

Appendix F
(Refers to Para 25 of RFP)

(THIS PAPER LAYS OUT GENERAL GUIDELINES. MAY BE AMENDED IN CONSULTATION WITH PRODUCTION AGENCY AND OTHER AGENCIES INVOLVED TO MAKE IT EQUIPMENT SPECIFIC)

TRANSFER OF TECHNOLOGY (ToT)

1. **Preamble**.

(a) ToT shall be provided to the designated Production Agency(s) (to be decided prior to issue of RFP). The key technologies for ToT should be identified prior to issue of RFP jointly by the designated production agency, Defence Research and Development Organisation and Ministry of Defence.

(b) Technology used shall be current, State-of-the-art as used in the contemporary systems. Critical technology aspects having bearing on ToT evaluation need to be specified on a case to case basis.

(c) The ToT shall be comprehensive, covering all aspects of design/development, manufacturing know-how and detailed technical information which will enable the Production Agency to manufacture of systems, sub-systems, assemblies, components, materials etc by Indian ToT partner as well as for repair, overhaul, besides production from SKD/CKD/IM Kit, production from raw material and component level. Design data shall include the details that are needed to give design disposition during production on deviation/concession; modify/upgrade the license product and substitute parts and systems of the license product as required by the certifying agency and the production agency.

(d) The OEM is required to provide the latest version of Configuration Control Document which will provide detailed breakdown of the product structure in terms of lower level subsystems/assemblies/sub-assemblies/modules/detail parts/PCBs/wiring diagrams etc with their latest modification status. All updates during the term of the Agreement should be provided as and when issued free of cost. Consolidated list of updates during the year should be provided during the first quarter of the subsequent year.

(e) Vendor should submit an undertaking that he would provide and support complete ToT for phased manufacture to the buyer or his authorised Indian Organisation for the System and its sub-systems, modules, assemblies and detailed parts/components. Support will be provided for a minimum period of 20 years on long term basis after the last unit is produced under the present proposal.

(f) The vendor should provide total support and facilitate ToT of the sub-systems from his sub-vendors/OEMs if desired by the buyer.

(g) (To be included on as required basis) Vendor should submit an undertaking not to exceed* budgetary price for the Transfer of Technology covering the following parameters:-

(i) License fee.

(ii) Documentation.

(iii) Technical Assistance.

(iv) Training.

(v) Materials.

(vi) Spares.

(vii) Tooling.

(viii) Special Tools.

(ix) Standard tools.

(x) Ground Support & Test Equipment.

(xi) Programme Management.

(xii) Special Infrastructure facilities deemed necessary to support the operations.

**__Note__: Above 'not to exceed' budgetary quotes are to be provided for both Licensed production and Repair/Overhaul separately. Vendor may note that this 'not to exceed' budgetary price will be used for commercial evaluation. Vendor selected after technical & commercial evaluation will enter into detailed contractual negotiations on various aspects of the Transfer of Technology to the buyer or his authorised Indian organisation based on the 'Not to exceed' budgetary quotes.*

(h) It is likely that some of the assemblies/sub-assemblies/modules/PCBs used in the realisation of higher level assemblies/sub-systems and systems are manufactured by the OEM's vendors/sub-contractors either based on Engineering documentation provided by the OEM or developed by the OEM"s vendors/sub-contractors based on procurement specifications provided by the OEM. Further, as a result of multiplicity of technologies involved and for reasons for price competitiveness arising due to economies of scale, some of the items used in the manufacture of licensed product may be bought out by the OEM from vendors as 'fully finished' against the procurement specifications provided by him.

(j) Although, not desirable, some of the components/process specifically developed by the OEMs for use in the manufacture of licensed product may be classified by them as 'Proprietary' and not included within the scope of ToT offered to the Production Agency.

(k) To bring in a fair comparison between the ToT offered by various OEMs as also to have a fair assessment of the depth of technology being transferred, OEMs are required to identify each item (system/sub-system/ assembly/ sub-assembly/ module/ detail parts/ PCB etc) in the product structure under the following categories, as may be applicable and provide information on the relative price for each of the items in the product structure as percentage of product cost:-

(i) **Category-1**. Items, for which complete ToT, i.e., Engineering and Manufacturing documentation to enable the Production Agency carryout fabrication, assembly and test of the item from CKD/ IM Kit level as the case may be, is being provided by the OEM, may be classified under the head 'CToT'.

(ii) **Category-2**. Items which are manufactured by the OEM's Subcontractors based on engineering documentation provided by the OEM and these Engineering Documentation are being provided by the OEM to the Production Agency, may also be classified under the head 'CToT'.

(iii) **Category-3**.

(aa) Items in respect of which development and manufacture by the OEM has been subcontracted to its vendors/sub-contractors based on only the procurement specifications provided by him and the OEM is not in a position to provide any additional technical information to the Production Agency except the procurement drawings/specifications provided by him to his vendors/sub- contractors, may be classified under the head Single Vendor "Subcontract". For the purpose of evaluating the depth of ToT, it will be presumed that the ToT in respect of these items for indigenous manufacture is not provided. OEM shall ensure authorisation to its vendors/sub-contractors to supply items, manufactured against OEM"s specifications to the Production Agency against its purchase orders.

(ab) However in such case, the OEM in collaboration with his vendor/subcontractor, is required to provide the Production Agency, maintenance Documentation, the recommended list of spares for repair and overhaul as may be applicable and maintenance training at the vendor's/subcontractor's premises, then such vendor items are may be classified under the head 'Limited ToT for maintenance support', i.e, "M-ToT".

(iv) **Category-4**.

(aa) Items including catalogue/standard items sourced by the OEM against his procurement specifications as 'Fully Finished', may be classified as 'Bought Out'. Evidently ToT for such items for indigenous manufacture will not be available and the OEM will be able to provide only the procurement drawings/specifications, sources of supply. OEM has to ensure the availability of such items or its equivalents during the life cycle of the product.

However, in respect of some of the selected items in this category, if the OEM, in collaboration with his vendor, is able to provide the Production Agency documentation for maintenance, recommended list of spares for repair and overhaul as may be applicable and maintenance training in the vendor's premises, then such items may also be classified under the head 'limited ToT for maintenance support' i.e. "M-ToT".

(ab) OEM shall ensure periodical review of obsolescence, study of the Bill of Items (BOIs) and provide a retrieval scheme for a minimum period of 15/20 years from the production of last unit under the present proposal.

(v) **Category -5**. Some of the items for which the ownership of Design and Manufacturing Documentation is available with the OEM, but the OEM is not willing to transfer the technology to the Production Agency may be classified under the head 'Proprietary' items. The list of such items shall be far and few and generally restricted to components/processes specifically developed by the OEM for the licensed product. No item in the product structure which is critical either from the technology point of view or from the point of view of significant value addition or which constitutes a significant relative percentage of the product cost (say > 10%), will be acceptable under the head "Proprietary items". Further, at any stage during the life cycle of the Product, if the OEM intends to discontinue the production of Proprietary items, the complete technical documentation in respect of these items available with the OEM or his subcontractors will be passed on to the Production Agency to enable indigenous manufacture or establish alternative routes of meeting the requirement. Also, a base price for such items with an escalation formula for future supplies shall be given for slab quantities by OEM.

(l) The OEMs have to ensure that the depth of Technology being transferred shall enable the Production Agency achieve value addition commensurate with a minimum 30% of the relative cost of the licensed Product through indigenous manufacture in case of CKD kit based ToT and a minimum of 60% of the relative cost of the licensed product through indigenous manufacture in case of IM Kit based ToT (Percentage of indigenous value addition may vary based on the product).

(m) No single sub-system/assembly/sub-assembly, which constitutes more than 10% of the cost of Licensed product, shall be without ToT option to the Production Agency. In case, such a sub-system/assembly belongs to the 'bought out' category, then the OEM as a prime bidder of the licensed product shall bid in consortium with the concerned vendors with separate ToT proposal for which items included in the bid directly from the relevant vendor. The bid for supplied/ToT in such a case shall be evaluated as an integrated composite proposal.

(n) OEM shall assist the production agency and take the lead to obtain maintenance related ToT to the maximum extent possible in respect of items covered under category 3 and 4, from his vendor/sub-contractors.

2. **Evaluation of ToT**

For CKD Kit based ToT

(a) The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

(b) In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:-

(i)	Relative Percentage of cost of Category 1 items (individual & composite)	Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30%
(ii)	Relative Percentage of cost of Category 2 items (individual & composite)	
(iii)	Relative Percentage of cost of Category 3 items (individual & composite)	Not more than 25%
(iv)	Relative Percentage of cost of Category 4 items (individual & composite)	
(v)	Relative Percentage of cost of Category 5 items (individual & composite)	Not more than 15% (to be decided on a case to case basis

(c) Total % age of (i) to (v) should be 100%

(d) Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT minus CKD Kit cost being higher than the minimum specified 30% during the IM Phase will only be considered further for commercial evaluation (Minimum specified percentage may vary based on the product).

For IM Kit based ToT

(a) The vendor not offering the key specified technologies for ToT for categories 1 and 2 and maintenance technologies for category 3 (Single source vendor assemblies) will not be eligible for further evaluation.

(b) In the technical bid, the depth of ToT being provided will be evaluated for comparison purpose as given below:-

(i)	Relative Percentage of cost of Category 1 items (individual & composite)	Not less than 60% after excluding the corresponding CKD kit cost resulting in value addition of not less than 30%
(ii)	Relative Percentage of cost of Category 2 items (individual & composite)	
(iii)	Relative Percentage of cost of Category 3 items (individual & composite)	Not more than 25%
(iv)	Relative Percentage of cost of Category 4 items (individual & composite	
(v)	Relative Percentage of cost of Category 5 items (individual & composite)	Not more than 15% (to be decided on a case to case basis)

(c) Total % age of (i) to (v) should be 100%.

(d) Bids of Vendors with relative percentage of cost of items manufactured indigenously based on ToT being higher than the minimum specified 60% during the IM Phase will only be considered further for commercial evaluation (Minimum specified percentage may vary based on the product).

3. **Phased Manufacturing Programme**.

(a) Based on the phased ToT absorption planned by production agency, quantity_____will be supplied as Fully Finished during Phase-0, quantity _____as SKD Kit during Phase1, quantity _____as CKD Kit during Phase-2 and quantity as IM Kit during Phase3, as the case may be. Illustrative phase definitions are given below:

(i) **Phase-0**. Shall be based on supply of Fully Formed and tested product by the OEM.

(ii) **Phase-1**. Shall be based on supply of Semi Knocked Down (SKD) Kits provided by the OEM. The Semi Knocked Down Kit will consist of subsystems, assemblies, sub- assemblies, modules etc assembled and tested by the OEM and/or his vendors/sub- contractors. The Production Agency will perform the final level assembly and testing of the product.

(iii) **Phase-2**. Shall be based on supply of Completely Knocked Down (CKD) Kits provided by the OEM in the form of unassembled Bill of Materials. CKD Kit may include certain components/sub-assemblies commercially available "Off The Shelf" (COTS) from multiple vendors as fully finished items. Production Agency will carry out assembly and test of individual PCBs/Modules/Subassemblies/Assemblies/Sub-systems etc from component level and then carry out final assembly and testing of the product.

(iv) **Phase-3**. Shall be based on supply of proprietary items (IM Kit) by the OEM. Production Agency will perform procurement of all the components/raw materials and carry out complete fabrication, assembly and testing of the product from raw-materials/component stage through various stages of manufacture. (Phase 3 applicable only for IM Kit based ToT).

(b) The time frame for completion of supplies by the OEM for various phases of manufacturing is provided at **Annexure I**. Conformance of the vendor to the time schedule provided in **Annexure I** will be one of the important Evaluation Criteria and the bids of OEM"s not meeting the time schedules are liable to be rejected.

(c) OEM shall provide complete configuration of SKD, CKD and IM Kits, as the case may be, to the Production Agency to realise the Fully Finished Product. CKD Kits required to meet the spares requirement may be furnished separately. The OEM shall also provide estimated man- hours required for various stages of fabrication, assembly and test to realise the Licensed Product from SKD Kit during Phase-1, CKD kit during Phase-2 and IM kit during Phase-3. Based on experience in his plant supplier shall also provide "Production Mortality" of SKD/CKD/IM kit parts required for realisation of final finished product.

(d) OEM shall permit the production agency to sub contract components/ assemblies to sub-contractors of Production Agency. ToT shall be such that the production agency is able to procure components/sub-assemblies/test equipment directly from OEM"s Sub-contractors/ Vendors.

4. **Itemised Price List (IPL)**. The OEM shall provide Itemised parts list in the Technical Bid and itemised price list (IPL) totaling to end product unit cost in Commercial Bid. Man- hours required during various phases of manufacture to realise the fully finished product shall also be provided. The prices of components, fabricated parts, standard items, bought out items, proprietary items as may be relevant shall be provided for various phases of manufacturing programme. The list shall include the source of supply of components, standard items, BOIs and the ToT shall include authorisation to production agency to procure these items directly from the sources without going through OEM. (While this information may be possible for less complex products, it may not be possible if the itemised price list is very voluminous, e.g., aircraft to be manufactured under ToT. Therefore, this Para of the draft procedure may have to be suitably modified on a case to case basis).

5. **Supply of Documentation**.

(a) The ToT Documentation to be provided by the OEM shall be in English language and include documentation under the following heads:- (In case of procurement from Russian or other foreign vendors, they may be asked to

quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor).

(i) Engineering documentation

(ii) Software documentation and Firm ware support manual for embedded software including source code.

(iii) Manufacturing documentation.

(iv) Test documentation.

(v) Technical Manuals.

(vi) General documentation including Company standards, National and International standards and specifications

(vii) Additional documentation for repairs centre.

(viii) Illustrated parts catalogue.

(ix) Design data- stress, fatigue, performance, qualification, environmental test, life (calendar/total/overhaul), where applicable.

(x) Source identification for BOIs and subcontracted items; standard parts, consumables etc.

(xi) Spares parts lists and price catalogue for Operator (O), Intermediate (I) and Depot (D) level maintenances.

(xii) Recertification/requalification test plan, series test, special category test due to change in venue of manufacture, where applicable.

(xiii) "Red band" units, calibration stands where applicable.

(xiv) Quality procedures, plans, ESS, Special tests during production other than ATP.

(xv) Data on reliability-FMECA, MTBF, MTBO, MTBUR, MTBR.

Note: In case of procurement from Russian or other foreign vendors, wherein the above original documents are in a foreign language; the vendor is to provide English translation of above documents, in addition to the original documents, as part of ToT. No separate Document translation charges will be paid to the vendor.

(b) The details/ definition of Documentation to be provided by the OEM under the above heads is enclosed at **Annexure II**.

(c) The OEM is required to furnish 'Compliance Statement' in respect of each type of detailed documentation requirement listed at **Annexure II**. Non-compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse bearing in the evaluation of ToT proposal.

(d) The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub-contractors for the purpose of manufacturing, assembly and testing of the licensed product in their plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the Production Agency for manufacturing, assembling, testing, installation and commissioning, maintenance and overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant Military (MIL) Specifications or as mutually agreed with the User's Certification Agency.

(e) Documentation as detailed in **Annexure II** to enable the Production Agency procure, manufacture, operate and maintain the SMTs, STEs, Tools, Jigs and Fixtures required for the FF/SKD/CKD/IM kits manufacturing phase, shall be provided. Wherever software is used, details of the software as per documentation listed at **Annexure II** including Source Code and Firmware Support Manual shall be provided.

(f) The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

6. **Product Upgrades**. Technical data including relevant Documentation update in respect of any modifications/improvements/upgrades undertaken by the OEM in the licensed product during the entire life cycle of the product/license Agreement shall be provided to the Production Agency at no additional cost during the entire life- cycle of the product.

7. **Training**

(a) As part of ToT, Industrial Training required by the Production Agency to realise the Fully Finished Product from SKD, CKD and IM kits, as the case may be, during various manufacturing phases and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of design, manufacture, software, installation and commissioning, system integration and checkout and component level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

(b) All aspects of software are to be comprehensively covered during the software training module with a view to enable Production Agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

(c) Industrial Training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

(d) OEM shall provide complete details of Industrial Training programme, which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Production

Agency.

(e) Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Production Agency subject to overall training schedule. Operation and Maintenance training for end user shall also be provided.

(f) Details of Industrial and User Training Programme recommended by the OEM shall be provided as an Annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the production agency and at user locations. Long term training of production agencies at the design departments of OEMs shall also be included to give a complete exposure to them on design practices of OEM. This will help in design liaison support including upgrade Modifications/ Troubleshooting/ Concessions during the entire life cycle of the product.

8. **Technical Assistance**. As part of ToT, OEM shall provide requisite technical assistance to the production agency during the phased manufacturing programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an annexure to the technical proposal. The total technical assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/ answer service and modification advices during the life cycle of the product at no additional cost.

9. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs)**.

(a) OEM shall provide complete technical data of the SMTs and STEs used in the production, assembly, test and maintenance of product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours and cost details are to be provided.

(b) Details of special category test (recertification, production series testing) along with test Rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code and Firmware Support Manual for embedded software shall be provided.

(c) OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

10. **Consumables**. List of consumables required for the manufacture/ maintenance of product along with cost, source details and life data shall be provided.

11. **Special Technologies/Processes**. The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery/running cost etc vis-à-vis specific components/assemblies.

12. **Product Support**. OEM shall ensure that the product support including supply of spares and management of obsolescence for a minimum of 20 years from the time the last unit is produced under the present proposal, shall be available to the production agency/ its customer. OEM shall also provide a proposal for transferring the complete product support to the production agency in a phased manner.

13. **Commercial Proposal**. The commercial proposal should be submitted in a separate sealed cover.

14. **Transfer of Technology (ToT)**. OEM shall provide commercial offer for providing complete Know-How and documentation for the manufacturing of product from SKD, CKD Kits and IM phase, as the case may be, Industrial Training and Technical Assistance and the required rights, licenses and authorisation to manufacture, use and sell the product. For the Industrial Training and Technical Assistance phase, man week rate for providing training/technical assistance in OEM"s own plant(s) or in India may be separately provided.

15. **Supplies**

(a) **FF, SKD, CKD and IM Kits**. OEM shall provide itemised price list for supply of FF, SKD, CKD and IM Kits, as the case may be, inclusive of the production mortality used by the OEM during manufacture of product in its plants. Itemised price break-up up to component level is to be provided at the time of signing of the Technical Collaboration Agreement (TCA).

(b) **SMTs, STEs, Tools, Jigs and Fixtures**. OEM shall also provide complete list with itemised prices for SMTs, STEs, Tools, Jigs and Fixtures required for the SKD, CKD and IM manufacturing phase, as the case may be. In case of Tools, Jigs & Fixtures where large quantities are involved, category-wise prices may be provided. OEM shall also provide prices for 'O' level, 'I' level and 'D' level maintenance facilities of PRODUCT by the User/Customer.

(c) **Bought Out/Outsourced/Subcontracted Items**. OEM shall provide the complete list of items, which are bought out/outsourced/subcontracted for use in the manufacture of PRODUCT along with itemised prices and details of the sources for procurement. Authorisation for direct procurement by the production agency from these sources shall be given so that no development cost or NRE charges are incurred. In case where suggested sources decline to supply the components/ materials, OEM shall take responsibility for supply of same or suggest alternate sources for the procurement of suitable equivalent components/materials during the term of the agreement.

(d) **Life-Cycle Cost**. OEM shall provide the estimated LIFE-CYCLE COST of the product and the basis thereof. Factors such as operational hours/year, MTBF, requirement of maintenance spares, mandatory replacements during preventive maintenance schedules etc may be considered for arriving at life cycle cost.

(e) **Spares**. The OEM shall provide itemised price list of spares required as per three levels of maintenance of PRODUCT as follows:-

(i) '**O' level**: _____set per _____{product} (total _____{product} sets) at field units:

(ii) '**I' level**: _____set each for a group of ____{product}(_____ sets for _____{product}) at Intermediate level of maintenance; and

(iii) '**D' level**: _____ set for _____ {product} at Depot level maintenance.

16. **Payment Terms**. OEM shall provide the terms of payment for all supplies including ToT forming part of its commercial proposal. Specimen Format for Providing Prices is at **Annexure III**. (needs to be formulated by the OEM for specific products based on identified milestones).

17. **Delivery Schedule**. OEM shall provide complete schedule for transfer of documentation, providing of Industrial Training and Technical Assistance, supply FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs, STEs, Tools, Jigs and Fixtures to match the overall delivery requirement for manufacture and supply of FF product by the Production Agency. The Documentation for a specific phase shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at **Annexure I**.

18. **Liquidated Damages**. OEM shall undertake to complete its obligations in accordance with the contractual delivery schedule. For delay in delivery of FF, SKD, CKD and IM Kits, as the case may be, Spares, SMTs and STEs and delays in the implementation of PMP caused by or attributable to the OEM, the Production agency shall be entitled to claim liquidated damages.

19. **Warranty**.

(a) **Documentation.** OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for manufacturing, assembling, integrating and testing of the product and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the License Agreement.

(b) **Material/Equipment/Kit Supply**. Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 24 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to production Agency.

(c) All supplied software should be verified & validated by OEM for use of the designated Production Agency.

20. **Infringement**. OEM shall indemnify and protect at its own cost, the production agency in respect of cost/claims/legal claims/liabilities arising from third party claim with regard to the existence of any patent or intellectual & industrial property right of any such parties in India or from other countries.

21. **Performance Guarantee.** OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

22 **Validity**. The proposal will be kept valid for acceptance for a minimum period of 18 months from the date of submission.

23. **Technical Collaboration Agreement (TCA)**. After the CNC is concluded, the OEM shall enter into a detailed Technical Collaboration Agreement (TCA) with Production Agency incorporating mutually agreed terms and conditions.

24. **Offsets**. The vendor should agree to provide an offset as per the details given in the RFP.

25. **Global Rights**. OEM shall clearly indicate the extent of global rights of sales, which they would be willing to offer to the Indian production agency.

Annexure I to Appendix F
(Refer to Para 3(b) of Appendix F)

SPECIMEN FORMAT FOR PROVIDING DELIVERY SCHEDULE

Ser	Description	Qty	Month after effective date	Remarks
1.	Documentation Transfer in lots for each phase*			
2.	Training including Final assembly of SKD/CKD/IMs to FF for each phase			
3.	Operation and maintenance course training			
4.	Test equipment delivery			
5.	First system FAT and Delivery			
6.	Spare Parts delivery (“O” level spares)			
7.	Spare Parts delivery (“I” level spares)			
8.	Spare Parts delivery (“D” level spares)			
9.	Test equipment delivery for SKD and CKDs			
10.	SKD Kits delivery (____kits per month)			
11.	CKD Kits delivery (____kits per month)			
12.	IM Kits delivery **(_____kits per month)			

* Documentation for each phase shall be supplied one month prior to start of training of that phase.

** Applicable for IM Kit based ToT.

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Annexure II to Appendix F
(Refers to Para 5(b), (c) & (e) of Appendix)

DOCUMENTATION DETAILS TO BE PROVIDED BY OEM

1. **Engineering Documentation**
(a) Structure Breakdown.
(b) Part List.
(c) Part Electrical Lists.
(d) Part Drawing.
(e) Assembly Drawing.
(f) Cable looking diagram including its part list, connectors and end preparation details.
(g) Configuration Control Document.
(h) Stress Reports (static/fatigue), performance reports, type test Schedule/records, type test certificate.
(j) For coils and Transformer: winding details, mechanical drawing, purchased parts specification, details of special processes, moulding tools etc.
(k) Drawing of castings/forging with material details, vendor information, heat treatment details.
(l) Details of vendor items specifically developed by the OEM for the Licensed details.
(m) For PCB Cards: Schematics, general assembly drawing, assembly instructions, SMD location processing files including CAE/CAM files.
(n) Engineering change proposals covering details of modifications.
(p) Wiring List and details including schematics of sub-assembly/modules/drawer/racks.
(q) List of components where trace-ability records are important.
(r) Details of environment tests carried out on equipment and its sub-systems.
(s) With respect of FPGAs the following details are required: ACTEL or SRAM (depending on the manufacture) design files and the complete schematic with i/o Details-in the form of a timing diagram of sim files.
(t) Bill of materials and Ordering Specifications with Vendors address including OEMs specifying MIL grade details.

(u) Details of non-MIL grade components and their screening procedures.
(v) Full technical details of ASICS and Hybrid Micro-circuits including manufacturing documents.
(w) Full technical details of proprietary items, if any (including manufacturing documents)
(x) Material data sheets-chemical composition/mechanical-properties – for all metallic/non-metallic/consumables
2. **Software Documentation** (As per IEEE 12207/MIL-STD-498/DO178B).
(a) Software Requirement Specification.
(b) Interface design document.
(c) Software change proposals.
(d) Firmware support manual for embedded software.
(e) Software environment/tools including third party proc. Elements.
(f) Software test procedure.
(g) Software user Manual.
(h) Software installation procedure including user setting of pass words, site specific data and any customisation code/key or encryption.
(j) IV & V details (independent Verification & Validation).
3. **Manufacturing Documentation**
(a) Details of B/FPGA programing and testing with co-ordinate detail for placement. Programming file (fuse file in the standard format), programing platform configuration-tools and associated version control document, verification document with check sum details.
(b) Process Sheets including details of special processes and finishes as may be applicable.
(c) Complete set of drawing for tooling, jigs and fixtures as may be applicable.
(d) Photographs of wiring harness/bundling level.
(e) List of shop with details of specifications; source of consumables procurements, data on shelf life.
(f) Assembly tree/sequence, assembly process sheets including assembly settings and checks, assessments to be made, matching subassemblies, marking.
(g) Any special manufacturing facilities to be set up indicating plant and

machinery, test equipment and their vendor details and cost.
(h) Estimated man-hour requirements for assembly and testing at sub-system level.
(j) Inspection stages, quality plan, details of inspection equipment, gauges with sources of supply, etc.
(k) Calibration procedures for inspection equipment, gauges, heat, treatment & process equipment (furnace/baths).
(l) Operation Sequence Sheets.
(m) Programme for Production (e.g. NC Tapes/S/W as applicable).
4. **Test Documentation**
(a) Factory Test specification, procedure and acceptance test specification, procedure for PCBs module and equipment with detailed instructions on test set up, user of test and/or simulation equipment and software, execution of test wit recording of results.
(b) Complete set of drawings for manufacture of test jigs including ATE fixtures, programme as applicable.
(c) Complete set of drawings for specials to test equipment. This will include manufacturing details as well software documents.
(d) Special category test details (recertification, production series testing, quality assurance testing.
(e) “Red band” units, calibration procedures for test rigs/ equipment.
5. **Technical Manual**
(a) User handbook detailing operational use of equipment.
(b) Installation and commissioning manual.
(c) Technical description of PCB, Modules, drawers’ racks, etc, with details of block diagram, schematic general assembly drawing, timing details, PROM etc schematic general assembly drawing, timing details, PROM.
(d) Maintenance Manual covering.
(e) Permissible worn-out dimension limits, acceptance test procedure and Acceptance limits of overhauled product.
(f) Repair/salvage schemes, mandatory replacement parts.
(g) Periodic maintenance.
(h)Trouble shooting and fault diagnosis manual. Testing and repair procedure for faulty PCBs up to component level and peripheral equipment received from the

customer**.**
(k) Structural breakdown list for complete equipment.
(l) Recommended Spares List, site supply and depot stocking.
(m) The Maintenance Manual shall cover the product for which the file of drawings/documents is given as well all vendor items which are part of Licensed Product.
(n) Overhauling manual including details, test adjustment, calibration turning etc, for all levels of equipment.
6. **General Documentation (including Standards and Specifications)**
(a) Standard inspection method (inward goods in-process and final acceptable).
(b) Process standard/procedures.
(c) Workmanship standards/procedures.
(d) Quality standards/procedures including incoming inspection procedures, quality manuals.
(e) General procedures as may be applicable.
(f) Qualified Vendor Lists as may be applicable.
(g) Standard tools, jigs and fixtures as may be applicable.
(h) Company standards.
(j) ISO 9001 certification of OEM, vendors & subcontractors/ISO 14000 certification.
(k) Material/component and product standards including general fasteners and consumables.
7. **Additional documentation**. Repair center documents including details of Test instruments, jigs, fixtures etc., for the End User.
8. Documentation shall be provided in the form of hard copy, in microfilm/microfisch and magnetic media, including that required for making copies of technical manuals as specified by the customer. Documentation shall be provided in English Language. * Applicable for IM Kit based ToT.

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Annexure III to Appendix F
(Refers to Para 16 of Appendix F)

SPECIMEN FORMATS FOR PROVIDING PRICE INFORMATION

ToT			
Ser	**Item**	**Price**	**Remarks**
1	Know-how and documentation	USD_____	Payment shall be subject to deduction of taxes in India as per Double Taxation Avoidance Agreement in accordance with the following schedule (depending on the product, various stages of payments should be included without indicating the quantum of payment) :- 1. Stage 1.-- 2 .Stage 2.-- 3. Stage 3.--
2	**Training**. (a) Industrial Training covering all aspects for ToT at OEM"s facility.	USD *Instructor man day/week rate	
	(i) FF Phase working days/ week		Upto __trainees Max.
	(ii) SKD Phase working days/week		Upto __trainees Max.
	(iii) CKD Phase working days/week		Upto __trainees Max.
	(iv) IM Phase working days/week#		Upto __trainees Max.
	(v) Training on design liaison, design practices, design disposition on concessions/ deviation.		Upto __trainees Max.
	(b) Operational/ Field Maintenance Training		
	(i) __working days/week in _____and		Upto ___trainees and _____Customer trainees Max.

	(ii) ___working days/week in India		Upto ___trainees and _____Customer trainees Max.
3	Technical Assistance in OEM's Plant to be availed as required	USD _____ * (Man day/ week rate)	Maximum No. of man weeks spread over No. of mission
		Total	

* Minimum mandatory Training and Technical Assistance, which can be provided at no additional cost to be indicated.
# Applicable for IM Kit based ToT.

COST OF FF, SKD, CKD AND IM KITS, AS THE CASE MAY BE, SPARES AND SMTs/STEs					
Ser	**Item**	**Unit Price in USD**	**Qty**	**Total Price in USD**	**Remarks**
1.	_____-System				
	(a) Fully Finished System				
	(b) SKD Kits				
	(c) CKD Kits				
	(d) IM Kits#				
2.	**Spares**				
	(a) 'O' Level				
	(b) 'I' Level				
	(c) 'D' Level				
3.	**SMTs/STEs***				
	(a) Test Jigs/ Software for ' O' level maintenance				
	(b) Test Jigs/ Software for ' I' level maintenance				
	(c) Test Jigs/Software for 'D' level maintenance				
	(d) Test Jigs and software for manufacture under ToT				
	* Excluding Standard Test Equipment				
	TOTAL				

Itemised SKD Kit Price					
Part No	**Description**	**Qty**	**Price in USD**		
Itemised CKD Kit Price					
Part No	**Description**	**Qty**	**Price in USD**		

LIST OF SPECIAL MAINTENANCE TOOLS (SMTs) AND SPECIALTEST EQUIPMENT (STEs)						
Part No.	**Description**	**Model**	**Mfr.**	**Qty**	**Price in USD**	**Remarks**
(a) SMTs and STEs required for Maintenance						
(b) ToT Test Equipment						
LIST OF SINGLE SOURCE VENDOR ASSEMBLIES/ COMPONENTS AND PROPREITARY ITEMS						

Components	**P/N**	**Price in USD**	**Vendor**
(a) SMTs and STEs required for Maintenance			
(b) ToT Test Equipment			

SPARES.

(a) **'O' Level Spares Parts Lists (Set Per)**

No.	**Item Description**	**Qty. per set**	**Item Price in USD**	**Total Price in USD**
	Total			

(b) **'I' Level Spares Parts Lists (Set Per)**

No.	Item Description	Qty. per set	Item Price in USD	Total Price in USD
	Total			

(c) **'D' Level Spares Parts Lists (Set Per)**

No.	Item Description	Qty. per set	Item Price in USD	Total Price in USD
	Total			

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Appendix G
(Refers to Para 26 of RFP)

GUIDELINES AND CONDITIONS FOR ESTABLISHING MAINTENANCE INFRASTRUCTURE WITHAN INDIAN FIRM

Note*: These guidelines and conditions are indicative. These may vary as per the type of service/equipment and the intended requirements. SHQ concerned may amend these as per their requirement. No blanks to be left.*

1. The Govt of India, Ministry of Defence is desirous that the depot level maintenance (third line) and the life time support for the_____ **(generic name of the vessel** be carried out through an Indian private/ public firm. (These firms would normally be DPSUs/Naval dockyards/Base Repair Depots or any other firm as recommended by SCAPCHC and approved by DPB/DAC).

2. **Scope of Maintenance**. It is desired that the Indian entity selected should be able to accomplish the following towards providing maintenance support for the life cycle of the equipment:

(a) Carry out depot level repairs to include repair of major assemblies, sub assemblies and of the equipment.

(b) Provision of spares for the unit level, field level and intermediate level repairs for the entire life cycle of the equipment. The scope of these repairs is elaborated subsequently. Bidder is required to take into consideration these aspects while preparation of maintenance plans. Initially the spares would be in the form of MRLS for a period of ____ years. The provision of spares subsequently would be through the identified Indian entity through a separate contract.

(c) The spares, repairs and services support required from vendor for ToT to Indian entity would be implemented under long term contract. The proposal for Maintenance Transfer of Technology (MToT) shall also include Active Obsolescence Management through life cycle support of the equipment including upgradation of system/subsystem/components on completion of its fair service life.

3. **Maintenance Infrastructure**. To enable the Indian entity to provide life time maintenance support in terms of spares and depot level, it is essential that the facilities, as given in the subsequent Paras, are established/ available in India at the premises of the selected Indian entity. The specific requirements of technology transfer for Maintenance Infrastructure needs to cover the following aspects (choose whichever is /are applicable):-

(a) To ensure Indian entity is able to support operation and deployment of the platform/equipment on sustainable basis.

(b) To ensure Indian entity is self-sustainable to provide ‘Intermediate’, ‘Depot’ and ‘Overhaul Level (2nd, 3rd and 4th level) repairs, maintenance and upgrade for the entire life cycle of the equipment.

(c) To set-up requisite test facilities/ infrastructure for undertaking testing/certification for the entire life cycle of the equipment.

(d) To set-up an ecosystem for manufacture of sub-systems, assemblies, components, spares, materials, etc, in India.

(e) To make India, a regional/ global hub for MRO for the Platform/ equipment.

Note*: The following is just for the guidelines and would vary on case to case basis. The SHQ will have to work out the exact details prior to issuing out the RFP.*

4. **General**. The information shall be provided to the designated Ship Repair yard for yard Level maintenance to cover all aspects of maintenance of the vessel through the Indian Repair Yards. It shall be comprehensive and shall cover all aspects of maintenance up to the lowest level which will enable the Maintenance Agency to repair, overhaul and support and maintain the Vessel(s)/Equipment. Document shall include details that are needed for any deviation/concession during the maintenance/modifications/upgrades of the Vessel(s)/ Equipment.

5. **Documentation**.

(a) The ToT Documentation to be provided by the OEM shall be in English language in Electronic and hardcopy formats and include documentation under the following heads:- (If required vendors may quote translation charges separately to enable the production agencies to decide whether to undertake the translation themselves or to seek the English version of the documentation from the vendor).

(i) 'Yard' level Maintenance documentation (specs to be specified) by Repair Agencies.

(ii) Engineering documentation including special process.

(iii) Software documentation including source code, build environment and utilities.

(iv) Details of Special tools and Test equipments, Jigs & Fixtures.

(v) OEM"s Standard Technical Manuals.

(vi) Illustrated parts catalogue with price list.

(vii) Source identification for BOIs and subcontracted items; standard parts consumables etc.

(viii) Mandatory spares replacement lists and price catalogue for O, I and D level maintenance.

(b) The OEM is required to furnish 'Compliance Statement' in respect of each type of Documentation listed above. Non-Compliance by the OEM against any of the documentation requirements depending upon its criticality will have an adverse

bearing in the evaluation of ToT proposal.

(c) The documentation to be supplied by the OEM shall be that which is used by the OEM or its sub- contractors for the purpose of maintenance of the licensed product in their Plant. The OEM will ensure completeness and exhaustiveness of the documentation for the purpose and work to be performed by the maintenance agency for maintenance/overhaul of the licensed product in his plant. Wherever approval of certification agency is relevant, approved documents will be provided. Certification standards as far as possible will be relevant MIL Specs or as mutually agreed with the User's Certification Agency. All the certification documents generated for obtaining certification in the country of origin to be supplied. Further, vendor should supply such documentation as may be required by the Indian Certification Authorities.

(d) The OEM shall also provide the data in respect of MTBF, MTBO, MTBR and Reliability of the product being offered.

(e) **Labour Hours**. OEM should indicate their stabilised labour hours and Turnaround time for each 3 levels of maintenance clearly indicating the learning curve adopted.

6. **Special Technologies/Processes**. The OEM shall mention in the ToT proposal about special technologies and special coatings and treating processes along with details of plant and machinery vis-à-vis specific components/assemblies. For identifying the augmentation needs to plant and machinery available with the production agency, if required vendor specialists shall visit production agency before submission of technical and commercial bid.

7. **Capital Investment**. OEM to provide their assessment of plant and machinery required including floor space required for the 3 levels of maintenance assuming that this project will be handled as an ab-initio green field project.

8. **Special Maintenance Tools (SMTs) and Special Test Equipment (STEs)**.

(a) OEM shall provide complete technical data of the SMTs and STEs used in the Maintenance of Product. This information shall also include the data for manufacture and maintenance of the SMTs and STEs. Details on manufacturing hours are to be provided.

(b) Details of special category test equipment along with test rig/test set up shall also be provided. Wherever software is used, details of the software including Source Code shall be provided.

(c) OEM shall provide details of calibration and periodicity of calibration in respect of SMTs and STEs. Details of master tester and associated special facilities required for this purpose (with source of supplies) will be provided by the OEM.

9. **Standard Tooling and General Industrial Requirement**. OEM to provide list/Technical details of standard tooling and general industrial requirement for carrying out "D" maintenance.

10. **Training of Indian Engineers/Technicians**.

(a) As part of ToT, industrial training required by the production agency to realise the fully finished product from SKD, CKD and IM kits and for providing component level maintenance support to the Customer shall be provided by the OEM. The Industrial Training shall be in English language, comprehensive, covering all aspects of 'O', 'I' and 'D' level maintenance of the product down to sub-assembly, modules and PCB level. Apart from classroom training covering the critical aspects, due emphasis will be given to on-the-job training.

(b) All aspects of software including usage of source code, its build environment and utilities, are to be comprehensively covered during the software training module with a view to enable maintenance agency's software engineers undergoing training to acquire skills in the use, maintenance and update of the software.

(c) Industrial training shall be in OEM's plants and/or in the plants of its subcontractors, associates, principals and subsidiaries as the case may be. OEM shall ensure that such training is organised at the time when OEM has the product under production in its plant or in the plant of its vendors.

(d) OEM shall provide complete details of industrial training programme which will include scope, location, number of trainees and the duration for each phase of training in terms of instructor man weeks. Such Industrial Training programme shall be mutually agreed upon between OEM and Maintenance Agency.

(e) Details of the training shall be sub divided into batches with the date of start for each batch, duration of training etc, as will be agreed upon by OEM and Maintenance Agency subject to overall training schedule.

(f) Details of industrial and user training programme recommended by the OEM shall be provided as an Annexure to the technical proposal. OEM shall provide details regarding the training aids and simulators required at the Maintenance agency and at user locations.

11. **Technical Assistance**. As part of ToT, OEM shall provide requisite technical assistance to the Maintenance Agency during the maintenance programme of the product in India. The details of such technical assistance considered necessary by the OEM shall be provided as an Annexure to the technical proposal. The total Technical Assistance package shall be in number of man weeks spread over number of missions. OEM shall provide question/answer service and modification advices during the life cycle of the product at no additional cost.

12. **Spare Parts list**. OEM based on their experience may provide the 10 off spares requirement for the 3 levels of maintenance separately. Spares which are to be mandatorily replaced during the 3 levels of maintenance should be identified and highlighted. For standard spares "NATO" codes may be provided against the respective spares.

13. **Raw Materials and Consumables**. OEM to provide list of raw material and consumables required during the 3 levels of maintenance programme.

14. **Delivery Schedule**. OEM shall provide complete schedule for transfer of documentation, providing of Training and Technical Assistance, supply of Spares, SMTs, STEs, Tools, Jigs and Fixtures ordered on OEM to match the overall maintenance programme. The documentation for a specific phase of training shall be provided one month prior to the commencement of training for that phase to enable the trainees study documentation prior to the training. Specimen format for providing delivery schedule is at Annexure I.

15. **Life Cycle Cost**. OEM shall provide all the details like Operating cost, Maintenance cost, Overhaul cost, training cost required to estimate the Life cycle cost of the vessel.

16. **Long Term Product Support**. OEM shall ensure that the product support including supply of spares and management of obsolescence for the life of the product (minimum 30 years from the date of delivery of the vessel by the production agency) shall be available to the Maintenance agency/its customer.

17. **Warranty**.

(a) **Documentation**. OEM shall warrant that the documentation supplied shall be identical, complete and of equal quality as the documentation used by him in its own activities and shall be accurate and complete for the 3 levels of maintenance and shall provide updates including modifications/improvements during the life cycle of the product/tenure of the licence agreement.

(b) **Material/Equipment/Kit Supply**. Items supplied should be free from any defects arising from faulty material, design or workmanship and should be guaranteed for quality/satisfactory performance for a period of minimum 12 calendar months from the date when the stores are delivered to Production Agency. During this warranty period, defects arising from faulty material, design or workmanship, shall be remedied by OEM at his own cost. If it becomes necessary, the OEM should replace any defective portion of the goods or replace the material/equipment as a whole without any additional cost to Production Agency.

18. **Performance Guarantee**. OEM shall guarantee the performance of the product to design specifications at the production agency/end customer locations.

19. **Global Rights**. OEM should clearly indicate the extent of global rights which they would be willing to offer to the Indian production agency.

Appendix H
(Refers to Para 40 of RFP)

BUILD STRATEGY

1. This Build Strategy would broadly cover the following aspects: -

(a) Project Overview.

(b) Definition of key milestones based on indicative list of milestones and broad range of timelines specified at Para 55 of RFP.

(c) Broad plan for execution of the Project as per delivery schedule indicated at Para 10 of RFP (including production/ finance).

(d) Brief Plan for meeting the Indigenous Content (IC) stipulated in the RFP.

(e) Standard of Preparation (SoP) of Platform/ equipment/ system.

(f) Project organisation structure as applicable.

(g) In case of ToTs for licensed production and MToT, information sought at Para 26 and 27 of RFP, Indian sub-contractor for ToT/ manufacturing and the methodology for setting-up manufacturing infrastructure, shall be provided.

2. **Project Overview**. The '*Project Overview'* should define, organise and interlink the various project elements which are required to be established/ setup by the bidder in order to manufacture and deliver the contracted products and services within the RFP specified timeframes.

3. **Program Schedule**. The '*Program Schedule'* should give **estimated start and end dates** for each event with respect to Effective date of contract (T_0) thereby creating a **calendar based schedule**.

4. **Project Organisation Structure**. This section should highlight the Bidder's organisation structure for the project implementation and define the specific organisational elements within this structure that would interact with the GoI, SHQ and other Indian Production Agency, if applicable, during the program execution.

5. The **Build Strategy** should also clearly specify the below mentioned aspects with adequate documentation for substantiating the bidders claim:-

(a) Details of Manpower allocation. Total Manhour envisaged for the project. Separate heads to be given for managerial staff, production linked staff , design staff including the contracted work.

(b) Details of available Infrastructure and future infrastructure development plan.

(c) Details of location / site for construction. It should indicate the place where the construction is planned including the offloading sites through

contractor.

(d) Details of land / Yard premises for vessels construction. Bidder to seek approval of Buyer prior commencing production of vessels at a place other than the one for which the technical capacity assessment has been undertaken.

(e) Details of hiring/ offloading being considered for the project.

(f) Details of latest shipbuilding technology being adopted for construction and delivery of vessels.

(g) Broad plan for construction of each vessel, indicating the overlapping activities & resource allocation.

(h) Likely contracts planned during the period of construction of the vessels for determination of yard loading during the execution of project.

(j) MoU/ Agreement / Contract with design agency, if any.

Appendix J
(Refers to Para 41 of RFP)

CERTIFICATE TO BE OBTAINED FROM OEM/ BIDDER FOR PROCUREMENT OF ICT GOODS AND SERVICES

(To be rendered on the Company Letter head)

1. This is to certify that the Hardware and the Software being offered as part of the contract does not contain embedded malicious code that would activate procedures to:-

(a) Inhibit the desired and designed function of the equipment.

(b) Cause physical damage to the user or equipment during the exploitation.

(c) Tap information resident or transient in the equipment/ networks.

2. The firm will be considered to be in breach of the procurement contract, in case physical damage, loss of information or infringements related to copyright and Intellectual Property Rights (IPRs) are caused due to activation of any such malicious code in embedded software.

3. The firm will provide the following malicious code certificates from Bidders and OEMs as given below. Amendments/ additions/ deletions may be made to the formats given below to meet the project specific requirements and these may form part of the RFP and contract agreement.

(Signed)
Date: Designation/ Name/ Address of firm

MALICIOUS CODE CERTIFICATE FROM HARDWARE OEM

1. It is certified that the firmware/ microcode installed in the hardware products listed below, which is proposed to be delivered by our Business Partner M/s_____, is approved by the OEM. The products have been thoroughly tested and found to be working as per the OEM's specifications at the time of delivery and no malicious code has been found in these products. Patch level update of the system is enclosed.

2. The latest security patches as available at the time of supply, have been updated in the firmware. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the equipment, provided end of support for the same has not been declared for the equipment by the OEM(s).

(Signed)
Date: Designation/Name/Address of firm

MALICIOUS CODE CERTIFICATE FROM SOFTWARE OEM

1. It is certified that the firm has taken all steps to ensure that the software products listed below, which is proposed to be licensed by _____ is found to be working as per the OEM's specifications at the time of delivery and no malicious software computer program/ code hidden within the software that performs a function unauthorized by the OEM's published documentation has been introduced in these products. Patch level update of the software is enclosed.

2. The latest security patches as available at the time of supply, have been updated in the software. We undertake to provide solutions to address all security issues during the installation, warranty and support period of the software, provided end of support for the same has not been declared for the equipment by the OEM's.

(Signed)

Date: Designation/ Name/ Address of firm

MALICIOUS CODE CERTIFICATE FROM BIDDER

1. This is to warrant that the hardware and software being offered, as part of the Contract does not contain embedded malicious code at the time of installation and commissioning. Patch level update of the hardware/ software is enclosed.

2. The firm will be considered to be in breach of the contract, in case any physical damage or any compromise in information and cyber security or infringement related to copyright and Intellectual Property Right (IPRs) is caused due to activation of any malicious code embedded in the hardware/ software.

3. The latest security patches as available at the time of installation and commissioning, have been updated in the hardware/ software. We undertake to provide solutions to address all security issues during the warranty and support period of the hardware/software, provided end of support for the same has not been declared for the equipment by the OEM's and to address all exposed security issues by exercising immediate Work-around until the OEM has made the respective solutions available.

(Signed)

Date: Designation/ Name/ Address of firm

Appendix K
(Refers to Para 43, 44 & 45 of RFP)

REPAIR AND MAINTENANCE PHILOSOPHY

*(**Note**: The Repair and Maintenance Philosophy is only indicative and pertains to a particular service. SHQ concerned may amend this as per their requirement. No blanks to be left)*

1. The various levels of maintenance and repairs are explained in succeeding Paras. (However, all levels may not be applicable to all types of vessel/ equipment. As such the type of repair facility required for the vessel equipment for which the RFP is being issued should be stated clearly by modifying the succeeding Paras).

2. The Operational–Cum-Refit cycle of the Vessel should be as follows: -

   (a) (___) years operational cycle.

   (b) The dry-docking interval shall be (_____) years.

3. **Ship Level Repairs/ Maintenance**. The Vessel would be maintained by the crew/ operators during the operational cycle, who are required to carry out the ship level repairs. These tasks pertain to minor repairs and replacement of components and minor assemblies that can be carried out on board the Vessel without the use of highly specialised tools or test equipment. On Board Spares (OBS) are utilized for undertaking ship level repairs and maintenance. The requirements of spares and tools are indicated in succeeding Paras.

4. **Yard Level Repairs/ Maintenance**. The repairs, which are beyond the scope of ship's staff, are carried out by trained technicians during periodic refits by naval dockyards/ repair organisations. The bidder is required to provide the quantity & specifications of these spares, Special Maintenance Tools & Test equipment, technical documents, etc., to carry out such repairs as broadly indicated in Paras below. The B&D Spares required by Refit Agencies are inclusive of replenishment of OBS as well as to meet requirements of unit level repairs on board.

Spares

5. **Onboard Spares (OBS)**. The Bidder is required to provide sufficient OBS for all equipment for on board repairs, scheduled servicing and maintenance of all equipment falling due till (as specified) years of the operation of the Craft after warranty, along with the delivery of the Vessel in conformity to the requirement of spares/ tools/ jigs stipulated in the exploitation/ maintenance document of respective equipment/ system. To this purpose, the Bidder is required to provide Manufacturer's Recommended List of On board Spares (MRL- OBS) in format provided at **Annexure I to Appendix K**. The Bidder shall satisfy himself of the suitability and sufficiency of the MRL – OBS. The Bidder shall establish the range and depth of spares required to support the ship level repair and maintenance for the prescribed period. The Bidder shall also be fully liable in respect of the quality and quantity of the recommended spares and must supply any shortfall of spares without any financial responsibility or liability to the Buyer. A certificate of sufficiency for MRL-OBS has to be submitted by the bidder along with the technical bid. All OBS consumed during

STW, trials, defect rectification etc, if any, are to be replenished by the Bidder prior to delivery of the vessel at own expense.

6. **Base and Depot (B&D) Spares**. The Bidder is to arrange supply of MRLS - B&D spares for five years of exploitation, up to 15% (including levies, taxes, and handling charges) of the Basic Cost of the Vessel including cost of BNE/systems. This would be based on the likely consumption rate and exploitation pattern of the equipment. The Bidder would seek the comprehensive priced part identification list of spares from all sub vendors along with the technical bid of main equipment and forward it to the Buyer. This list would contain price, description, pattern no. and quantity fitted on each equipment in respect of various parts/ components. This list along with the MRLS B&D spares for each sub vendor would be submitted for all the machinery/ equipment, while finalising the respective equipment post signing of the main contract and as per timelines decided by Buyer. The format for specifying the MRLS-B&D is placed at **Annexure II to Appendix K**.

7. **Spares Documentation**. A comprehensive Part Identification List (PIL) is to be provided for all equipment and system components in lines of the format enclosed in **Annexure II to Appendix K**. A detailed component list and identification are also required to be provided to facilitate retrieval.

8. **Special Maintenance Tools and Test Equipment and Software**. The general purpose maintenance tools, test equipment and software used for maintenance on board would be supplied as per MRL–OBS route. The bidder in would include additional test equipment required for onboard/ shore maintenance as indicated by the buyer in the RFP in the technical bid with details in the format placed at **Annexure III to Appendix K**. The cost for these is to be included under Ser (d) of the price bid format placed at **Appendix N**. The cost column should be left blank in the Technical Bid.

9. **Technical Documentation**. The details of technical literature to be supplied with the system should be listed as per the suggested format at **Annexure IV to Appendix K**. This should be provided with both Technical and price Bids. The cost column should be left blank in the Technical Bid. The overall financial implications for these will be included under Ser (e) of the price bid format placed at **Appendix N**. The documentation on shipbuilder's record of parameters pertaining to limits and gauges considered during the construction of Vessel also needs to be provided.

10. **Training Aggregates**. The requirement of training for the Vessel and associated equipment are specified at **Appendix A.** The requirement of Training aggregates for the Vessel(s)/ equipment in terms of simulations, models, training aids and cut section of certain equipment, if required will be specified by the Buyer. These will be costed and submitted to Buyer along with the technical and commercial bid as per **Annexure V to Appendix K**. The cost column is to be left blank in the technical bid. The overall financial implications for these will be included under Ser (f) & (g) of the price bid format placed at **Appendix N**.

11. **Maintainability Evaluation Trials.** (Applicable only when trials are required)

12. **Annual Maintenance Contract**. (Requirement to be specified if AMC is sought).

Annexure I to Appendix K
(Refers to Para 5 of Appendix K)

MANUFACTURER'S RECOMMENDED LIST OF SPARES TOOLS AND SOFTWARE (MRL-OBS)
(To be submitted in accordance with Para 8 of Part I of RFP)

VESSEL/ EQUIPMENT: _____

Ser	Eqpt Part No./ Model no./ Sl No.	Eqpt Description	OEM Name	Vendor Name	Illustrated Spare Part List (ISPL) Reference/ Part No. of Spare	Desc of Spare	Country of Origin	Unit Price	Seller Order No. & Date	Currency Code	Total Qty	VED* Category	Recommended scale for no of vessel(s)	Remarks

Annexure II to Appendix K
(Refers to Para 6 & 7 of Appendix K)

MANUFACTURER'S RECOMMENDED LIST OF SPARES (MRL-B&D)
(To be submitted while finalising Equipment post signing of Contract)

VESSEL/ EQUIPMENT: _____

Ser No	Eqpt Part No./ Model no./ Sl No.	Eqpt Descrip tion	OEM Name	Vendor Name	Illustrated Spare Part List (ISPL) Reference/ Part No. of Spare	Desc of Spare	Country of Origin	Unit Price	Seller Order No. & Date	Currency Code	Total Qty	VED* Category	Recommended scale for no of Vessel(s)	Remarks

* **VED** - **VITAL / ESSENTIAL/ DESIRABLE** analysis of spares to be carried out by OEM prior to submission to the Buyer.
Original Equipment Manufacturer (OEM):_____(Complete

Address) Notes: - (Combined for ***Annexures I and II to Appendix K***)

1. Data regarding maintenance spares/stores like lubricants, sealing compound, gases should be given separately giving source of

supply.

2. Data furnished as OBS and B&D should also include software backups, as applicable.

3. **In 'Remarks' column following information (if applicable) be given:-**

   (a) If an item has a shelf/operational life it be marked as 'G' and life be indicated

   (b) Matching set of components be indicated.

   (c) Item which can be locally manufactured in India should be marked 'LM'.

(d) Items which cannot be manufactured in India due to sophisticated design/technology may be marked as "SI" (Special Item).

(e) If a component/assembly is common to other similar equipment offered by the OEM earlier, these should be marked "CM" and name of the equipment be indicated.

4. OBS and B&D spares list should be drawn out of the 'Part List' of the equipment, which should be separately given as part of Technical Manuals.

5. If the main equipment consists of other equipment, then OBS and B&D spares list should be prepared for them under proper heads. OBS and B&D spares list is to be prepared as per the maintenance concept of the customer.

6. Items provided along with the equipment as spares should also be included in OBS and B&D list.

7. Modules/ Shop Replaceable Unit (SRU)/ assemblies should be listed and their components should be included under them so as to relate each item of spare to their module / SRU / assembly.

8. OBS and B&D list for test equipment should also be provided on the similar format.

9. **Cost to be indicated in Price bid only**.

Annexure III to Appendix K
(Refers to Para 8 Appendix K)

LIST OF SMT/ STEs, JIGS, FIXTURE AND INFRASTRUCTURE (As applicable)
(To be submitted with the Technical/ Commercial bid as applicable)

Name of Vessel/ Equipment:…….
Original Equipment Manufacturer (OEM):
……..

Ser ~~No~~	Manufacturer's Part No.	Item Name	Unit Cost	Nos. Required		Brief Purpose	Remarks
				Onboard	Repair by Refit Agency		

Notes.

1. Prepare separate sheet for each type of equipment.

2. Specify in remarks column whether the Special Test Equipment (STE)/ Special Maintenance Tools (SMT) can be used as general purpose equipment on any other kind of equipment.

3. For Ship level repair quantity required should be for repair of one ship set at a time. For Yard level repair/Maintenance, qty should be for repair of sets of equipment fitted onboard the vessel(s) of the contract.

4. If test equipment is commercially available ex-India, the source of supply be specified.

5. Test equipment for calibrating the STEs should be included in the list above.

6. Test equipment which are required to be provided by the customer should also be included in the list above.

7. **Cost to be indicated in Price bid only.**

Annexure IV to Appendix K
(Refers to Para 9 of Appendix K)

TECHNICAL DOCUMENTATION (HARD AND SOFT COPY COMPLIANT TO IETM CLASS 4) (As applicable)
(To be submitted with the Technical/ Commercial bid)

Name of Vessels/ Equipment: _____
Original Equipment Manufacturer (OEM):_____

Ser	Technical Literature	Unit Cost	Scale for no. of Vessels	Total Cost	Remarks
1.	User Handbook / Operator's Manual				
2.	Design Specifications				
3.	**Technical Manual** (a) **Part I**. Tech description, specifications, functioning of various Systems. (b) **Part II**. Inspection/Maintenance tasks Repair procedures, materials used, fault diagnosis and use of Special Maintenance Tools (SMTs)/ Special Test Eqpt (STEs). (c) **Part III**. (i) Procedure assembly/ disassembly, repair upto, component level safety precautions. (ii) Record of Limits and gauge as per OEM for assembly/disassembly (iii) List of tools for a particular job of repair / maintenance (d) **Part IV**. (i) Part list with drawing reference (ii) List of SMTs/ STEs with Test Bench				
4.	Manufacturer's Recommended List of Spares (MRLS)				

Ser	Technical Literature	Unit Cost	Scale for no. of Vessels	Total Cost	Remarks
5.	Illustrated Spare Part List (ISPL)				
6.	Technical Manual on STE with drawing reference				
7.	Soft copy on the above Tech literature (IETM Class 4)				
8.	Any other (specify) e.g. Service logs etc.				

Total Cost:

Notes:-

1. In case any additional equipment is used, their tech literature will be included.

2. If certain technical literature is being provided free of cost, it should be indicated in the remarks column.

3. **Cost: To be indicated in Price Bid Only**.

Annexure V to Appendix K
(Refers to Para 10 of Appendix K)

TRAINING AGGREGATES AND TRAINING (as applicable)
(To be submitted with the Technical/ Commercial bid)

Name of Vessel/ Equipment: ……..

OEM: ……

Ser	Description of Training Aggregate	Scale for 01 Vessel	Unit Cost	Total Cost	Remarks

1. Complete Equipment

2. Sectioned Equipment

3. Computer based training package based on interactive multimedia to include Training Aids in terms of IMTPs, CBTs, Presentations, Training Brochures, Charts, Working Models, Scaled Down Models, Blow up Diagrams, etc.:-

   (a) Full graphics, Animation test and sound.

   (b) Symptoms-fault correlation (expert system).

   (c) Symptoms-fault correlation (expert system).

4. Training Aids to include:-

   (a) Charts

   (b) Slides

   (c) Training Brochures

   (d) Training Work models

   (e) Blow up diagram

   (f) Soft Copy

   (g) OEM Videos for training / maintenance / troubling shooting of eqpt/ system/ weapons/ sensors etc fitted on vessel.

5. Cost of training **to be indicated in Price bid only**.

Appendix L
(Refers to Para 5 of Appendix A)

TRIAL METHODOLOGY

The Trial Methodology of vessel(s)/ equipment fit/ system/ weapons and sensors etc has been elaborated in the GLS (Appendix A). Bidders are advised to understand the complete requirement stipulated for the project and accordingly submit the Techno-Commercial Offers.

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Appendix M
(Refers to Para 10 & 57 of RFP)

COMMERCIAL CLAUSES

1. Payment Terms

1.1 INCOTERMS for Delivery

1.1.1 The delivery of Vessel(s) will be based on DDP INCOTERMS-2020 with ultimate consignee as _____. The Delivery Schedule for vessel(s) shall be as per **Annexure I** to this Appendix.

RFP to clearly indicate whether the vessel(s)/material/equipment being procured are exempted from Custom Duty and whether necessary Custom Duty Exemption Certificate (CDEC) will be issued by the Buyer.
In specific cases where delivery of the platform(s) is taken at the country of the Bidder, the alternate INCOTERMS along with suitable justification is to be provided in the SoC while seeking AoN.

1.2. Currency of Payment

1.2.1 Foreign bidders should submit their bids in US Dollars/ Euros/ Pounds Sterling/ Yen/ AUD/ SGD. In 'Buy (Global-Manufacture in India)' cases, all payments for the Make/ Manufactured portion will be paid to the SELLER in Indian Rupees.

1.2.2 Indian bidders should submit their bids in Indian Rupees.

1.3 Contract Price and Requirement of Bank Guarantees

1.3.1 **Total Contract Price**. The Total Contract Price will be the final price negotiated by CNC including taxes and duties applicable at the time of signing of Contract.

1.3.2 **Base Contract Price**. The Base Contract Price will be considered as Total Contract Price excluding taxes and duties applicable at the time of signing of Contract and excluding the Total Price of AMC/CMC/PBL/LCSC (if any).

1.3.3 **Bank Guarantee(s)**. For the purpose of payment of Advances to the Bidder and submission of various Bank Guarantees by the Bidder i.e Advance Payment Bank Guarantee (APBG) and Additional Bank Guarantee (ABG), as applicable, Base Contract price will be considered. For Performance cum Warranty Bank Guarantee (PWBG), Total Contract Price including taxes and duties is to be considered.

In case of advance payments from separate project account for BNE, where applicable, the same would be with equivalent Bank Guarantees.

1.3.4 For orders with AMC/CMC/PBL/LCSC, an additional Performance Bank Guarantee (PBG) is to be submitted by the Bidder for which the Total Price of AMC/CMC/PBL/LCSC including taxes and duties, for contracted duration will be considered.

1.3.5 All Bank Guarantee(s) requirements viz Advance Payment Bank Guarantee (APBG), Performance-cum-Warrantee Bank Guarantee (PWBG), Additional Bank Guarantee (ABG), Performance Bank Guarantee (PBG) etc are to be submitted as per following:-

1.3.5.1 **Foreign Bidder**. Bank guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank (as notified by RBI) or First Class banks of international repute whose details have to be furnished in the Commercial bid. In case of International banks, the Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi or any other Public or Private Sector Bank authorised by RBI and as per their recommendations seek confirmation of Bank Guarantee(s) by counter guarantee by an Indian Bank at Bidder's cost.

1.3.5.2 **Indian Bidder**. In case of Indian Bidders, the Bank Guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank.

1.4. **Payment to Foreign Bidders**.

1.4.1 The Payment Terms as per the _____stage payments are given in **Annexure I** to this **Appendix**.

1.4.2 **Advance Payment**. All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at **Annexure I** to this **Appendix**). The Seller is required to furnish equivalent Bank Guarantee (BG) for advance payment. The ***prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at Annexure II to this Appendix***. The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/ services supplied/ provided. The seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract. The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T_0), provided the Seller submits the documents mandated by the DAP 2025 for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract. In cases where Export License is required to be submitted by the Seller to the Buyer prior to release of Advance Payment, a copy of Seller's application for export license to their government or Confirmation from Seller's Government of authorization for Supply may be provisionally accepted in lieu of export license, for release of Advance Payment with the caveat that the vendor should submit the requisite Export License prior to release of next

payment from the Buyer.

1.4.3 **<u>On Delivery</u>**. The Seller will give a notification to Buyer about the readiness of vessels for delivery at least 45 days prior to delivery of vessels. Paid shipping documents are to be provided to the Bank by the Seller as proof of dispatch of goods as per contractual terms so that the Seller gets payment from LC. The Bank will forward relevant documents to the Buyer for getting the vessel released from the Port/Airport. Documents will include -

(a) Clean on Board Airway Bill/Bill of Lading (Original).

(b) Commercial Invoice (original).

(c) Inspection Acceptance Certificate demonstrating compliance with the technical specifications of the seller to be issued by the Buyer.

(d) Certificate of origin, duly stamped from Seller's Chamber of Commerce.

(e) Certificate of Quality and current manufacture from OEM.

(f) Physio-sanitary/Fumigation Certificate.

(g) Packaging List.

(h) Insurance and freight documents.

(j) Landing Certificate issued by Port Authority.

(k) Training certificate issued by the Buyer.

*(**<u>Note</u>:** The above list is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/excluded in RFP).*

1.4.4 **<u>Post Delivery</u>.** The Seller will obtain clearance certificate from User and submit any other relevant documents as specified in the Contract for last stage payment as per **Annexure I to this Appendix** for claiming this stage payment.

1.4.5 **<u>Mode of Payment</u>**.

1.4.5.1 **<u>Stage Payments</u>**. Payments shall be made through Irrevocable Letter of Credit (LC) or Direct Bank Transfer (as applicable). The payment will be arranged through any Public Sector Bank (as decided by the Buyer) or Private Sector bank (if approved by MoF), to the Bank of the Foreign Seller. Letter of Credit will be opened by the Buyer within one month of receipt of the Performance-cum- Warranty Bank Guarantee for full value of contract. The Letter of Credit will be revolving and valid for days from the date of its opening. Payments through LC and DBT will be subject to the instant Uniform Customs and Practice for Documentary Credit (UCPDC) of the International Chamber of Commerce. The LC will be confirmed at Seller's cost if requested specifically by the Seller. Where extension of LC is necessitated, the Bank charges for extension shall be borne by the Party whose default causes such an extension. Banking charges will be paid by the Buyer and Seller in their respective countries.

1.4.5.2 **<u>BNE Payments</u>**. *as applicable* Payment of BNE equipment/ systems and associated overheads/ profit, Modifications and BFE handling charges (if any) would be done through opening of a separate project account. Shipyard can make payments against actual cost incurred for procurement after submission of relevant

documents.

1.4.6 **AMC/CMC/PBL/LCSC Payments**. Quarterly/ Half-yearly/ Annually payments will be made by PCDA, Mumbai/ CDA (*I*N/CG), New Delhi on submission of User clearance certificate through DBT.

Note: *This Para may be included if there is AMC/CMC/PBL/LCSC clause in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case.*

1.5 **Payment to Indian Bidders.**

(a) The payment terms as per the stage payment schedule are given in Annexure I to this Appendix.

(b) **Advance Payment**. All stages till the delivery of vessel, where there are no 'Deliverables' would be construed as advance (as defined at **Annexure I** to this **Appendix**). The Seller is required to furnish equivalent Bank Guarantee (BG) for advance payment. The prescribed format of the Advance Payment Bank Guarantee (APBG) is placed at **Annexure II** to this Appendix.

(c) The Advance Payment Bank Guarantee (APBG) (if provided for combined vessels) will deemed to be proportionately and automatically reduced until full extinction along with and prorate to value of each delivery, as evidenced by corresponding copy of document proving delivery and invoices of goods/services supplied/provided. The Seller has the option to furnish separate Bank guarantees for each vessel. For stage payments relevant to advance, payments will be released based upon the Completion certificate for all activities mentioned therein given by Buyer's rep and any other relevant documents as specified in the contract. The date of delivery would be reckoned from the date of release of Advance payment by the Buyer to the Seller (T_0) provided the Seller submits the documents mandated by the DAP 2025 and contract for release of advance by the Buyer within 45 days of signing of contract. In the event of the Seller not submitting the said documents within 45 days of signing of contract, the period between the 45^{th} day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of contract.

(d) **On Delivery**. The payment will be made after successful delivery and acceptance of the vessel by SHQ on submission of following documents: -

(aa) Ink-signed copy of Seller bill.

(ab) Ink-signed copy of Commercial invoice.

(ac) Inspection Acceptance Certificate demonstrating compliance with the technical specifications of the Seller to be issued by the Buyer. (Stage Completion Certificate).

(ad) Claim for statutory and other levies to be supported with requisite documents/proof of payment, as applicable.

(ae) Exemption certificate for taxes/duties, if applicable.

***Note**: The above list is illustrative. The documents that may be required, depending upon the peculiarities of the procurement being undertaken, may be included/ excluded in RFP.*

(e) **Post Delivery**. The Seller will obtain clearance certificate from User and submit any other relevant documents as specified in the contract for last stage payment as per **Annexure I to this Appendix** for claiming this stage payment.

(f) **Mode of Payment**. The payment will be made by PCDAi/ CDA (IN/ICG) who will release the payment through cheque/ EFT. In shipbuilding cases where payments through Escrow Account is made mandatory, the payment will be made by PCDA/CDA who will release the payment through cheque/ EFT to an Escrow Account as per modalities of Escrow Agreement signed between BUYER, SELLER and Escrow account operating Bank at the time of signing of Contract.

(g) **AMC/CMC/PBL/LCSC Payments**. Quarterly/ Half-yearly/ Annually payments will be made by PCDA, Mumbai/ CDA(*IN*/CG), New Delhi on submission of User clearance certificate through issue of cheque/ EFT.

***Note:** This Para may be included if there is AMC/CMC/PBL/LCSC clause in RFP. Choice of Quarterly/Half-yearly/Annually may be decided as per merits of the case*

(h) **BNE Payments**. *as applicable* Payment of BNE equipment/ systems and associated overheads/ profit, Modifications and BFE handling charges (if any) would be done through opening of a separate project account. Shipyard can make payments against actual cost incurred for procurement after submission of relevant documents.

(j) **Payment of Taxes and Duties on Completed Vessels**. Payment of taxes, duties and statutory levies on completed vessels will be made on submission of requisite documentary proof to Paying authority. Reimbursement of taxes and duties will be as per rates and amounts indicated in the Commercial Bid/ Contract or as per actuals whichever is lower. In case of any change in the tax structure/ rates by BUYER's Government, only incremental/ decremented change will be paid.

(k) **Payment Terms for B&D Spares**. Payment for B&D spares will be as follows :-

Stage	Cost payable and Activity	Time Schedule
I	10% of B&D	On the date of signing the Contract and against Advance Bank Guarantee (10% of cost of B&D Spares including total handling charges as quoted in Commercial Bid). *SHQ can modify the term as per each project requirement*
II	90% of B&D Spare Cost	On pro-rata basis on proof of receipt by the consignee along with 90% of total handling charges on pro rata basis. *SHQ can modify the term as per project requirement*
The percentage of advance paid and LD (if any) on B&D spares will be deducted from the relevant stage payment of B&D spares. The percentage and amount of advance to be deducted should be indicated in every stage bill while claiming the payment. The full amount of advance paid will be adjusted in stages. The Handling charges will be on pro-rata basis of the total value of B&D supplied by the Seller on actuals.		

(l) **Payment Terms for Project Monitoring Expenses**. *if applicable* The payment stages will be decided based on mutual deliberation between Buyer and Bidder during CNC (**Annexure III to this Appendix refers**). Or The payment on Project Monitoring System expenses will be made on submission of claim for PMS on Monthly/ quarterly/ yearly basis.

(m) The payment stages for BNE items will be decided based on mutual deliberation between Buyer and Seller during CNC.

(n) **Exchange Rate Variation**. Exchange Rate variation shall be applicable for Rupee contracts with Indian Vendors, based on RFPs issued under all categories of capital acquisitions mentioned at Para 8 to 12 of Chapter I of DAP. The indigenous & import components as also the various currencies (of the import components) for ERV purposes, must be determined in advance. ***The guidelines on protection of Exchange Rate Variation are given at Annexure IV to this Appendix***.

(p) **Payment by Letter of Credit (LC)**. **For Capital Acquisition, Category "Buy Global" (other than Defence PSUs in *ab initio* Single Vendor Cases or as a nominated production agency),** Indian vendors can exercise option to take payment either through Letter of Credit (LC) or Bank Transfer. The payment terms would be regulated as given below: -

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
1	The Accounting and Payment currencies shall be Rupees only. However, Exchange Rate Variation (ERV), as per ERV provisions contained in **Annexure IV to this Appendix**, where permissible, shall be paid, only in INR.	
2	The Total Contract Price will be as per Para 1.3.	

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
3	The total contract price referred to in Article 1 of the contract shall be paid as follows:- (a) **Advance Payment**. _____% of total value of goods supplied being ₹ _____shall be paid to the Bidder, through Bank Transfer, within 30 days of the receipt of the following documents: (i) Advance Bank Guarantee as per Article 3B of the Contract. (ii) Performance cum Warranty Bank Guarantee as per Article 4 B of the Contract. (iii) Any other specific document (like proforma invoice) if required. *(**Note**: The second stage advance payment after completion of specific milestone may also be paid through Bank Transfer.)*	
4	For the second/next stage payment the SELLER has the option to seek payment either through Bank transfer from the O/o of PCDA or through Letter of Credit.	
5	Where the Bidder opts for payment through LC, all payments except for the first stage payment as per clause 3 above shall be made by LC, as per following conditions:- (a) The Bidder will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment. (b) Consequent on receipt of the above notification, the BUYER shall open the Letter of Credit through PCDA before expiry of this period of 45 days provided a 5% Performance cum Warranty Bond for the Full value of the Contract has been received. (c) The Letter of Credit will be opened with a Public Sector bank or Private Sector Bank (if approved by MoF) for _____% of the Contract value with the Bidder's Bank, i.e.___ & Bidder's Account No. __. It will be valid for a period of __ days/months from the date of opening. ***Note**: Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days/months depending upon the delivery schedule.*	Where the Bidder opts for payment through Bank Transfer payment shall be made as per following conditions:- (a) The Bidder will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment. (b) Once a Bidder opts for payment through Bank Transfer, no changes in mode of payment would be permitted.

		In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving Letter of Credit can be opened. (d) The payment against LC shall be made to the Bidder against presentation of the documents specified. (e) In the event of delay in opening the Letter of Credit (reasons for which are solely attributable to Buyer), the delivery date will automatically stand extended to that extent. Formal amendment/ certification from Buyer will be required as shipment date would have to be amended in SWIFT form accordingly. (f) All expenses connected with establishment of the Letter of Credit in India will be borne by the Bidder. (g) Where the extension of the validity of Letter of Credit is necessitated, the Bank charges for extension shall be borne by the party whose default causes such an extension. (h) Once a Bidder opts for payment through LC, no mid-way changes in mode of payment are permitted. (j) The Letter of Credit shall be subject to and shall be governed by the instant Uniform Customs and Practices for Documentary Credits issued by the International Chamber of Commerce. (k) Any amendment in LC terms will be subject to Buyer's approval.	

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
6	All payments will be carried out with reference to the number of this contract.	
7	The Second/next Stage payment comprising __% of the value of goods supplied and full freight and insurance (where admissible) thereon, shall be paid to the Bidder on submission of the following documents, in six copies each: (a) Commercial invoices in original. (b) Contractor's bill in original. (c) Certificate of Conformity and Acceptance test report at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER"s representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and acceptance certificate issued by the SELLER. (d) Proof of Despatch (original copies of RR, P. Way bill of Lading, Airway bill as applicable). (e) Packing List. (f) Warranty certificate from the supplier. (g) Certificate of current manufacture from OEM. (h) Insurance documents for 110% of the cost of consignment, except where the supply is Ex-Works. (j) Proof of Duty/Tax paid/reimbursable like deposition receipt/challan etc. ***Note:*** *(i) The Invoice and Contractor's bill must show the contract reference number, break-up of costs in terms of unit costs, total costs, exchange rate element, percentage rates of taxes and duties and amount payable/paid, in complete detail.* *(ii) Three copies of Bidder's Commercial Invoices, proof of dispatch, packing list and the specifications will be sent by courier and fax by the Bidder to the BUYER (Wing of Service HQ to be specified) within 3 days after the equipment has been shipped. Intimation may also be forwarded to Ministry of Defence, South Block, New Delhi (Wing to be specified).*	

Clause	Where Bidder opts for payment through Letter of Credit	Where Bidder opts for payment through Bank transfer
8	Payment of other components of contract- (a) Training. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER"s representative that training program has been completed. (b) Reimbursable Expenses. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Suppliers may ensure submission of same with details of contractual obligations completed and payments received. **This clause shall form part of LC.** (c) Installation and Commissioning Charges. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. **Documents in proof of rates claimed shall need to be annexed**. (d) AMC Charges. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.	Payment of other components of contract- (a) Training. Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed. (b) Reimbursable Expenses. Based on documentary proof of actual payment against the contract, issued by relevant statutory authority. Bidders may ensure submission of same with details of contractual obligations completed and payments received. (c) Installation and Commissioning Charges Commercial invoice/ Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. (d) AMC Charges. Commercial invoice/Contractor's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.
9	Balance Payment. The balance payment for _____% shall be paid to the SELLER against presentation of following documents:- (a) Copies of invoices (three copies). (b) Copy of JRI and acceptance certificate issued by the BUYER. (c) Contractor's bill (d) Extended bank guarantee wherever required	
10	SELLER"s bankers address and account number: - Bank Name: Branch Name: Account No.: Sort Code: SWIFT Code: IFSC Code RTGS No	SELLER"s bankers address and account number:- Bank name: Branch name: Bank account No.: IFSC Code MICR Code
11	Where admissible, tax deduction at source will be done **by the Bank releasing payment against LC.**	Where admissible, tax deduction at source will be done **by PCDA.**
12	Payment/recovery in terms of the Contract will be made **by the Bank releasing payment against LC**. All documents under the LC shall be delivered by the Bank to PCDA (through Trade Finance CPC, New Delhi).	Payment/recovery in terms of the Contract will be made **by PCDA.**

2. **Performance-cum-Warranty Bank Guarantee Clause**. A Performance-cum-Warranty Bank Guarantee (PWBG) of 5% of value of the **Total Contract Price** including taxes and duties would be furnished by the Bidder in the form of a Bank Guarantee to sequentially act as Performance Bank guarantee till the delivery and as Warranty Bank Guarantee on delivery. The PWBG shall be submitted by the Bidder within one month of signing of contract and shall be valid for a period, until three months beyond the warranty period, as specified in the RFP. If at any stage, the Performance Guarantee is invoked by the Buyer either in full or in part, the Seller shall make good the shortfall in PWBG within 30 days by an additional Bank Guarantee for equivalent amount. In the event of failure to submit the required Bank Guarantee against invoked Performance Guarantee, equivalent amount will be withheld from the next stage payment till the shortfall in the Bank Guarantee is made good by the Bidder. The prescribed format of the Performance-cum-Warranty Bank Guarantee is placed at **Annexure V to this Appendix**.

3. **Performance Bank Guarantee for AMC/CMC/PBL/LCSC**. *where applicable* The Bidder will be required to furnish a Performance Guarantee by the way of a Bank Guarantee of a sum equal to 5% of the Total Price of AMC/CMC/PBL/LCSC including taxes and duties, for contracted duration prior to expiry/ return of the PWBG of the Main Contract. Performance Bank Guarantee should be valid for 03 months beyond the period of the AMC/CMC/PBL/LCSC. The format of the Performance Bank Guarantee is to be as per **Annexure V to this Appendix**.

4. **Indemnity Bond**. (***Note*** *- This para is to be included only in the Single Vendor cases with Defence PSUs/ JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis. In competitive bidding cases, all participating entities will furnish all Bank Guarantees, as applicable*). DPSUs/JV with DPSUs/PSUs/Government Entity may furnish Indemnity Bonds instead of Bank Guarantees towards Advance Payment Bank Guarantee and Performance- cum-Warranty Bank Guarantee as given in **Annexure VI to Appendix**.

5. **Liquidated Damages (LD)**.

(a) In the event of the Bidder's failure to submit the Documents or/and delay in completion of the project and if the delay is attributable to the Bidder, the Buyer may at his discretion withhold cost of the specific vessel/ stage or 1% of the Total Contract Price, whichever is higher, until the completion of the contract. In case of delay in completion of the project and if the delay is attributable to the shipyard, Liquidated Damages will be levied after a Grace Period, as amplified below:-

(i) **Grace Period**. Grace period will be calculated at the rate of 5% of the build period (in months), subject to a minimum of one month and a maximum of three months.

(ii) **Liquidated Damages**. Beyond the Grace Period, LD will be levied at the rate of **1/100** of the **delay percentage** {Delay percentage = (Period of Delay wrt the build period, in month) x 100/ (Build Period in month as per contract)} of the Vessel Cost upto a limit of 10%, for every month of delay or part of a month delay (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery

period). Vessel cost is as defined at Para 2 of **Annexure I to this Appendix M**, excluding cost for BFE and B&D spares.

(iii) Waiving of LD may be done at discretion of Buyer, if it is established by Buyer that reasons for delay is either on account of Buyer or due to Force Majeure.

(b) **Consequence of Not Achieving Specified Speed/Performance (Optional Clause for ships constructed under Section B)**. The Contractual speed of the ship shall be _____ Knots, based on the measured mile trial runs, with clean hull, in calm and deep water, at fully loaded condition. If the speed with clean hull in deep and calm water is less by more than ½ knot of contractual speed, the Vessel Cost (Total of Ser (b) to (k) and (r)(iii) of **Appendix N**, excluding Cost of ToT), for every shortfall in speed of ½ knot, or on pro-rata basis for part thereof from the contractual speed. If the speed falls short by more than ____ knot, the Seller shall take necessary steps to bring the speed to the _____ knot at their own cost and within an indicated time frame.

The Buyer may also include specific consequences for not achieving major performance parameter in lieu of the clause of not achieving speed.

(c) **Consequence of Delay in Delivery of B&D spares**. In the event of the Seller's failure to have the B&D Spares delivered by the date/dates specified in the contract, the Buyer may, at his discretion withhold any payment until the whole of the Spares have been supplied and the Buyer may also deduct from the seller, liquidated damages to the sum of **1/100** of the **delay percentage** {Delay percentage = (Period of Delay in Delivery in Months) x 100 / (Delivery Period in months as per contract)} of the Base contract price of the delayed/ undelivered spares mentioned above for every month of delay or part of a month, subject to the maximum value of the Liquidated Damages being not higher than **10%** of the Base contract price of the value of delayed spares (Any extension given by the buyer for delay attributable to buyer or Force Majeure Clause to be factored in delivery period).

Payment Deductions and Damages for Shortfalls in AMC/CMC/PBL/ LCSC Services. *where applicable*

The clause for payment deductions and damages for shortfall in AMC/CMC/PBL/LCSC is to be formulated on case to case basis. A sample formulation is given below.

In case the cumulative downtime exceeds ____ (working days) in the _____ (Quarter/Half-year/Year), payment will be deducted. The total downtime will be calculated at the end of the _____ (Quarter/Half-year/Year) and payments will be deducted. The total payments to be deducted will be calculated as follows:-

(a) Payments would be deducted on pro-rate basis for the duration, by which cumulative downtime exceeds ___(working days), as follows:-

(i) Per year AMC/CMC/PBL/LCSC = 'X₁'

(ii) Period by which cumulative downtime exceeds the specified cumulative downtime, in days = 'Y₁'

(iii) Payment Deduction = 'Z₁',
*Where Z₁ = [(X₁/ Number of days in the year) * Y₁]*

(b) In addition, damages would be deducted to the sum of 0.1% of the per annum AMC/CMC/PBL/LCSC cost per day, for the duration, by which cumulative downtime exceeds the maximum permissible cumulative downtime per quarter/half-year/year, subject to the maximum value of this damages not being higher than 5% of the annual AMC/CMC/PBL/LCSC cost.

6. **Denial Clause**. In case the delay in delivery is attributable to the Seller or a non-force majeure event, the Buyer may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the supplier of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in prices due to the Price Variation Clause (PVC) and/or any adverse fluctuation in foreign exchange are to be borne by the Seller during the extended delivery period, while the Buyer reserves his right to get any benefit of downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period. The format for extension of delivery period/ performance notice under the Denial clause is at **Annexure VII to Appendix M**.

7. **End User Certificate**. The Buyer shall also provide End User Certificate as applicable and wherever feasible, for material and equipment imported for the purpose of construction of the vessel(s).

8. **Delivery Period Extension**. In case of delay in delivery of any deliverables, The Bidder shall submit a consolidated case to the BUYER showing the effect of delays on the project including causes at least 05 months in advance prior to contracted delivery date. The BUYER shall undertake the review and analyse these delays promptly and process the case for Delivery Period (DP) **Extension With/ Without LD (as applicable).** The amendment to the Contract after approval of **Competent Authority** will be undertaken by the BUYER. Such amendments to the Contract shall be mutually signed by both the Parties (i.e. BUYER and Bidder). The approval of the DP Extension will be as per **Annexure VII to Appendix M**.

9. **Price Variation Clause**. *applicable only for cases with delivery period more than 36 months*

Price variation will be applicable to Indian Rupee component of the Contract on the cost of basic equipment indicated at Ser (_) of Price Bid Format at **Appendix N**. L1 determination will be based on overall quoted prices as indicated in the Price Bid Format. The PVC will be applicable 18 months after the last date of bid submission till the date of bid opening and thereafter from the Effective date of Contract. The PVC will be applied during payments as per Payment Schedule at **Annexure I to Appendix M**. The indices for calculation of the price variation along with weightages are enumerated below. The variations are calculated by using the indices published by Government or Chambers of Commerce periodically. The guidelines for calculation of Price Variation are specified at **Annexure VIII to this Appendix**.

Applicable Indices	**Assigned Weightages**
(a)	
(b)	

***Note**: For AMC/CMC/LCSC/PBL, as applicable, PVC is to be formulated and indicated at Annexure **VIII** to Appendix M.*

Annexure I to Appendix M
(Refers to Para 10 of RFP)

STAGES OF PAYMENT AND DELIVERY SCHEDULE

1. The terms of payment may vary between each project depending upon a variety of factors such as indigenous content, necessity for building infrastructures, imports, design considerations, development of indigenous technology and quantum of BNE etc. However, some broad guidelines for payment terms are appended in subsequent Paras.

2. The Vessel Cost (i.e Total of Ser (b) to (k) and r(iii) of **Appendix N**, excluding Cost of ToT)/ Fixed Price Element will be paid as per following stages on completion of respective stage activity. The Vessel Cost will not include costs towards Handling of B&D spares and Project Monitoring System, the payment stages of which have been specified at Para 1.5 (j) & (k) of App M respectively. The payment stages of ToT, if applicable, will be specified separately.

(a) **For Ships**. 15 stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalized during CNC/Remarks
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel/ Hull Construction (b) Submission of Cardinal date programme /Production PERT	
III	5%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalized and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only	

		(b) Completion of main engines, gear boxes, girders & Seatings/ m/c seating as applicable to erecting of 60% hull	
VI	5%	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship of series only (b) All access holes to be cut and preparation of main seating in m/c compartment (c) Placement of order for majority equipment & systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b)Manufacture/procurement of W/T doors and hatches (c) Submission of network of balance activities upto delivery alongwith resource allocation	
VIII	10%	(a) Completion of machinery, equipment & fittings with associated system required for reaching pre-launch stage and submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	
IX	5%	Completion of 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	5%	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	10%	Completion of Basin Trials	
XIII	5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings, manuals for the ship to be made available to the concerned agencies as per specifications	

		(d) Completion of first reading of D-448 and acceptance of vessel	
XV	10%	On completion of 'shipyard guarantee liabilities' and GRDD final reading of D 448 and completion of all guarantee liabilities	Payment for Stage XV may be paid along with Stage XIV on submission of Bank Guarantee of equivalent amount
Note :- ***Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. However, for high value projects, SHQ may revise the APBG requirement and provide justification for the same in the SoC while seeking specific AoN.***			

(b) **For Submarines**. Fifteen stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel' Cost	Activity	Schedule to be finalized during CNC/Remarks
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel/ Hull Construction (b) Submission Cardinal date programme /Production PERT and acceptance by Buyer	
III	15%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalized and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only (b) Completion of main engines, gear boxes, girders & Seatings/ m/c seating as applicable to erecting of 60% hull	
VI	15 %	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship series only (b) All access holes to be cut and preparation of main seating	

		(c) Placement of order for majority equipment & systems affecting conduct of basin trials	
X	2.5 %	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	2.5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	2.5%	Completion of Basin Trials	
XIII	2.5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	2.5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings, manuals for the ship to be made available to the concerned agencies as per specifications Completion of first reading of D-448 and acceptance of vessel	
XV	5 %	On completion of 'shipyard guarantee liabilities' and GRDD final reading of D 448 and completion of all guarantee liabilities	Payment for Stage XV may be paid along with Stage XIV on submission of Bank Guarantee of equivalent amount

Note:-

Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. However, for high value projects, SHQ may revise the APBG requirement and provide justification for the same in the SoC while seeking specific AoN.

(c) **For Yard Craft/ Auxiliaries**. Seven stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel cost	Activity	Pre-Requisites
I	10%	On signing of the Contract (10% of Vessel Cost)	On submission of bank guarantee of equal value and Performance – cum-Warranty Bank Guarantee(s) of 5% of Total Contract Price. DPSUs may submit indemnity bond when nominated.
II	20%	(a) Proof of ordering of steel/Hull construction Material (b) Submission of cardinal date programme/ production PERT and acceptance by Buyer (c) Submission of main hull structural drawings. (d) Order for all major pre-launch items finalized and placed (e) Submission of Drawing Schedule. (f) Erection of 40% hull (g) Submission of equipment schedule. (h) Completion of main engines, Gear box girders & seatings/ machinery seatings as applicable to erection of 40% hull.	To be certified by owner's rep/overseer. Payment shall be released on submission of Bank Guarantee of equal value.
III	10%	(a) Completion of main engines, gear box girders, seatings/ machinery seatings as applicable to erection of 70% hull. (b) All access holes to be cut and preparation of main seatings in machinery compartment. (c) Manufacture /procurement of W/T doors and hatches	To be certified by Owner's rep/Overseer. Payment shall be released on submission of Bank Guarantee of equal value.

		(d) Pressure test of built in tanks (e) Submission of network of balance activities	
IV	10%	(a) Erection of 100% main hull (b) Placement of order for major equipment & system affecting conduct of basin trials (c) Pressure test of built in tanks (d) Submission of network of balance activities	To be certified by Owner's rep/Overseer. Payment shall be released on submission of Bank Guarantee of equal value.
V	15%	(a) Completion of installation of machinery, equipment and fittings with the associated systems required for reaching pre launch stage. (b) Launching of vessels or equivalent stage of construction reached. **Note**. If large amount of machinery is to be placed after the launch of the vessel, this stage may be split into two @10% or 7.5% each	To be certified by Owner's rep/Overseer. Payment shall be released on submission of Bank Guarantee of equal value.
VI	30%	(a) Completion of Basin Trials (b) Completion of inclining experiment and draft survey for subsequent crafts (c) Successful completion of Contractor's Sea Trials (form part of vessel acceptance trials) (d) Successful completion of final machinery trials (e) Stowage of all on-board spares (f) All documentation, drawings, manuals for the ship to be made available to the concerned agencies as per specifications (g) Completion of first reading of D-448 and acceptance of the vessel.	To be certified by Owner's rep/Overseer.
VII	5%	All defects, deficiencies and Contractor's liabilities including guarantee repairs & dry docking to be completed.	

Note:-

Payment to be made as per the defined stages and not necessarily to be linked with the sequence. All advance payments are to be secured with Bank Guarantees of equivalent amount. The Seller shall not be entitled to any payment under this project, unless the overseer has certified that all work up to that stage for the barge concerned has been satisfactorily completed. The overseer shall, on receipt of notice in writing from the seller, promptly examine the work requiring certification for issuance of payment.

3. **Delivery Schedule of Vessels**.

3.1 To Buyer's representative, afloat at **(place- may be specified)**, **at the Seller's cost as per the schedule indicated below.** The onboard spares (OBS), special tools, accessories, and documents/publications shall be delivered along with delivery of the vessel(s). 'As Fitted'/'As Made' drawings are to be delivered after the delivery of the respective vessel(s). The consignee for the B&D spares along with delivery schedule is _____(Name of authority-may be specified).

Delivery Schedule

3.1.1 The delivery of the vessel with all onboard equipment/ systems, onboard spares, documentation, tools and associated test equipment including successful acceptance trials will be as per schedule indicated below. The delivery of the Vessel will be at the Seller's cost. On board spares (OBS), documentations, tools and accessories shall be delivered along with delivery of each Vessel. 'As fitted drawings' are to be delivered, within one month of delivery of each Vessel to the consignee. No credit will be given for early deliveries. The B&D spares for all Crafts will be delivered within _____ (period to be indicated) after the scheduled delivery of last Vessel to ultimate consignee as indicated by the buyer.

3.1.2 The **ultimate consignees** for the Vessel and **B&D** spares is _____(indicate location) and the Vessel(s) are required to be delivered as per the following sequence: -

Ser	Description	Port of Delivery	Delivery Period	Remarks
(a)	Vessel No.1		T_0 +____Months	'T_0' to be reckoned as per Para 1.5 (c) of Appendix 'M'. The Vessel are to be delivered at (indicate port of delivery/ place of delivery)
(b)	Vessel No.2		T_0 +____Months	
(c)	Vessel No.3		T_0 +_____Months	
(d)	Vessel No.4		T_0 +_____Months	
(e)	Vessel No.5		T_0 +_____Months	

3.2 **DELIVERY SCHEDULE OF TRANSFER OF TECHNOLOGY (ToT) AND INFRASTRUCTURE DELIVERABLES (if applicable)**.

The proposed delivery schedule for ToT and Infrastructure Deliverables to Production Agency

Annexure II to Appendix M
(Refers to Para 1.4.2 and 1.5 (b))

BANK GUARANTEE FORMAT FOR ADVANCE

To

The _____
Ministry of _____
Government of India
_____(complete postal address of the beneficiary)

1. "Whereas President of India represented by the _____Ministry of _____ Government of India (hereinafter referred to as BUYER) have entered into a Contract No. _____ (No. of Contract), dated ___ (Date of Contract) with M/s _____(Name of SELLER) (referred to as SELLER) and whereas according to the said Contract the BUYER has undertaken to make an advance payment of Rs. _____being payment of _____% of the total value of Rs./US$/Euro/PS/Yen/AUD/SGD_____ of the said Contract, against issuance of an advance guarantee by a bank."

2. We _____ (indicate the name of the bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the BUYER intimating that the SELLER is in breach of the Contractual obligations stipulated in the said Contract. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our total liability under this guarantee shall be restricted to an amount not exceeding Rs. /US$/Euro/PS/Yen/AUD/SGD _____.

3. We undertake to pay to the BUYER any money so demanded notwithstanding any dispute or disputes raised by the SELLER in any suit or proceedings pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the SELLER shall have no claim against us for making such payment.

4. We, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the BUYER under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till _____ office/ Department/ Ministry of _____certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said SELLER and accordingly discharges this guarantee.

5. We, further agree with the BUYER that the BUYER shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary

any of the terms and conditions of the said Contract or to extend time of performance by the said SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the BUYER against the said SELLER and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, Amendment issued vide MoD ID No. 4(50)/D(Acq)/08 dated 20.06.2016 or extension being granted to the said SELLER or for any forbearance, act or omission on the part of the BUYER or indulgence by the BUYER to the said SELLER or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

6. The amount of this guarantee will be progressively reduced by (percentage of advance) _____ of total value of each part shipment/services against the stage payment released by the BUYER for that shipment/services made by the SELLER and presentation to us of the payment documents.

7. This guarantee will not be discharged due to the change in the constitution of the bank or the BUYER/SELLER.

8. We, undertake not to revoke this guarantee during the currency except with the previous consent of the BUYER in writing.

9. Notwithstanding anything contained herein above:-

(a) Our liability under this Guarantee shall not exceed Rupees/US$/Euro/PS/Yen/AUD/SGD _____(in words) _____.

(b) This Bank Guarantee shall remain valid until _____ (hereinafter the expiry date of this guarantee) the Bank Guarantee will cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____(Expiry Date).

Dated the _____day of _____(month and year)

Place :

Signed and delivered by _____(Name of the bank)

Through its authorised signatory

(Signature with seal)

****

Annexure III to Appendix M
(Refers to Para 1.5 (l))

PROJECT MONITORING SYSTEM

(General Guidelines. To be altered as per requirements of the Project)

1. **Project Monitoring**. In view of the complex nature of the ship building projects involving multi-disciplinary efforts from a number of agencies, a high level of multi layered, proactive project management mechanism is required to be set up for ensuring the timely completion of the Project. The primary features of the Project Management System (PMS) envisaged are as follows: -

(a) Enterprise Project Monitoring using Commercial Off the Shelf (COTS) enterprise software tools.

(b) On line web based project monitoring, drawing approvals, online alerts, status reports, project analysis, trouble-shooting etc.

(c) Turn Key maintenance, administration and project analysis support by the PMS provider.

(d) The project monitoring software, hardware etc. will be offloaded to proficient vendors at actual and the responsibility of training will be with the vendor contracted for the same.

2. The broad scope of supply and work for the PMS required is as follows: -

(a) Project planning, monitoring and analysis support to the Project Manager.

(b) Project management as a collective portfolio of sub-projects, tasks, resources, supply etc. for better decision-making using an advanced Enterprise Project Management tool e.g. Primavera/Microsoft Project Enterprise Edition etc.

(c) Facilitate improved project team communication by having a system wherein all Project stakeholders have access to up-to-date information and can communicate within the system. The system is to use a web based design, with on-line connectivity for data, voice and video.

(d) Supply of required software and hardware and other IT infrastructure.

(e) Maintenance, administration and support of the PMS.

(f) Training on the system.

Any other accessories which could help in project monitoring and co- ordination.

Annexure IV to Appendix M
(Refers to Para 1.5 (n))

GUIDELINES OF PROTECTION OF EXCHANGE RATE VARIATION IN CONTRACTS

1. Parameters to be kept in view while formulation ERV Clause.

(a) In contracts with Indian Vendors in all categories of capital acquisitions where there is an import content, ERV clause will be provided. However, ERV clause shall not be applicable to contracts in following conditions:-

(i) The delivery period is less than one year; or

(ii) The rate of exchange variation is within the band of +/- 2.5%.

(b) ERV clause will be framed according to the specific requirements of the contract. While calling for information at the RFP stage/formulation of ERV clauses in the contracts, the following factors are to be taken into consideration depending upon the requirements of the individual contracts:-

(i) Year wise and major currency wise import break up is to be indicated.

(ii) Detailed time schedule for procurement of imported material and their value at the FE rates adopted for the contract is to be furnished by the vendor as per the format given below:-

YEAR	**TOTAL COST OF IMPORTED MATERIAL (In rupees)**	**FE CONTENT-OUT FLOW (equivalent in rupees ₹ in crore)**			
		US DOLLAR DENOMINATED	**EURO DENOMINATED**	**POUNDS DENOMINATED**	**OTHER CURRENCIES DENOMINATED (as applicable)**

(iii) ERV clause will not be applicable in case delivery periods for imported content are subsequently to be refixed/ extended unless the reasons for delivery period extension are attributable to the buyer.

(iv) For purposes of ensuring uniformity, the Base Exchange Rate on the ERV reckoning date will be adopted for each of the major foreign currencies. The Base Exchange Rate will be the BC Selling Rate of the Parliament Street Branch of State Bank of India, New Delhi. The ERV reckoning date will be the last date of submission of commercial bids as per RFP. In cases where

Option Clause is exercised, the date of reckoning of ERV will be the last date of submission of bids for the RFP of the Original Procurement Case.

(v) ERV clause in the contract is to clearly indicate that ERV is payable/ refundable depending upon exchange rate as prevalent on the date of transaction with reference to Base Exchange Rate on the ERV reckoning date.

(vi) Other issues which are peculiar to the contract.

2. **Methodology For Claiming ERV**

"The prices finalised in the contract are based on the base exchange rates indicated in the contract. The year-wise amount of foreign exchange component of the imported items as indicated in the contract shall be adjusted for the impact of exchange Rate Variation of the Rupee based on the exchange rate prevailing on the date of each transaction, as notified by the SBI, Parliament Street Branch, New Delhi. The impact of notified Exchange Rate Variation shall be computed on an yearly basis for the outflow as tabulated in Annexure….. (The table at Para 1(b) (ii) is to be an Annexure to the contract) and shall be paid/refunded before the end of the financial year based on the certification of Finance Head of the concerned Division…..".

3. Paying authority is to undertake a pre-audit of the documents before payment.

4. Documentation for Claiming ERV. The following documents would need to be submitted in support of the claim on account of ERV:-

(a) A bill of ERV claim enclosing worksheet.

(b) Banker's Certificate/debit advice detailing Foreign Exchange paid and Exchange rate as on date of transaction.

(c) Copies of import orders placed on the suppliers.

(d) Invoice of supplier for the relevant import orders.

****

Annexure V to Appendix M
(Refers to Para 2 & 4)

BANK GUARANTEE FORMAT FOR PERFORMANCE-CUM-WARRANTY

To

The _____
Ministry of _____
Government of India
_____(complete postal address of the beneficiary)

Dear Sir,

1. Whereas President of India represented by the _____ Ministry of _____, Government of India (hereinafter referred to as BUYER) have entered into a Contract No. _____dated _____ (hereinafter referred to as the said Contract) with M/s. _____(hereinafter referred to as the SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee amounting to Rs. /US$/Euro/PS/Yen/AUD/SGD _____ which is 5% of the **Total Contract Price** (including taxes and duties) to cover 5% of **Total Contract Price (including taxes and duties) each** for Performance and Warranty in sequence, to secure its obligations towards Performance-cum- Warranty to the BUYERs.

2. We, the _____ bank hereby expressly, irrevocably and unreservedly undertake the guarantee as principal obligors on behalf the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach/failure to perform by the said SELLER of any of the terms and conditions in the Contract related to Performance and Warranty clauses, we will pay you, on demand and without demur, all and any sum up to {5% of Total Contract Price (including taxes and duties)} _____ Rupees/US$/Euro/PS/Yen/AUD/SGD only at any instance under this Guarantee. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or released from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alterations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Performance-cum-Warranty guarantee shall remain valid for a period until three months beyond the warranty period as specified in the Contract i.e. upto .

7. Subject to the terms of this Bank Guarantee, the issuing bank hereby irrevocably authorizes the beneficiary to draw the amount of upto Rs. /US$/Euro/PS/Yen/AUD/SGD_____ {5% of Total Contract Price (including taxes and duties)} for breach/failure to perform by the SELLER of any of the terms and conditions of the Contract related to performance and warranty clause. Partial drawings and multiple drawings under this Bank Guarantee are allowed within the above stated cumulative amount subject to each such drawing not exceeding 5% of the Total Contract Price (including taxes and duties) (Rs. _____/US$/Euro/PS/Yen/AUD/SGD _only) (Mention BG amount).

8. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M/s ____. We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

9. Notwithstanding anything contained herein above:

(a) Our liability under this Guarantee shall not exceed Rs./US$/Euro/PS/Yen/AUD/SGD_____(Rupees/US$/Euro/PS/Yen/AUD /SGD_____only (in words).

(b) This Bank Guarantee shall remain valid until 3 months from the date of expiry of warranty period of the Contract, i.e upto _____ (mention the date) which is 3 months after expiry of the warranty period and the BG shall cease to be valid after _____ irrespective whether the Original Guarantee is returned to us or not.

(c) We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____(Expiry Date).

Dated the _____day of _____(month and year)

Place :

Signed and delivered by _____(name of the bank)

Through its authorised signatory

(Signature with seal)

Annexure VI to Appendix M
(Refers to Para 5 of Appendix M)

INDEMNITY BOND FOR PERFORMANCE-CUM-WARRANTY

1. This deed made on this ____ day of ____ by M/s _____,a company registered under The Companies Act 2013 having its registered office at _____and acting through its corporate office at _____ hereinafter referred to as the "SELLER").

2. Whereas MoD, New Delhi acting on behalf of the President of India (hereinafter referred to as "BUYER") has placed a Contract No _____dated _____.

3. And whereas, the SELLER has agreed to execute this Indemnity Bond for performance- cum-warranty on the terms and conditions appearing hereinafter.

4. It is hereby agreed and declared by the SELLER that:-

(a) The SELLER shall duly and faithfully perform its obligation under the said contract and comply with the conditions in the said contract.

(b) The SELLER shall, in as much as with its control, refrain from such actions or actions as may cause loss, injury, damage to the BUYER.

(c) In the event of breach/default by the SELLER in complying and in case the breach/default is not remedied by the SELLER up to period of the notification of the breach/default by the BUYER, the SELLER shall indemnify to the BUYER, to the extent of {_____ (₹ _____ only) being _____5% of the Total Contract Price (including taxes and duties) of {_____(₹ ____ only) of any direct losses or damages suffered by the BUYER due to failure of the SELLER.

(d) The SELLER shall be fully discharged of its obligations under this bond on meeting its liability as per Para 4(c) є above which shall be restricted to the limit as provided at Para 4(c) є above.

(e) The SELLER shall not be liable for any breach/default arising out of force majeure situation or due to any default, action, inaction or failure on the part of the BUYER. The liability of the SELLER under this bond shall remain and in full force until the fulfilment of the obligations of the SELLER under the said Contract.

(f) The SELLER hereby expressly, irrevocably, and unreservedly undertake and guarantee that in the event that the beneficiary submits a written demand to SELLER stating that they have not performed according to the warranty obligations for the PRODUCTS as per said Contract, SELLER will pay BUYER on demand and without demur any sum up to maximum amount of ___ 5% of the Total Contract Price (including taxes and duties). BUYER'S written demand shall be conclusive evidence to SELLER that such repayment is due under the terms of the said contract. SELLER undertakes to effect payment within ___days from receipt of such written demand.

(g) The amount of warranty/guarantee shall not be increased beyond ___%. Unless a demand under this warranty/guarantee is received by SELLER in writing on or before the expiry date (unless this warranty/ guarantee is extended by the SELLER) all rights under this guarantee shall be forfeited and SELLER shall be discharged from the liabilities hereunder. This warranty/guarantee is personal to the BUYER and not assigned to a third party without prior written permission.

5. This Indemnity Bond for Performance-cum-Warranty guarantee shall be governed by Indian Law.

For ----------

Signature:	Signature :
Name:	Name :

Witness

1.

2.

****

Annexure VII to Appendix M
(Refers to Para 10 of Appendix **M**)

FORMAT FOR EXTENSION OF DELIVERY PERIOD/ PERFORMANCE NOTICE

Name of the Procuring Entity.....

Extension of Delivery Period/Performance Notice

To
M/s (name and address of firm)

Sub: Contract No..... dated.....for the supply of.....

Ref: Your letter no. ..... dated: .....

Dear Sir,

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In your letter under reply you have asked for [further] extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from (fill in date) to (fill in date).

2. Please note that notwithstanding the grant of this extension in terms of Clause (fill in clause number) of the subject contract an amount equivalent to ..... % (..... per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable), viz., (fill in date) will be recovered from you as liquidated damages. You may now tender the Stores for inspection [balance of the Stores] in terms of this letter. Stores if any already tendered by you for inspection but not inspected will be now inspected accordingly.

3. You are also required to extend the validity period of the performance guarantee for the subject contract from (fill in present validity date) to (fill in required extended date) within15 (fifteen) days of issue of this amendment letter.

4. The above extension of delivery date will also be subject to the following Denial Clause:-

(a) That no increases in price on account of any statutory increase in or fresh Imposition of customs duty, GST or on account of any other taxes/duty, including custom duty), leviable in respect of the Stores specified in the said contract which takes place after (insert the original delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and,

(b) That notwithstanding any stipulation in the contract for increase in price on any other ground including foreign exchange rate variation, no such increase which takes place after (insert the reckoning date as per DAP 2020) shall be admissible on such of the said Stores as are delivered after the said date.

(c) But nevertheless, the Buyer shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, GST or on account of any other Tax or duty or on any other ground as stipulated in the price variation clause or foreign exchange rate variation which takes place after (insert the original delivery date).

5. All other terms and conditions of the contract remain unaltered. This is without any prejudice to Buyer's rights under the terms and conditions of the subject contract.

6. Please intimate your unconditional acceptance of this amendment letter within 10 (ten) days of the issue of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

Yours faithfully,
(Authorised Officer)
Duly authorised,
for and on behalf of
The President of India

Note: Select one option within { } brackets; delete portion within [ ] brackets, if not applicable; fill in ( ) brackets. Brackets and this note are not to be typed.

Substitute following first para instead of first para in format above, for issuing a performance notice.

1. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that (fill in the outstanding quantity) are still outstanding even though the date of delivery has expired. Although not bound to do so, the time for delivery is extended from (fill in date) to (fill in date) and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.

Annexure VIII to Appendix M
(Refers to Para 11 of Appendix **M**)

GUIDELINES FOR PRICE VARIATION CLAUSE

1. In cases where only Indian Vendors participate, Price Variation Clause (PVC) will be applicable for cases with delivery period more than 36 months.

2. PVC will apply only to the Indian Rupee component of the Basic cost of Vessel at Ser (b) and final negotiated basic cost of single vendor BNE { Ser (r)(iii)} of Price Bid Format at **Appendix N**. L1 determination will be based on overall quoted prices as indicated in the Price Bid Format.

3. Maximum PVC applicable will be up to ___% of Price Variation (could be percentage per annum or an overall ceiling or both) and will not be applicable if the variation is within the band of +/- 2.5%.

4. As Capital Acquisition generally has long gestation period with considerable time period between last date of bid submission and signing of contract, PVC will be applicable under following two categories:-

(a) **Pre-Contract Price Variation**. It will be applicable on the Indian Rupee component of the quoted price of L1 Bidder. Price arrived post application of PVC will be used for negotiations during CNC. The PVC will be applicable 18 months after the last date of bid submission to the date of Bid opening. For calculation of PVC applicable for Pre- Contract PVC period, the base level (PVC reckoning date) will be the month and year 18 months after the last date of bid submission.

(b) **Post-Contract Price Variation**. It will be applicable on the Indian Rupee component of the Base Contract Price specified in the Contract. For calculation of PVC during post contract period, the base level (PVC reckoning date) will be the month and year of Effective date of Contract.

5. Applicability of PVC is illustrated in the following figure:-

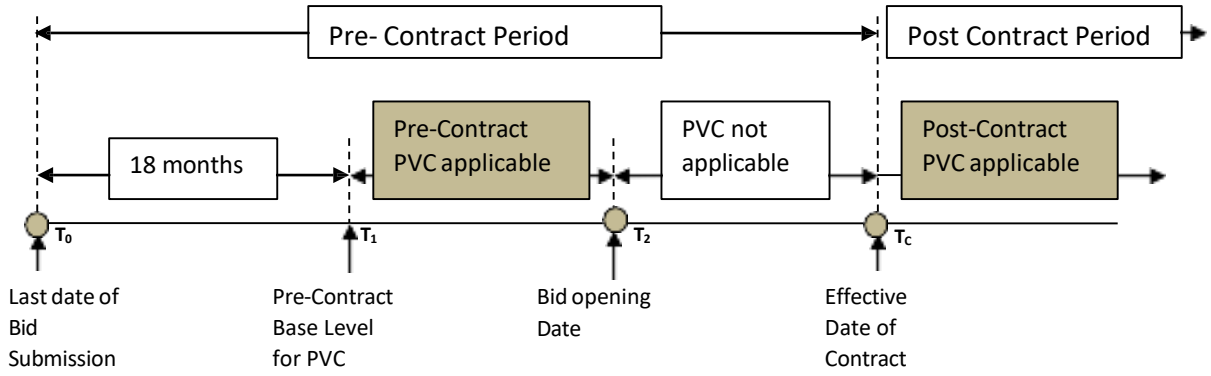


Fig: Application of PVC

Summary:

- *PVC applicable during Pre- Contract phase 18 months after the last date of bid submission (T_1) to bid opening date (T_2)*
- *PVC applicable in post Contract phase after Effective date of Contract (T_C)*

Illustrative Example

- *If the bids are opened within 18 months from last date of bid submission*
  - *No Pre- Contract PVC applicable*
  - *Post Contract PVC applicable from T_C onwards.*
    - *Base level for Post Contract PVC will be month and year of T_C.*
- *If the bids are opened 24 months after last date of bid submission*
  - *Pre- Contract PVC applicable for period between T_1 and T_2.*
    - *Base level for Pre-Contract PVC will be month and year of T_1.*
  - *Post Contract PVC applicable from T_C onwards.*
    - *Base level for Post Contract PVC will be month and year of T_C.*

6. **PVC Formula**. ***As per Rule 225(viii)(b) of GFR 2017*** The formula for Price Variation should ordinarily include a fixed element, a material element and a labour element of the Indian Rupee component of the quoted price and Contract Price respectively for calculating pre-contract and post-contract PVC. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while a fixed element may range from 10 to 25%. The portion of the price represented by the fixed element will not be subject to any variation. The portions of the price represented by the material element and labour element alone will attract Price Variation. The formula for Price Variation will thus be:-

$$P_1 = P_0 \left(F + a \left(\frac{M_1}{M_0} \right) + b \left(\frac{L_1}{L_0} \right) \right)$$

Where, P1 is the amount adjusted after applying PVC

Note:
For Pre-Contract Phase

- *P_0 - Quoted price.*
- *P_1 – Price adjusted after applying Pre-Contract PVC (negotiations will be undertaken on this price)*

For Post Contract Phase

- *P_0 – Base Contract Price (price negotiated with L1 vendor)*
- *P_1 – Price payable after applying Post Contract PVC.*

F is the fixed element not subject to Price Variation.

'a' is the assigned percentage to the material element in the Negotiated/Base Contract Price, as applicable.

'b' is the assigned percentage to the labour element in the Negotiated/Base Contract Price, as applicable.

L_0 and L_1 are the wage indices at the base month and year and at the month and year of calculation respectively. M_0 and M_1 are the material indices at the base month and year and at the month and year of calculation respectively.

If more than one major item or material is involved, the material element can be broken into two or three components such as M_x, M_y and M_z.

7. **For AMC/CMC/LCSC/PBL (*to be amended as applicable*)**. For services with insignificant inputs of materials, the Price Variation formula should have only two elements viz. a high fixed element and a labour element.

8. **Option Clause Contract**. Price Variation Clause, FERV etc, if applicable and included in the original Contract, will also be applicable for Option Clause Contract. For arriving at prices payable, the Price Variation will be applied on the Base Contract price of the original Contract with the month and year of Effective date of Contract (T_0) ~~(T_c)~~ as Base Level Indices.

Appendix N
(Refers to Para 19, 45, 57 & 67 of RFP)

EVALUATION CRITERIA AND PRICE BID FORMAT

1. **Evaluation Criteria**. The guidelines for evaluation of Bids will be as follows:-

1.1. Only those Bids will be evaluated, which are found to be fulfilling all the eligibility and qualifying requirements of the RFP, both technically and commercially. The bidder, whose price is arrived as lowest as per Evaluation criteria given in this Appendix, will be declared as L-1 bidder by Buyer.

1.2. **In Buy 'Global' Cases**.

In special cases of ship acquisition on 'Global' basis involving requirements of Custom Duty/exemption, clauses for L1 determination is to be formulated based on Para 1.2 of Appendix N to Schedule I to Chapter II of DAP-2020 and Price Bid Format be modified accordingly.

1.3 **In Buy (Indian-IDDM), Buy (Indian) and Buy& Make Indian Cases**.

1.3.1 **Where DCF Technique as Given in Para 4 is Not Applicable**. L-1 bidder will be determined on the basis of quoted cost of all items including taxes and duties payable to Central/State/Local Governments but with exclusion of BNE items sourced from common single source kept outside L1 determination in accordance with Para 77 of Chapter XII of DAP-2025. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/ as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/ Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. These A BNE rates excluded from L1 determination would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by DPSU/Private Vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether, DPSU or private vendor.

1.3.2 **Where DCF Technique as Given in Para 4 is Applicable**. DCF technique will be applied on quoted cost of all items including taxes and duties payable to Central/State/Local Governments to ascertain the NPV which would be used for determining L1 bidder, but with exclusion of BNE items sourced from common single source kept outside L1 determination in accordance with Para 77 of Chapter XII of DAP-2025. The scope of BNE cost shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation,

SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost. These Single Vendor BNE rates excluded from L1 determination would also be separately negotiated. However, payment will be made after adding the actual cost of BNE, at the time of purchase from DPSU/Private vendor, to the L1 cost determined as mentioned above.

The cost of equipment supplied by DPSU/Private Vendor will be considered minus GST and other taxes and duties. This provision is applicable only in cases where the BNE has to be procured from a common single source, whether DPSU or private vendor. If the number of single vendor BNE items is large, the RFP Collegiate may restrict the list of items to be excluded from L1 determination, based on the total cost of each item and its impact on L1 determination and include in the RFP accordingly.

1.4 Custom duty on input materials shall not be loaded by the Indian Bidders in their price bids, if they are exempted under the existing Notifications. In such cases, necessary Custom Duty Exemption Certificate (CDEC) shall be issued by the Buyer. In cases where Custom Duty is not exempted, Basic Custom Duty on input material is to be included in the cost of Basic Equipment, Installation/ Commissioning/ Integration, BNE, ToT, MRLS, SMT, STE, ESP and any other item listed at Column (ii) of Para 2 below.

1.5 If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price will prevail and the total price will be corrected. If there is a discrepancy between words and figures, the amount in words will prevail for calculation of price.

2. **Price Bid Format**. The Price Bid Format is given below and Bidders are required to fill this correctly with full details. No column of the Bid format has to be left blank. The clubbing of serials/sub serials to indicate a consolidated cost is not acceptable. All Columns of Price Bid Format are to be filled up with '0', „positive numerical values 'or' Not Applicable' at every row as applicable. If any column is not applicable and intentionally left blank, the reason for the same has to be clearly indicated in the remarks column.

For specified single vendor BNE, as per list at Table 1 of Annexure I to Appendix N, the scope of BNE cost shall be as brought out at Para 1 above and include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the Bidder/Bidder's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

Basic cost of specified single vendor BNE as per list at Table 1 of Annexure I to Appendix N are not to be included at quoted cost at serials (a) to (g) and (k) below. However, all other costs of specified single vendor BNE like installation, STW, Trials etc are to be included.

In all cases, other than Buy(Global) cases, Bidders are required to furnish details in percentage (%) of various elements corresponding to below Price Bid in their Technical bids, as per format given at Annexure II to Appendix A, to determine the IC. The details submitted will be examined by the TEC and verified later with the Price Bid during CNC.

Ser (i)	Items (ii)	Qty (iii)	Unit cost (iv)	Total cost (v)	Remarks (vi)
(a)	1. **Total Indigenous Cost** (broad details to be enclosed for IC verification)				**(i) Basic cost of specified single vendor BNE at Serial (r)(i) (as per list at Table 1 of Annexure I to Appendix N) are not to be included in the cost.** **(ii) All Other costs of specified single vendor BNE at Serial (r)(i), other direct and indirect costs, overheads for all activities including installation, STW, Trials etc, are to be included at respective elements of (a).**
	(aa) Material cost including Yard material like steel, aluminum etc.				
	(ab) Other Direct and Indirect Expenses including labour on				
	(ac) Indigenous equipment cost				
	(ad) Other Direct and Indirect Expenses including labour on equipment, including installation,				
	(ae) Overheads on labour, material and equipment including misc overheads.				
	(af) Miscellaneous Cost (to be specified)				
	(ag) First outfit of Naval stores				
	2. **Total Import Cost** (broad details to be enclosed for IC verification)				**(i) Basic cost of specified single vendor BNE at Serial (r)(ii) (as per list at Table 1 of Annexure I to Appendix N) are not to be included in the cost.** **(ii) All Other costs of specified single vendor BNE at serial (r)(ii), other Direct and indirect costs and misc costs for all activities including installation, STW, Trials etc, paid to foreign entities are to be included at respective elements of (a).**
	(aa) Import Material cost including Yard material like steel, aluminum etc. including Custom Duties, Freight/ Transportation and insurance for products imported in India.				
	(ab) Other Direct and Indirect Expenses including labour on material.				
	(ac) Import equipment cost including Custom Duties. Freight/ Transportation and insurance for products imported in India.				
	(ad) Other Direct Expenses including labour on equipment, including installation, STW and trials etc.				
	(ae) All license fees, royalties, technical fees and other fees/ payments paid out of India.				
	(af) Miscellaneous Cost (to be specified)				

Ser (i)	Items (ii)	Qty (iii)	Unit cost (iv)	Total cost (v)	Remarks (vi)
	Note:- The vendors will be required to furnish breakdown of costing for the list of major equipment placed at Annexure II to Appendix N.				
(b)	**Basic Cost of vessel** (Total of Ser 'a' above)				
(c)	Cost of Onboard Spares (Manufacturers Recommended List of Spares) as per the format at Annexure I to Appendix K.				
(d)	Cost of Special Maintenance Tools and Special Test Equipment and software as per Annexure III to Appendix K.				
(e)	Cost of Technical Documentation (in English Language) as per Annexure IV to Appendix K.				
(f)	Cost of Training Aggregates as per Annexure V to Appendix K				
(g)	Cost of Training excluding the cost of travel, boarding and lodging separately for operators and maintenance technicians and QA Representative. This should be given under the following two heads (as applicable) (Appendix K refers)				
	(i) In India				
	(ii) Abroad				
(h)	Cost of ToT (as applicable) (as per Appendix F)				
(j)	Cost of knowhow/ Information for setting up of maintenance infrastructure (as applicable) (Appendix G refers)				
(k)	Freight and Transit Insurance Cost (as applicable)				
(l)	Cost of Project Monitoring System (as per Annexure III to Appendix M), where applicable				
(m)	Cost of Handling B & D Spares				
(n)	**Total cost** { Ser (b) to (m) above}(excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I)				

Ser (i)	Items (ii)	Qty (iii)	Unit cost (iv)	Total cost (v)	Remarks (vi)
(p)	**AMC cost giving year-wise break-up (where applicable)**				
(q)	**Total cost with AMC** { Ser (n) + (p)} (excluding basic cost of specified single vendor BNE as per list at Table 1 of Annexure I) [A]				This will be used for determining L1 vendor
(r)	**Basic Cost of Specified Single Vendor BNE at Table 1 of Annexure I to Appendix N**				For specified single vendor BNE at Table 1 of Annex I to Appendix N:- (i) Scope of BNE items is to be strictly as per Para 1 above. (ii) Documentary proof including BQ from OEMs towards the deliverables indicated at Ser (i) above in respect of each equipment is to be submitted by the Bidder. (iii) CNC will separately negotiate the Total Basic Cost of Single Vendor BNE based on BQs/ minimum cost quoted amongst all the bidders/LPP/seek cost from BNE OEM(s).
	(i) Basic cost of Buyer Nominated Equipment – Indigenous (as per Section A, **Table 1 of** Annexure I to Appendix N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. [B]				
	(ii) Basic cost of Buyer Nominated Equipment – Imported (as per Section B, **Table 1 of** Annexure I to Appendix N) including cost of OBS, SMT/STE, software, documentation, Training, Freight and transit insurance cost etc. [C]				
	(iii) Total Basic Cost of Single Vendor BNE as per **Table 1 of** Annexure I to Appendix N [D] = [B] + [C]				

Ser (i)	Items (ii)			Qty (iii)	Unit cost (iv)	Total cost (v)	Remarks (vi)
(s)	**Grand Total cost including basic cost of specified single vendor BNE** as per Table 1 of Annexure I to Appendix N [A] + [D]						
(t)	**GST**		**GST Rate**				
		On completed vessel					
		Other Deliverables					
		(i) Deliverable 1					
		(ii) Deliverable 2					
(u)	Foreign Exchange component of the proposal in r/o Indian bidders only						
(v)	CDEC (if applicable), its authority and amount for which required.						

***Note**: **Taxes and Duties**. All Indirect Taxes and Duties will be paid at actuals or as indicated in the Commercial bid by the Bidder, whichever is lower. In case of any change in the tax structure/rates by BUYER's Government, only incremental/decremented change will be paid.*

3. **Evaluation of Bids by DCF Technique** *(**Note**: This clause is to be included only if there is AMC/CMC/PBL clause or any other condition in RFP, resulting in different cash outflows in successive years) -*

3.1 **Net Present Value (NPV)** is a variant of DCF method, which will be used by the Buyer for evaluation of Bids. The Net Present Value of a Bid will be equal to the sum of the present values of all the cash flows associated with it. The following formula will be used for calculating NPV of a bid -

$$NPVn = \sum_{t=1}^{n} At/(1+r)^t$$

Where,

NPV = Net Present Value

A_t = Expected cash flow occurring at the end of year „t" as mentioned in the Payment schedule of Bid

n = Duration of cash flow stream

r = Discounting Rate

t = The period after which payment is done

The bid with the lowest NPV would be selected.

3.2 The Discounting rate will be ____ %. (Note -This will be the Government of India's lending rate on loans given to state governments, as notified by Budget Division of Ministry of Finance annually).

3.3 **Structuring Cash Flows for Tenders/ Bids Received in the Same Currency**. The cash outflows as shown in price bids will be taken into consideration. NPV of different bids will be calculated using the formula given above and the one having lowest NPV will be selected as L-1.

3.4 **Structuring Cash Flows for Tenders/Bids Received in Different Currencies**. Where bids are received in different currencies/combination of currencies, the cash outflow will be brought to a common denomination in rupees by converting foreign currency bids into rupees by taking into account the BC selling rate of Parliament Street Branch of State Bank of India, New Delhi on the ERV reckoning date (as defined in **Annexure IV to Appendix M**), ie the last date of submission of Commercial Bids as per RFP. Thereafter, the procedure as described above in Para 3.3 will be applied to arrive at NPV.

3.5 All bidders are required to indicate year-wise and currency-wise amount required as per their price bid in format given below. In case the firm a bidder does not provide year-wise cash flow details in price bid, the amount quoted in their price bid will not be discounted for comparison purposes.

Year	Dollars	Euros	Pound Sterling	Rupees	Total Cash-flow

(**Note**:- The cost will be revised based on conversion rate as on bid submission date.

4. The indicative list of equipment for Price Declaration is as per **Annexure II to Appendix 'N'**.

5. The guidelines for Technical & Commercial bids is attached as **Annexure III to Appendix 'N'**.

Annexure I to Appendix N
(Refers to Para 2 of Appendix N)

LIST OF BUYER NOMINATED EQUIPMENT TO BE PROCURED FROM COMMON SINGLE SOURCE

Note:

1. The scope of BNE cost indicated in the Commercial Bid shall include the basic cost of the Main Equipment and OEM Training, Training Aggregates, Documentation, SMT/STE, Freight and OBS as applicable/as indicated in the RFP, which are exclusively sourced from the nominated vendor (OEM). No other cost including the cost of items sourced directly from third parties and the cost of activities jointly undertaken by the shipyard/shipyard's sub vendor and the nominated vendor (OEM) or any third parties are to be included in the BNE cost.

2. Documentary proof of cost of each equipment, as quoted by OFB/ DPSU / private vendor, is to be submitted along with the Commercial Bid.

If the number of single vendor BNE items is large, the RFP Collegiate may restrict the list of items to be excluded from L1 determination, based on the total cost of each item and its impact on L1 determination and included in the RFP accordingly.

Table 1- List of High Value Buyer Nominated Equipment excluded from determination of L1

Ser	Equipment Details	Vendor
Section- A (Indigenous)		
1.		
2.		
3.		
Section- B (Foreign)		
4.		

Table 2 - List of Low Value Buyer Nominated Equipment included for determination of L1

Ser	Equipment Details	Vendor
Section- A (Indigenous)		
1.		
2.		
Section- B (Foreign)		
3.		

Annexure II to Appendix N
(Refers to Para 5 of Appendix N)

INDICATIVE LIST OF EQUIPMENT FOR PRICE DECLARATION
Name of vessel

Ser ~~Sl~~	**Equipment / System**	**Vendor Origin (Indian/ Foreign)**
Electrical		
1		
2		
	Engineering Equipment	
3		
4		
	Hull	
5		
6		
	Others	
7		
8		

Note :- To be populated by SHQ as per project requirement

****

Annexure III to Appendix N
(Refers to Para 6 of Appendix N)

Guidelines - Technical & Commercial Bid

Ser	Details
Technical Bid	
(a)	As pre-bid meeting would be arranged to answer queries of all bidders, it is therefore advisable that all bidders attend pre-bid meeting. Attendance of all bidders will ensure that all queries are answered in a single forum and clarifications, if any, is conveyed to obviate any ambiguity and time delays towards timely bid submission.
(b)	Bidders to confirm clarity on the Scope of Work, quantifications and technical specifications etc. and provide an undertaking that OEMs have been approached (where necessary) and raise queries ~~on~~ during the pre-bid meeting.
(c)	Bidders shall adhere to tender schedule timelines such as bid submission, preparatory activities and Registration and Stamp Duty (RSD).
(d)	All clarifications that are Technical or Scope of Work related is to be sought in writing as per Para 31 of RFP for pre-bid meeting, to enable suitable clarifications and promulgation to all concerned during the pre-bid meeting.
Commercial Bid	
(a)	Discrepancy in the quantity indicated in the GLS must be brought out for discussions and clarified during the pre-bid meeting.
(b)	No deviation from the indicated format is permitted and no additional column or row may be added to the bid format.
(c)	There shall be no overwriting and the price shall be in a printed format.
(d)	The total number of pages in the commercial bid is to be mentioned on the first page. Each page thereafter is to be numbered. (for example if there are 20 pages in bid, first page to be numbered as 1/20 and last page to be numbered as 20/20.)
(e)	Discount offered if any should be incorporated into unit prices against respective Sls.
(f)	Prices for all Sls are to be indicated in figures. The grand total should be indicated in both figures and words.

Appendix O
(Refers to Para 24 and 62 of RFP)

STANDARD CONDITIONS OF RFP

LAW

1. The present Contract shall be considered and made in accordance to the laws of Republic of India.

ARBITRATION
(For Foreign Vendors)

2.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

2.2 Any dispute, disagreement of question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.

2.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

2.4 The third arbitrator shall be nominated by the two arbitrators within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provisions of Indian Arbitration and Conciliation Act, 1996 or by dispute resolution institutions like Indian Council of Arbitration and ICADR. ***In case, nomination of third arbitrator under Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like ICA and ICADR are not acceptable to the SELLER, then the third arbitrator may be nominated by the President of International Chamber of Commerce, Paris,*** but the said nomination would be after consultation with both the parties and shall preclude any citizen with domicile of any country as mentioned above. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

2.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be ***decided by the arbitrator***.

2.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

2.7 The decision of the majority of the arbitrator(s) in the tribunal shall be final and binding on the parties to this contract.

2.8 Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the SELLER and the BUYER.

2.9 In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator, shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the retiring arbitrator.

2.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request the President of International Chamber of Commerce, Paris or dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

2.11 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

2.12 The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

ARBITRATION

(For Indian Private Vendors)

3.1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.

3.2 Any dispute, disagreement of question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to the Arbitration Tribunal consisting of three arbitrators.

3.3 Within sixty (60) days of the receipt of the said Notice, one arbitrator shall be nominated in writing by SELLER and one arbitrator shall be nominated by BUYER.

3.4 The third arbitrator, shall be nominated by the parties within ninety (90) days of the receipt of the notice mentioned above, failing which the third arbitrator may be nominated under the provision of Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) or by dispute resolution institutions like Indian Council of Arbitration or ICADR, at the request of either party, but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

3.5 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be decided by the arbitrator.

3.6 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

3.7 The decision of the majority of the arbitrators shall be final and binding on the parties to this contract.

3.8 Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the SELLER and the BUYER.

3.9 In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator, shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the retiring arbitrator.

3.10 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

3.11 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

3.12 The parties shall continue to perform their respective obligations under this contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

ARBITRATION

(For Central & State PSEs)

4. In the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial contract(s), between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/ Organizations (excluding disputes relating to Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for its resolution through AMRCD as mentioned in DPE OM No. 05/0003/2019-FTS-10937 dated 14th December, 2022 and its subsequent amendments and the decision of AMRCD on the said dispute will be binding on both the parties.

ARBITRATION

(For Defence PSUs)

5. In the event of any dispute or in the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial Contract(s), between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/ Organizations (excluding disputes relating to Railways, Income Tax, Customs & Excise Departments), such dispute or

difference shall be taken up by either party for its resolution through AMRCD as mentioned in DPE OM No. 05/0003/2019-FTS-10937 dated 14th December, 2022 and its subsequent amendments and the decision of AMRCD on the said dispute will be binding on both the parties.

FORCE MAJEURE

6.1 Should any force majeure circumstances arise, each of the contracting party shall be excused for the non-fulfilment or for the delayed fulfilment of any of its contractual obligations, if the affected party within (___days) of its occurrence informs in a written form the other party.

6.2 Force Majeure shall mean fire, flood, natural disasters or other acts, that are unanticipated or unforeseeable and not brought about at the instance of, the party claiming to be affected by such event, or which, if anticipated or foreseeable, could not be avoided or provided for and which has caused the non-performance or delay in performance, such as war, turmoil, strikes, sabotage, explosions, beyond the control of either party.

6.3 A party claiming Force Majeure shall exercise reasonable diligence to seek to overcome the Force Majeure event and to mitigate the effects thereof on the performance of its obligations under this Contract.

6.1 Provided the acts of The Government or any state parties of the seller which may affect the discharge of the Seller's obligation under the contract shall not be treated as Force Majeure.

PENALTY FOR USE OF UNDUE INFLUENCE

7.1 The Seller undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees brokerage or inducement to any person in service of the Buyer or otherwise in procuring the Contracts or forbearing to do or for having done or for borne to do any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government. Any breach of the aforesaid undertaking by the seller or any one employed by him or acting on his behalf (whether with or without the knowledge of the seller) or the commission of any offers by the seller or anyone employed by him or acting on his behalf, as defined in relevant sections of Bhartiya Nyaya Sanhita or the Prevention of Corruption Act, 1988 or any other Act enacted for the prevention of corruption shall entitle the Buyer to cancel the contract and all or any other contracts with the seller and recover from the seller the amount of any loss arising from such cancellation. A decision of the buyer or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the Seller.

7.2 Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the seller towards any officer/employee of the buyer or to any other person in a position to influence any officer/employee of the Buyer for showing any favour in relation to this or any other contract, shall render the Seller to such liability/penalty as the Buyer may deem proper, including but not limited to

termination of the contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the Buyer.

INTEGRITY PACT

7 Further signing of an 'Integrity Pact' would be considered between government department and the bidder for schemes exceeding **20 Crores**. The Integrity Pact is a binding agreement between the agency and bidders for specific contracts in which the agency promises that it will not accept bribes during the procurement process and bidders promise that they will not offer bribes. Under the IP, the bidders for specific services or contracts agree with the procurement agency or office to carry out the procurement in a specified manner. The essential elements of the IP are as follows:-

(a) A pact (contract) between the Government of India (Ministry of Defence) (the authority or the "principal") and those companies submitting a tender for this specific activity (the "bidders");

(b) An undertaking by the principal that its officials will not demand or accept any bribes, gifts, etc., with appropriate disciplinary or criminal sanctions in case of violation;

(c) A statement by each bidder that it has not paid and will not pay, any bribes;

(d) An undertaking by each bidder that he shall not pay any amount as gift, reward, fees, commission or consideration to such person, party, firm or institution (including Agents and other as well as family members, etc., of officials), directly or indirectly, in connection with the contract in question. All payments made to the Agent 12 months prior to tender submission would be disclosed at the time of tender submission and thereafter an annual report of payments would be submitted during the procurement process or upon demand of the MoD.

(e) The explicit acceptance by each bidder that the no-bribery commitment and the disclosure obligation as well as the attendant sanctions remain in force for the winning bidder until the contract has been fully executed;

(f) Undertakings on behalf of a bidding company will be made "in the name and on behalf of the company's Chief Executive Officer";

(g) The following set of sanctions shall be enforced for any violation by a bidder of its commitments or undertakings:

(i) Denial or loss of contract;

(ii) Forfeiture of the EMD and Guarantee for Performance-cum-Warranty Bond;

(iii) Payment to the Buyer of any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above prevailing Base Rate of SBI/ LIBOR.

(iv) Refund of all sums already paid by the Buyer along with interest at

the rate of 2% per annum above prevailing Base Rate of SBI.

(v) Recovery of such amount, referred to in (iii) and (iv) above, from other contracts of the Bidder with the Government of India.

(vi) At the discretion of the Buyer, the Bidder shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities.

(h) Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

(j) The draft Pre-Contract Integrity Pact is attached as **Annexure I to this Appendix**. The vendors are required to sign them and submit separately along with the technical and commercial offers. The format for Earnest Money Deposit (EMD) is placed at **Annexure II to this Appendix J**.

(k) Every Bidder while submitting techno commercial bid shall also deposit **Rs __Crore**/ (as applicable) as EMD through any of the instruments mentioned at **Para 8** of Annexure I. This would be submitted in a separate envelope clearly marked as EMD along with technical and commercial proposals.

8. In respect of bids from DPSUs, the concerned DPSU shall enter in to a Pre-Contract Integrity Pact, on the same lines with their sub-vendors individually, in case the estimated value of each sub-contract(s) exceeds 20 Crore and such subcontract(s) are required to be entered in to by the DPSU with a view to enable DPSU to discharge the obligations arising out of their bid in question in response to this RFP.

AGENTS

9. The Seller confirms and declares to the Buyer that the Seller is the original manufacturer of the stores referred to in this contract. The Seller confirms that he has not engaged any person, party, firm or institution as an Agent including his Agents already intimated to MoD; to, influence, manipulate or in any way to recommend to any functionaries of the Govt of India, whether officially or unofficially, to the award of the contract to the Seller, or to indulge in corrupt and unethical practices. The Seller has neither paid, promised nor has the intention to pay to any person, party, firm or institution in respect of any such intervention or manipulation. The Seller agrees that if it is established at any time to the satisfaction of the buyer that the present declaration is in any way incorrect or if at a later stage it is discovered by the Buyer that Seller has engaged any such person, party, firm or institution and paid, promised or has intention to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the Seller will be liable for any or all of the following actions:-

(a) To pay to the Buyer any such amount paid as gift, reward, fees or consideration along with interest at the rate of 2% per annum above LIBOR rate.

(b) The Buyer will also have a right to put on hold or cancel the Contract either wholly or in part, without any entitlement or compensation to the Seller

who shall in such event be liable to refund all payments made by the Buyer in terms of the Contract along with interest at the rate of 2% per annum above LIBOR rate.

(c) The Buyer will also have the right to recover any such amount referred in (a) and (b) above from other contracts of the Seller with the Government of India.

(d) At the discretion of the Buyer, the Seller shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities

10. In case it is found to the satisfaction of the BUYER that the SELLER has engaged an Agent, or paid commission or influenced any person to obtain the contract as described in clauses relating to Agents and clauses relating to Penalty for Use of Undue Influence, the SELLER, on demand of the BUYER shall provide necessary information/inspection of the relevant financial documents/ information, including a copy of the contract(s) and details of payment terms between the vendors and Agents engaged by him.

****

Annexure I to Appendix O
(Refers to Para 8.1 (j) of Appendix O)

PRE-CONTRACT INTEGRITY PACT

General

1. Whereas the PRESIDENT OF INDIA, represented by Joint Secretary & Acquisition Manager (Army/Air Force/Maritime &Systems)/Major General & equivalent, Service Headquarters./Coast Guard, Ministry of Defence, Government of India, hereinafter referred to as the Buyer and the first party, proposes to procure (Name of the Equipment), hereinafter referred to as Defence Stores and M/s _____ represented by,_____ Chief Executive Officer (which term, unless expressly indicated by the contract, shall be deemed to include its successors and its assignees), hereinafter referred to as the Bidder/Seller and the second party, is willing to offer/has offered the Defence stores.

2. Whereas the Bidder is a private company/public company/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the Buyer is a Ministry of the Government of India performing its functions on behalf of the President of India.

Objectives

3. Now, therefore, the Buyer and the Bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:

3.1 Enabling the Buyer to obtain the desired defence stores at a competitive price in conformity with the defined specifications of the Services by avoiding the high cost and the distortionary impact of corruption on public procurement

3.2 Enabling Bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Buyer will commit to prevent corruption, in any form, by their officials by following transparent procedures.

Commitments of the Buyer

4. The Buyer commits itself to the following:-

4.1 The Buyer undertakes that, no official of the Buyer, connected directly or indirectly with the contract will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder**,** either for themselves or for any person, organisation or third party related to the contract in exchange for an

advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.

4.2 The Buyer will, during the pre-contract stage, treat all Bidders alike and will provide to all Bidders the same information and will not provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidders.

4.3 All the officials of the Buyer will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

5. In case of any such preceding misconduct on the part of such official(s) is reported by the Bidder to the Buyer with full and verifiable facts and the same is prima facie found to be correct by the Buyer, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Buyer and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the Buyer the proceedings under the contract would not be stalled.

Commitments of Bidders

6. The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre- contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following:

6.1 The Bidder will not to offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.

6.2 The Bidder further undertakes that he has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Buyer or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government.

6.3 The Bidder will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

6.4 The Bidder will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

6.5 The Bidder further confirms and declares to the Buyer that the Bidder is the original manufacturer/integrator/authorised government sponsored export entity of the Defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the Buyer or any of its functionaries, whether officially or unofficially to the award of the contract to the Bidder, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company or Agent in respect of any such intercession, facilitation or recommendation.

6.6 The bidder would not enter into conditional contract with any Agents, brokers or any other intermediaries wherein payment is made or penalty is levied, directly or indirectly, on success or failure of the award of the contract. The bidder while presenting the bid, shall disclose any payments he has made during the 12 months prior to tender submission or is committed to or intends to make to officials of the buyer or their family members, Agents, brokers or any other intermediaries in connection with the contract and the details of such services agreed upon for such payments. Within the validity of PCIP, bidder shall disclose to MoD any payments made or has the intention to pay any amount, gift, reward, fees, commission or consideration to such person, party, firm or institution as an annual report during the procurement process.

6.7 The Bidder shall not use improperly, for purposes of competition or personal gain or pass on to others, any information provided by the Buyer as part of the business relationship regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The Bidder also undertakes to exercise due and adequate care lest any such information is divulged.

6.8 The Bidder commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts. Complaint will be processed as per **Guidelines for Handling of Complaints** in vogue. In case the complaint is found to be vexatious, frivolous or malicious in nature, it would be construed as a violation of Integrity Pact.

6.9 The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

7. **Previous Transgression**

7.1 The Bidder declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India.

7.2 If the Bidder makes incorrect statement on this subject, Bidder can be disqualified from the tender process or the contract and if already awarded, can be terminated for such reason.

8. **Bid Security: Earnest Money Deposit**

8.1 Every bidder, while submitting commercial bid, shall submit Bid Security in the form of Earnest Money Deposit (EMD), in cases where applicable (as provided in Clause 8 herein).

(a) To safeguard against a bidder(s) withdrawing or altering its bid during the bid validity period, Bid Security (also known as EMD) is to be

obtained from all bidders except for cases upto `100 Crores (i.e, all cases upto `100 crores of AoN will be exempted from payment of EMD) as follows:-

EMD TABLE

Estimated Cost of Procurement Scheme (Crore)		EMD Amount
Above (Not including)	**To (Including)**	
-	100	Nil
100	150	30 Lakh
150	300	70 Lakh
300	1000	2 Crore
1000	2000	5 Crore
2000	3000	10 Crore
3000	5000	15 Crore
5000	-	25 Crore

(b) EMD is not required from Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central Purchase Organisation or the concerned Ministry or Department or Startups as recognised by Department of Industrial Policy & Promotion (DIPP), in accordance with the Ministry of Finance office memorandum bearing No. F.20/2/2014-PPD (Pt.) dated July 25, 2017 (as amended from time to time).

(c) DPSUs are not required to submit EMD when nominated as ab-initio single vendor. DPSUs will submit all BGs and EMD as applicable while participating in multi vendor cases with private vendors.

(d) **Format of EMD**. The Bid Security may be accepted in the following forms, safeguarding the Buyer's interest in all respect:-

(i) Bank Guarantee from any Indian Public or Private Scheduled Commercial Bank notified by RBI or first-class banks of international repute. The format of the Bank Guarantee for Bid Security is provided at Annexure I to Appendix O.

(ii) Insurance Surety Bond - The format and guidelines pertaining to the same shall be issued / notified by the Ministry of Defence.

(iii) Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque shall be payable in an acceptable form. The Beneficiary Bank Details for furnishing the same are as follows:-

(IFSC Code - SBIN0000691)
State Bank of India New Delhi Main Branch
C Block, 11 Parliament Street
New Delhi, Pin: 110001

(e) **Validity of EMD**. The EMD will be valid for eighteen months or till signing of contract, whichever is later. The EMD shall be extended from time to time as required by the Buyer and agreed by the Bidder. No interest shall be payable by the Buyer to the Bidder(s) on the EMD for the period of its currency. For unsuccessful bidders EMD will be returned on declaration of successful bidder(s).

(f) **Instances of Forfeiture of EMD.**

(i) If the Bidder withdraws or amends, impairs or derogates from the Bid in any respect within the period of validity of this tender.

(ii) If the Bidder having been notified of the acceptance of his tender by the Buyer during the period of its validity.

(aa) If the Bidder fails to furnish the Performance Security for the due performance of the contract.

(ab) Fails or refuses to accept/ execute the contract.

(iii) In case of violation of Pre-Contract Integrity Pact, EMD will be forfeited besides other legal penalties as may be decided by the Ministry of Defence.

8.3 In the case of successful bidder a clause would also be incorporated in the Article pertaining to Performance-cum-Warranty Bond in the Purchase Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of this pact.

8.4 The provisions regarding Sanctions for Violation in Integrity Pact include forfeiture of Performance-cum-Warranty Bond in case of a decision by the Buyer to forfeit the same without assigning any reason for imposing sanction for violation of Integrity Pact.

8.5 No interest shall be payable by the Buyer to the Bidder(s) on EMD for the period of its currency.

9. Company Code of Conduct

9.1 Bidders are also advised to have a company code of conduct (clearly rejecting the use of bribes and other unethical behaviour) and a compliance program for the implementation of the code of conduct throughout the company.

10. Sanctions for Violation

10.1 Any breach of the aforesaid provisions by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or acting on his behalf, as defined in relevant sections of Bhartiya Nyaya Sanhita (BNS) or the Prevention of Corruption Act 1988

amended in 2018 or any other act enacted for the prevention of corruption shall entitle the Buyer to take all or any one of the following actions, wherever required:

(i) To immediately call off the pre-contract negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(s) would continue.

(ii) The EMD /Performance-cum-Warranty Bond shall stand forfeited either fully or partially, as decided by the Buyer and the Buyer shall not be required to assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without any compensation to the Bidder.

(iv) To recover all sums already paid by the Buyer, in case of an Indian Bidder with interest thereon at 2% higher than the prevailing Base Rate of SBI and in case of a Bidder from a country other than India with interest thereon at 2% higher than the LIBOR. If any outstanding payment is due to the Bidder from the Buyer in connection with any other contract for any other defence stores, such outstanding payment could also be utilised to recover the aforesaid sum and interest.

(v) To encash the advance bank guarantee and Performance-cum-Warranty Bond if furnished by the Bidder, in order to recover the payments, already made by the Buyer, along with interest.

(vi) To cancel all or any other Contracts with the Bidder.

(vii) To Put on Hold or Suspend or Debar the bidder as per the extant policy.

(viii) To recover all sums paid in violation of this Pact by Bidder(s) to any Agent or broker with a view to securing the contract.

(ix) If the Bidder or any employee of the Bidder or any person acting on behalf of the Bidder, either directly or indirectly, is closely related to any of the officers of the Buyer, or alternatively, if any close relative of an officer of the Buyer has financial interest/stake in the Bidder's firm, the same shall be disclosed by the Bidder at the time of filing of tender. Any failure to disclose the interest involved shall entitle the Buyer to debar the Bidder from the bid process or rescind the contract without payment of any compensation to the Bidder. The term '**close relative'** for this purpose would mean spouse whether residing with the Government servant or not, but not include a spouse separated from the Government servant by a decree or order of a competent court; son or daughter or step son or step daughter and wholly dependent upon Government servant, but does not include a child or step child who is no longer in any way dependent upon the Government servant or of whose custody the Government servant has been deprived of by or under any law; any other person related, whether by blood or marriage, to the Government servant or to the Government servant's wife or husband and wholly dependent upon Government servant.

(x) The Bidder shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Buyer and if he does so, the Buyer shall be entitled forthwith to rescind the contract and all other contracts with the Bidder. The Bidder shall be liable to pay compensation for any loss or damage to the Buyer resulting from such rescission and the Buyer shall be entitled to deduct the amount so payable from the money(s) due to the Bidder.

(xi) In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the Buyer with the Bidder, the same shall not be opened.

10.2 The decision of the Buyer to the effect that a breach of the provisions of this Integrity Pact has been committed by the Bidder shall be final and binding on the Bidder, however, the Bidder can approach the Independent Monitor(s) appointed for the purposes of this Pact.

11. **Fall Clause**

11.1 The Bidder undertakes that he has not supplied/is not supplying the similar products, systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India and if it is found at any stage that the similar system or sub-system was supplied by the Bidder to any other Ministry/Department of the Government of India at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the Bidder to the Buyer, even if the contract has already been concluded.

11.2 The Bidder shall strive to accord the most favoured customer treatment to the Buyer in respect of all matters pertaining to the present case.

12. **Independent Monitors**

12.1 The Buyer has appointed Independent Monitors for this Pact in consultation with the Central Vigilance Commission. The names and addresses of nominated Independent Monitors (at the time of issue of RFP) are as follows (however the vendor must refer to the MoD website at www.mod.gov.in to check for changes to these details):-

(names & addresses of Independent Monitors holding office on date of issue of RFP to be included)

12.2 All communications to Independent Monitors will be copied to Director (Vigilance). The Designation and Contact details of Director (Vigilance) are as follows:-

(Designation and Address of the Director (Vigilance) to be included)

12.3 After the Integrity Pact is signed, the Buyer shall provide a copy thereof, along with a brief background of the case to the Independent Monitors, if required by them.

12.4 The Bidder(s), if they deem it necessary, may furnish any information as relevant to their bid to the Independent Monitors.

12.5 If any complaint with regard to violation of the IP is received by the buyer in a procurement case, the buyer shall refer the complaint to the Independent Monitors for their comments/enquiry.

12.6 If the Independent Monitors need to peruse the relevant records of the Buyer in connection with the complaint sent to them by the Buyer, the Buyer shall make arrangement for such perusal of records by the Independent Monitors.

12.7 The report of enquiry, if any, made by the Independent Monitors shall be submitted to the head of the Acquisition Wing of the Ministry of Defence, Government of India for a final and appropriate decision in the matter keeping in view the provision of this Pact.

13. **Examination of Books of Accounts**

In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Buyer or its agencies shall be entitled to examine the Books of Accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents in English and shall extend all possible help for the purpose of such examination.

14. **Law and Place of Jurisdiction**

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the Buyer i.e. New Delhi.

15. **Other Legal Actions**

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

16. **Validity**

16.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the Buyer and the Bidder/Seller, whichever is later.

16.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

17. The Parties hereby sign this Integrity Pact at _____on _____.

BUYER	BIDDER
_____	_____
MINISTRY OF DEFENCE, / GOVERNMENT OF INDIA	CHIEF EXECUTIVE OFFICER
Witness 1. _____	Witness 1. _____

2. _____ 2. _____

****

Appendix P to RFP
(Refers to Para 63 of RFP)

OPTION CLAUSE

(No blanks to be left)

1. **In case of Indian Bidders**. The BUYER shall have the right to place separate order on the SELLER on or before---------- (-------- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ------ year from the effective date of the Contract. Price Variation Clause, FERV etc, if applicable and included in the original Contract, will also be applicable for Option Clause Contract. For arriving at prices payable, the Price Variation will be applied on the Base Contract price of the original Contact with the month and year of Effective date of Contract as Base Level Indices.

2. **In case of Foreign Bidders**. The BUYER shall have the right to place separate order on the SELLER on or before---------- (-------- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till year from the effective date of the Contract.

****

Appendix Q
(Refers to Para 5 (a) of RFP)

NON DISCLOSURE AGREEMENT

This Non-Disclosure Agreement is entered into by and between SHQ/MoD (Disclosing Party) and _____located at _____(Receiving Party) for the purpose of preventing the unauthorized disclosure of confidential information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of the RFP for procurement of _____(name of the Project).

1. For purpose of this Agreement, "Confidential Information" shall include all information or material in which Disclosing party is engaged. If confidential information is in written form, the Disclosing party shall label or stamp the materials with the word "Confidential" or some similar warning. If confidential information is transmitted orally, the Disclosing Party shall promptly provide a written communication indicating that such oral communication constituted confidential information.

2. Receiving party shall hold and maintain the confidential information in strictest confidence for the sole and exclusive benefit of the Disclosing party. Receiving party shall carefully restrict exercise to confidential information to employees, contractors and third parties as is reasonably required and shall require those persons to sign Non-Disclosure restriction atleast as protective as those in this Agreement. Receiving party shall not, without prior written approval of Disclosing party, use, publish, copy, or otherwise disclose to others, or permit the use by others or to the detriment of Disclosing party, any confidential information. Receiving party shall return to the Disclosing party any and all record, notes and other written, printed or tangible materials in its possession pertaining to confidential information immediately if Disclosing party requests it in writing.

3. Nothing contained in this Agreement shall be deemed to constitute either party a partner, joint venture or employee of the other party for any purpose.

4. If any provision of this Agreement is held to be invalid or unenforceable by court of law, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.

5. This agreement expresses the complete understating of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations and understandings. This Agreement shall not be amended except with the written consent of both the parties.

6. That in case of violation of any clause of this Agreement, the Disclosing party is at liberty to terminate the services of Receiving party without assigning any reason and shall also be liable to proceeded against in a Court of Law.

7. This Agreement and each party's obligations shall be binding on the representatives, assigns and successors of such parties. Each party has signed this Agreement through its authorised representatives.

Disclosing Party

_____(Signature)

_____(Typed or Printed name)

Date _____

Receiving Party

_____(Signature)

_____(Typed or Printed name)

Date _____

Appendix R
(Refers to Para 7 of RFP)

FINANCIAL QUALIFICATION PARAMETERS
(Annexure II to App C of Chapter XII (or amendment thereof) to be referred for defining the financial parameters)

1. **Financial Parameter Attribute No 1- Long Term Credit Rating**. The Long Term Credit Rating should be minimum _____ (*to be filled as per project requirement*) from RBI approved Credit Rating Agencies at time of bid submission till declaration of L1. The Credit Rating document is to be submitted along with the bids. Latest Credit rating to be submitted by the TEC-qualified entities at the time of CNC. Bidders are recommended to maintain their rating in date for consideration in the procurement process. The credit rating available online of the respective rating agency will be referred by SHQ as and when required.

2. **Financial Parameter Attribute No 2 - Average Annual Turnover**. The minimum average turnover of the bidder during the best three out of last five Financial Years calculated as per audited balance sheets should be _____ (*to be indicated as per project requirement*) at the time of bid submission. Duly filled FORM – 1 (**Annexure I to Appendix R**) to be submitted along with the bid.

3. **Financial Parameter Attribute No 3 - Working Capital**. The Working Capital shall be more than or equivalent to (*to be indicated as per project requirement*). The bidder shall demonstrate access to unutilised line of credit/ overdraft facility/ cash credit facility from its consortium of Banks during bid submission vide a letter issued by the Bank or lead Bank of the consortium. Alternatively, or complimentarily, the Bidder should demonstrate liquid asset in form of cash/ marketable securities in its Balance Sheet. Duly filled FORM – 2 (**Annexure II to Appendix R**) to be submitted along with the bid.

4. **Financial Parameter Attribute No 4 - Eligibility for Participation**.
Firms having average annual turnover of Rs 500 Cr and above at the time of bid submission (average of best 3 of last five Financial Years) would **not** be eligible to participate in the project. Duly filled FORM – 1 (**Annexure I to Appendix R**) to be submitted along with the bid.

Note-

(a) Credit Rating should only be from RBI approved Credit Rating Agencies.

(b) Annual Turnover is defined as “Annual Sales volume net of all discounts, taxes and interest earnings etc. excluding extraordinary income”.

(c) The Audited Balance Sheets, Profit and Loss Account and cash flow statement of Group Companies shall not be considered for evaluation.

(d) Annual Turnover would be substantiated through:-

(i) Audited Balance Sheets of the relevant financial years, provided the figures, are stated in the Balance Sheet(s) or

(ii) Specific certificate(s) issued by its Statutory Auditors

(e) In case of a Joint Venture, the JV firm should meet all the above mentioned financial criteria for the project.

(f) In case of a newly formed Joint Venture (less than 05 year old), the Financial Criteria will be assessed as follows: -

(i) **Credit Rating** – The lead JV partner should meet the minimum credit rating required for the category.

(ii) **Average Annual Turnover** - Would be based on the turnover of individual JV members in the ratio of their share holding pattern based on the audited balance sheets.

(iii) **Working Capital** – JV firm should meet the Working Capital requirement.

Annexure I to Appendix 'R'
(Refers to Sl. (2) & (4) to Appendix 'R')

FORM-1

AVERAGE ANNUAL TURNOVER

(This is a suggested format, which may vary depending on User requirements)

(Financial Qualification Attribute No 2 & 4)

Subject: Application for Pre-Qualification for Construction of XXXX Project

(The following table shall be filled in for the Applicant)

Applicant's name: (insert full name):

ANNUAL TURNOVER	
Year **(Financial year to be indicated by Applicant)**	**Amount** **INR**
(indicate Financial year)	(insert amount in INR)
Average Annual Turnover**	

According to the information, explanations and documents provide by the Applicant to us, we certify that the above information is correct to the best of our knowledge and belief.

….....(Signature of the Statutory Auditor)

The Annual Turnover of Group Companies, shall not be considered for evaluation. The Applicants are advised to strictly adhere to this requirement and submit the Balance Sheets, specific certificate issued by its Statutory Auditors or in case the accounts of the Applicant are not required to be statutorily audited, certified in accordance with local legislation, certificate(s) issued by the clients in the name of the Applicant only

…..... (Full Name of the Statutory Auditor)

…..... (Name of the Statutory Auditor's Firm)

…..... (Complex Address of the Statutory Auditor's Firm)

…..... (Telephone/fax numbers, including country and city codes)

…..... (Email of Statutory Auditor)

…..... (Seal of Statutory Auditor)

Membership No. of the Statutory Auditor …….

Annual Turnover should be substantiated through (i) Audited Balance Sheets of the relevant financial years, provided the figures, are stated in the Balance Sheet(s) or (ii) Specific certificate(s) issued by its Statutory Auditors or in case the accounts of the Applicant are not required to be statutorily audited, certified in accordance with local legislation or (iii) Certificate(s) issued by the Clients.
**Total INR equivalent for best three out of five FYs divided by the 3.

Annexure II to Appendix 'R'
(Refers to Para 3 to Appendix 'R')

FORM-2

FINANCIAL SITUATION OF THE APPLICANT

(This is a suggested format, which may vary depending on User requirements)

(Financial Qualification Attribute No. 3)

Subject: Application for Pre-Qualification for Construction of XXXX Project

(The following table shall be filled in for the Applicant)

Applicant's Name: *(insert full name)*

1. **Financial Data**

Type of Financial information (in INR)	**Historic information for previous 5 (Five) Years**				
	Year 5	**Year 4**	**Year 3**	**Year 2**	**Year 1**
Statement of Financial Position (Information from Audited Balance Sheet)					
A. Total Assets (TS) (Excluding Deferred Expenditure and Losses)					
B. Total Outside Liabilities (TL) (Long Term Liabilities and Current Liabilities and Provisions)					
C. Revaluation Reserve					
D. Net Worth = A-B-C					
E. Current Assets (CA)					
F. Current Liabilities and Provisions (CL)					
G. Working Capital = E-F					
H. Proposed specific line of credit agreed by commercial Bank and/or govt recognized financial institution for the subject contract	N/A	N/A	N/A	N/A	
I. Total Available Working Capital (G+H) for the subject contract)	N/A	N/A	N/A	N/A	
J. Working Capital requirements for current contract commitments	N/A	N/A	N/A	N/A	

K. Source of Finance for current contract commitments	N/A	N/A	N/A	N/A	
L. Working Capital available after meeting the Working Capital requirements for current contract commitments (I-J+K)	N/A	N/A	N/A	N/A	
Financial Soundness					
M. Net Worth					
N. Profit before taxes					
P. Profit after taxes					

2. **Financial documents**.

(a) The Audited Balance Sheets, Profit and Loss Account and cash flow statement of Group Companies, shall not be considered for evaluation. The Applicants are advised to strictly adhere to this requirement and submit the above statement of the Applicant.

(b) The Applicant shall attach copies of the Audited Balance Sheets or, if not required by the laws of the Applicant's country, other Financial Statements for 5 (five) years preceding the Applicant Due Date, which shall:

(i) Reflect the financial of the Applicant, and not an affiliated entity;

(ii) Be statutorily audited or in case the accounts of the Applicant are not required to be statutorily audited, certified din accordance with local legislation;

(iii) Be complete, including all notes attached thereto;

(iv) Correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

Note:

(a) Year 1 will be the latest completed financial year, preceding the Applicant Due Date. Year 2 shall be the year immediately preceding Year 1 and so on. For the avoidance of doubt, financial year shall, for the purposes of the Applicant hereunder, mean the accounting year followed by the Applicant in the normal course of its business

(b) If the most recent set of Balance Sheet or the Financial Statement, as the case may be, is for a period earlier than 12 months from the date of application, justification should be provided for the same.

(c) The Working Capital for Year 1 at Serial L will be considered for Evaluation.

…..... (Full Name of the Statutory Auditor)

…..... (Name of the Statutory Auditor’s Firm)

…..... (Complex Address of the Statutory Auditor’s Firm)

…..... (Telephone/fax numbers, including country and city codes)

…..... (Email of Statutory Auditor)

…..... (Seal of Statutory Auditor)

Appendix S
(Refers to Para 64 of RFP)

DOCUMENTS TO BE SUBMITTED BY THE BIDDER ALONG WITH THEIR TECHNO-COMMERCIAL PROPOSALS

The list of documents which needs to be mandatorily submitted by the Bidders as part of Technical Proposal are placed below. Non-submission of the documents may result in disqualification of the Bidder from the bidding process.

Ser	Reference	Document Description
1.	Para 6 of RFP	Declaration by Bidder : Debarment of vendors
2.	Para 7 of Part I of RFP	Self-declaration certificate indicating no case is pending under IBC.
3.	Para 21 of RFP	Declaration by Bidder: Government Regulation
4.	Para 18 of RFP	Declaration by Bidder: Obligations Relevant to Transfer of Conventional Arms
5.	Para 23 of RFP	Declaration by Bidder : Patent Rights
6.	Para 27of RFP	Declaration by Bidder : Fall Clause
7.	Para 37 of RFP	Technical document covering performance parameters.
8.	Appendix B	Compliance Table/Undertaking for compliance to all Technical and Commercial parameters of RFP
9.	Appendix C	Warranty Clause
10.	Annexure I to Appendix D	Undertaking to Comply with Offset Obligations (if applicable)
11.	Annexure II to Appendix D	Format for Submitting Technical Offset Offer (if applicable)
12.	Annexure III to Appendix D	Format for Submitting Commercial Offset Offer
13.	Appendix E	Information Pro-forma, Engagement of Agent by Foreign Bidder
14.	Appendix J	CERTIFICATE: Malicious Code
15.	Annexure I to Appendix K	Manufacturer’s Recommended List of Spares (MRLS)
16.	Annexure II to Appendix K	List of SMT/STEs, Jigs, Fixture and Infrastructure
17.	Annexure III to Appendix K	Technical Literature
18.	Annexure IV to Appendix K	Training Aggregates
19.	Appendix N	Price Bid

Ser	**Reference**	**Document Description**
20.	Annexure I to Appendix O	Pre-Contract Integrity Pact
21.	Annexure II to Appendix O	EMD
22.	Para 40 of Part II Technical Requirements of RFP	Build strategy
23.	-	Any other document left out in this list to verify the claim submitted by the Bidder

Appendix 'T' to RFP

GLOSSARY
(To be populated for project)

AMC	Annual Maintenance Contract
AoN	Acceptance of Necessity
ATP	Acceptance Test Procedure
CAMC	Comprehensive Annual Maintenance Contract
CKD	Completely Knocked Down
CNC	Contract Negotiation Committee
DAC	Defence Acquisition Council
DGAQA	Director General of Aeronautical Quality Assurance
DGNAI	Director General Naval Armament Inspectorate
DGQA	Director General of Quality Assurance
DPB	Defence Procurement Board
DAP	Defence Acquisition Procedure
DRDO	Defence Research and Development Organisation
EMC	Electro Magnetic Compatibility
EMI	Electro Magnetic Interference
EPP	Enhanced Performance Parameters
ESP	Engineering Support Package
FET	Field Evaluation Trials
GoI	Government of India
IC	Indigenous Content
ICG	Indian Coast Guard
IDDM	Indigenously Designed & Developed Manufactured
IM	Indigenously Manufactured
IP	Integrity Pact
IPBG	Integrity Pact Bank Guarantee
LRU	Line Replaceable Unit
MET	Maintainability Evaluation Trial

MoD	Ministry of Defence
MRLS	Manufacturer Recommended List of Spares
M-ToT	Maintenance Transfer of Technology
NCNC	No Cost No Commitment
OEM	Original Equipment Manufacturer
OTE	Open Tender Enquiry
PA	Production Agency
PCIP	Pre Contract Integrity Pact
QAP	Quality Assurance Plan
RFP	Request for Proposal
SCACPHC	Services Capital Acquisition Categorisation Higher Committee.
SHQ	Service Headquarters
SKD	Semi Knocked Down
SRU	Shop Replaceable Unit
TEC	Technical Evaluation Committee
ToT	Transfer of Technology

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CHAPTER XII

Contract Management (CM)

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Appendix A

(Refers to Paragraph 1 of Chapter XII of DAP 2026)

STANDARD CONTRACT DOCUMENT

Agreement between the Government of the Republic of India, Ministry of Defence and (**Name of the Company**) for (**Name of Equipment**)

Contract No. _

This template of Standard Contract Document may be suitably modified by the CNC, where required, based on the RFP and CNC deliberations.

For Capital Acquisition cases under FMS / IGA arrangement, the Articles may be suitably amended.

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CONTRACT NO.(_____)

DATED (_____)

PREAMBLE

1. This Contract is made on this day, the (date) day of (Month & Year) in New Delhi, between the President of India represented by the ~~Additional Director General Acquisition (Army / Air Force / Maritime & Systems)~~ Joint Secretary & Acquisition Manager (Land System / Air Force / Maritime & Systems) / Major General & equivalent, Service Headquarters / Coast Guard, Ministry of Defence, Government of India, hereinafter referred to as the BUYER (which terms unless excluded by the context, shall be deemed to include his successor in office) on one part and M/s (name of the company with address) duly represented by____ and incorporated under the laws of_____, having its registered office at_____ ,_____(which terms unless expressly indicated by the context shall be deemed to include its successors and its assignee), hereinafter referred to as the "SELLER" on the other part. WHEREAS, The BUYER agrees to buy and the SELLER agrees to sell the Goods and Services (hereinafter collectively referred as 'Deliverables') described in Annexure-I of this Contract and in accordance with the terms and conditions of this CONTRACT AND WHEREAS the SELLER assures the BUYER that the BUYER has the right to have the supplies manufactured in India through a nominated agency and supply it to the BUYER.

2. **Definitions**. The words and expressions beginning with initial Capital letter or are in Capitals and defined in this Contract shall, unless the context otherwise requires, have the meaning ascribed thereto herein, and the words and expressions defined in the Annexures and used therein shall have the meaning ascribed thereto in the Schedules.

2.1 **"Contract"** shall mean this present document reference: Contract No. _____, which inherently includes all Articles and its listed Annexures and Appendices, and any amendments thereto.

2.2 "**Buyer**" and "**Seller**" are as defined at Para 1 above.

2.3 **"Deliverables"** shall mean all the Goods and Services which are to be delivered under this Contract.

2.4 **"Total Contract Price"** shall mean the total final negotiated price of present Contract including all taxes and duties applicable at the time of signing of Contract, of the deliverables to be supplied as specified at Article 1.

2.5 "**Base Contract Price**" shall mean Total Contract Price excluding taxes and duties applicable at the time of signing of Contract of the deliverables and excluding the Total Price of AMC / CMC / PBL / LCSC (if any)

2.6 **"Expiration of Contract"** shall mean fulfillment of all contractual obligations of Buyer and Seller.

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2.7 "**Patent Defects**" are those defects that can be discovered by a reasonable inspection and ordinary vigilance on the part of the Buyer.

2.8 "**Latent defects**" are those defects which could not be discovered by a reasonable inspection prior final acceptance by the Buyer.

2.9 "**Spares**" are component part of the Goods designed for replacement with the same part having been in operation with the purpose to support or to restore the serviceability of the Goods.

2.10 "**INCOTERMS**" shall mean the international rules for interpretation of trade terms issued by the International Chamber of Commerce from time to time.

2.11 "**Parties**" means the Buyer and the Seller and party shall be construed accordingly.

2.12 "**Specifications**" means the description of the deliverables, including any specifications, drawings, samples and / or patterns referred to the in the Annexure IIA to this Contract.

2.13 "**Transhipment**" means the shipment by offloading of Goods from one location and loading to another (or one country to another) and from one carrier to another by mode of Air, Sea, Road, Rail either of two or of all.

3. **Order of Precedence**. This Contract and documents forming part of or referred to in this Contract are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this Contract, the priority of this Contract and other documents and Contracts forming part hereof or referred to herein shall, in the event of any conflict between them, be in the following order:-

3.1 This Contract; and

3.2 All other documents forming part hereof or referred to herein

4. Subject to the provisions of the Contract, in case of ambiguities or discrepancies within this Contract, the following shall apply:-

4.1 Between 2(two) or more Articles of this Contract, the provisions of a specific Article relevant to the issue under consideration shall prevail over those in other Articles;

4.2 Between the Articles of this Contract and the Annexures, the Articles shall prevail and between Annexure and Appendices, the Annexure shall prevail;

4.3 Between any 2(two) Annexures, the Annexure relevant to the issue shall prevail;

4.4 Between the written description on the Drawing and the Specifications and Standards, the latter shall prevail;

4.5 Between the dimension scaled from the Drawing and its specific written dimension, the latter shall prevail; and

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4.6 Between any value written in numerals and that in words, the latter shall prevail.

5. If either Party becomes aware of any inconsistency, within or between the documents referred to in Article, such Party shall notify the other Party forthwith and the parties will seek to resolve that inconsistency on the basis of order of precedence set out above or as per mutual consultation.

6. The headings used in this Contract are inserted for the convenience of the parties and shall not define, limit, or describe the scope or the intent of the provisions of this Contract.

7. **It is hereby agreed and declared by and between the parties here of:-**

ARTICLE 1
SCOPE OF CONTRACT

1. The SELLER undertakes to sell and to deliver to the BUYER and the BUYER undertakes to accept and pay for all deliverables in accordance with the terms and conditions stipulated in this Contract [for the acquisition of__(nomenclature of the equipment)] and accompanied accessories according to the Technical Specifications stipulated in **Annexure IIA** to this Contract and the unit prices, quantities and payment stages, as specified in **Annexure I** of this Contract. For AMC / CMC / PBL / LCSC, where applicable, the requirements and scope are as specified at Annexure IIB.

2 The Total Contract Price including taxes and duties applicable at the time of signing of Contract of the deliverables to be supplied according to this Contract amounts to Rs / US $ / Euro / PS £ / Yen / AUD / SGD _____ (in words).

3 The Base Contract Price i.e. Total Contract Price excluding taxes and duties applicable at the time of signing of Contract of the deliverables and excluding the Total Price of AMC / CMC / PBL / LCSC (if any) to be supplied according to this Contract amounts to Rs / US $ / Euro / PS £ / Yen / AUD / SGD _____ (in words).

4 For Advance Payment Bank Guarantee (APBG) and Additional Bank Guarantee (ABG), the Base Contract Price is to be considered as defined at Para 1.3 above. For Performance cum Warranty Bank Guarantee (PWBG), Total Contract Price including taxes and duties is to be considered. In case of orders with AMC / CMC / PBL / LCSC, an additional Performance Bank Guarantee (PBG) is to be submitted for which the Total Price of AMC / CMC / PBL / LCSC for contracted duration is to be considered, which according to this Contract amounts to Rs / US $ / Euro / PS £ / Yen / AUD / SGD _____ (in words). The Bank Guarantees are to be submitted as per following:-

4.4.1 **Foreign Seller**. Bank guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank (as notified by RBI) or First Class banks of international repute whose details have to be furnished in the Commercial bid. In case of International banks, the Buyer reserves the right to consult Parliament Street branch of State Bank of India, New Delhi on whether to get the BG of the foreign bank confirmed, and as per their advice, seek confirmation of Bank Guarantee(s) by Counter Guarantee by an Indian Public or Private scheduled commercial bank at seller's cost.

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4.4.2 **Indian Seller**. In case of Indian Sellers, the Bank Guarantee(s) shall be from any Indian Public or Private Scheduled Commercial Bank.

ARTICLE 2
EFFECTIVE DATE OF CONTRACT

1 The Contract shall come into effect on the date of signature of both the parties on the Contract (Effective Date) and shall remain valid until the completion of the obligations of the parties under the Contract. The deliveries, supplies and performance of the services shall commence from the effective date of the Contract. However the date of delivery would be reckoned from the date of release of Advance payment by the BUYER to the SELLER (To), provided the SELLER submits the documents mandated by the DAP for release of advance by the BUYER within 45 days of signing of Contract. In the event of the SELLER not submitting the said documents within 45 days of signing of Contract, the period between the 45th day and actual submission of documents will be excluded from the actual date of advance payment to arrive at the delivery date. In case, no advance is to be paid, the date for reckoning date of delivery would be the date of signing of Contract. This clause will not be applicable in cases wherein Advance payment is released after FOPM is successfully validated. In such cases, date of accord of Bulk Production Clearance will be date for reckoning date of delivery.

2 The BUYER and the SELLER have to fulfil the following obligations:-

2.2.1. **SELLER**. The SELLER shall furnish the following documents within 45 days of signing of Contract to the BUYER:-

2.2.1.1 Advance Payment Bank Guarantee and Invoice.

2.2.1.2 Performance cum Warranty Bank Guarantee; and

2.2.1.3 Export License from the SELLER's Government, as applicable (a copy of Seller's application for export license to their government / Confirmation from Seller's Government of authorization for Supply may be provisionally accepted in lieu of export license for release of Advance Payment with the caveat that the Seller should submit the requisite Export License prior to release of next payment from the BUYER).

2.2.1.4 Additional Bank Guarantee for Essential Parameter 'B', if applicable

2.2.2 **BUYER.** The BUYER shall also provide End User's Certificate, if required, to the SELLER within 30 days of signing of the Contract.

ARTICLE 3A

ADVANCE PAYMENT BANK GUARANTEE
(For Foreign Sellers only)

1. An Advance Payment Bank Guarantee will be submitted by the SELLER in the form of a bank guarantee by (SELLER'S BANK.....) in favour of Government of India, Ministry of Defence equal to _____ % of the Base Contract Price i.e. for US $ / Euro / PS £ / Yen / AUD / SGD……(in words US Dollars / Euro / PS / Yen / AUD / SGD …….. only).

2. The prescribed format of the Advance Payment Bank Guarantee is mentioned in **Annexure-IV** to this Contract.

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3. The Advance Payment Bank Guarantee shall be considered open upon receipt by the BUYER's bank.

4. Advance Payment Bank Guarantee (APBG) shall be proportionately and automatically reduced until full extinction along with and prorate to the value of each delivery as evidenced by the corresponding copy of document proving delivery (JRI Certificate or CRV, as the case may be) and invoices of Deliverables supplied / provided.

ARTICLE 3B
ADVANCE PAYMENT BANK GUARANTEE
(For Indian Sellers only, including Defence PSUs / JVs with DPSUs or PSUs or Government Entities)

1. An Advance Payment Bank Guarantee will be submitted by the SELLER in the form of a bank guarantee, in favour of Government of India, Ministry of Defence, equal to % of the Base Contract Price i.e. for Rs (in words Rs…….. only).

2. The prescribed format of the Advance Payment Bank Guarantee is mentioned in **Annexure IV** to this Contract.

3. The Advance Payment Bank Guarantee shall be considered open upon receipt by the BUYER's bank.

4. The Advance Payment Bank Guarantee (APBG) shall be proportionately and automatically reduced until full extinction along with and prorate to the value of each delivery as evidenced by the corresponding copy of document proving delivery (JRI Certificate or CRV, or as the case may be) and invoices of deliverables supplied / provided.

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ARTICLE 3C

ADVANCE PAYMENT INDEMNITY BOND

(Applicable for Defence PSUs / JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis only)

1. An Advance Payment Indemnity Bond will be submitted by the Defence PSUs / JVs with DPSUs / PSUs / Govt Entity in favour of Government of India, Ministry of Defence, equal to % of the Base Contract Price i.e. for Rs (in words Rs…….. only).

2. The Advance Payment Indemnity Bond shall be proportionately and automatically reduced until full extinction along with and prorate to the value of each delivery as evidenced by the corresponding copy of document proving delivery (JRI Certificate or CRV, as the case may be) and the invoices of deliverables supplied / provided.

3. The prescribed format for Advance Payment Indemnity Bond is mentioned in **Annexure** IVD of this contract.

ARTICLE 3D

ADDITIONAL BANK GUARANTEE FOR ESSENTIAL PARAMETER- B CASES

(For Foreign Sellers Only)

1. An Additional Guarantee will be submitted by the SELLER in the form of a bank guarantee by (SELLER's BANK…….) in favour of Government of India, Ministry of Defence, equal to _____% of the Base Contract Price i.e. for US $ / Euro / PS£ / Yen / AUD / SGD…… (in words US Dollars / Euro / PS / Yen / AUD / SGD ……only). However, in cases where the equipment fielded by the Seller emerging L1 has already been trial evaluated for Essential Parameters - B and found compliant to same, the Seller will not furnish an Additional Bank Guarantee for Essential Parameters - B.

2. The prescribed format of the Additional Bank Guarantee is mentioned in **Annexure- IV (B)** to this Contract.

3. The Additional Bank Guarantee shall be considered open upon receipt by BUYER's bank.

ARTICLE 3E

ADDITIONAL BANK GUARANTEE FOR ESSENTIAL PARAMETER- B CASES

(For Indian Sellers Only, including Defence PSUs / JVs with DPSUs or PSUs or Government Entities)

1. An Additional Guarantee will be submitted by the SELLER in the form of a bank guarantee, in favour of Government of India, Ministry of Defence, equal to ____ % of the Base Contract Price i.e. for Rs…… (in words Rs……only). However, in cases where the equipment fielded by the Seller emerging L1 has already been trial evaluated for Essential Parameters - B and found compliant to same, the Seller will not furnish an Additional Bank Guarantee for Essential Parameters – B.

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2 The prescribed format of the Additional Bank Guarantee is mentioned at **Annexure IV(B)** to this Contract.

3. The Additional Bank Guarantee shall be considered open upon receipt by the BUYER's bank.

ARTICLE 4A
PERFORMANCE CUM WARRANTY BANK GUARANTEE
(For Foreign Sellers only)

1. A Performance cum Warranty Bank Guarantee will be submitted by the SELLER in the form of a bank guarantee by (SELLER'S BANK.....), in favour of Government of India, Ministry of Defence, equal to 5 % of the Total Contract Price i.e. for US $ / Euro / PS £ / Yen / AUD / SGD …… (in words US Dollars / Euro / PS / Yen / AUD / SGD …… only).

2. The prescribed format of the Performance-cum-Warranty Bank Guarantee is mentioned at **Annexure IV (A)** of this Contract. The Performance-cum-Warranty Bank Guarantee shall be considered open upon receipt by the BUYER's bank. The prescribed format of Performance-Cum-Warranty (Insurance Surety Bond) is mentioned at Annexure IV (AA).

3. The Performance-cum-Warranty Bank Guarantee shall remain valid for a period of three months beyond the Warranty period.

4. In case any claim or any other Contractual obligation are outstanding, the SELLER shall extend the Performance-cum-Warranty Bank Guarantee as asked by the BUYER till such time the SELLER settles all claims and completes all Contract obligations.

5. The Performance-cum-Warranty Bank Guarantee will be subject to encashment by the BUYER at the rate of___% of basic cost of equipment on pro-rata basis for every month of delay / non-adherence to contract provisions in case, condition regarding adherence to delivery schedule, warranties, settlement claims and other provisions of the Contract are not fulfilled by the SELLER. If at any stage, the Performance Guarantee is invoked by the Buyer either in full or in part, the Seller shall make good the shortfall in PWBG within 30 days by an additional Bank Guarantee for equivalent amount. In the event of failure to submit the required Bank Guarantee against invoked Performance Guarantee, equivalent amount will be withheld from the next stage payment till the shortfall in the Bank Guarantee is made good by the Seller.

ARTICLE 4B

PERFORMANCE CUM WARRANTY BANK GUARANTEE
(For Indian Sellers only, including Defence PSUs / JVs with DPSUs or PSUs or Government Entities)

.1 A Performance cum Warranty Bank Guarantee will be submitted by the Seller in the form of a Bank Guarantee, in favour of Government of India, Ministry of Defence, equal to 5% (Five percent) of the Total Contract Price (including taxes and duties) i.e. for Rs (in words Rs _____ _____only).

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2. The prescribed format of the Performance-cum-Warranty Bank Guarantee is mentioned at **Annexure IV(A)** of this Contract. The Performance-cum-Warranty Bank Guarantee shall be considered open upon receipt by the BUYER's bank. The prescribed format of Performance-Cum-Warranty (Insurance Surety Bond) is mentioned at Annexure IV (AA).

3. The Performance-cum-Warranty Bank Guarantee shall remain valid for a period of three months beyond the warranty period.

4. In case any claim or any other Contractual obligation are outstanding, the SELLER shall extend the Performance-cum-Warranty Bank Guarantee as asked by the BUYER till such time the SELLER settles all claims and completes all Contractual obligations.

5. The Performance-cum-Warranty Bank Guarantee will be subject to encashment by the BUYER at the rate of _% of basic cost of equipment on pro-rata basis for every month of delay / non-adherence to contract provisions in case, condition regarding adherence to delivery schedule, warranties, settlement claims and other provisions of the Contract are not fulfilled by the SELLER. If at any stage, the Performance Guarantee is invoked by the Buyer either in full or in part, the Seller shall make good the shortfall in PWBG within 30 days by an additional Bank Guarantee for equivalent amount. In the event of failure to submit the required Bank Guarantee against invoked Performance Guarantee, equivalent amount will be withheld from the next stage payment till the shortfall in the Bank Guarantee is made good by the Seller.

ARTICLE 4C

PERFORMANCE CUM WARRANTY INDEMNITY BOND

(Applicable for Defence PSUs / JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis only)

1. A Performance cum Warranty Indemnity bond will be submitted by the Defence PSUs / JVs with DPSUs / PSUs / Govt Entity in favour of Government of India, Ministry of Defence, equal to 5% (Five percent) of the Total Contract Price (including taxes and duties) i.e. for Rs_____ (in words Rs_____only).

2. The prescribed format of the Performance-cum-Warranty Indemnity Bond is mentioned at **Annexure IV(C)** of this Contract. The Performance-cum-Warranty Indemnity bond shall remain valid for a period of three months beyond the warranty period.

3. In case any claim or any other Contractual obligation are outstanding, the SELLER shall extend the Performance-cum-Warranty Indemnity bond as asked by the BUYER till such time the SELLER settles all claims and completes all Contract obligations.

4. The Performance-cum-Warranty Indemnity bond will be invoked by the BUYER in case, condition regarding adherence to delivery schedule, warranties, settlement claims and other provisions of the Contract are not fulfilled by the SELLER.

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ARTICLE 4D

PERFORMANCE BANK GUARANTEE FOR AMC / CMC / PBL / LCSC
(For Foreign Sellers only)

1. A Performance Bank Guarantee, will be submitted by the SELLER in the form of a bank guarantee by (SELLER'S BANK.....), in favour of Government of India, Ministry of Defence, equal to 5 % of the Total Price including taxes and duties of AMC / CMC / PBL / LCSC i.e. for US $ / Euro / PS £ / Yen / AUD / SGD……(in words US Dollars / Euro / PS / Yen / AUD / SGD…….. only) prior to expiry / return of the PWBG of the Main Contract.

2. The prescribed format of the Performance Bank Guarantee is to be as per **Annexure IV (A)** of this Contract. The Performance Bank Guarantee shall be considered open upon receipt by the BUYER's bank. The prescribed format of Performance-Cum-Warranty (Insurance Surety Bond) is mentioned at Annexure IV (AA).

3. The Performance Bank Guarantee shall remain valid for 03 months beyond the period of AMC / CMC / PBL / LCSC.

4. In case any claim or any other Contractual obligation are outstanding, the SELLER shall extend the Performance Bank Guarantee as asked by the BUYER till such time the SELLER settles all claims and completes all Contract obligations.

5. The Performance Bank Guarantee will be subject to encashment by the BUYER at the rate of _% of basic cost of equipment on pro-rata basis for every month of delay / non-adherence to contract provisions in case, condition regarding adherence to operational availability, permissible downtime and other provisions of the Contract are not fulfilled by the SELLER.

ARTICLE 4E

PERFORMANCE BANK GUARANTEE FOR AMC / CMC / PBL / LCSC
(For Indian Sellers only, including Defence PSUs / JVs with DPSUs or PSUs or Government Entities)

1. A Performance Bank Guarantee will be submitted by the SELLER in the form of a bank guarantee, in favour of Government of India, Ministry of Defence, equal to 5 % of the Total Price of AMC / CMC / PBL / LCSC i.e. for Rs …… (in words Rs…….. only) prior to expiry / return of the PWBG of the Main Contract.

2. The prescribed format of the Performance Bank Guarantee is to be as per **Annexure IV(A)** of this Contract. The Performance-cum-Warranty Bank Guarantee shall be considered open upon receipt by the BUYER's bank. The prescribed format of Performance-Cum-Warranty (Insurance Surety Bond) is mentioned at Annexure IV (AA).

3. The Performance Bank Guarantee shall remain valid for 03 months beyond the period of AMC / CMC / PBL / LCSC.

4. In case any claim or any other Contractual obligation are outstanding, the SELLER shall extend the Performance Bank Guarantee as asked by the BUYER till such time the SELLER settles all claims and completes all Contract obligations.

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5. The Performance Bank Guarantee will be subject to encashment by the BUYER at the rate of _% of basic cost of equipment on pro-rata basis for every month of delay / non-adherence to contract provisions in case, condition regarding adherence to operational availability, permissible downtime and other provisions of the Contract are not fulfilled by the SELLER.

ARTICLE 4F

PERFORMANCE INDEMNITY BOND FOR AMC / CMC / PBL / LCSC

(Applicable for Defence PSUs / JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis only)

1. A Performance Indemnity bond will be submitted by the Defence PSUs / JVs with DPSUs / PSUs / Govt Entity, in favour of Government of India, Ministry of Defence, equal to 5% (Five percent) of the Total price of AMC / CMC / PBL / LCSC i.e. for Rs_____ (in words Rs_____Only) prior to expiry / return of the Indemnity Bond of the Main Contract.

2. The Performance Indemnity Bond shall remain valid for three months beyond the period of AMC / CMC / PBL / LCSC.

3. In case any claim or any other Contractual obligation are outstanding, the SELLER shall extend the Performance Indemnity bond as asked by the BUYER till such time the SELLER settles all claims and completes all Contract obligations.

4. The Performance Indemnity bond will be invoked by the BUYER in case, condition regarding adherence to operational availability, permissible downtime and other provisions of the Contract are not fulfilled by the SELLER.

ARTICLE 5A PAYMENT TERMS

(For Foreign Sellers only)

1 The Accounting and Payment currencies shall be US Dollars / Euro / Pound Sterling / Yen / AUD / SGD.

2. The Total Contract Price referred to in Article 1 of the Contract shall be paid in accordance with the payment schedule at Annexure I**.** In 'Buy (Global-Manufacture in India)' cases, all payments for the 'Manufactured' portion will be paid to the SELLER in Indian Rupees.

3. **Advance Payment**. _____% of Base Contract Price being USD / Euro / Pound Sterling / Yen / AUD / SGD, shall be paid to the SELLER within 30 days of the receipt of the documents indicated at Article 2, Para 2.2.1 through Bank Transfer, subject to correction and acceptability of the documents submitted.

4. **On Dispatch**. __% of the Total Contract Price (excluding total Price of AMC / CMC / PBL / LCSC, if any) being USD / Euro / Pound Sterling / Yen / AUD / SGD shall be paid to the SELLER through a documentary irrevocable Letter of Credit (LC), mentioned at **Annexure X**, to be opened by the BUYER as follows:-

4.1 The SELLER will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment.

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4.2 Consequent on receipt of the above notification, the BUYER shall open the LC before expiry of this period of 45 days provided a 5% Performance cum Warranty Bank Guarantee for the Full value of the Contract has been received.

4.3 The LC will be opened in any Public Sector bank (as decided by the BUYER) or Private Sector Bank (if approved by MoF).

4.4 With SELLER's Bank, i.e._____ Account No. _____in favour of SELLER and will be valid for a period of__days / months from the date of opening.

Note*: Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving LC can be opened.*

5. The payment under the LC (Relevant Article may be referred e.g Article 5A, Para 4) shall be made against presentation of the following documents, by the SELLER to the **LC issuing** bank:-

5.1. SELLER's commercial invoice in sextuplicate, showing the number of the Contract, quantity and Denomination of the Equipment delivered and the amount.

5.2. Full set of Originals "Clean on Board" Bills of Lading / Air Way Bill (for payments against dispatch).

5.3. Packing List (six copies).

5.4. Certificate of Origin, duly stamped by the SELLER's Chamber of Commerce or self-certified by OEM.

5.5. Certificate of Conformity and Acceptance Test report (where applicable) at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and Acceptance certificate issued by the SELLER (for payments against dispatch).

5.6. Certificate of current manufacture from OEM.

5.7. Dangerous Cargo Certificate, where applicable.

5.8. Phyto-Sanitary / Fumigation Certificate, where applicable.

5.9. In case of training, a certificate from BUYER's representative that training program has been completed.

5.10 Export License from the SELLER's Government (if applicable). (A copy of Seller's application for export license to their government / Confirmation from Seller's Government of authorization for Supply may be provisionally accepted in lieu of export license for release of Advance Payment with the caveat that the Seller should submit the requisite Export License prior to release of next payment from the BUYER)

5.11 Specimen Signature of the authorised representative of the Seller.

6. In the event of delay in opening the LC (reasons for which are solely attributable to buyer), the delivery date will automatically stand extended to that extent.

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7. All expenses connected with establishment of the LC in India will be borne by the BUYER and those outside India will be borne by the SELLER.

8. Where the extension of the validity of LC is necessitated, the bank charges for extension shall be borne by the party whose default causes such an extension.

9. Transshipment may not be permitted for certain deliverables and / or under certain situations (*specified by the BUYER in RFP*).

10. Three copies of SELLER's Commercial Invoices, shipping documents and packing list will be sent by courier and email by the SELLER to the BUYER (Wing of Service HQ to be specified) within 3 days after the equipment has been shipped. Intimation may also be forwarded to Ministry of Defence, South Block, New Delhi (Wing to be specified).

11. The LC shall be subject to and shall be governed by the **extant** Uniform Customs and Practices for Documentary Credits issued by the International Chamber of Commerce.

12. Any demurrage charges incurred by the Port Consignee due to late submission / incorrect submission of the shipping documents by the SELLER as per Article above would be borne by the SELLER.

13. All payments will be carried out with reference to the number of this Contract.

14. In case of failure of the SELLER to deliver the deliverables to the Buyer or inordinate delay in the said delivery leading to Termination of the Contract in accordance with Article 22, Para 1, the SELLER undertakes to return the payments received against dispatch.

15. **<u>On Delivery</u>**. % of the Contract Price of the Goods shipped shall be paid through Irrevocable Letter of Credit (LC) on completion of JRI post delivery and issue of JRI Certificate / Certified Receipt Voucher (CRV) issued by the Buyer. The payment will be arranged through any Public Sector bank (as decided by the Buyer) or Private Sector Bank (if approved by MoF), to the Bank of the Foreign Seller. Letter of Credit will be opened by the Buyer on receipt and the Letter of Credit will be valid for days from the date of its opening. *In case the delivery is in multiple consignments and there is a long delivery schedule, then Revolving LC can be opened.*

16. **On Final Acceptance and Installation / Commissioning (where applicable)**. The remaining _____% of the Total Contract Price (excluding to tal Price of AMC / CMC / PBL / LCSC, if any) shall be paid within thirty (30) days after the date of the Acceptance Certificate & Certified Receipt Voucher (CRV) issued by the BUYER and other relevant documents as mentioned above for final payment, but such payments will be subject to the deductions of such amounts as the SELLER may be liable to pay under the agreed terms of the Contract.

17 SELLER's bankers address and account number: -

_____

Account No.:

Sort code:

SWIFT Code:

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18. **AMC / CMC / PBL / LCSC Payments**. (Note: This Para may be included if there is AMC / CMC / PBL / LCSC clause in RFP). Quarterly / Half-yearly / Annually payments will be made by PCDA / CDA on submission of User clearance certificate through DBT.

18.1 **LCSC Payments**. The Payments towards deliverables under LCSC will be carried out through Revenue Budget under the respective CFAs of Buyer Nominated Agency.

ARTICLE 5B PAYMENT TERMS

(For Indian Sellers in cases excluding "Buy Global")

1. The Total Contract Price referred to in Article 1 of this Contract shall be paid in accordance with the payment schedule at Annexure I.

2. **Advance Payment**. _% of Base Contract Price being Rs shall be paid to the SELLER within 30 days of the receipt of the documents indicated at Article 2 para 2.2.1, subject to correction and acceptability of the documents submitted.

3. **On Dispatch**. _____% of the Total Contract Price (excluding total Price of AMC / CMC / PBL, if any) will be paid on proof of dispatch and inspection note issued by the Inspecting Authority. (Note :- The Inspection Note for SMTs / STEs / TJs / Gauges / Training Aggregates & Technical Manuals will be issued by Maintainability Advisory Group or its equivalent orgainsation in IN / IAF / ICG). A certificate to that effect will be endorsed on the copy of Inspection note which shall accompany the bill submitted by the supplier. The payment will be made on production of following documents:-

3.1 Ink-signed copy of Commercial Invoices (original copy)

3.2 Ink-signed copy of SELLER Bills.

3.3 Inspection Acceptance Certificate demonstrating compliance with the technical specification of the Contractor to be issued by the beneficiary.

3.4 Packing list.

3.5 Warranty certificate from the SELLER.

3.6 Certificate of Origin.

3.7 Claim for statutory and other levies to be supported with requisite documents / GST invoice (with QR code, when made applicable) / proof of payment, as applicable.

3.8 Exemption certificate for taxes / duties, if applicable.

4 In case of failure of the SELLER to deliver the deliverables to the Buyer or inordinate delay in the said delivery leading to Termination of the Contract in accordance with Article 22, Para 1, the SELLER undertakes to return payments received against dispatch.

5. **On Delivery**.___% of the contract price of deliverables shall be paid on completion of JRI post delivery and issue of JRI Certificate / Certified Receipt Voucher (CRV) issued by the Buyer.

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6. **On Final Acceptance and Installation / Commissioning *(where applicable)***. The remaining___% of the Total Contract Price (excluding total Price of AMC / CMC / PBL / LCSC, if any) shall be paid within thirty (30) days after the date of the Acceptance Certificate & Certified Receipt Voucher (CRV) issued by the BUYER and other relevant documents as mentioned above for final payment, but such payments will be subject to the deductions of such amounts as the SELLER may be liable to pay under the agreed terms of the Contract.

7. The paying authority for this Contract is _____.

8. In Shipbuilding contracts where payments through Escrow Account is made **mandatory**, the payment will be made by PCDA / CDA who will release the payment through cheque / EFT to an Escrow Account as per modalities of Escrow Agreement signed between the BUYER, SELLER and Escrow account operating Bank at the time of signing of Contract.

9. **AMC / CMC / PBL / LCSC Payments**. (Note: This Para may be included if there is AMC / CMC / PBL / LCSC clause in RFP). Quarterly / Half-yearly / Annually payments will be made by PCDA / CDA on submission of User clearance certificate through issue of cheque / ECS.

9.1 **LCSC Payments**. The Payments towards deliverables under LCSC will be carried out through Revenue Budget under the respective CFAs of Buyer Nominated Agency.

ARTICLE -5C PAYMENT TERMS

[For Indian Sellers under Capital Acquisition, Category "Buy Global"]

1. In all of these cases, Indian Sellers can exercise option to take payment either through LC or Bank Transfer. The Payments Terms would be regulated as given below:-

Clause	Where Seller opts for payment through LC	Where Seller opts for payment through Bank transfer
1	The Accounting and Payment currencies shall be Rupees only. However, Exchange Rate Variation (ERV), as per ERV provisions contained in Annexure I to Appendix M of Schedule I to Chapter II, where permissible, shall be paid, only in INR.	
2	The components of total Contract price will be as per Article 1, Para 1	
3	The total Contract price referred to in Article 1 of the Contract shall be paid **in accordance with the payment schedule at Annexure I.** 3.1 Advance Payment------- shall be paid to the SELLER, through Bank Transfer, within 30 days of the receipt of the following documents: 3.2 Advance Payment Bank Guarantee as per Article 3B of the Contract. 3.3 Performance cum Warranty Bank Guarantee as per Article 4B of the Contract. 3.4 Any other specific document (like proforma invoice) if required.	
	*(**Note**: The second stage advance payment after completion of specific milestone may also be paid through Bank Transfer.)*	
4	For the second / next stage payment the SELLER has the option to seek payment either through Bank transfer from the O / o of PCDA _____ or through LC.	

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Clause	Where Seller opts for payment through L C	Where Seller opts for payment through Bank transfer
5	Where the SELLER opts for payment through LC, all payments except for the Advance payment as per clause 3 above shall be made by LC, as per following conditions:- 5.1 The SELLER will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment. 5.2 Consequent on receipt of the above notification, the BUYER shall open the Letter of Credit through PCDA before expiry of this period of 45 days provided a 5% Performance cum Warranty Bank Guarantee for the Full value of the Contract has been received. 5.3 The L C will be opened with a Public Sector bank or Private Sector Bank (if approved by MoF) for % of the Contract Price with the SELLER's Bank, i.e. & SELLER's Account No. It will be valid for a period of days / months from the date of opening. ***Note*** - *Since the LC charges are fixed on per quarter basis, it may be ensured that LC validity is fixed in multiples of 90,180,270 days / months depending upon the delivery schedule. In case the delivery is in multiple consignments and there is a long delivery schedule more than one LC or revolving* L C *can be opened.* 5.4 The payment against LC shall be made to the SELLER against presentation of the documents specified. 5.5 In the event of delay in opening the L C (reasons for which are solely attributable to BUYER), the delivery date will automatically stand extended to that extent. Formal amendment / certification from BUYER will be required as shipment date would have to be amended in SWIFT form accordingly.	Where the SELLER opts for payment through Bank Transfer payment shall be made as per following conditions:- 5.1.1 The SELLER will give a notification to the BUYER about the readiness of goods for dispatch 45 days prior to the delivery of the consignment. 5.1.2 Once a Supplier opts for payment through Bank Transfer, no changes in mode of payment would be permitted.

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Clause	Where Seller opts for payment through LC	Where Seller opts for payment through Bank transfer
	5.6 All expenses on nected with establishment of the LC in India will be borne by the SELLER. 5.7 Where the extension of the validity of L C is necessitated, the Bank charges for extension shall be borne by the party whose default causes such an extension. 5.8 Once a SELLER opts for payment through LC, no mid-way changes in mode of payment are permitted. 5.9 The LC shall be subject to and shall be governed by the extant Uniform Customs and Practices for Documentary Credits issued by the International Chamber of Commerce. 5.10 Any amendment in LC terms will be subject to BUYER's approval.	
6	All payments will be carried out with reference to the number of this Contract.	
7	The Second / next Stage payment comprising % of the value of goods supplied and full freight and insurance (where admissible) thereon, shall be paid to the SELLER on submission of the following documents, in six copies each: 7.1 Commercial invoices in original. 7.2 Contractor's bill in original. 7.3 Certificate of Conformity and Acceptance test report at the Pre Despatch Inspection signed by BUYER's and the SELLER's Quality Assurance Department. In case BUYER's representative do not attend the PDI, then certificate issued by the BUYER that it does not wish to attend the PDI and Inspection and acceptance certificate issued by the SELLER. 7.4 Proof of Dispatch (original copies of RR, P. Way bill of Lading, Airway bill as applicable). 7.5 Packing List. 7.6 Warranty certificate from the SELLER. 7.7 Certificate of current manufacture from OEM. 7.8 Proof of Duty / Tax paid / reimbursable like deposition receipt / challan etc	

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Clause	Where Seller opts for payment through LC	Where Seller opts for payment through Bank transfer
	Note- *The Invoice and Seller's bill must show the Contract reference number, break-up of costs in terms of unit costs, total costs, exchange rate element, percentage rates of taxes and duties and amount payable / paid, in complete detail.* *(ii) Three copies of SELLER's Commercial Invoices, proof of dispatch, packing list and the specifications will be sent by courier and email by the SELLER to the BUYER (Wing of Service HQ to be specified) within 3 days after the equipment has been shipped. Intimation may also be forwarded to Ministry of Defence, South Block, New Delhi (Wing to be specified).*	
8	Payment of other components of Contract- 8.1 Training. Commercial invoice / Seller's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed. 8.2 Reimbursable Expenses. Based on documentary proof of actual payment against the Contract, issued by relevant statutory authority. Sellers may ensure submission of same with details of Contractual obligations completed and payments received. **This clause shall form part of LC.** 8.3 Installation and Commissioning Charges. Commercial invoice / Seller's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. **Documents in proof of rates claimed shall need to be annexed**. 8.4 AMC Charges. Commercial invoice / Seller's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative.	Payment of other components of Contract- 8.1.1. Training. Commercial invoice / Seller's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative that training program has been completed. 8.2.1 Reimbursable Expenses. Based on documentary proof of actual payment against the Contract, issued by relevant statutory authority. Sellers may ensure submission of same with details of Contractual obligations completed and payments received. 8.3.1 Installation and Commissioning Charges. Commercial invoice / Seller's bill, duly accepted by Contract executing authority and Certificate from BUYER's representative. 8.4.1 AMC Charges. Commercial invoice / Seller's bill, duly accepted by Contract executing authority and
9	Balance Payment. The balance payment for % shall be paid to the SELLER against presentation of following documents:- 9.1 Copies of invoices (three copies). 9.2 Copy of JRI and acceptance certificate issued by the BUYER. 9.3 Seller's bill. 9.4 Extended Bank Guarantee wherever required.	

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Clause	Where Seller opts for payment through LC	Where Seller opts for payment through Bank transfer
10	SELLER's bankers address and account number: - Bank Name: Branch Name: Account No.: Sort Code: SWIFT Code: IFSC Code RTGS No	SELLER's bankers address and account number:- Bank Name: Branch Name: Account No.: Sort Code: SWIFT Code: IFSC Code RTGS No
11	Where admissible, tax deduction at source will be done **by the Bank releasing payment against LC.**	Where admissible, tax deduction at source will be done **by PCDA.**
12	Payment / recovery in terms of the Contract will be made **by the Bank releasing payment against LC**. All documents under the LC shall be delivered by the Bank to PCDA (through Trade Finance CPC, New Delhi).	Payment / recovery in terms of the Contract will be made **by PCDA.**

ARTICLE 6
MONITORING OF PROJECT BASED ON CONTRACTUAL MILESTONES

6.1 After placement of order, the BUYER reserves the right but not the obligation to monitor the progress of the project based on Contractual milestones to be achieved by the SELLER as specified in the table below:-

Sl	Milestone	Timeline (To+Weeks)	Remarks

(*Include the Contractual milestones specified in the RFP or as negotiated with the SELLER during Contract negotiations.*)

6.2 The Project Monitoring Meeting is to be organized at months interval. The SELLER shall attend the progress monitoring meetings through their suitably qualified representatives and shall submit progress reports to the BUYER in the format (if any) specified.

6.3 In case the project does not proceed as per the Contractual milestone(s), the BUYER will have the right to invoke Termination of the Contract.

6.4 **For Shipbuilding Cases**. After placement of order, the BUYER at his own expense may depute to the Shipyard at quarterly (or as considered necessary) intervals, teams of representatives to review and coordinate the progress of the commitments made for achieving the Contractual milestones by the SELLER as specified in table below:-

Sl	Milestone	Timeline (To+Weeks)	Remarks

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(*Include the Contractual milestones specified in the RFP or as negotiated with the SELLER during Contract negotiations.*)

6.5 In case the project does not proceed as per the Contractual milestone(s), the BUYER will have the right to invoke Termination of the Contract.

ARTICLE 7
SPECIFICATION

1 The SELLER guarantees to meet the specifications as per **Annexure-II**, the statement of work as per **Annexure-III** and to incorporate the modifications to the existing design configuration to meet the specific requirement of the BUYER as per **Annexure-V** and modifications / requirements recommended after the confirmatory trials / MET, in the first off production model of (Year) to be supplied to the BUYER. All technical literature and drawing shall be amended as per the modifications by the SELLER before supply to the BUYER.

(Note: The underlined language should be deleted in cases where it is not applicable, such as when confirmatory trials / MET are conducted prior to Contract award.)

2 The SELLER, in consultation with the BUYER, may carry out technical upgradation / alterations in the design, drawings and specifications due to change in manufacturing procedures, indigenisation or obsolescence. This will, however, not in any way adversely affect the end specifications of the equipment. 'Changes in technical details, drawings repair and maintenance techniques alongwith necessary SMTs / STEs / Test Jigs as a result of upgradation / alterations will be provided to the BUYER free of cost within ( ) days of affecting such upgradation / alterations.' However, Technical Evaluation / Trial if required, will be carried out to verify conformance to technical specifications and its performance prior to approval of production and same will be decided mutually by the Buyer and the Vendor depending upon the criticality of the Upgradation / Alteration in the design / change in source of supply. Accordingly, the Trial Directive may be prepared. Further, the vendor will provide the details of change in the design to Buyer.

3 Even though there is no provision of TOT in the contract, the vendor shall provide the technical documents like specification and drawings for the gauges used in Armament stores (like weapon, small arms and ammunition) or any other critical equipment / system, as specified in the contract, as it is essential for verifying its functionality prior to uses as well as ensure the safety of the armaments stores. This will ensure the seamless life time exploitation of Armaments stores.

ARTICLE 8
QUALITY

1 The quality of the deliverables (Goods and Services) according to this Contract shall correspond to the technical conditions and standards valid for the deliveries of the same deliverables in SELLER's country or specifications enumerated as per Article 7 and shall also include therein modifications to the deliverables suggested by the BUYER. Such modifications will be mutually agreed to. The SELLER confirms that the deliverables [platforms (including major equipment) if the contract is for a platform or the complete equipment / systems if the contract is for equipment / system] **contained in Annexure I** should be of latest manufacture i.e manufactured after the date of Contract with unused components / assemblies / sub-assemblies and other deliverables under the Contract, conforming to the current production standard and should have 100% of the defined life *(other than permitted running hours during assembly /*

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acceptance trials) at the time of delivery. The SELLER shall **provide documentation to confirm** interchangeability along with the changed part Nos. Inter-Changeability : In case of Weapon and Small Arms or any other critical equipment / system, as specified in the contract, the list of interchangeable sub-assembly, components shall be declared by the vendor in the contract and the same will be mutually agreed and would be incorporated as a part of ATP of the Contract. This would enable the clarity on interchangeable critical components and its life.

2 Quality Assurance Instructions including the ATP is included at _____ Appendix of the contract. ATP will lay down the tests to be carried out during PDI and JRI. It shall be ensured that there are no repetition of tests in PDI and JRI. JRI would normally be restricted to quantitative checks and Visual inspection to ensure free from any damages. In case of check proof required, the proof stock components will be provided by Buyer / Seller that is to be decided in CNC stage. QA of equipment Quality Assurance of the Stores will be carried out Buyer / Buyer's QA representative as per finalised QA plan in the contract. In the ATP, the sequence of environmental tests may be altered in consultation with vendor and Buyer's QA representative. For technical trials by QA agencies, the Seller will arrange for requisite test facilities at OEM premises / accredited laboratories for establishing conformance. The Seller would also be required to provide those test facilities at OEM premises / accredited laboratories for quality assurance, which are not available with QA agencies. Acceptance of test parameters on COC / SDOC to be decided in case of non-availability test facilities in either way. ATP may be revised anytime during supplies in case of any upgrade / alteration, change in design or modification to the existing parameters is undertaken with mutual consultation of vendor and Buyer / Buyer's QA representative

ARTICLE 9
PRE DESPATCH INSPECTION (PDI)

(To be included, if specified in the Acceptance Test Procedure)

1 The BUYER representatives will carry out Pre Despatch Inspection (PDI) of the Equipment in order to check their compliance with specifications in accordance with Acceptance Test Procedures as finalised during Contract negotiation. Upon successful completion of PDI, the SELLER and BUYER will issue and sign a Certificate of Conformity as per specimen at **Annexure-VI** (*The format given is not sacrosanct and may be altered as per requirement of the equipment*.)

2. The SELLER shall intimate the BUYER and Buyer nominated QA Agency about the date of PDI along with detailed day wise schedule at least 45 days before the scheduled date of PDI. The PDI will be undertaken at the vendor's premises and necessary testing infrastructure to be provided by the vendor. The time for visa formalities by the SELLER should not be inclusive in this notice. The BUYER will send his authorised representatives to attend the PDI and for PDI in India at least 14 days before the schedule date of inspection day or as per schedule agreed to by both parties.

3. The list of BUYER's representatives together with their particulars including name, title, date and place of birth, passport numbers including date of issue and date of expiry, address, etc. must be communicated by the BUYER at least (No of days) in advance to apply for the necessary authorisations and clearances to be granted.

4. The BUYER reserves the right not to attend the PDI or to request for a delay in the beginning of the PDI with a maximum of fifteen (15) days from the date fixed for such PDI in order to allow his representatives to attend such tests, in which cases he shall inform in writing the SELLER within 15 days before the date of the beginning of the PDI. Should the BUYER request for such delay, then liquidated damages, if any, shall not apply. In case the BUYER has informed the SELLER within the

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period mentioned here-above that he cannot attend the PDI or in case the BUYER does not come at the postponed date requested by him for performance of the PDI as mentioned above, the SELLER shall be entitled to carry out said tests alone as scheduled. The self PDI will be carried out by foreign OEM QA representatives that will be witnessed by Indian DA and report to be despatched along with stores and the same will be verified during the JRI failing which the self PDI will be carried out by foreign OEM alone. The Certificate of Conformity and the Acceptance Test Report will be signed by the SELLER's QA representative and such documents bearing the signature of the SELLER's QA representative shall have the same value and effect as if they have been signed by both parties. In case BUYER does not elect to attend the PDI, then the BUYER shall intimate the SELLER in writing that it does not wish to attend the PDI.

5. Concurrent QA / Testing during production will be adopted in QA Coverage wherever feasible and the same shall be worked out mutually by the Buyer and Seller. The same shall be incorporated in ATP.

6 The SELLER shall provide all reasonable facilities, access and assistance to the BUYER's representative for safety and convenience in the performance of their duties in SELLER's country.

7. All costs associated with the BUYER's representative stay in (Name of country), including travel expenses, boarding and lodging accommodation, daily expenses, shall be borne by the BUYER.

8. In case of rejection of Goods during PDI, re-PDI will be undertaken at Seller's premises at Buyer's sole discretion. All expenses including transportation and accommodation of Buyer's / Buyer's QA representative PDI team will be borne by the Seller. Towards this, the expenses towards transportation and accommodation of Buyer's / Buyer's QA representative PDI team will be initially done by the Buyer and subsequently reimbursed by the Seller either by remittance or by recovery from the Balance Payment / PWBG. In the event of a failed PDI, the Seller shall consult the Buyer / Buyer's QA representative for rescheduling re-PDI.

ARTICLE 10
PRESERVATION, PACKING AND MARKING

1 The SELLER shall provide packing and preservation of the equipment and spares / goods Contracted as per __(standards as defined in RFP or International best practices / relevant JSGs / DEFSTAN / STANAG) so as to ensure their safety against damage in the conditions of land, sea and air transportation, transhipment, storage and weather hazards during transportation, subject to proper cargo handling. The SELLER shall ensure that the stores are packed in containers, which are made of sufficiently strong material. The packing cases should have hooks for lifting by crane / fork lift truck. Tags with proper marking shall be fastened to the special equipment, which cannot be packed.

2. The packing of the equipment and spares / goods shall conform to the requirements of specifications and standards in force in the territory of the SELLER's country.

3. Each type of Spare, SMT, STE and accessories shall be packed in separate cartons. A label in English shall be pasted on the carton indicating the under mentioned details of the item contained in the carton. A tag in English with said information shall also be attached to six samples of the item. If quantity Contracted is less than six then tag shall be affixed to complete quantity Contracted of the item. The cartons shall then be packed in packing cases as required.

3.1 Part Number:

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3.2 Nomenclature:

3.3 Contract annex number:

3.4 Annex serial number:

3.5 Quantity Contracted:

4 One copy of the packing list in English shall be inserted in each cargo package and the full set of the packing lists shall be placed in Case No.1 painted in a yellow colour.

5. The SELLER shall mark each package with indelible paint in English language as follows:-

EXPORT Contract No. ----------Consignee ---------- Importer_Port / airport of destination ---------- Ultimate consignee ---------- SELLER ---------- Package No. a / b ---------- Gross / net weight: kg----------Overall dimensions / volume: cm / cu m ----------Any statutory hazard markings and any handling markings including the mass of any Package The Packaging Label (military J, N or P, special H, commercial A etc) (specify reference to DEFSTAN 81-041 (Part 1) / STANAG-4280 or equivalent Military Standard.) The SELLER's marking, Where: a-Serial No. of package; b-Total number of packages in this consignment.

6. If necessary, each package shall be marked with warning inscriptions:

<Top>, "Do Not Turn Over", category of cargo etc.

7. Should any special equipment be returned to the SELLER by the BUYER, the latter shall provide normal packing, which protects the equipment and spares / goods from the damage of deterioration during transportation by land, air or sea. In this case the BUYER shall finalise the marking with the SELLER.

ARTICLE 11
DELIVERY

1. The delivery of the Deliverables shall be completed in accordance with the schedule laid down in Annexure III. The importer of all the deliverables to India under this Contract shall be the MoD, GoI. (*The Annexure should clearly specify the item, the quantity and the month from the effective date of the Contract as follows*):-

No Equipment / Service Quantity Month from T_0

***Note**: For large value and complex weapons acquisition programme, a complete programme schedule in the form of a PERT Chart should be attached with the Contract.*

2. Port Consignee. (Concerned Embarkation HQ)

2.1 Equipment.

2.2 Ammunition.

3. Ultimate Consignee.

3.1 Equipment. Commandant (Name of Depot).

3.2 Ammunition. Commandant (Name of Depot).

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4. The SELLER shall intimate to the BUYER by letter or email, six weeks in advance, the anticipated date of delivery of each consignment. The information shall consist of quantities of the deliverables and all other details required in connection with the shipment of the consignment. A copy of similar intimation shall also be forwarded to:-

4.1 Service HQs (Branches may be specified as DDG / PPO, MGO, AHQ etc).

4.2 Government of India, Ministry of Defence, South Block, New Delhi.

4.3 Commandant COD ultimate Consignee Depot.

4.4 Commandant Port Consignee.

4.5 DGQA, South Block, New Delhi / DGAQA, H Block, New Delhi / DGNAI, West Block V, RK Puram , New Delhi.

5. Invoices and other dispatch documents shall be prepared in favour _____ (Fill details while Contract finalisation).

6. Two copies each of dispatch documents as listed in LC documents shall be forwarded to the following addresses within 72 hours after the goods have been dispatched or earlier, if possible:-

6.1 Port Consignee.

6.2 Services HQrs, New Delhi-110011 (branch may be specified).

6.3 Ultimate consignee.

7 The SELLER will also forward a copy of the Air Way Bill and Commercial invoice by email on the day of despatch to ___ (Branch may be specified).

ARTICLE 12
TITLE AND RISK OF LOSS

[For Turnkey cases, where milestone payments are involved, inclusion of clause Article 12, Para 5 maybe considered as necessary] [For Shipbuilding cases, this article is not applicable]

1. **Title**. The title of the equipment shall transfer to the BUYER as per delivery schedule in accordance with Article 11 and as per transportation INCOTERMS in accordance with Article 13 through acceptance of documents of title on completion of JRI / User Acceptance / Delivery to the Ultimate consignee, as the case may be (as specified in the RFP), in accordance with an indicative list of documents provided below (to be finalised during CNC as per relevance):-

1.1 Bill of lading;

1.2 Dock warrant;

1.3 Warehouse keeper's certificate;

1.4 Wharfingers' certificate;

1.5 Railway receipt;

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1.6 Multimodal transport document;

1.7 Warrant or order for the delivery of goods; or

1.8 Any other document used in the ordinary course of business and as determined by the BUYER as proof of the title to the goods, or authorizing or purporting to authorize, either by endorsement or by delivery, the possessor of such documents with the title to the goods thereby represented. The Parties shall accordingly execute such documents as may be necessary for effecting the transfer of title in favour of BUYER, in a manner indicated in this clause, upon date of acceptance or date of installation or date of commissioning [as applicable on a case to case basis]

2 It is clarified that notwithstanding such transfer of title to the BUYER, the SELLER agrees that any loss or damage incurred by BUYER due to any defect in title, quality and performance of the equipment, shall be to the account of the SELLER subject to and in accordance with the provisions of this Contract.

3 Notwithstanding the passing of title to the BUYER as mentioned herein, such passing of title shall not in any way absolve, diminish, or dilute the responsibilities and obligations of the SELLER towards meeting all the Contractual obligations and the SELLER shall continue to be responsible for the risk of loss or damage, in accordance with Clause Article 12, Pra 4 for the following:

3.1 For delivery of completed units, up to the date of acceptance; and

3.2 In cases of turnkey Contracts including repair facilities involving civil works, for stage-wise construction and commissioning at BUYER's premises, up to the date of installation / commissioning of the completed stores / works, on final acceptance by the BUYER.

4 **Loss**: Seller would be liable if any loss or damage occurs to the equipment (or any part thereof), other than custodial loss / damage during physical custody in the Buyer's premises attributable to the Buyer, on landing of deliverables at Buyer's premises but prior to the date of acceptance **or** date of installation **or** date of commissioning (as applicable on a case to case basis). This would include Seller's handling of the equipment or working within or outside the Buyer's premises, including commissioning and trials. The SELLER shall rectify all such loss or damage to the equipment at their own cost in a manner that the equipment complies with requirements of this Contract.

5 In case of termination, for reasons specified in Clause Article 22, Pra 1, read with Clause Article 22 Para 2 to ~~22.5~~ Para 6 of this Contract (which are applicable for Turnkey Projects where milestone payments are involved*),* the title of the partially built Goods shall be transferred to the BUYER in accordance with the procedure laid out at Clause Article 22, Para 2 to ~~22.5~~ Para 6, if the BUYER exercises discretion to take over partially built Goods as per Clause Article 22, Para 2.

ARTICLE 13
TRANSPORTATION

1. The stores shall be delivered as DDP……. (as per INCOTERMS 2020 or latest version or as specified in RFP) at with ultimate consignee as .

2. The date of issue of JRI Certificate or the Certified Receipt Voucher (CRV) shall be considered as the date of delivery.

3 Part shipment of goods is permitted.

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ARTICLE 14
AIR LIFT

1. Should the BUYER intend to airlift all or some of the stores the SELLER shall pack the stores accordingly on receipt of intimation to that effect from the BUYER. Such deliveries will be agreed upon well in advance and paid for as may be mutually agreed.

ARTICLE 15
LIQUIDATED DAMAGES

1. In the event of the SELLER's failure to submit the Documents, supply the stores / goods, perform services, conduct trials, installation of equipment, training and MET as per schedule specified in this Contract, the BUYER may, at his discretion withhold cost of the specific lot / batch or 1% of the contract price, whichever is higher, until the completion of the Contract. The BUYER may also deduct from the SELLER as agreed, liquidated damages to the sum of **1 / 100** of the **delay percentage** {Delay percentage = (Period of Delay in Delivery in Weeks) x 100 / (Delivery Period in weeks as per Contract)} of the Base Contract Price of the delayed / undelivered stores / services mentioned above for every week of delay or part of a week, subject to the maximum value of the Liquidated Damages being not higher than **10%** of the Base Contract price of the value of delayed stores / services (Any extension given by the BUYER for delay attributable to BUYER or Force Majeure Clause to be factored in delivery period).

2. In case the delay in delivery is attributable to the Buyer, the delivery period shall be extended accordingly without imposition of Liquidated Damages.

ARTICLE 15A
PAYMENT DEDUCTIONS AND DAMAGES FOR SHORTFALL IN AMC / CMC / PBL / LCSC SERVICES

1 **Payment Deductions and Damages for Shortfall in AMC / CMC / PBL / LCSC** ***(where applicable, to be as specified in the RFP)***.

ARTICLE 16
DENIAL CLAUSE

1. In case the delay in delivery is attributable to the SELLER or a non-force majeure event, the BUYER may protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the supplier of extension of the delivery period. Any increase in statutory duties and / or upward rise in prices due to the Price Variation Clause (PVC) and / or any adverse fluctuation in foreign exchange are to be borne by the SELLER during the extended delivery period, while the BUYER reserves his right to get any benefit of a downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period.

ARTICLE 17
JOINT RECEIPT INSPECTION (JRI) IN INDIA

1 The Parties agree that the Joint Receipt Inspection (JRI) of delivered goods shall be undertaken on arrival in India at location to be nominated by BUYER. JRI shall be completed within 120____days (for armament / ammunition) / 30__days (for other than armament / ammunition lots) of arrival of goods at Port Consignee. The duration of JRI of indigenous contracts shall normally not exceed fifteen (15) days, where only quantitative checks are required to be carried

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out. JRI would normally be restricted to quantitative checks only, except where check proof is required to be carried out.

2. JRI will be carried out by the BUYER's representative. The BUYER will invite the SELLER with a minimum fifteen (15) days prior notice to attend the JRI for the delivered goods. In FTP cases prior notice to attend the JRI will be minimum seven (07) days. The SELLER reserves the right not to attend the JRI. The bio data of the SELLER's representative will be communicated fifteen (15) days prior to the dispatch of goods to the BUYER for obtaining the necessary security clearance in accordance with the rules applicable in the BUYER's country.

3. Upon completion of each JRI, JRI proceedings and Acceptance Certificate (Certificate of Conformity) as per **Annexure VI**, will be signed by both Parties. In case the SELLER's representative is not present then the JRI proceedings and Acceptance Certificate shall be signed by the BUYER's representative only and the same shall be binding on the SELLER. Copy of JRI proceedings and Acceptance Certificate shall be dispatched to SELLER within 30 days of completion of JRI. In case of deficiencies in quantity and quality or defects, details of these shall be recorded in the JRI proceedings, Acceptance Certificate shall not be issued and claims raised as per Article on Claims in this Contract. In case of claims, Acceptance Certificate shall be issued by BUYER's representative after all claims raised during JRI are settled.

4. If the BUYER does not perform the JRI as per procedures mentioned above for reasons exclusively attributable to him, then the JRI in India shall be deemed performed and the equipment fully accepted.

5. In case, JRI necessitates unpacking to the extent that the preserved life of the goods is affected, SELLER is to undertake re-packing to restore the preserved life to the specified period at his own cost.

ARTICLE 18
WARRANTY CLAUSE

(To be amended as per requirement and no blanks to be left)

1. The SELLER warrants that the goods / services supplied under this Contract conform to technical specifications prescribed and shall perform according to the said Technical Specifications.

2. The SELLER warrants for a period of____ months / years / operational hours from the date of acceptance of stores by Joint Receipt Inspection or date of installation and commissioning whichever is later / earlier (as applicable on case to case basis), that the goods / stores supplied under this Contract and each component used in the manufacture thereof should be free from all types of defects / failures (including latent and patent defects).

3. If within the period of warranty, the goods / stores are reported by the BUYER to have failed, to perform as per the specifications, the SELLER shall either replace or rectify the same free of charge, maximum within ____ days of notification of such defect by the BUYER provided that the goods are used and maintained by the BUYER as per instructions contained in the Operating Manual. Warranty of the equipment would be extended by such duration of downtime. Record of the down time would be maintained by user in log book. Spares and all consumables required for warranty repairs shall be provided free of cost by SELLER. The SELLER also warrants that the special oils and lubricants required for the warranty repair of the equipment shall be provided by the SELLER himself. All activities including diagnosis, rectification, calibration, transportation etc, required for making equipment serviceable and

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available would be the SELLER's responsibility. The SELLER also undertakes to diagnose, test, adjust, calibrate and repair / replace the goods / equipment arising due to accidents by neglect or misuse by the operator or damage due to transportation of the goods during the warranty period, at the cost mutually agreed to between the BUYER and the SELLER. The SELLER shall intimate the assignable cause of the failures.

4. SELLER hereby warrants that necessary service and repair back up during the warranty period, including routine maintenance beyond Unit Level (delete if CAMC / AMC is not part of the Contract), shall be provided by the SELLER and he will ensure that the cumulative downtime period for the equipment does not exceed _____ of the warranty period.

5. If a particular equipment / goods fails frequently and / or, the cumulative down time exceeds_____ % of the warranty period or a common defect is noticed in more than___ % of the quantity of goods with respect to a particular item / component / sub-component, that complete item / equipment shall be replaced free of cost by the SELLER within a stipulated period of days of receipt of the notification from the BUYER duly modified / upgraded through design improvement in all equipment supplied / yet to be supplied and ESP supplied and yet to be supplied.

6. SELLER shall associate technical personnel of maintenance agency and QA of BUYER during warranty repair and shall provide complete details of defect, reasons and remedial actions for averting recurrence of such defects.

7. In case the complete delivery of the Engineering Support Package is delayed beyond the period stipulated in this Contract, then the SELLER undertakes that the warranty period for the goods / stores shall be extended to that extent.

8. The SELLER shall extend back to back warranty of equipment/ system or any other item whose specified warranty by the OEM is more than above mentioned warranty period at no additional cost to the buyer.

***Note**: Wherever applicable the clause related to MTBF related warranties may be added as part of this Appendix*

ARTICLE 19
INDIGENOUS CONTENT (IC)

1. The SELLER commits to ensure:-

Minimum _____ % overall Indigenous Content (IC) on cost basis of the Base Contract Price in case of Buy (Indian-IDDM), Buy (Indian) cases, Buy (Global- Manufacture in India), Buy (Global) (for Indian Sellers) with at least 50% of the overall IC being for material / components / software manufactured in India (in percentage).

OR

Minimum _____ % of overall IC on cost basis of the Make portion (less taxes and duties on the Make portion) in Buy & Make (Indian) (as applicable) with at least 50% of the overall IC being for material / components / software manufactured in India (in percentage).

2. For IC purpose, following elements of manufacturing / production / assembly, would be excluded:-

2.1 Direct costs (including Custom Duties, Freight / transportation and insurance) of all materials, components, sub-assemblies, assemblies and products imported into India.

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2.2 Direct and indirect costs of all services obtained from non-Indian entities / citizens.

2.3 All license fees, royalties, technical fees and other fees / payments of this nature paid out of India, by whatever term / phrase referred to in contracts / agreements made by vendors / sub-vendors.

2.4 Cases involving AMC / CMC / After Sales Service, the cost of AMC / CMC / After Sales Service shall be excluded from IC as well as Base Contract Price for arriving at IC percentqage.

3 SELLER to adhere to the indigenisation plan as appended to this Contract **and specified in the Project Report (where applicable)**. The SELLER also commits to comply with all provisions of **Appendix***___ to this Contract document, in this regard. (*Appendix B to Chapter I of DAP 20)

ARTICLE 20
CLAIMS

1 The claims may be presented either:

1.1 **On Quantity of the stores**. In case it does not correspond to the quantity shown in the Packing List / Insufficiency in packing or,

1.2 **On Quality of the stores**. In case it does not correspond to the quality mentioned in this Contract.

2 The quantity claims for deficiency of quantity shall be presented within 45 days of completion of JRI and acceptance of goods. The quantity claim shall be submitted to SELLER in the form at **Annexure-VII** to this Contract.

3. The quality claims for defects or deficiencies in quality noticed during the JRI shall be presented within 45 days of completion of JRI and acceptance of goods. Quality claims shall be presented for defects or deficiencies in quality noticed during warranty period at the earliest but not later than 45 days after expiry of the warranty period. The quality claims shall be submitted to SELLER in the form at **Annexure-VIII** to this Contract.

4. The description and quantity of the stores are to be furnished to the SELLER along with concrete reasons for making the claims. Copies of all the justifying documents shall be enclosed to the presented claim. The SELLER will settle the claims within 45 days from the date of the receipt of the claim at the SELLER's office, subject to acceptance of the claim by the SELLER. In case no response is received during this period the claim will be deemed to have been accepted.

5 The SELLER shall collect the defective or rejected goods from the location nominated by the BUYER and deliver the repaired or replaced goods at the same location under SELLER's arrangement.

6. Claims may also be settled by deduction of cost of deliverables under claim from Bank Guarantees submitted by the SELLER or payment of claim amount by SELLER through demand draft drawn on an Indian Bank, in favour of PCDA HQ, New Delhi, payable at New Delhi.

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7 The quality claims will be solely raised by the BUYER and without any certification / countersigning by SELLER's representative stationed in India.

ARTICLE 21
TAXES AND DUTIES

1 All taxes, duties, levies and charges which are to be paid for the deliverables, including advance samples, shall be paid by the parties under the present Contract in their respective countries. All Indirect Taxes and Duties paid by the Seller on behalf of the Buyer in India will be reimbursed at actuals or as quoted by the SELLER, whichever is lower, based on production of documentary proof of payment. In case of any change in the tax structure / rates by BUYER's Government after Contract is signed, incremental / decremented change will be either paid or deducted by the Buyer as the case may be. The same will not require any Contract amendment.

ARTICLE 22
TERMINATION

[Clause Article *22, Para 1 and Para 7 are applicable for all cases. For Turn-key cases where milestone payments are involved, inclusion of Clauses* Article *22, Para 2 to Para 6 may be considered as necessary]*

1. **Termination for Default in Delivery or Meeting Milestones by the SELLER**: The BUYER shall have the right to terminate this Contract in part or in full in any of the following cases, by giving a Termination Notice to the Seller any time after the default, but prior to the intended termination date:-

1.1. The delivery of the complete Goods / services is delayed for causes not attributable to Force Majeure for more than (weeks / months) as related to the delivery period / date of the relevant Lot / Batch as per Contract* or for a period greater than 50% of the scheduled delivery period for the overall Contract, whichever is earlier. In such case, the payment against dispatch has to be returned by the Seller for the undelivered goods, if any.

1.2 The achievement of a Contractual milestone, as specified at Article 6 of the Contract is delayed for causes not attributable to Force Majeure for more than ____ (weeks / months), related to the relevant period for scheduled completion of the milestone as per Contract or scheduled completion of the subsequent milestone, whichever is later**.

1.3 The SELLER is declared bankrupt or becomes insolvent.

1.4 The delivery of Goods / services is delayed due to causes for Force Majeure by more than ([•] months).

1.5 The BUYER has noticed that the SELLER has utilised the services of any person, party, firm or institution engaged as Agent, in getting this Contract wherein any payment is made or penalty is levied, directly or indirectly, on success or failure of the award of Contract including any such payment made or penalty levied to his Agents already intimated to MoD.

1.6 As per decision of Arbitration Tribunal (Article 24).

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{Notes:
*The batch / lot may be designated by the BUYER and period may be worked out by BUYER and set out in the Contract as the period of delay which would cause the amount of Liquidated Damages to reach the maximum as specified in Article 15 (Liquidated Damages), multiplied by a factor of **1.5 to 2**.

** The duration in weeks / months as a percentage, limited to 100 percent of the milestone duration, may be worked out by BUYER and set out in the Contract for certain designated milestones / non-deliverables.}

2. In case of termination of the Contract due to reasons furnished at sub-clause 1.1 to 1.6 above, the BUYER at their sole discretion shall be entitled to take over the partially built Goods along with all the design, construction drawings, documents and all other material and equipment procured for the purpose of the project, by paying fair and reasonable price of the Goods / equipment as determined in accordance with Clause Article 22, Para 3.

3 The fair and reasonable price of the Goods is to be arrived at based on the value of the Goods / Equipment taking into consideration the conditions at Clause article 22, Para 4, as assessed by licensed valuers / surveyors, appointed by the BUYER from authorised firms or body corporate. If the SELLER has reason to believe that the licensed valuers / surveyors are not discharging their duties and not functioning in a fair, efficient and diligent manner, it may make a written representation to the BUYER and seek remedies. The Buyer on examination of the Seller's submissions and on being satisfied on the Seller's concerns, shall provide suitable remedy. If any difference or disagreement between the BUYER and the SELLER remains unresolved, the dispute shall be settled as per the dispute resolution procedure. The SELLER shall be liable to provide the abovementioned, without any conditions, within a period of [•] days, unless otherwise agreed between the Parties.

4 The Goods procured by the SELLER for the project needs to be maintained / preserved / protected in accordance with the guidelines of the OEM or good industry practice (*as the case maybe*) for the respective Goods or as per general engineering practices so as to preclude premature degradation in material state and / or depreciation of value till the date of handing over to the BUYER or his representatives.

5 If the SELLER fails to hand over the above Goods and information as per good industry practice, in accordance with Clause Article 22, Para 4 above, the BUYER or their representative shall have the right to subject the SELLER to debarment and / or action as per Applicable Law, at their discretion.

6 **Risk Purchase**. Notwithstanding anything contrary contained in Article 22, para 2 and para 5 above, the BUYER reserves the right to procure requisite Goods from alternative sources at the SELLER's risk, responsibility and cost. The SELLER agrees that all costs incurred by the BUYER in the procurement of the Goods from alternative source for fulfilment of the SELLER's obligations under the Contract shall be recovered from the SELLER.

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7 **Termination For Convenience.**

7.1 The BUYER shall have the right to Terminate the Contract in whole or in part at any time by giving the SELLER a written notice, [•] days prior to such Termination. Upon expiry of the notice period, the Contract or relevant part thereof, shall be terminated without prejudice to the rights of the Parties. Where only part of the Contract is being terminated, the Parties shall have no further obligations in respect thereof unless expressly provided in the Contract, but shall continue to fulfil their respective obligations on all other parts of the Contract not being Terminated.

7.2 In such cases, the BUYER at their sole discretion may choose to take over from the SELLER, at a fair and reasonable price, all unused and undamaged Goods in the course of manufacture that are in the possession of the SELLER or supplied to the SELLER, at the date of termination; or compensate the SELLER by the equal amount duly adjusted by the recoverable value of the Goods as applicable.

7.3 The fair and reasonable price of the Goods is to be arrived at based on the value of the Goods / Equipment taking into consideration the conditions at Clause 22.4, as assessed by licensed valuers / surveyors, appointed by the BUYER from authorised firms or body corporate. If the SELLER has reason to believe that the licensed valuers / surveyors are not discharging their duties and not functioning in a fair, efficient and diligent manner, it may make a written representation to the BUYER and seek remedies. If any difference or disagreement between the BUYER and the SELLER remains unresolved, the dispute shall be settled as per the dispute resolution procedure. The SELLER shall be liable to provide the abovementioned, without any conditions, within a period of [•] days, unless otherwise agreed between the Parties.

7.4 The BUYER's total liability under the provisions of this Contract shall be limited to the subsequent stage payment due for the equipment payable under the Contract (or relevant part), including any sums due or becoming due to the SELLER at the date of Termination.

7.5 If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted to include warranty repairs & failure to rectify recurring defects.

ARTICLE 23
GOVERNING LAW

1. The present Contract shall be considered and made in accordance to the laws of Republic of India. This Contract shall be governed by and interpreted in accordance with the laws of the Republic of India and courts having territorial jurisdiction over the Purpose of this Contract shall have jurisdiction over all matters relating to or arising out of this Contract.

ARTICLE 24A
ARBITRATION
(For Foreign Sellers)

1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof,

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(including its interpretation, any question regarding its existence, validity, or performance) ("Dispute(s)"), shall be settled by bilateral discussions.

2 The Parties agree to use their best efforts for resolving all Disputes arising under or in respect of this Contract promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to all non-privileged records, information and data pertaining to any Dispute.

3. In the event of any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement is not resolved by bilateral discussions, the same first resolved by mediation in accordance with the Mediation Act 2023 or arbitration as per the provisions of the Arbitration Act 1996.

4. If it is be resolved in terms of the Mediation Act, a mediated settlement agreement is required to be reached between the parties with regard to all or some of the disputes, the same shall be reduced in to writing and signed by the parties. The parties, may, at any time during the mediation process, make an agreement with respect to any of the disputes which is the subject matter of mediation. Subject to other provisions of the Mediation Acr 2023, whether ant mediation agreement exists or not, the parties before filing any suit or proceedings of civil or commercial nature in any court, may voluntarily and with mutual consent take steps to settle the dispute by pre-litigation mediation in accordance with the provisions of the Mediation Act 2023. It is also relevant that unless otherwise agreed upon by the parties, a mediator shall be either – (i) registered with the Council; or (ii) empanelled by a court-annexed mediation centre; or (iii) empanelled by an Authority constituted under the Legal Services Authority Act 1987; or (iv) empanelled by a mediation service provider recognised under this Act, shall conduct pre-litigation mediation.

5. In case the mediation fails, any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by Arbitration Tribunal consisting of three arbitrators as administered by institutions like the India International Arbitration Centre (IIAC), Indian Council of Arbitration (ICA), Delhi International Arbitration Centre (DIAC), etc in accordance with the India International Arbitration Centre (Conduct of Arbitration) Regulations (IIAC Regulations), the Delhi International Arbitration Centre (DIAC) (Arbitration Proceedings) Rules 2023, Rules of Arbitration of the Indian Council of Arbitration (as amended fron time to time) for the time being in force, which regulations are deemed to be incorporated by reference in this clause.

6. Each party shall nominate an arbitrator in writing, one by the SELLER and one arbitrator by the BUYER. If a party fails to nominate an arbitrator within fourteen days after receipt of a party's nomination of an arbitrator, the Chairperson shall proceed to appoint an arbitrator on its behalf after considering the advice of the advisory panel.

7 The third arbitrator shall be nominated by the two arbitrators within ninety (90) days of both the parties nomination of the two arbitrators, failing which the third arbitrator may be nominated under the provisions of India International Arbitration Centre (Conduct of Arbitration) Regulations (IIAC Regulations), the Delhi International Arbitration Centre (DIAC) (Arbitration Proceedings) Rules 2023, Rules of Arbitration of the Indian Council of Arbitration (as amended from time to time) or by dispute resolution institutions like India International Arbitration Centre (IIAC), Indian Council of Arbitration (ICA), Delhi International Arbitration Centre (DIAC), etc. In case, nomination of third arbitrator under India International Arbitration Centre (Conduct of Arbitration) Regulations (IIAC

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Regulations), the Delhi International Arbitration Centre (DIAC) (Arbitration Proceedings) Rules 2023, Rules of Arbitration of the Indian Council of Arbitration (as amended from time to time) or by dispute resolution institutions like IIAC, ICA, DIAC is not acceptable to the SELLER, then the third arbitrator may be nominated by the Chairperson of IIAC, ICA, DIAC but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

8. The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be decided by the arbitrator.

9 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time)18 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

10 The decision of the majority of the arbitrator(s) in the tribunal shall be final and binding on the parties to this Contract.

11 Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the SELLER and the BUYER.

12 In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator, shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the retiring arbitrator.

13 The parties shall continue to perform their respective obligations under this Contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

ARTICLE 24B ARBITRATION

(For Indian Private Sellers)

1 All disputes or differences arising out of or in connection with the present Contract, including the one connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions. Each Party shall bear the risks and responsibilities arising from its own acts, omissions, or negligence. On the occurrence of any such event, either Party shall immediately take appropriate recourse by assessing the extent of loss or impact, so that the progress of work is not delayed. Parties should promptly notify each other of any event likely to affect performance, timelines, or cost, and shall cooperate in good faith to mitigate potential losses. The amount of loss, if any, shall be mutually determined by Parties, keeping in view the actual loss sustained. Any disagreement or issue shall, in the first instance, be addressed through mutual consultation or a designated dispute-resolution mechanism which shall be empowered to examine the claims from the practical point of view and realistic situation at site to ensure timely and efficient resolution before resorting to arbitration or legal proceedings.

2 Any dispute, disagreement of question arising out of or relating to this Contract or relating to construction or performance (except as to any matter the decision or determination whereof is provided for by these conditions), which cannot be settled amicably, shall within sixty (60) days or such longer period as may be mutually agreed upon, from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question exists, will be referred to mediation.

3. In the event of any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement is not resolved by bilateral

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discussions, the same first resolved by mediation in accordance with the Mediation Act of 2023 or arbitration as per the provisions of the Arbitration Act.

4. If it is to be resolved in terms of the Mediation Act, a mediated settlement agreement is required to be reached between the parties with regard to all or some of the disputes, the same shall be reduced in to writing and signed by the parties. The parties, may, at any time during the mediation process, make an agreement with respect to any of the disputes which is the subject matter of mediation. Subject to other provisions of the Mediation Act, 2023, whether any mediation agreement exists or not, the parties before filing any suit or proceedings of civil or commercial nature in any court, may voluntarily and with mutual consent take steps to settle the disputes by pre-litigation mediation in accordance with the provisions of the Mediation Act, 2023. It is also relevant that unless otherwise agreed upon by the parties, a mediator shall be either - (i) registered with the Council; or (ii) empanelled by a court-annexed mediation centre; or (iii) empanelled by an Authority constituted under the Legal Services Authorities Act, 1987; or (iv) empanelled by a mediation service provider recognised under this Act, shall conduct pre-litigation mediation. In case the dispute is not resolved by mediation, the same shall be referred to arbitration within sixty (60) days of the receipt of the notice from any of the parties subsequent to the completion of the mediation proceedings.

5(a) In order to resolve the dispute by way of arbitration proceedings, a sole arbitrator shall be mutually appointed by the Parties.

5(b) In other scenarios, the SELLER shall have the right to nominate one arbitrator in writing and another arbitrator can be nominated by BUYER. The third arbitrator shall be nominated by the two arbitrators within ninety (90) days of the receipt of the notice mentioned in the above clause, failing which the third arbitrator may be nominated under the provisions of India International Arbitration Centre (Conduct of Arbitration) Regulations (IIAC Regulations), the Delhi International Arbitration Centre (DIAC) (Arbitration Proceedings) Rules 2023, Rules of Arbitration of the Indian Council of Arbitration (as amended from time to time) or by dispute resolution institutions like India International Arbitration Centre (IIAC), Indian Council of Arbitration (ICA), Delhi International Arbitration Centre (DIAC), etc. In case, nomination of third arbitrator under India International Arbitration Centre (Conduct of Arbitration) Regulations (IIAC Regulations), the Delhi International Arbitration Centre (DIAC) (Arbitration Proceedings) Rules 2023, Rules of Arbitration of the Indian Council of Arbitration (as amended from time to time) or by dispute resolution institutions like IIAC, ICA, DIAC is not acceptable to the SELLER, then the third arbitrator may be nominated by the Chairperson of IIAC, ICA, DIAC but the said nomination would be after consultation with both the parties. The arbitrator nominated under this Clause shall not be regarded nor act as an umpire.

6 The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be decided by the arbitrator.

7 The Arbitration Proceedings shall be conducted in India under the Indian Arbitration and Conciliation Act, 1996 (as amended from time to time) and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.

8. The decision of the majority of the arbitrators shall be final and binding on the parties to this Contract.

9. Each party shall bear its own cost of preparing and presenting its case. The cost of arbitration including the fees and expenses of the third arbitrator shall be shared equally by the SELLER and the BUYER.

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10 In the event of a vacancy caused in the office of the arbitrators, the party which nominated such arbitrator, shall be entitled to nominate another in his place and the arbitration proceedings shall continue from the stage they were left by the retiring arbitrator.

11 In the event of one of the parties failing to nominate its arbitrator within sixty (60) days as above or if any of the parties does not nominate another arbitrator within sixty (60) days of the place of arbitrator falling vacant, then the other party shall be entitled after due notice of at least thirty (30) days to request dispute resolution institutions in India like Indian Council of Arbitration and ICADR to nominate another arbitrator as above.

12 If the place of the third arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.

13 The parties shall continue to perform their respective obligations under this Contract during the pendency of the arbitration proceedings except in so far as such obligations are the subject matter of the said arbitration proceedings.

ARTICLE 24C ARBITRATION
(For Central & State PSEs)

1 In the event of any dispute or difference relating to the interpretation and application of the provisions of the commercial Contract(s), between Central Public Sector Enterprises (CPSEs) / Port Trusts inter se and also between CPSEs and Government Department / Organisations (excluding disputes relating to Railways, Income Tax, Customs & Excise Department), such dispute or difference shall be taken up by either party for its resolution through AMRCD as mentioned in DPE OM No. 05 / 003 / 2019-FTS-10937 dated 14th December 2022 and its subsequent amendments and the decision of AMRCD on the said dispute will be binding on both the parties.

ARTICLE 24D
ARBITRATION
(For Defence PSUs)

1 In the event of any dispute or difference relating to the interpretation and application of the provisions of the Contracts, resolution should be through AMRCD as per D / o Public Sector Enterprises O.M. No 05/003/2019 dated 14.12.2022.

ARTICLE 25
PENALTY FOR USE OF UNDUE INFLUENCE

1. The SELLER undertakes that he has not given, offered or promised to give, directly or indirectly any gift, consideration, reward, commission, fees, brokerage or inducement to any person in service of the BUYER or otherwise in procuring the Contracts or forbearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the Contract or any other Contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other Contract with the Government. Any breach of the aforesaid undertaking by the SELLER or any one employed by him or acting on his behalf (whether with or without the knowledge of the SELLER) or the commission of any offence by the SELLER or anyone employed by him or acting on his behalf, Bhartiya Nyay Samhita or the Prevention of Corruption Act, 1988 or any other Act enacted for the prevention of corruption shall entitle the BUYER to cancel the Contract and all or any other Contracts with the SELLER and recover from the SELLER the amount of any loss arising from such cancellation. A

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decision of the BUYER or his nominee to the effect that a breach of the undertaking had been committed shall be final and binding on the SELLER.

2. Giving or offering of any gift, bribe or inducement or any attempt at any such act on behalf of the SELLER towards any officer / employee of the BUYER or to any other person in a position to influence any officer / employee of the BUYER for showing any favor in relation to this or any other Contract, shall render the SELLER to such liability / penalty as the BUYER may deem proper, including but not limited to termination of the Contract, imposition of penal damages, forfeiture of the Bank Guarantee and refund of the amounts paid by the BUYER.

ARTICLE 26
AGENTS

1 The SELLER confirms and declares to the BUYER that the SELLER is the original manufacturer of the stores referred to in this Contract. The SELLER confirms that he has not engaged any person, party, firm or institution as a Agent, including his Agents already intimated to MoD; to influence, manipulate or in any way to recommend to any functionaries of the Govt of India whether officially or unofficially, to the award of the Contract to the SELLER, or to indulge in corrupt and unethical practices. The SELLER has neither paid, promised nor has the intention to pay to any person, party, firm or institution in respect of any such intervention or manipulation. The SELLER agrees that if it is established at any time to the satisfaction of the BUYER that the present declaration is in any way incorrect or if at a later stage it is discovered by the BUYER that SELLER has engaged any such person, party, firm or institution and paid, promised or has intention to pay any amount, gift, reward, fees, commission or consideration or consideration to such person, party, firm or institution, whether before or after the signing of this Contract, the SELLER will be liable for any or all of the following actions:-

1.1 To pay to the BUYER any such amount paid as gift, reward, fees, commission or consideration along with interest at the rate of 2% per annum above LIBOR rate.

1.2 The BUYER will also have a right to put on hold or cancel the Contract either wholly or in part, without any entitlement or compensation to the SELLER who shall in such event be liable to refund all payments made by the BUYER in terms of the Contract along with interest at the rate of 2% per annum above LIBOR rate.

1.3 The BUYER will also have the right to recover any such amount referred in 1.1 and 1.2 above from other Contracts of the SELLER with the Government of India.

1.4 At the discretion of the BUYER, the SELLER shall be liable for action as per extant policy on Putting on Hold, Suspension and Debarment of Entities.

ARTICLE 27
FORCE MAJEURE

1 Should any Force Majeure circumstances arise, each of the Contracting party shall be excused for the non-fulfillment or for the delayed fulfillment of any of its Contractual obligations, if the affected party within (___ days) of its occurrence informs in a written form to the other party.

2. Force Majeure shall mean fire, flood, natural disasters or other acts, that are unanticipated or unforeseeable and not brought about at the instance of, the party claiming

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to be affected by such event, or which, if anticipated or foreseeable, could not be avoided or provided for and which has caused the non-performance or delay in performance, such as war, turmoil, strikes, sabotage, explosions, beyond the control of either party.

3 A party claiming Force Majeure shall exercise reasonable diligence to seek to overcome the Force Majeure event and to mitigate the effects thereof on the performance of its obligations under this Contract.

4 Provided the acts of the Government or any state parties of the SELLER which may affect the discharge of the SELLER's obligation under the Contract shall not be treated as Force Majeure.

ARTICLE 28
NON DISCLOSURE OF CONTRACT DOCUMENTS

1. Except with the written consent of the BUYER / SELLER, other party shall not disclose the Contract or any provision, specification, plan, design, pattern, or information with proprietary markings thereof to any third party, unless required by either Government of the Parties or by the SELLER's Suppliers solely for the purpose of performing the obligations under the Contract.

ARTICLE 29
NOTICES

1. Any notice required or permitted by this Contract shall be written in English language and may be delivered personally or may be sent by email, Registered Post, Speed Post or registered pre paid airmail, addressed to the last known address of the party to whom it is sent.

ARTICLE 30
TRANSFER AND SUB-LETTING

1. The SELLER has no right to give, bargain, sell, assign or sublet or otherwise dispose of the Contract or any part thereof, as well as to give or to let a third party take benefit or advantage of the present Contract or any part thereof except, with the prior consent of the BUYER, in case of merger, amalgamation, consolidation, acquisition, change in control or similar transaction. For granting such consent, BUYER may require SELLER to enter into a Novation Agreement. The SELLER may utilise its wholly owned subsidiary in India to provide product support related to the contract, however, it shall not relieve the SELLER of any obligation, duty or liability attributable to the Seller under the present Contract.

ARTICLE 31
PATENTS AND OTHER INDUSTRIAL PROPERTY RIGHTS

1 The prices stated in the present Contract shall be deemed to include all amounts payable for the use of patents, copyrights, registered charges, trademarks and payments for any other industrial property rights.

2 SELLER shall indemnify the BUYER against all claims from a third party at any time on account of the infringement of any or all the rights mentioned in the previous paragraphs, whether such claims arise in respect of manufacture or use. **The SELLER shall have the sole responsibility to defend / settle such claim(s).** The SELLER

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shall be responsible for the completion of the supplies including spares, SMTs / STEs, technical literature and training aggregates irrespective of the fact of infringement of the supplies, irrespective of the fact of infringement of any or all the rights mentioned above.

ARTICLE 31A
BUYER'S RIGHT TO OPTIMISATION OF LIFE CYCLE SUPPORT AND SYSTEM ENHANCEMENTS

(This clause is not applicable for funded Contracts for the design and development either directly or through DRDO or for the relevant part if design and development of any part of the Contract deliverables is funded)

1 **SELLER's IPRs**. BUYER acknowledges the Intellectual Property Rights of the SELLER associated with the Articles being supplied against this Contract and understands that the price being paid as per provisions of the contract is to remunerate the SELLER for the supply of the Articles and associated IPR component, for owning the Article and exploiting it without any limitation through its life cycle and beyond. The BUYER takes note that the SELLER is entitled to receive any further remuneration only if the SELLER's services towards its maintenance / upkeep / upgrade etc, over and above those under the Contract, are utilised by the BUYER and the SELLER acknowledges the same.

2 **BUYER's Right**. The SELLER acknowledges that the BUYER shall be free to explore other global sources and design & manufacturing ecosystem prevailing in India, to optimise the life cycle costs and improve the performance of the platform / equipment / system being provisioned under this contract. Towards this end, the BUYER reserves the right to, subject to the provisions of this Condition, to undertake any or combination of the following:-

2.1 Replace Equipment / Systems / Weapons / Sensors / assemblies at a later date with suitable substitutes, either procured from other global sources and / or indigenous sources or have them exclusively and independently developed without infringing the SELLER's / Third Party's IPRs and interface with the Articles. Towards this, the BUYER may resort to any of the following to enable seamless interface / integration of the replaced system:-

2.1.1 By providing interface / fitment details as physically drawn from the Articles with other parties without sharing the SELLERs documents with any third party.

2.1.2 By indicating the requirement of modularity in design and / or requirement of interface protocols conforming to a required standard in the original Contract.

2.1.3 By seeking SELLER's assistance for interfacing by paying a mutually agreeable and reasonable price for the sought services. To assess the reasonability of the price, the price being sought by the SELLER may be compared with the price known to be charged by the SELLER and / or other contractors of equal standing for similar work. Any effort by the SELLER to seek exploitative pricing for such services may be treated as unfair and monopolistic business practices and the BUYER may seek suitable remedy as deemed appropriate including legal remedy under Competition Act of India 2002.

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2.1.4 If replacement as at Para 2.1 of Article 31A above requires any validation / certification by the SELLER being the OEM, the SELLER may provide the same against payment of a fair and reasonable price as mutually agreed between the parties. The BUYER may expect such service as a matter of goodwill from the SELLER and expects that such service will not be denied unless for reasons of technical infeasibility. In any case, denial of such service from the SELLER or by owns choice, the BUYER is entitled to make alternative arrangements for such validation / certification at own risk.

2.2 Encourage the SELLER / Third Parties and the Indian industries to collaborate and manufacture such items under license either by mutual arrangement between them or through Inter Governmental Agreement, as applicable.

2.3 To design, develop and produce general purpose trainers, simulators and associated equipment ~~with respect to Articles for own use~~ with respect to Articles for own use.

2.4 To carryout modifications to suit the BUYERs specific requirements and improvements sought from time to time. In addition to the above, the SELLER hereby agrees to provide to the BUYER, the right to undertake improvements and upgrades agrees that the BUYER, upon undertaking such improvements and upgrades will become and shall continue to remain the owner of such improved and upgraded Article and the Seller has no claim or right or any IPRs generated in respect of such improvements and upgrades.

2.5 To pursue such actions including the above and also to manufacture requisite spares by ab-initio design or reengineering for safe and unrestricted use of Articles (including platform / equipment / systems), if the SELLER and / or third parties fail to support the Articles or part thereof in a reasonable timeframe and at a reasonable price owing to dynamics of obsolescence / insolvency / winding up operations / suspension of production line / corporate acquisitions etc and other reasons solely attributable to them.

3 **Seller's Right**. The Seller is entitled for the following if the rights set out at Para.2 of this clause is exercised by the BUYER (including its constituent departments):-

3.1 The SELLER may deny the warranty on the Articles or part thereof if the above right is exercised during the warranty.

3.2 If the BUYER exercises any of the above options on an Article under maintenance by the SELLER, the SELLER shall have the right to exclude their maintenance liability on that part of the Article or cover it under mutual agreement.

4 Notwithstanding the rights stated at Article 31A para.3 above:-

4.1 The SELLER's assurance on the designed life of the Articles shall continue to cover the part unaffected by such modifications / improvements / upgrades. The SELLER shall continue to provide the product updates / bulletins as applicable. Such updates / bulletins need not take into consideration the modifications / improvements / upgrades carried out by the BUYER unless the work on interfacing / validating / certification is assigned to the SELLER by the BUYER or his representatives / agents in sub-clause 31A.(2.1) (2.1.3) and (2.1.4) and if such items are manufactured under licence by the SELLER under sub-clause 31A.2.2.

4.2 The right shall not dilute the SELLER's liability for providing product life

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support for the period laid down at Clause [.].

Note: Add the Clause number for Product life Support.

ARTICLE 32
AMENDMENTS

1 No provision of this Contract shall be changed or modified in any way (including this provision) either in whole or in part except by an instrument in writing made after the date of this Contract and signed on behalf of both parties and which expressly states to amend this Contract.

ARTICLE 33
PRODUCT SUPPORT

1 The SELLER agrees to provide Product Support for the stores, assemblies / subassemblies, fitment items and consumables, SMTs / STEs sub contracted from other agencies / manufacturer by the SELLER for a minimum period of (___years) including (years) of warranty period after the delivery of (name of equipment). Even after the said mandatory period, the SELLER would be bound to give at least two years notice to the Government of India prior to closing the production line so as to enable a Life Time Buy of all spares before closure of the said production line. The SELLER agrees to undertake **PRODUCT SUPPORT** CONTRACT (AMC / CMC / PBL / LCSC, as applicable) for a minimum period of (___months), extendable till the complete Engineering Support Package is provided by the SELLER, at a time, at terms and conditions mutually agreed between the SELLER and the **BUYER**. This, however, shall not restrict the BUYER from directly sourcing sub- equipment / sub-assembly and spares from their respective OEMs / sub-vendors on completion of warranty. In case the sub-equipment / sub-assembly / parts require tuning / calibration / integration by the SELLER prior to replacement, the same is to be undertaken by the SELLER at reasonable cost, as mutually agreed between Buyer and Seller.

2 In the event of any obsolescence during the above mentioned period of product support in respect of any component or sub-system, mutual consultation between the SELLER and BUYER / Indian manufacturer will be undertaken to arrive at an acceptable solution including additional cost, if any.

3 Any improvement / modification / up gradation being undertaken by (M / s name of company) on (name of equipment) or their sub suppliers will be communicated by the SELLER to the BUYER and, if required by the BUYER, these will be carried out by the SELLER at BUYER's cost. Post warranty, in case of any recurring defects due to failure in design and poor metallurgy, software malfunction and / or crashes and / or glitches which affects the intended function of equipment, the seller shall investigate the defects in association with User / QA / EME and appropriate remedial measure to be incorporated for both affected as well as entire population of the equipment in service supplied by the seller. In this connection, the seller will give an undertaking as per format mentioned in **Annexure XI** to this Contract.

4 The SELLER agrees to provide an Engineering Support Package as specified in Article 37 as modified after confirmatory MET at no extra cost. The SELLER agrees to undertake the repair and maintenance of the equipment, SMTs / STEs test set up, assemblies / sub-assemblies and stores supplied under this Contract as **product support**

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Contract specified at para 3 above or provision of complete ESP to the BUYER viz EME whichever is later, as per terms and conditions mutually agreed between the SELLER and the BUYER.

(Note: The underlined language should be deleted in cases where it is not applicable.)

5 **Codification**. The SELLER undertakes to provide existing NATO Stock Numbers (NSNs) of OEM for each item supplied under the contract as per part list (including MRLS). In case, the NSNs are not available, the SELLER agrees to codify using basic technical characteristics as required for codification in consultation with MoD / Directorate of Standardisation. In case of IPR issues, codification will be undertaken as Type IV codification (where only the manufacturer details and part number are to be provided).

ARTICLE 34
TRAINING

1 The SELLER shall provide the following training to the personnel of the BUYER:-

1.1 **Operator Training.**

(i) (_____) working days) at SELLER's premises, to a maximum of ( ) personnel in (__) groups of (_____)each.

(ii) (__) working days per group in India, to a maximum of (_) personnel in (__) groups of (_____)each.

1.2 **Repair and Maintenance Course.**

1.2.1 Field Repair / Maint. (_____weeks) at SELLER's premises for (composition of the team to be specified).

1.2.2 Base Repair / Maint. (____weeks) at SELLER, premises for (composition of the team to be specified).

1.3 Training for QA personnel as per scope mentioned in Para of RFP for personnel in batches are to be undertaken in Bidder / Buyer premises. Bidder to provide the duration (working days) for training as per defined scope, in the Technical Bid. For equipment operation and testing / verification of RFP Parameters, training for QA personnel shall be provided by the Vendor prior to offer of 1st lot for PDI.

1.4 The syllabus of training as above will be decided within ___ months of MET by the BUYER and shall meet the needs of repair and maintenance of the complete equipment, SMTs / STEs, test set up, assemblies / sub- assemblies as per the existing repair concept of Indian Defence Forces as covered under Article 37.

2 The training for the first group of operators and users will be organised and conducted so that its termination does not go beyond (__ days) of the scheduled delivery of the first equipment. Training of second group of operator and users will be conducted within (__) months thereafter. Repair and maintenance course will be conducted within (__) months of signing of the Contract and before expiry of warranty.

ARTICLE 35A
OPTION CLAUSE FOR INDIAN VENDORS

1 The BUYER shall have the right to place separate order on the SELLER on or before---------- (-------- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to

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a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ----- year from the effective date of the Contract. Price Variation Clause, FERV etc, if applicable and included in the original Contract, will also be applicable for Option Clause Contract. For arriving at prices payable, the Price Variation will be applied on the Base Contract price of the original Contact with the month and year of Effective date of Contract as Base Level Indices.

ARTICLE 35B
OPTION CLAUSE FOR FOREIGN VENDORS

1. The BUYER shall have the right to place separate order on the SELLER on or before---------- (-------- year from the date of this Contract) for the main equipment, spares, facilities or services as per the cost, terms and conditions set out in this Contract up to a maximum of 50% quantity and during the original period of Contract provided there is no downward trend in prices. The price of the system, spares etc shall remain same till ------ year from the effective date of the Contract

ARTICLE 36
BUYER FURNISHED EQUIPMENT (BFE)

1 The following equipment will be provided by the BUYER at his own expense:-

(a) (b)

(NAME OF THE EQUIPMENTS TO BE PROVIDED BY THE BUYER ALONGWITH THE MAIN EQUIPMENT) This provision is in addition to the provisions set forth in **Annexure III** (Statement of Work).

ARTICLE 37
ENGINEERING SUPPORT PACKAGE

1 **Repair Philosophy.** The Engineering Support Philosophy shall conform to repair philosophy as follows:-

1.1 **'O' Level.** Includes Unit and Field Repairs (1^{st} & 2^{nd} Level).

1.2 **'I' Level.** Includes 3rd level Intermediate Repairs by Corps Zone workshop / Dockyard / Base Repair Depot or other similar service organisation.

1.3 **'D' Level.** Includes 4th level extensive Base overhauls, Depot level Repairs which are either routine and planned or necessitated due to major repairs / renewal requirements.

2 **Accompanied Accessories / User Replaceable Parts / Expendables.** Accompanied accessories / User Replaceable Parts / Expendables as per the list, which will be prepared by the BUYER within months of completion of operator and operator trainer training. for the amount specified at Ser No of Annexure I. The list of items required to be supplied will be taken from Enclosure to **Annexure IX** duly incorporating Adequacy Clause (Article 37 para 6 below refers).

3 **Spares**. Spares for carrying out maintenance and repair up to component level will be provided by the SELLER as per the list finalised by the Buyer in the MET, **at no extra cost** and within the amount specified at Ser No of Annexure I. The list of spares required

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to be supplied will be taken from Enclosure to **Annexure IX** duly incorporating Adequacy Clause. The spares are required to be categorized in four categories as follows: -

3.1 Manufactured by Seller as OEM and can be sourced as per Part No.

3.2 Bought out items and customized by the OEM for the specific purpose and such customization would require OEM intervention.

3.3 Bought out from other OEMs / Third Party as specialised items and used without any customization. Such items can be sourced by quoting their Part No. / Identification No. as given by OEM / Third Party and directly utilised.

3.4 General Engineering items / COTs which can be sourced by stating the relevant standards and item description.

(Note. The OEM Part No. / Identification No. of items in addition to Seller assigned part number are also required to be specified)

4 **Special Maintenance Tools, Special Test Equipments and Test Jigs (SMTs / STEs / Test Jigs)**. SMTs / STEs / Test Jigs for carrying out maintenance and repair up to ( ) level of repair will be provided by the SELLER as per the list finalised by the BUYER

in the MET, at no extra cost and within the amount specified at Ser No of Annexure-I. The list of equipment required to be supplied will be taken from Enclosure to **Annexure IX** duly incorporating Adequacy Clause.

5. **Technical Literature**. The SELLER shall provide sets of Technical Literature. (Specify format to the SELLER if required). Inadequacy / voids in Technical Literature identified during the Maintenance Evaluation Trials will be rectified by the SELLER at the time of delivery of Technical Literature to the satisfaction of maintenance agency of the BUYER.

6 **Adequacy Clause**. The SELLER confirms to the BUYER that the range and depth of Accompanied Accessories / User Replaceable Parts / Expendables, Spares and SMT / STE / Test Jigs given in Appendix of Annexure of this Contract are complete and exhaustive for use and carrying out repairs up to ( ) level for the equipment procured under this Contract by the BUYER. Any additional items, spares, tools and equipment up to the lowest level needed for use, maintenance and repair will be supplied by the SELLER at mutually agreed prices within 60 days of receipt of notification from the BUYER for the period specified in Article 33 (PRODUCT SUPPORT). The SELLER also confirms that, if two different prices have been given for the same / similar item in Appendix to Annexure , then the lower price quoted will prevail. In case, the quoted accessories have several items viz Sampling Accessory Kit and add up price of these items is higher than the quoted price of the accessory then the price will be lowered / adjusted proportionately for the items. The BUYER would have the option to amend the MRLS proposed by the SELLER within years of the expiry of the warranty period. The SELLER would either 'Buy Back' the spares rendered surplus or exchange them on cost to cost basis with the spares as required by the BUYER. The said spares would be purchased / replaced by the SELLER, based on the prices negotiated in the Contract. The 'Buy Back' clause would not be applicable for additional spares included by the BUYER in MRLS during FET and SE stage, as brought out in the RFP.

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7 A malicious code certificate as given in Appendix J (Chapter II respectively) to the RFP is attached herewith.

8 **AMC / CMC / PBL / LCSC (where applicable, to be included and clauses .1 To 4 be modified accordingly)**. The Repair and Maintenance of will becatered through AMC / CMC / PBL / LCSC, for (in words) years post completion of warranty. The AMC / CMC / PBL / LCSC would include requisite periodic maintenance, defect rectification, calibration and certification, if any, including spares, tools, consumables, technical expertise and manpower, as applicable. Details of the same are elaborated at Annexure IIB (to be as elaborated at Appendix K to the RFP). During the period of Warranty, the SELLER would undertake all preventive and corrective maintenance as required for CAMC (this clause is to be included in cases where no maintenance training is envisaged).

ARTICLE 38
ACCESSES TO BOOK OF ACCOUNTS

1 Only in case where contract being awarded on nomination basis or on Single Tender Enquiry (STE), the Ministry of Defence (MoD) or its authorised representatives shall have the right to inspect and verify the vendor's books of account, tax records and financial statements relevant to this contract at any time during the contract period and up to five years after final settlement.

2 In case it is found to the satisfaction of the BUYER that the SELLER has engaged an Agent, or paid commission or influenced any person to obtain the Contract as described in clauses relating to Agents and Penalty for Use of Undue Influence, the SELLER, on demand of the BUYER shall provide necessary information / inspection of the relevant financial documents / information, including a copy of the Contract(s) and details of payment terms between the SELLERs and Agents engaged by him.

3 **Testimonial and Signature Clause**. The authorised representative of the SELLER should be shown to have been so authorised by the Resolution of the Board of Directors of the Company of the SELLER or duly authorised by the Memorandum / Articles of Association of the Company along with supporting documents for the same.

ARTICLE 39
SURVIVAL AFTER TERMINATION OR EXPIRATION

1. The following Articles shall survive the Termination or expiration of this Contract (Articles to be added as appropriate):-

1.1 Non-Disclosure of Contract Documents

1.2 Title and Risk of Loss

1.3 Warranty

1.4 Law

1.5 Penalty for Use of Undue Influence

1.6 Patents and Other Industrial Property Rights

1.7 Buyer's Right to Optimisation of Life Cycle Support and System Enhancements

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1.8 Product Support

ARTICLE 40
SECURITY OF ICT DEVICES

1 The following Articles shall cover security of ICT devices (both hardware and software of ICT devices supplied as component / sub-component of parent equipment / system) :-

1.1 SELLER is to provide life cycle management support for all hardware and software of ICT devices supplied as component / sub component of parent equipment / system till its functional life. All obsolete applications including OS and hardware are to upgrade by SELLER regularly as part of contractual obligation to ensure these systems do not function employing obsolete / unsupported / vulnerable sub-system / software during the lifecycle of the system.

1.2 In case, SELLER envisage that during fulfilment of contractual obligation wrt repair, upgrade, maintenance or any other similar activity of supplied items, specific hardware / software or both of SELLER would be required, in such cases subject hardware / software or both should be supplied by SELLER as deliverable items during the delivery phase itself. SELLER's ICT devices would not be allowed to be connected with the equipment / system once supplied and commissioned at BUYER's premises. In case, Buyer reserves the right to audit, scan and inspect the OEM ICT devices designated or planned to be utilized to undertake repair / upgrade / maintenance / integration related tasks of equipment / system, either at Buyer premises or OEM / SELLER premises.

1.3 For projects involving Management Information Systems, bespoke / customized software and enterprise-wide solutions, SELLER is to certify that secure coding practices have been followed and software should be vetted by CERT-In empaneled SELLER, prior to being submitted for security vetting by BUYER's internal security evaluation team. BUYER will conduct Vulnerability Assessment. If more than one iteration of VAPT takes place for applications during checks by BUYER, SELLER will repeat CERT-In empaneled audit by an alternate auditor at his cost prior to re-check by BUYER. It should also be specified that any time lost in iterative checking which may lead to delayed delivery and imposition of LD as per contract will be at cost of SELLER and sufficient contingency time should be catered for the same.

1.4 Classified / sensitive data related to project / BUYER generated during course of execution of course of execution of contract or handed over by BUYER to SELLER should be made available only to employees on 'NEED TO KNOW BASIS'. Strict accounting of data access / copying of data and access control should be implemented, including encryption of data in transit and storage.

1.5 Appropriate penal consequences in case of any security violation / loss of data, information, PII and deviation from Cyber Security aspects.

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ARTICLE 41
INDEMNITY

1 **General Indemnity**. The Seller shall indemnify, defend and hold the Seller harmless against any and all proceedings, actions and third-party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by the Seller of any of its obligations under this Contract or on account of failure of the Seller to comply with Applicable Laws.

2 **Notice and Contest of Claims**. In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under the above Clause __ or in respect of which it is entitled to reimbursement (the "Indemnified Party"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "Indemnifying Party") within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

ARTICLE 42
CONFIDENTIALITY

1 The Buyer's and the Seller's Personnel shall disclose all such confidential and other information as may be reasonably required in order to verify compliance with the Contract and allow its proper implementation.

2 The Buyer and the Seller shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following termination of the Contract. Notwithstanding the above, the Contractor may furnish to its Subcontractor(s) such documents, data and other information it receives from the Employer to the extent required for the Subcontractor(s) to perform its work under this Contract, in which event the Contractor shall obtain from such Subcontractor(s) an undertaking of confidentiality similar to that imposed on the Contractor.

The Employer shall not use such documents, data and other information received from the Contractor for any purpose other than the operation and maintenance of the Facilities. Similarly, the Contractor shall not use such documents, data and other information received from the Employer for any purpose other than the design, procurement of Plant and Equipment, construction or such other work and services as are required for the performance of the Contract. The obligation of a party under the Clauses above, however, shall not apply to that information which:

2.1 now or hereafter enters the public domain through no fault of that party

2.2 can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party hereto, otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality.

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ARTICLE 43
ASSIGNMENT

1 The Seller hereby agrees to assign its rights, title and interest arising out of this Contract, in favour of the Buyer pursuant to and in accordance with the provisions of this Contract.

ARTICLE 44
SEVERABILITY

1 If for any reason whatever any provision of this Contract is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause ____ of this Contract or otherwise.

ARTICLE 45
SUCCESSORS AND ASSIGNS

1 This Contract shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

LEGAL ADDRESSES OF THE CONTRACTING PARTIES

1. Legal addresses of both Contracting parties:

SELLER	BUYER:
…….	GOVERNMENT OF INDIA
…….	MINISTRY OF DEFENCE
…….	SOUTH BLOCK
…….	NEW DELHI -110011
	REPUBLIC OF INDIA

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Annexure I of Appendix A to Chapter XII of DAP 2026

(Refers to Articles 1, 5A, 5B, 5C, 8 and 37 of Standard Contract Document)

STATEMENT OF PRICES AND QUANTITIES AND PAYMENT STAGES

1. **Statement of Prices and Quantities**

Ser	Items	Qty	Unit Cost	Total Cost	Total Cost (including all taxes & duties)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as		Remarks
						GST / IGST	Custom Duty (%)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
1.1	Cost of **Basic Equipment.** Full break-up details may be given.							
1.2	Cost of **Installation / Commissioning Integration** (where applicable)							
1.3	Cost of Buyer Nominated Equipment							
1.4	Cost of **Transfer of Technology** (where							
1.5	Cost of **Manufacturer's Recommended List of Spares** as per the format given at Annexure I to Appendix K to RFP. In case equipment is already in usage, the spare parts							
1.6	Cost of **Special Maintenance Tools and Special Test Equipment** as per format given at							
1.7	Cost of **Operator's Manual** and **Technical Literature** (in English Language) including Illustrated Spare Parts List							
1.8	Cost of **Training Aids** such as simulators, cut out models, films, charts etc as recommended by the supplier as per Annexure IV							
1.9.	Cost of recommended period of **Training** excluding the cost of travel and boarding and lodging. This should be given under the following two heads as per Annexure IV to Appendix K to RFP. 1.9.1. In India. 1.9.2. Abroad.							

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Ser	Items	Qty	Unit Cost	Total Cost	Total Cost (including all taxes & duties)	Indicative Rate of Taxes & Duties used to arrive at Total Cost (as applicable)		Remarks
						GST / IGST	Custom Duty (%)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
1.10	**Cost of Preservation / De-preservation (if applicable)**							**To be paid as in the contract, if utilised**
1.11	**Any other** cost (to be specified)							
1.12	**Freight and Transit Insurance** Cost (where applicable).							
1.13	**AMC / CMC / PBL** Cost giving year-wise break-up (where applicable).							
1.14	**Total Cost** (Total of Serial A to L)				#			# This will be used in determining L1 vendor (duly applying provisions
1.15	**Foreign Exchange component** of the proposal. (for Indian Sellers only)							This will be with reference to Para 1.2.2 of Appendix M to
1.16	**CDEC (if applicable)**,its authority and amount for							

Total (in words)_____

2. **Stages of Payment**

2.1 **For cases other than Shipbuilding**

(Note : The Payment and delivery schedule is to be incorporated as specified in the RFP and as ratified during CNC)

2.1.1. **For Delivery in a Single Lot**

Sl	Activity	Delivery Timelines (T_0 + Wks)	Scheme for Payment	Scheme for submission and Return of Advance Payment Bank Guarantees	Remarks
2.1.1.1	Signing of contract		10% of the base contract price	APBG of equivalent amount to be submitted	

(b) On submission of Project report (PR) and Project PERT Chart.

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(c) On Dispatch of all equipment / system (and associated spares if applicable)

(d) On Delivery of all equipment / system (and associated spares if applicable)

(e) On delivery of documentation & Training

(f) On Installation / STW / Commissioning and Final Acceptance and completion of delivery of documentation and training.price 5% of the ~~total~~ contract price base contract price 40 to 60% of the cost of the deliverables Approx 15% of the cost of the deliverables 55 to 75% of the cost of documentation and training 10 to 30% of the cost of deliverables APBG of equivalent amount to be submitted APBG is to be returned on completion of delivery of all equipment / system (and associated spares if applicable). In case delivery of documentation and / or training can be completed only on commissioning of the equipment and cost of documentation / training is substantial (5%-8%, as specified), then APBG is to be returned on pro-rata basis as per completion of delivery of equipment, documentation and training **In case this stage is not required, 15% of ~~total~~ contract price base contract price can be made on signing of contract.** Percentage of payment for delivery of equipment / system shall be decided on the complexity / scope of installation, STW and commissioning. In case Installation / STW / Commissioning is not required, the complete payments are to be done on completion of deliveries and APBG(s) are to be returned.

[1]2.1.1.A <u>For Startups / MSMEs, under iDEX & TDF, Payment stages in the Procurement Contracts shall be defined in the following manner:(for contracts up to Rs 250 Cr)</u>

SN	Payment Stage	Timeline (T0+W)	Percentage Payment	Scheme for submission and Return of Securities & Remarks
(a)	Signing of Contract & Advance Payment		Advance payment Up to 15% of Base Contract Value*	Advance Payment within 21 days of execution of contract against mortgage on Intellectual Property (IP) rights, Bank Guarantee, Insurance Surety Bond, in any combination thereof solely at the option of Startup / MSME. If the IP rights themselves are of sufficient value, Bank Guarantee / Surety bond would not be necessary.
(b)	Procurement of Raw Material or Essential Input Resources		100 % of Raw Material cost with adjusted advance released	1. Procurement contract shall mention the instance at which and quantity of raw material for which payment for acquisition of raw material would be made. The trigger for payment shall be only an invoice for the amount calculated and certificate given by statutory auditor of the company as per contract. For software projects, the manpower utilization cost will also be factored. 2. Performance Cum Warranty Security shall be submitted before release of the payment.
(c)	On receipt of all the equipment / system and associated spare parts(if applicable)		Cumulatively 80% of the Cost of Deliverables	Pre-Dispatch inspection may be conducted as per the requirement

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SN	Payment Stage	Timeline (T0+W)	Percentage Payment	Scheme for submission and Return of Securities & Remarks
(d)	On delivery of documentation & Training		85% of the Cost of Training	
(e)	On Installation / STW / Commissioning and Final Acceptance and completion of delivery of documentation and training.		100% of the Contract Value, including taxes and certifications (within 30 days of completion of commissioning , documentation & training	Up to 3% LD for start-ups and MSMEs with defined extentions
(f)	AMC		Payment as per AMC periodic schedule submitted	3% of AMC contract value shall be considered as security and the same shall be adjusted with release of Performance security (either by holding the same or in case of escalation of value, remaining amount of security shall be submitted by Startup / MSME)

* As per requirement of Startups / MSMEs

Note: iDEX & TDF cases shall be considered as per provisions in revised benchmarking guidelines and payment schedule for procurement cases of cumulative value up to Rs 250 Cr inclusive of repeat orders.

2.1.2. **For Delivery in Lots / Batches**

Sl	Activity	Delivery Timelines (T_0 + Wks)	Scheme for Payment	Scheme for submission and Return of Advance Payment Bank Guarantees	Remarks
(a)	Signing of contract		10% of the ~~total contract price~~ base contract	APBG of equivalent amount to be submitted	
(b)	On submission of Project report (PR) and Project PERT Chart.		5% of the ~~total co ntract pr ice~~ base contract price	APBG of equivalent amount to be submitted	**In case this stage is not required, 15% of ~~total contract price~~ base contract price can be made on signing of contract.**
(c)	**On Dispatch of all equipment / system**				
(i)	1st Lot / Batch		40 to 60% of the cost of Equipment / System of the Lot		
(ii)	2nd Lot / Batch		40 to 60% of the cost of Equipment / System of the Lot		

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Sl	Activity	Delivery Timelines (T_0 + Wks)	Scheme for Payment	Scheme for submission and Return of Advance Payment Bank Guarantees	Remarks
(d)	**On Delivery of all equipment / system**				
(i)	1st Lot / Batch		Approx 15% of the cost of Equipment / System of the Lot	APBG is to be returned on pro-rata basis on delivery of each lot / batch. APBG pertaining to documentation and training can be returned on delivery of a particular lot / batch (to be specified). In case delivery of documentation and / or training can be completed only on commissioning of the equipment and cost of documentation / training is substantial (5%-8%, as specified), then APBG is to be returned on pro-rata basis as per completion of delivery of equipment, documentation and training.	Percentage of payment for delivery of equipment / system shall be decided on the complexity / scope of installation, STW and commissioning.
(ii)	2nd Lot / Batch		Approx 15% of the cost of Equipment / System of the Lot		
(e)	Delivery of Documentation		85% of the cost of Documentati on		
(f)	Completion of Training		85% of the cost of Training		
(g)	**On Installation / STW / Commissioning and Final Acceptance**				
(i)	1st Lot / Batch		10 to 30% of the cost of Equipment / System of the Lot		
(ii)	2nd Lot / Batch		10 to 30% of the cost of Equipment / System of the Lot		

2.2 **<u>For Shipbuilding Cases</u>**. The Vessel Cost (as defined in RFP, excluding Cost of ToT) will be paid as per following stages on completion of respective stage activity (The Vessel Cost will not include Costs towards Handling of B & D Spares and Project Monitoring System. The Payment Stages of ToT, if applicable, will be specified separately):-

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2.2.1 **<u>For Commissioned Ships</u>**. **15** stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalized during CNC
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel / Hull Construction (b) Submission Cardinal date programme / Production	
III	5%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalized and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only (b) Completion of main engines, gear boxes, girders & Seatings / m / c seating as applicable to erecting of 60%	
VI	5%	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship series only (b) All access holes to be cut and preparation of main seating in m / c compartment (c) Placement of order for majority equipment & systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b) Manufacture / procurement of W / T doors and hatches (c) Submission of network of balance activities upto	
VIII	10%	(a) Completion of machinery, equipment & fittings with associated system required for reaching pre-launch stage and submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	
IX	5%	Completion f 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	5%	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	
XI	5%	Completion of 85% physical progress of construction andsubmission of weight analysis for first ship of the series only	
XII	10%	Completion of Basin Trials	
XIII	5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	

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XIV	5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings, manuals for the ship to be made available to the concerned agencies as per specifications (d) Completion of first reading of D-448 and acceptance of vessel	
XV	10%	On completion of 'shipyard guarantee liabilities' and	

2.2.2 **<u>For Submarines</u>**. **15** stages payment with pre-requisites as elaborated below:-

Stage	**% of Vessel's Fixed Cost**	**Activity**	**Schedule to be finalized during CNC**
I	10%	With signing of contract (10% of Contract Cost)	
II	10%	(a) Proof of ordering steel / Hull Construction (b) Submission Cardinal date programme / Production PERT	
III	15%	(a) Submission of Drawing Schedule (b) Submission of detailed network of activities including Work Breakdown up to launching a Vessel (c) Submission of main hull structural drawing (d) Order for all major pre-launch items finalized and placed	
IV	5%	(a) Completion of 10% physical progress of construction and submission of weight analysis for first ship of series only (b) Submission of equipment installation schedule	
V	5%	(a) Completion of 15% physical progress of construction and submission of weight analysis for first ship of series only (b) Completion of main engines, gear boxes, girders & Seatings / m / c seating as applicable to erecting of 60% hull	
VI	15 %	(a) Completion of 25% physical progress of construction and submission of weight analysis for first ship series only (b) All access holes to be cut and preparation of main seating in m / c compartment (c) Placement of order for majority equipment & systems affecting conduct of basin trials	
VII	5%	(a) Pressure test of built in tanks (b) Manufacture / procurement of W / T doors and hatches (c) Submission of network of balance activities upto	
VIII	15%	(a) Completion of machinery , equipment & fittings with associated system required for reaching pre-launch stage and submission of weight analysis for first ship of the series only (b) Launching of the vessel or equivalent stage of construction reached	
IX	2.5%	Completion of 40% physical progress of construction and submission of weight analysis for first ship of the series only	
X	2.5 %	Completion of 60% physical progress of construction and submission of weight analysis for first ship of the series only	

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Stage	% of Vessel's Fixed Cost	Activity	Schedule to be finalized during CNC
XI	2.5%	Completion of 85% physical progress of construction and submission of weight analysis for first ship of the series only	
XII	2.5%	Completion of Basin Trials	
XIII	2.5%	(a) Completion of inclining experiments and submission of weight analysis for first ship of the series only and draft survey for subsequent ships (b) Successful completion of CST (c) Completion of Training	
XIV	2.5%	(a) Successful completion of FMT (b) Stowage of all onboard spares (c) All Documents, drawings , manuals for the ship to be made available to the concerned agencies as per specifications (d) Completion of first reading of D-448 and acceptance of vessel	
XV	5 %	On completion of all 'shipyard guarantee liabilities and GRDD'	

2.2.3 **For Yard Craft, Auxiliaries**. 07 stages payment with pre-requisites as elaborated below:-

Stage	% of Vessel cost	Activity	Pre-Requisites
I	10%	On signing of the Contract (10% of Base Contract Price)	On submission of Advance bank guarantee of equal value and performance – cum-Warranty Bond of 5% of the contractual cost. DPSUs may submit indemnity bond when nominated.
II	20%	(a) Proof of ordering of steel / Hull construction Material (b) Submission of cardinal date (c) Submission of main hull structural drawings. (d) Order for all major pre-launch items finalized and placed (e) Order for all major pre-launch items finalized and placed. (f) Erection of equipment schedule. (g) Submission of equipment of equipment schedule. (h) Completion of main engines, Gear box girders & seatings / machinery seatings as applicable to erection of 40% hull.	To be certified by owner's representative / overseer.

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Stage	% of Vessel cost	Activity	Pre-Requisites
III	10%	(a) Completion of main engines, gear box girders & seatings / machinery seatings as applicable to erection of 70% hull. (b) All access holes to be cut and preparation of main seatings in machinery compartment. (c) Manufacture / procurement of W / T doors and hatches (d) Pressure test of built in tanks (e) Submission of network of balance activities	To be certified by Owner's representative / Overseer.
IV	10%	(a) Erection of 100% main hull (b) Placement of order for major equipment & system affecting conduct of basin trials (c) Pressure test of built in tanks (d) Submission of network of balance activities	To be certified by Owner's representative / Overseer.
V	15%	(a) Completion of installation of machinery, equipment and fittings with the associated systems required for reaching pre launch stage. (b) Launching of vessels or equivalent stage of construction reached. Note. If large amount of machinery is to be placed after the launch of the vessel, this stage may be split into two @10% or 7.5% each	To be certified by Owner's representative / Overseer.
VI	30%	(a) Completion of Basin Trials (b) Completion of inclining experiment and draft survey for subsequent crafts (c) Successful completion of contractor's sea trials (form part of vessel acceptance trials) (d) Successful completion of final machinery trials (e) Stowage of all on-board spares (f) All documentation, drawings , manuals for the ship to be made available to the concerned agencies as per specifications (g) Completion of first reading of D-448 and acceptance of the vessel.	To be certified by Owner's representative / Overseer.
VII	5%	All defects, deficiencies and contractor's liabilities including guarantee repairs & dry docking to be completed.	To be certified by Owner's representative / Overseer.

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Annexure IIA Appendix A to Chapter XII of DAP 2026
(Refers to Article 1 and 7 of Standard Contract Document)

To Contract No._____

Dated:_____

TECHNICAL SPECIFICATION

All Technical parameters listed in terms of size, weight, performance, operating environment, power, utility life storage shelf life etc, both in terms of essential and desirable levels as applicable to the equipment.

(The Technical parameters of the equipment being Contracted also to be included)

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Annexure IIB Appendix A to Chapter XII of DAP 2026
(Refers to Para 8 of Article 37
of Standard Contract Document)

REQUIREMENTS AND SCOPE OF AMC / CMC / PBL / LCSC

(To be specified as elaborated at Appendix K to the RFP)

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Annexure III Appendix A to Chapter XII of DAP 2026
(Refers to Article 7 and 36 of
Standard Contract Document)

To Contract No.s_____

Dated :_____

STATEMENT OF WORK (SOW) AND DELIVERY SCHEDULE

1. General.

2. Abbreviations / Definitions.

3. Equipment, Materials And Services The SELLER shall deliver the goods and perform services as following:

3.1 Deliverable Items and Schedule and Definition of composition of Lots / Batches:

3.1.1 To be as specified at Annexure I of the Contract

3.1.2 Delivery Schedule.

Ser No	Equipment / Service	Quantity	Month (from effective date)	**Place of Delivery**

3.2 Modifications to be incorporated in (Name of Equipment).

3.3 BUYER Furnished Data and Equipment.

4. **Integrated Logistic Support (ILS).**

4.1 The maintenance of the (Name of Equipment) shall be carried out at Field and Base Level by BUYER's personnel after receiving Maintenance Documentation, CBTs Training, Special Test Equipment (STE) and test set up and Spare Parts.

4.2 The ILS package will support the following maintenance tasks: (All tasks to be listed)

4.2.1 Field

4.2.2 Base / Component Level.

4.3 Training & Documentation. (All details of trg to be incorporated)

4.3.1 Field Maintenance Training and Documentation.

No	Description	No of pers.	Duration	Month (from ED)	Remarks

4.3.2 Base Maintenance Training and Documentation.

No	Description	No of Persons	Duration	Month (from ED)	Remarks

4.4. Special Test Equipment and Test Setup

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4.4.1 For Field Maintenance Test Equipment.

4.4.2 For Base / Component Level Maintenance.

No	Description	No of Persons	Duration	Month (from ED)	Remarks

BUYER Furnished Test Equipment

No	Description	No of Persons	Duration	Month (from ED)	Remarks

****

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Annexure IV Appendix A to Chapter XII of DAP 2026
(Refers to Articles 3A and 3B of
Standard Contract Document)

ADVANCE PAYMENT BANK GUARANTEE

To

The Ministry of _____Government of India _____ (complete postal address of the beneficiary)1. "Whereas President of India represented by the Ministry of Government of India (hereinafter referred to as BUYER) have entered into a Contract No ._____ _____(No.of Contract), dated (Date of Contract) with M / s _____ (Name of SELLER) (referred to as SELLER) and whereas according to the said Contract the BUYER has undertaken to make an advance payment of Rs. / US $ / Euro / PS £ / Yen / AUD / SGD of bank."

2. We_____being payment % of the total value of Rs. / US $ / Euro / PS £ / Yen / AUD / SGD of the said Contract, against issuance of an advance guarantee by a (indicate the name of the bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the BUYER intimating that the SELLER is in breach of the Contractual obligations stipulated in the said Contract. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our total liability under this guarantee shall be restricted to an amount not exceeding Rs. / US $ / Euro / PS £ / Yen / AUD / SGD _____.

3. We undertake to pay to the BUYER any money so demanded notwithstanding any dispute or disputes raised by the SELLER in any suit or proceedings pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the SELLER shall have no claim against us for making such payment.

4. We, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the BUYER under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till office Department / Ministry of_____certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said SELLER and accordingly discharges this guarantee.

5. We, further agree with the BUYER that the BUYER shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said SELLER from time to time or to postpone for any time or from time to time any of the powers exercisable by the BUYER against the said SELLER and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, Amendment issued vide MoD ID No. 4(50) / D(Acq) / 08 dated 20.06.2016 or extension being granted to the said SELLER or for any forbearance, act or omission on the part of the BUYER or indulgence by the BUYER to the said SELLER or by any such matter or thing whatsoever which under law relating to sureties would, but for this provision, have effect of so relieving us.

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6. The amount of this guarantee will be progressively reduced by (percentage of advance) of total value of each part shipment / services against the stage payment released by the BUYER for that shipment / services made by the SELLER and presentation to us of the payment documents.

7. This guarantee will not be discharged due to the change in the constitution of the bank or the BUYER / SELLER.

8. We, undertake not to revoke this guarantee during the currency except with the previous consent of the BUYER in writing.

9. Notwithstanding anything contained herein above:-

9.1 Our liability under this Guarantee shall not exceed Rupees / US $ / Euro / PS £ / Yen / AUD / SGD ____(in words)

9.2 This Bank Guarantee shall remain valid until_____(hereinafterthe expiry date of this guarantee) the Bank Guarantee will cease to be valid after to us or not. irrespective whether the Original Guarantee is returned

9.3 We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____(Expiry Date).

Dated the _____day of _____(month and year)

Place :

Signed and delivered by _____(Name of the bank)

Through its authorised signatory

(Signature with seal)

****

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Annexure IV (A) Appendix A to Chapter XII of DAP 2026
(Refers to Articles 4A , 4B, 4D and 4E of Standard Contract Document)

PERFORMANCE-CUM-WARRANTY BANK GUARANTEE

To

The Ministry of _____
Government of India_____
_____(complete postal address of the beneficiary)

Dear Sir,

1. Whereas President of India represented by the _____ Ministry of _____, Government of India (hereinafter referred to as BUYER) have entered into a Contract No. dated (hereinafter referred to as the said Contract) with M / s. _____ (hereinafter referred to as the SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee amounting to Rs / US $ / Euro / PS £ / Yen / AUD / SGD which is ~~5% of the Base Contract Price to cover~~ 5% of Total Contract Price (including taxes and duties) ~~each~~ for Performance and Warranty in sequence, to secure its obligations towards Performance-cum-Warranty to the BUYERs.

2. We, the _____ bank hereby expressly, irrevocably and unreservedly undertake the guarantee as principal obligors on behalf the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach / failure to perform by the said SELLER of any of the terms and conditions in the Contract related to Performance and Warranty clauses, we will pay you, on demand and without demur, all and any sum up to {5% of Total Contract Price (including taxes and duties)} Rupees / US $ / Euro / PS £ / Yen / AUD / SGD only at any instance under this Guarantee. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forth with without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or released from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alterations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

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6. This Performance-cum-Warranty guarantee shall remain valid for a period until three months beyond the warranty period as specified in the Contract i.e. upto _____.

7. Subject to the terms of this Bank Guarantee, the issuing bank hereby irrevocably authorizes the beneficiary to draw the amount of upto Rs. / US $ / Euro / PS £ / Yen / AUD / SGD {5% of Total Contract Price (including taxes and duties)} for breach / failure to perform by the SELLER of any of the terms and conditions of the Contract related to performance and warranty clause. Partial drawings and multiple drawings under this Bank Guarantee are allowed within the above stated cumulative amount subject to each such drawing not exceeding 5% of the Total Contract Price (including taxes and duties) (Rs. / US $ / Euro / PS £ / Yen / AUD / SGD __only) (Mention BG amount).

8. This guarantee shall be continuing guarantee and shall not be discharged by anychange in the constitution of the Bank or in the constitution of M / s_____. We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

9. Notwithstanding anything contained herein above:

9.1 Our liability under this Guarantee shall not exceed Rs. / US $ / Euro / PS £ / Yen / AUD / SGD_____only (in words). (Rupees / US $ / Euro / PS £ / Yen / AUD / SGD

9.2 This Bank Guarantee shall remain valid until 3 months from the date of expiry of warranty period of the Contract, i.e upto (mention the date) which is 3 months after expiry of the warranty period and the BG shall cease to be valid after irrespective whether the Original Guarantee is returned to us or not.

9.3 We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before _____ (Expiry Date).

Dated the _____day of _____(month and year)

Place :

Signed and delivered by _____ (name of the bank)

Through its authorised signatory

(Signature with seal)

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Annexure IV (AA) **Appendix A to Chapter XII of DAP 2026**
(Refers to Articles 4A, 4B, 4D and 4E of Standard Contract Document)

[DSK Note: Upon receipt of the executed copy of the Performance-cum-Warranty Bond, MOD may write to the concerned insurance company to ascertain its authenticity and validity.]

FORMAT FOR PERFORMANCE-CUM-WARRANTY (INSURANCE SURETY BOND)

BOND NUMBER: [•]
DATED: [•]

To ,
[Name of authorised personnel of the Authority],
[Name of the Authority],
Government of India
[Address of the Authority]

Dear Sir / Madam

1. Whereas President of India represented by the [Name of the authorized personnel of the Authority] Ministry of [name of the Authority], Government of India (hereinafter referred to as "**BUYER**") have entered into a contract bearing number [details of the Contract] dated [date of execution of the Contract](hereinafter referred to as the "**CONTRACT**") with M / S. [name of the Seller], a [details of Seller's legal status] registered under [description of law under which the Seller is incorporated] and having its registered office at [address of the Seller] (hereinafter referred to as the "SELLER") for supply of goods as per CONTRACT to the said BUYER and whereas the SELLER has undertaken to produce an insurance surety bond amounting to INR / USD / EUR / GBP / JPY / AUD / SGD *[insert the bond value] (insert the bond value in words) which is [insert the percentage rate as per prevailing policy (in numerical)% [insert the rate as per prevailing policy (in words)] [__ percent)* of the Total Contract Price (including taxes and duties) (hereinafter referred to as the **"BOND VALUE"**) to cover [insert the percentage rate as per prevailing policy (in numerical)% ([insert the rate as per prevailing policy (in words) percent) of Total Contract Price (including taxes and duties) each for Performance and Warranty in sequence, to secure its obligations towards Performance-cum-Warranty to the BUYER].

2. We, the SURETY, hereby expressly, irrevocably, unconditionally and unreservedly undertake to discharge the liability acting in the capacity of a Principal Debtor on behalf the SELLER that, in the event that the BUYER declares to us that the amount claimed is due under the Performance and Warranty clauses, we will pay you, on-demand and without demur, all and any sum up to [insert the percentage rate as per prevailing policy (in numerical)% ([insert the rate as per prevailing policy (in words)] of Total Contract Price (including taxes

and duties) (i.e. INR / USD / EUR / GBP / JPY / AUD / SGD [insert the bond value] ([insert the bond value in words]) only at any instance under this BOND.

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3. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said CONTRACT. We shall not be entitled to ask you to establish your claim or claims under this BOND but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the SURETY and sent by courier or by registered mail to the SURETY at the address set forth herein. We undertake to make the payment on receipt of your notice of claim on us addressed to [name of authorized personnel of the insurance company] and delivered at our above address which shall be deemed to have been duly authorised to receive the said notice of claim.

4. Any such written demand made by the BUYER stating that the SELLER is in default on the due and faithful fulfilment and compliance with the terms and conditions contained in the CONTRACT shall be final, conclusive and binding on the SURETY, notwithstanding any differences between the BUYER and the SELLER; or any dispute between them pending before any court, tribunal arbitrators or any other authority or body, or by the discharge of the SELLER for any reason whatsoever.

5. We, the SURETY, do hereby unconditionally undertake to pay the amounts due and payable under this BOND without any demur, reservation, recourse, contest or protest and without any reference to the SELLER or any other person and irrespective of whether the claim of the BUYER is disputed by the SELLER or not, merely on the first demand from the BUYER, stating that the amount claimed is due to the BUYER by reason of breach / failure by the SELLER to fulfil / perform and comply with the terms and conditions contained in the CONTRACT, including obligations under the Performance and Warranty clause therein. Partial drawings and multiple drawings are allowed within the above stated cumulative amount, subject to each such drawing not exceeding the BOND VALUE.

6. The BUYER shall have the liberty, without affecting any manner the liability of the SURETY under this BOND, to vary at any time, the terms-and conditions of the CONTRACT or to extend the time or period for the compliance with, fulfilment and / or performance of all or any of the obligations of the SELLER contained in the CONTRACT or to postpone for any time, and from time to time, any of the rights and powers exercisable by the BUYER against the SELLER, and either to enforce or forbear from enforcing any of the terms and conditions contained in the CONTRACT and / or the securities available to the BUYER, and the SURETÝ shall not be released from its liability and obligation under these presents by any exercise by the BUYER of the liberty with reference to the matters aforesaid or by reason of time being given to the SELLER or any other forbearance, indulgence, act or omission on the part of the, BUYER or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the SURETY from its liability and obligation under this BOND and the SURETY hereby waives all of its rights under any such law.

7. This BOND shall be irrevocable and remain in full force for a period of [3 (three) months form the date of expiry of the warranty period under the CONTRACT] or for such a period specified in the CONTRACT, whichever is later (“EXPIRY DATE).

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8. The BOND shall not be affected by any change in the constitution or winding up of the SELLER or the SURETY or any absorption, merger or amalgamation of the SELLER or the SURETY with any other person.

9. In order to give full effect to this BOND, the BUYER shall be entitled to treat the SURETY as the Principal Debtor. The SURETY shall not be released from its liability under these presents by any exercise by the BUYER of the liberty with reference to the matter aforesaid or by reason of time being given to the said SELLER or any other forbearance, act or omission on the part of the BUYER or any indulgence by the BUYER to the said SELLER or by any change in the constitution of the BUYER or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the SURETY from its such liability.

10. It shall not be necessary for the BUYER to proceed against the SELLER before proceeding against the SURETY and the BOND herein contained shall be enforceable against the SURETY, notwithstanding any other security which the BUYER may have obtained from the SELLER or any other person and which shall, at the time when proceedings-are taken against the SURETY hereunder, be outstanding or unrealized.

11. We, the SURETY, further undertake not to revoke this BOND during its currency except with the previous express consent of the BUYER in writing.

12. We, the SURETY, declare that we have the power to issue this BOND and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this BOND for and on behalf of the BOND.

13. This BOND is in addition to and not in substitution of any other security now or which may hereafter be held by the BUYER in respect of or relating to the CONTRACT or for fulfilment, compliance and / or performance of all or any of the obligations of the SELLER under the CONTRACT.

14. Notwithstanding anything contained herein above:

14.1 Our liability under this BOND shall not exceed INR / USD / EUR / GBP / JPY / AUD / SGD [insert the bond value] (insert the bond value in words).

14.2 This BOND shall remain valid until the EXPIRY DATE and the BOND shall cease to be valid after such EXPIRY DATE. We, the SURETY and the SELLER shall keep the BUYER informed about the EXPIRY DATE at least 3 (three) months preceding the due date of expiration of the BOND.

14.3 We are liable to pay BOND VALUE or any part thereof under this BOND only and only if you serve upon us a written demand or a claim in writing on or before the EXPIRY DATE.

15. This BOND shall be construed and interpreted in accordance with and governed by the laws of India, and the courts in New Delhi shall have jurisdiction over all matters arising out of or relating to this BOND.

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Annexure IV (B) Appendix A to Chapter XII of DAP 2026
(Refers to Articles 3D and 3E of
Standard Contract Document)

ADDITIONAL BANK GUARANTEE FOR ESSENTIAL PARAMETER-B CASES

To

The , Ministry ,
Government of India,
_____ (complete postal address of the beneficiary)

1. Whereas President of India represented by the Ministry of, Government of India (hereinafter referred to as BUYER) have entered into a Contract No _____ to as the said Contract) with M / s dated _____ hereinafter referred (hereinafter referred to as SELLER) for supply of goods as per Contract to the said BUYER and whereas the SELLER has undertaken to produce a bank guarantee for (%) of total Contract value amounting to Rs / US $ / Euro / PS £ / Yen / AUD / SGD Essential Parameters B to the BUYER.

2. We, the to secure its obligations towards meeting the bank hereby expressly, irrevocable and unreservedly undertake and the guarantee as principal obligors on behalf of the SELLER that, in the event that the BUYER declares to us that the amount claimed is due by way of loss or damage caused to or would be caused or suffered by the BUYER by reason of breach / failure to perform by the said SELLER of any of the terms and conditions in the Contract related to meeting the Essential Parameter B, we will pay you, on demand and without demur, all andany sum up to a maximum of Rupees / US $ / Euro / PS £ / Yen / AUD / SGD only. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract. We shall not be entitled to ask you to establish your claim or claims under this guarantee but will pay the same forthwith without any protest or demur. We undertake to effect payment upon receipt of such written demand.

3. We shall not be discharged or release from the undertaking and guarantee by any arrangements, variations made between you and the SELLER, indulgence to the SELLER by you, or by any alternations in the obligations of the SELLER or by any forbearance whether as to payment, time performance or otherwise.

4. We further agree that any such demand made by the BUYER on the Bank shall be conclusive, binding, absolute and unequivocal notwithstanding any difference or dispute or controversy that may exist or arise between you and the SELLER or any other person.

5. In no case shall the amount of this guarantee be increased.

6. This Guarantee shall remain valid until _____ as specified in the Contract.

7. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of M / s _____.We undertake not to revoke this guarantee during the currency except with previous consent of BUYER in writing.

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8. Notwithstanding anything contained herein above:-

8.1 Our liability under this Guarantee shall not exceed Rupees / US $ / Euro / PS £ / Yen / AUD / SGD _(in words) _____.

8.2 This Bank Guarantee shall remain valid until _____(hereinafter the expiry date of this guarantee). The Bank Guarantee will cease to be valid after us or not. irrespective whether the Original Guarantee is returned to_____

8.3 We are liable to pay guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written demand or a claim in writing on or before_____(Expiry Date).

Dated the _____day of _____ (month and year)

Place:

Signed and delivered by _____(Name of the Bank)

Through its authorized signatory

(Signature with seal)

****

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Annexure IV(C) Appendix A to Chapter XII of DAP 2026
(Refers to Articles 4C of
Standard Contract Document)

INDEMNITY BOND FOR PERFORMANCE-CUM-WARRANTY

1. This deed made on this day of by M / s_____, a companyregistered under The Companies Act 2013 having its registered office at andacting through its corporate office at "SELLER"). hereinafter referred to as the _____

2. Whereas MoD, New Delhi acting on behalf of the President of India (hereinafter referred to as "BUYER") has placed a Contract No _____dated_____.

3. And whereas, the SELLER has agreed to execute this Indemnity Bond for performance-cum-warranty on the terms and conditions appearing hereinafter.

4. It is hereby agreed and declared by the SELLER that:-

4.1 The SELLER shall duly and faithfully perform its obligation under the said contract and comply with the conditions in the said contract.

4.2 The SELLER shall, in as much as with its control, refrain from such actions or actions as may cause loss, injury, damage to the BUYER.

4.3 In the event of breach / default by the SELLER in complying and in case the breach / default is not remedied by the SELLER up to period of the notification of the breach / default by the BUYER, the SELLER shall indemnify to the BUYER, to the H[WHQW RI ^BBBBBBBBB ◦◌◦ BBBBBBBBBBBB RQO\) EHLQJ BBBBBB 5 % of the Total Contract Price (including taxes and duties) RI ^BBBBBBBBB ◦◌◦ BBBBBBBBBBBB RQO\) of any direct losses or damages suffered by the BUYER due to failure of the SELLER.

4.4 The SELLER shall be fully discharged of its obligations under this bond on meeting its liability as per Para c above which shall be restricted to the limit as provided at Para c above.

4.5 The SELLER shall not be liable for any breach / default arising out of force majeure situation or due to any default, action, inaction or failure on the part of the BUYER. The liability of the SELLER under this bond shall remain and in full force until the fulfilment of the obligations of the SELLER under the said Contract.

4.6 The SELLER hereby expressly, irrevocably, and unreservedly undertake and guarantee that in the event that the beneficiary submits a written demand to SELLER stating that they have not performed according to the warranty obligations for the PRODUCTS as per said Contract, SELLER will pay BUYER on demand and without demur any sum up to maximum amount of 5% of Total Contract Price (including taxes and duties). BUYER'S written demand shall be conclusive evidence to SELLER that such repayment is due under the terms of the said contract. SELLER undertakes to effect payment within ____days from receipt of such written demand.

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4.7 The amount of warranty / guarantee shall not be increased beyond___%. Unless a demand under this warranty / guarantee is received by SELLER in writing on or before the expiry date (unless this warranty / guarantee is extended by the SELLER) all rights under this guarantee shall be forfeited and SELLER shall be discharged from the liabilities hereunder. This warranty / guarantee is personal to the BUYER and not assigned to a third party without prior written permission.

5. This Indemnity Bond for Performance-cum-Warranty guarantee shall be governed by Indian Law.

For ----------

Signature:	Signature :
Name:	Name :
Witness	
1.	
2.	

****

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Annexure IV(D) Appendix A to Chapter XII of DAP 2026
(Refers to Article 3C of
Standard Contract Document)

ADVANCE PAYMENT INDEMNITY BOND

(Applicable for Defence PSUs / JVs with DPSUs or PSUs or Government Entities being issued RFP as a Nominated Production Agency or on an ab-initio single vendor basis only as per Article 3C of the Standard Contract Document)

1. This deed made on this ____ day of _____ by M / s _____, a company registered under The Companies Act 2013 having its registered office at _____ and acting through its corporate office at _____(hereinafter referred to as the "**SELLER**").

2. Whereas MoD, New Delhi acting on behalf of the President of India (hereinafter referred to as "**BUYER**") has place a Contract No _____ dated _____ with the SELLER and whereas according to the said Contract the BUYER has undertaken to make an advance Payment of Rs _____ being ~~payment of~~ value of_____% of the Base Contract Price of Rs _____, against issuance of an Advance Payment Indemnity Bond to be furnished by the SELLER in favour of Government of India, Ministry of Defence

3. And whereas, the SELLER has agreed to execute this Advance Payment Indemnity Bond on the terms and conditions appearing hereinafter

4. It is hereby agreed and declared by the SELLER that:-

4.1 The SELLER shall duly and faithfully perform its obligation under the said contract and comply with the conditions in the said contract. Without prejudice to the foregoing indemnity, the SELLER undertakes that, to the extent within its control, it shall not engage in, permit, or omit to prevent any conduct which may reasonably be expected to result in any loss, injury, or damage to the BUYER, whether arising in contract, tort, or otherwise.

4.2 In the event of breach / default by the SELLER in complying the obligations under the contract and in case such breach / default is not remedied by the SELLER up to period of the notification of the breach / default by the BUYER, the SELLER shall indemnify to the BUYER, to the extent of {_____(Rs _____ only) being _____ % of the Base Contract Price (excluding taxes and duties) of {_____ (Rs _____ only) of any direct or indirect losses or damages suffered by the BUYER due to failure of the SELLER.

4.3 The SELLER shall be fully discharged of its obligations under this bond on meeting its liability as per Para 4(b) above which shall be restricted to the limit as provided at Para 4.2 above.

4.4 The SELLER shall not be liable for any breach / default arising out of force majeure or due to any default, action, inaction or failure on the part of the BUYER. The liability of the SELLER under this bond shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the BUYER under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till _____ office / Department / Ministry of _____ certifies that the terms and conditions

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of the said Contract have been fully and properly carried out by the said SELLER and accordingly discharges this Indemnity.

4.5 The SELLER hereby expressly, irrevocably, and unconditionally undertakes and guarantees that, upon receipt of a written demand from the BUYER alleging breach of the SELLER's contractual obligations under the said Contract, the SELLER shall, without demur or delay, pay to the BUYER any sum demanded, up to a maximum aggregate amount of Rs _____. The BUYER's written demand shall ~~constitute~~ be conclusive evidence of the SELLER's liability under this undertaking, and the SELLER shall effect payment within ____ calendar days from the date of receipt of such demand, without requiring proof of breach or further documentation.

4.6 The SELLER hereby irrevocably undertakes to pay to the BUYER any money so demanded notwithstanding any dispute or disputes raised by the SELLER in any suit or proceedings pending before any Court or Tribunal relating thereto. The liability of the SELLER under this Bond shall be absolute and unequivocal.

4.7 Unless a demand under this Bond is received by SELLER in writing on or before the expiry date (unless this Indemnity Bond is extended by the SELLER) all rights under this Bond shall be forfeited and SELLER shall be discharged from the liabilities hereunder.

4.8 This Bond is issued exclusively for the benefit of the BUYER and is personal to the BUYER. It shall not be assigned, transferred, pledged, or otherwise conveyed to any third party, whether by operation of law or otherwise, without the prior written consent of the issuer. Any such purported assignment or transfer without such consent shall be deemed null and void and shall not be binding on the SELLER.

4.9 The value of this Indemnity Bond shall stand proportionately and automatically reduced, until full extinction, in alignment with the value of each partial shipment of goods and / or provision of services made by the SELLER and corresponding stage payments released by the BUYER. Such reduction shall be effected on a pro rata basis, commensurate with the value of deliverables supplied or services rendered, as evidenced by:

4.9.1 The relevant delivery documentation, including but not limited to the joint Receipt Inspection (JRI) Certificate or Consignee Receipt Voucher (VCR), as applicable; and

4.9.2 The corresponding commercial invoice (s) issued by the SELLER for such shipment or services.

No separate action or consent shall be required for such reduction, and the BUYER shall be entitled to rely on the aforementioned documents as conclusive proof of delivery and payment for the purpose of extinguishing the Bond to the corresponding extent.

5. This Indemnity Bond for Advance Payment shall be governed by Indian Law.

For ----------

Signature: Signature:

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Name : Name :

Witness

1.

2.

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Annexure V Appendix A to Chapter XII of DAP 2026
(Refers to Article 7 of Standard
Contract Document)

To Contract No._____

Dated :_____

MODIFICATIONS TO BE INCORPORATED AS PER REQUIREMENTS OF THE SERVICE HQ

(To be elaborated depending on the modification existing if any with the SELLER or modifications required for suiting the BUYER's requirements)

****

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Annexure VI Appendix A to Chapter XII of DAP 2026

(Refers to Article 9 and 17 of
Standard Contract Document)

CERTIFICATE OF CONFORMITY

Date: No:

Product

Name:

Product

No: Lot No

: Quantity:

Contract

No:

Packaging List No:

THIS IS TO CERTIFY THAT THE ABOVE MENTIONED PRODUCT HAVE SUCCESSFULLY PASSED ALL THE ACCEPTANCE TESTS IN ACCORDANCE WITH THE RELEVANT SPECIFICATIONS AND DRAWINGS.

_____	_____	_____
( )	( )	( )
_____	_____	_____
( )	( )	( )

****

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Annexure VII Appendix A to Chapter XII of DAP 2026

(Refers to Para 2 of Article 20 of
Standard Contract Document)

QUANTITY CLAIM

To the Contract No …… Dated …… CLAIM PROTOCOL NO …….. Laid down …… For inter / tare storage Commission, consisting of Chairman …… and Members ……. having examined the state of the delivered equipment ascertained as follows:-

1. The equipment w a s delivered by M / s…… against Bill of Lading No …….. of …….. in the quantity of one collie with the Marking …… Case N o …..……..

2. The obtained equipment is delivered under Contract No.……. Item Srl No …… Cost ……

3. The state of packing and seals on goods packages, correspondence of the gross weight and the weight indicated in the way bills (packing lists) Nos of the collies are to be pointed out…….Condition of the collie ……. Gross weight of the ……..... collie ……. Net weight of the collie ……

4. While unpacking the goods packages, the following discrepancy between the shipping documents (packing lists as the packed equipment was discovered / separately for each package…… ……...…… ……

5. Conclusion of the commission ……... .....……..... .....…….....

6. The following documents confirming the justification of the complaint are attached to the report (Packing list, photos of the damaged sports and others) …… ……..

Chairman ……..
Members ……
Place and date of issue …….

****

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Annexure VIII Appendix A to Chapter XII of DAP 2026

(Refers to Para 3 of Article 20 of
Standard Contract Document)

QUALITY CLAIM

To the Contract No ……dated …… CLAIM PROTOCOL NO …….. Laid down on_____Concerning _____(Name of the claimed equipment) Commission Members ……. Chairman ……The Commission has acquainted with the claimed equipment and made the following decision:-

1. ……..Serial No……(equipment) Production by the ……. Made by the manufacturer ……..……(date of manufacture) No of running hours …..…….. With guarantee period of ……. (completed)…….…….. (years, months) From the beginning of operation, the product has been operating for ……. hours.

2. Indicate operation conditions of the equipment ……
(State type of fuel and oil used during operation of the equipment)

3. Description of the defect …… (The date and circumstances under which the defect was ascertained, short description of the probable causes and probable consequences of the defect)

4. List of units (or their parts)(Defective equipment will remain in that organisation store-room when it has been operating till arrival of the SELLER's instruction)

5. Conclusion of the Commission……(on investigation the commission decided that the claimed equipment is not serviceable and that it must be subject to repair or must be replaced with a new equipment. The kind of repair and place where the repair should be carried out are to be stated).The following parts are required for the repair of the equipment (or its parts):-
…….. The defect occurred …… within the guarantee period from the reason as follows ……. Thecosts of the repair of the equipment or itsparts…….……The defect occurred …… within the guarantee period from the reason as follows ……The costs of the repair will be debited to (…….. manufacturer / owner……..) To settle the claim, the SELLER has to replace the equipment and dispatch the unit and other parts, indicate the parts and where the repair should be carried out (manufacturer's side), the manner of reimbursement of costs connected with the repair of the equipment, etc.

Supplementary Data:

The equipment was handed over in accordance with the ……. No…….……on date)……..…….....

The following documents are enclosed to this claim protocol to support the justification of the claim(photos, samples, results of analysis, packing sheets, etc.) Signature of the Commission Members

…… ……..

****

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Annexure IX Appendix A to Chapter XII of DAP 2026
(Refers to Articles s and 37 of
Standard Contract Document)

PRICE BREAKDOWN OF SUPPLIES AND SERVICES

Sl. No	Item	Quantity	Ready for Shipment	Unit Price	Total Price Rs. / US$ / / Euro / PS £ / Yen / AUD / SGD
1.	EQPT _____ as per Appendix A along with accessories given at Note 1 below	221 Nos.(Illustrative example)	As per Note 2 below		
2.	Cost of Additional AccompaniedAccessories,User Replaceable Parts and Expendables (As per Appendix A)	As per Para 2 of Article 7	As per Note 2.4 below		
3.	Spares andSMT / STE / TJ (As per Appendix A)	As per Para 3 and 4 of Article 37	As per Note 2.4 below		
4.	Training as per the syllabus given at Appendix B	4 and 24 working days for operator & maintenance personnel respectively (Illustrative Example)	s		
5.	Technical Literature given at Appendix C	As per Para 5 of Article 37	As per Note 2.4 below		
			TOTAL		

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Notes:

1. Description of Equipment. Equipment _____System and the following accessories:

	Part No.	Item	Quantity
(a)	943013	Battery	02 Nos
(b)	943700	Manual in English	01
(c)	540006	Phillips Screwdriver #1	01

2. **Delivery Schedule.** Delivery Schedule (to be read in conjunction with Article 10 Delivery) to be completed as under:-

2.1 First consignment of _____Nos. Equipment _____ within weeks from the effective date of the Contract (Article 2 refers) along with Contracted ESP package viz spares, SMTs / STEs / TJs and technical literature.

2.2 Second consignment of _____Nos EQPT ____within _____weeks from the effective date of the Contract (Article 2 refers).

2.3 Third consignment of _____EQPT ____within _____weeks from the effective date of the Contract (Article 2 refers).

2.4 Fourth and last consignment of _ _____EQPT _ , and Additional Accompanied Accessories / User Replaceable Parts / Expendables, Spares, SMT / STE / TJ and Technical Literature within _____weeks from the effective date of the Contract (Article 2 refers) and 34 refers.

****

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Enclosure to Annexure IX Appendix A to Chapter XII of DAP 2026
(Refers to Article 37 of Standard Contract Document)

PRICE BREAKDOWN OF EQUIPMENT / ACCESSORIES, MAIN EQUIPMENT ETC FOR EQPT

1. **Main Equipment-Price Breakdown**

Sl. No.	Sl. No of Offer	Description	Unit Cost	Qty	Total Cost Rs. / US$ / / Euro / PS £ / Yen / AUD / SGD

2. **Sub-Assemblies for Equipment**

Sl No	Sl. No of Offer	Part No.	Nomenclature	Schematic ref.	No. per eqpt	Unit cost in Rs. / US$ / / Euro / PS £ / Yen / AUD / SGD	Total cost in Rs. / US $ / / Euro / P S £ / Yen / AUD / SG D	Remarks
1.	1	220124	Sensor NO2	S1				
2.	2	943253	Sensor Membrane					
			Total				---------	

3. **Accessories Along with the Equipment**

Sl No	Sl. Noof Offer	PartNo.	Nomenclature	Schematic ref.	No.per eqpt	Unitcost inRs. / US$ / / Euro / PS£ / Yen / AU D / SGD	Total cost in Rs. / US $ / / Euro / P S £ / Yen / AUD /	Remarks
1.	4	943013	Battery cartridges					
			Total					

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4. **Optional Items**

Sl No	Sl. No of Offer	Part No.	Nomenclature	Schematic ref.	No. per eqpt	Unit cost in Rs. / US$ / / Euro / PS £ / Yen / AU D / SGD	Total cost in Rs. / US $ / Euro / P S £ / Yen / A UD / SG D	Remarks
1.	16	943021	External battery pack		1			
				Total				

5. **Spares**

Sl No	Sl. No of Offer	Part No.	Nomenclature	Schematic ref.	No. per eqpt	Unit cost in Rs. / US$ / / Euro / P S £ / Yen / AU D / SGD	Total cost in Rs. / US$ / / Euro / P S £ / Yen / AU D / SGD	Remarks
1.	12	943046	RS232 Cable		1			
	Total	-----						

6. **Additional Items Required for Completeness of Spares and Consumables**

Sl No	Sl. No of Offer	Part No.	Nomenclature	Schematic ref.	No. per eqpt	Unit cost in Rs. / US$ / / Euro / P S £ / Yen / AU D / SGD	Total cost in Rs. / US$ / / Euro / P S £ / Yen / AU D / SGD	Remarks
1.		943018	Audio Ear Set		1			spare
				Total				

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7.

Sl No	Sl. No of Offer	Part No.	Nomenclature	No. per eqpt	Unit cost in Rs. / US$ / / Euro / PS £ / Yen / AUD / SGD	Total cost in Rs. / US$ / / Euro / PS £ / Yen / AUD / SGD	Remarks
1.		TJ 3000	Test Jig EVD				Component Level Checks Manufacture Supplied
			Total				

Note: *The SELLER confirms for authenticity, completeness correctness of the data given in this annexure.*

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Annexure X Appendix A to Chapter XII of DAP 2026
(Refers to Articles 5A and 5C of
Standard Contract Document)

LETTER OF CREDIT

Form of Doc Credit	(40A) : (20)	Irrevocable / revolving / confirming.	
Doc Credit Number	:		
Expiry	(31D) :	Date : This date should match the Period of Performance of the Contract.	
Applicant bank	(51) :	----------	
Beneficiary	(59) :	----------	
Amount	(32B) :	Currency: Amount:	
Max Credit Amount	(39B):	Not Exceeding	
Available with / By	(41) :	By payment.	
Partial Shipments	(43P):	Allowed / Not Allowed. Transhipment	(43T)
	:	Not allowed / allowed.	
Loading in Charge	(44A) :	(Port of Loading).	
For Transport to (Port of Discharge).	(44B):	----------	

Shipment Period (44D) :---------- Descript of

Goods (45A) : ---------- Documents

Required (46A) : + Signed commercial invoice in six copies.

+ One Full set of original clean on board bills of lading / Airway Bill.

+ Packing list in six copies.

+ Certificate or origin issued by a chamber of commerce or self-certified by OEM. Specimen Signatures of the SELLER's and the BUYER's Quality Assurance Representative + Lot acceptance certificate signed by the SELLER's and the BUYER's quality assurance representatives or alternatively the SELLER's quality assurance representative. Additional Condition (46A) : + Telegraphic reimbursement is allowed. This credit will automatically revolve cumulatively on an annual basis as indicated below and will accordingly be automatically extended upon transmission of a notice to this

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effect by means of an authenticated telex / swift message from the beneficiary's bank to the issuing bank not later than 15 days prior to the expiry of the relevant validity period. [Note: Applicable only if LC is revolving].

Stage	Amount

+ Maximum utilisation under the credit will be
[Note: Applicable only if LC is revolving].

+ Confirmation charges for the LC are for the beneficiaries account. [Note : Applicable only when confirming LC is chosen]

+ UCP Article 32 does not apply. [Note: This pertains to sequential stage payments. Mention of non-applicability of this provision will provide flexibility to BUYER during execution without requirement of amendment to LC in case of change in sequence of stage payments]

+Late Shipment is acceptable with applicability of LD.Details of Charges

(71B): All charges outside India are for beneficiary account.

Presentation Period (48) : **Within** 21 days **from the date of** shipment

Confirmation (49) : Confirm / **without**

Reimbursing BankInstructions(53) : ----------

(78) : + Documents must be forwarded to us by courier in one lot.

+ We hereby engage that payments made under and in compliance with all the terms and conditions of this credit will be duly honoured by us upon presentation of the stipulated documents.

+ Paying bank may claim reimbursement telegraphically from the reimbursing bank for value 3 days after their authenticated telex / swift advice to the issuing bank of any conform drawing presented under this credit.

Advise through (57) : ----------

Send to Recd Info (72) : ----------

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Annexure XI Appendix A to Chapter XII of DAP 2026
(Refers to Para 3 of Articles 33 of
Standard Contract Document)

Contract No _____
Dated _____

UNDERTAKING
POST WARRANTY

1. All Technical parameters listed in terms of size, weight, performance, operational environment, power, utility life, storage shelf life etc, both in terms of essential and desirable levels as applicable to the equipment as per the Technical Specifications.

2. In case of any recurring defects, due to failure in design & poor metallurgy, which affects the intended function of equipment, the defects will be analyzed & preventive measures will be incorporated to the affected & remaining population of the stock at free of cost by the seller.

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Refers to Para 8.1 of the Pre- Contract Integrity Pact

[Upon receipt of the executed copy of the Performance-cum-Warranty Bond, MOD may write to the concerned insurance company to ascertain its authenticity and validity.]

BID SECURITY (INSURANCE SURETY BOND)

BOND NUMBER: [•]
DATED: [•]

To,
[Name of the authorized personnel of the Authority],
[Name of the Authority],
Government of India.
[Address of the Authority]

Dear Sir / Madam,

1. In consideration of you, [name of the Authority], Government of India, having its office at [address of the Authority], (hereinafter referred to as the "**BUYER**", which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the bid of [name of the bidder], a [details of bidder's legal status] registered under [description of law under which the bidder is incorporated] and having its registered office at [address of the bidder] (hereinafter referred to as the "BIDDER", which expression shall unless it be repugnant to the subject or context thereof include its executors, administrators, successors and assigns) for the supply of [details of the goods / service to be procured] pursuant to the Request for Proposal bearing number [details of the RFP] dated [date of the RFP] (hereinafter referred to as the "**RFP**"), we, [name of the insurance company], a [details of insurance company's legal status] incorporated under [description of law under which the bidder is incorporated] registered as [description of the insurance company's legal status] under [description of law under which the entity is registered as in insurance company], and having registered office at [address of the insurance company] (hereinafter referred to as the "**SURETY**", which expression shall unless it be repugnant to the subject or context thereof include our successors and assigns), do hereby, in terms of Clause 8.1 of the Pre-Contract Integrity Pact of the RFP, irrevocably, unconditionally and without reservation discharge the liability for the due and faithful fulfilment and compliance of the terms and conditions of the RFP, including obligations set out in paragraph 5 herein below, by the BIDDER and unconditionally and irrevocably undertake to pay forthwith to the BUYER an amount of INR / USD / EUR / GBP / JPY / AUD / SGD [bond value] INR / USD / EUR / GBP / JPY / AUD / SGD [bond value in words] only) (hereinafter referred to as the "BOND VALUE"), as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the BIDDER if the BIDDER shall fail to fulfil or comply with all or any of the terms and conditions contained in the RFP including obligations set out in paragraph 5 herein below.

2. Any such written demand made by the BUYER stating that the BIDDER is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the RFP

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including obligations set out in paragraph 5 herein below, shall be final, conclusive, and binding on the SURETY.

3. We, the SURETY, do hereby unconditionally undertake to pay the amounts due and payable under this BOND without any demur, reservation, recourse, contest or protest and without any reference to the BIDDER or any other person and irrespective of whether the claim of the BUYER is disputed by the BIDDER or not, merely on the first demand from the BUYER stating that the amount claimed is due to the BUYER by reason of failure of the BIDDER to fulfil and comply with the terms and conditions contained in the RFP including obligations set out in paragraph 5 herein below. Any such demand made on the SURETY shall be conclusive as regards amount due and payable by the SURETY under this BOND. However, our liability under this BOND shall be restricted to an amount not exceeding INR / USD / EUR / GBP / JPY / AUD / SGD [bond value] (INR / USD / EUR / GBP / JPY / AUD / SGD [bond value in words] only.

4. This BOND shall be irrevocable and remain in full force for_[18 (eighteen) months or till the date of signing of the Contract, whichever is later], exclusive of a claim period of 45 (forty-five) day, and shall continue to be enforceable till all amounts under this BOND have been paid.

5. We, the SURETY, further agree that the BUYER shall be the sole judge to decide as to whether the BIDDER is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the RFP, including, inter alia:

5.1 [withdrawal, amendment, impairment, or derogation from the BID in any respect within the period of validity of the RFP,

5.2 if, having notified of the acceptance of the BID, failure to furnish the Performance Security for due performance of the RFP,

5.3 of, having notified of the acceptance of the BID, failure to accept / execute the Contract, and

5.4 violation of the terms of the Pre-Contract Integrity Pact], and the decision of the BUYER that the BIDDER is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the BUYER and the BIDDER or any dispute pending before any court, tribunal, arbitrator, or any other quasi-judicial entity. [Note: Conditions for forfeiture to be confirmed by MoD.]

6. The BOND shall not be affected by any change in the constitution or winding up of the BIDDER or the SURETY or any absorption, merger or amalgamation of the BIDDER or the SURETY with any other person.

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7. In order to give full effect to this BOND, the BUYER shall be entitled to treat the SURETY as the Principal Debtor on behalf of the SELLER. The BUYER shall have the fullest liberty, without affecting in any way the liability of the SURETY under this BOND from time to time, to vary any of the terms and conditions contained in the said RFP, and the SURETY shall not be released from its liability under these presents by any exercise by the BUYER of the liberty with reference to the matter aforesaid or by reason of time being given to the said BIDDER or any other forbearance, act or omission on the part of the BUYER or any indulgence by the BUYER to the said BIDDER or by any change in the constitution of the BUYER or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the SURETY from its such liability.

8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the SURETY and sent by courier or by registered mail to the SURETY at the address set forth herein.

9. We, the SURETY, undertake to make the payment on receipt of your notice of claim on us addressed to [name of authorized personnel of the insurance company] and delivered at our above address which shall be deemed to have been duly authorised to receive the said notice of claim.

10. It shall not be necessary for the BUYER to proceed against the BIDDER before proceeding against the SURETY and the BOND herein contained shall be enforceable against the SURETY, notwithstanding any other security which the BUYER may have obtained from the BIDDER or any other person and which shall, at the time when proceedings are taken against the SURETY hereunder, be outstanding or unrealized.

11. We, the SURETY, further undertake not to revoke this BOND during its currency except with the previous express consent of the BUYER in writing.

12. We, the SURETY, declare that we have the power to issue this BOND and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this BONDss

13. For the avoidance of doubt, the SURETY's liability under this BOND shall be restricted to INR / USD / EUR / GBP / JPY / AUD / SGD [bond value] (INR / USD / EUR / GBP / JPY / AUD / SGD [bond value in words] only. The SURETY shall be liable to pay the said amount or any part thereof only if the BUYER serves a written claim on the SURETY in accordance with Paragraph 9 thereof, [on or before 18 (eighteen) months or the date of signing of the Contract, whichever is later exclusive of a claim period of 45 (forty-five) days]. [Note : The period of this BOND to be confirmed by MoD]

14. This BOND shall be construed and interpreted in accordance with and governed by the laws of India, and the courts in New Delhi shall have jurisdiction over all matters arising out of or relating to this BOND.

Signed and delivered by [•]

By the hand of [•], its [o] and authorized official.

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[•]
(Signature of the Authorized Signatory)

[•] Official Seal

Please Note:

The use of the following words be construed to mean:

“Surety” shall mean person who gives the guarantee, “Principal Debtor” shall mean person in respect of whom the guarantee is given i.e Seller and “Creditor” shall mean person to whom the guarantee is given i.e Buyer.

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Appendix B to Chapter XII of DAP 2026

(Refers to Paragraph 29 of Chapter XII of DAP 2026)

LIQUIDATED DAMAGES AND OTHER POST-CONTRACTUAL ISSUES

1. The following procedure will be followed:-

1.1. In all cases where a delay in delivery of project / project milestones is envisaged, the SHQ should move a case for DP extension at least one month prior to contract delivery date with an assessment of liability towards LD.

1.2. Unless and until termination of contract is being contemplated:-

1.2.1. DP extension may be granted with LD in usual course through a contract amendment wherever liability for the same is clear and not disputed by the vendor.

1.2.2 DP extension may be granted provisionally where attributability for delay is not ascertained or is in dispute with the stipulation that payment in lieu of LD will be withheld pending determination of attributability. Provisional DP extension should be given for the purpose of release of milestone payments, undertaking PDI and accepting deliveries subject to final assessment of the attributability of delay.

1.2.3. In cases where attributability is disputed, this aspect will be examined by the concerned JS & AM and FM for non-delegated cases and SHQ and IFA (Capital) for Delegated Cases, wherever felt necessary, a collegiate can be appointed by the concerned AMs / nominated officer in SHQ. Based on the recommendations of the concerned JS & AM and FM / Collegiate as the case may be, proposal for formal contract amendment would be moved for approval of competent authority. LD in such contracts shall normally be deducted from the final installment due to the contractor and it should be ensured that the amount is sufficient to cover the maximum LD as provided for.

1.2.4. Where deemed necessary, the recovery of LD as in 1.2.2 and withholding of payment in lieu of LD as in 1.2.3 above may be done in a phased and proportionate manner from milestone payments after ensuring that sufficient balances would remain available for ensuring full recovery of LD by the time final payments are released. If the amount of the final installment is not sufficient to cover the amount of LD, the same may be deducted from the installment / installment preceding the final installment until the entire amount of LD is covered. The amount withheld / recovered from each milestone payment should ordinarily not exceed 10% of the due milestone payment and overall amount with held till the last payment should be limited to maximum permissible LD. Amounts withheld from stage payment due to vendor will be adjusted in final installment after deciding on imposition of LD.

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2. **Contracts with Deliveries in Lots / Consignments**. For this category of contract, the following procedure will be followed: -

2.1. DP extension may be granted with LD by way of contract amendment wherever liability for the same is clear and not disputed by the vendor in the usual course.

2.2. DP extension maybe granted provisionally where attributability for delay is in dispute with the stipulation that payment in lieu of LD will be withheld pending determination of attributability. Provisional DP extension should be given for the purpose of undertaking PDI, accepting deliveries and release of payment subject to final assessment of the attributability of delay.

2.3. In cases of staggered delivery, DP extension may be granted provisionally as above and payments may be released accordingly after receipt of each lot / consignment. However, it must be ensured, as far as possible, that before giving provisional DP extension for the next lot / consignment, contract amendment has already been done for the previous provisional DP extension of the preceding lot / consignment with LD liability, wherever required.

2.4. In cases where attributability is disputed, this aspect will be examined by the concerned JS & AM and FM for non-delegated cases and, wherever felt necessary, a collegiate can be appointed by the concerned AM. Based on the recommendations of the concerned JS & AM and FM / Collegiate, as the case may be, proposal for formal contract amendment would be moved for approval of competent authority.

2.5. While effecting DP extension with or without LD for a specific lot / consignment, the Competent Authority shall also assess the cascading effect, if any, of the DP extension on subsequent lots / consignments and clarify the same in the instant Contract Amendment / DP extension.

3. **General Aspects**.

3.1. Proposal for DP extension often are combined with other types of amendments in a single case. This leads to delay in processing amendments related to DP extensions. Hence, unless it is unavoidable, proposals for contract amendments for DP extensions should not be combined with other amendments.

3.2. In delegated power cases, SHQ shall adopt the above in consultation with IFAs.

4. **Delegated cases involving delay upto 25% by time shall be brought VCOAS / VCNS / CISC / DCAS / DG(CG). However, any delay exceeding 25% and 50% shall be brought to the notice of DG(Acquisition) and Defence Secretary respectively.**

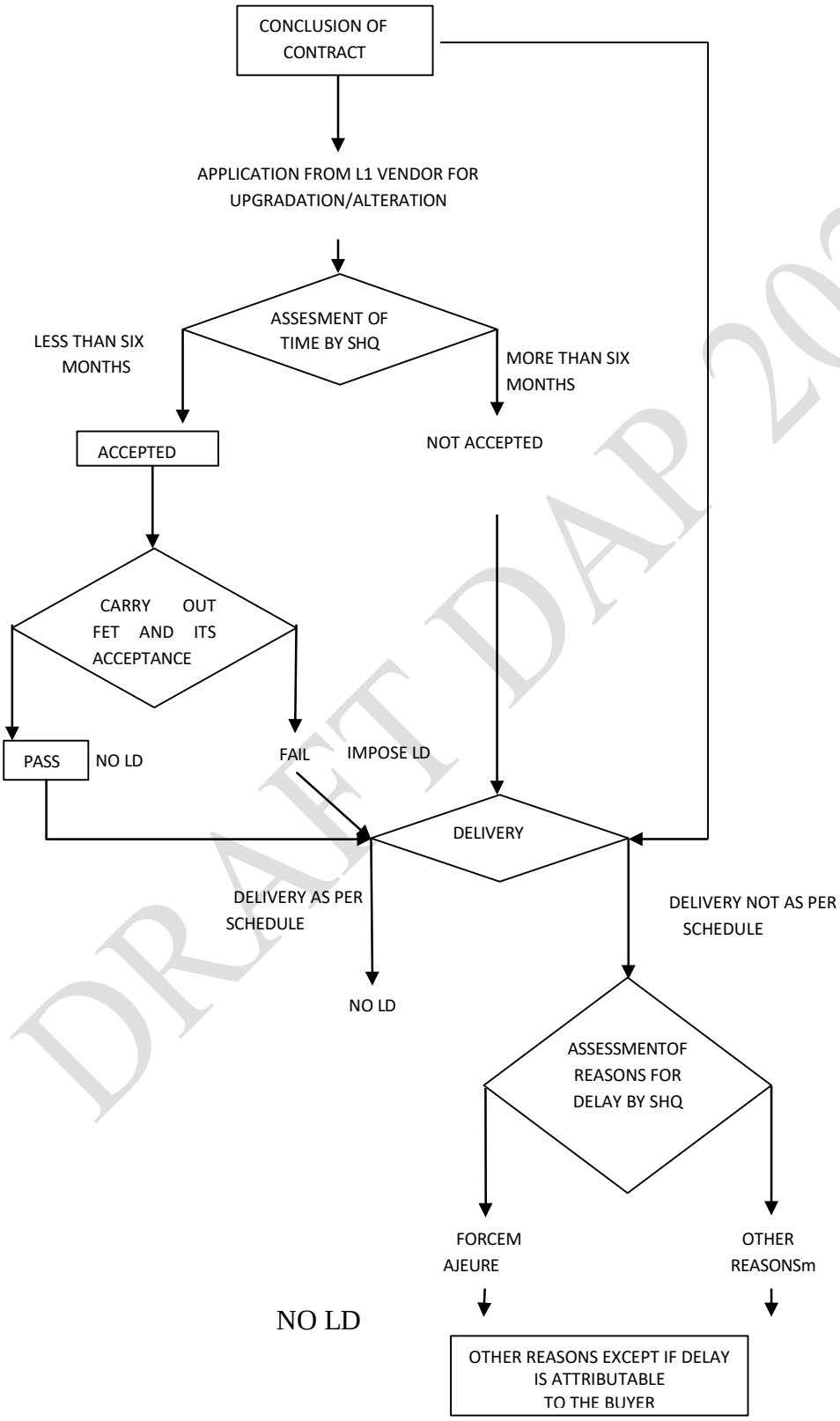
5. For cases involving Alteration / Upgradation of the Equipment Post Signing of Contract the flow chart is given as **Annexure I**.

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Annexure I to Appendix B to Chapter XII of DAP 2026

(Refers to Para 5 of Appendix B of DAP 2026)

WORK FLOW FOR IMPOSITION OF LIQUIDATED DAMAGE(LD) IN UPGRADATION / ALTERATION CASES



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Appendix C to Chapter XII
(Refers to Para 30 of Chapter XII of DAP 2026)

CONTRACT AMENDMENT PROCEDURE

1. No variation in the terms of a concluded contract should normally be made, unless the contract specifically provides for it, in which case this can be done with the specific written consent of the parties to the contract and after obtaining approval as per applicable delegation of powers to concurring and approving authorities for such amendments.The proposal for contract amendment may come from SHQ after obtaining approval at appropriate level with their clear recommendation indicating details of collegiate discussions, if any. The checklist for submission of the contract amendment proposal is given at Appendix D.

2. Amendment to Contract in Multi Service Cases. In case of multiservice contracts, contract amendment will be initiated by the affected SHQ. The affected SHQ will circulate the draft Contract Amendment to the other services which have also sought procurement under same combined contract. These Services will clearly indicate their desire to effect the same amendment in the Contract. Post receipt of comments, proposal for contract amendment would then be processed by the Lead SHQ, through the original contract concluding JS & AM / SHQ, for approval of the Approving Authority for non delegated and delegated cases as per Appendix C to this chapter (as amended from time to time). All other post contract issues pertaining to its management and monitoring will be processed by SHQ through their respective JS &AM / Procurement Directorate of the SHQ.

3. No enhancement in rates / prices should be made unless the contract specifically provides for it. Such situations may arise in those cases where the contract provides for price variation clauses or the change is due to variation in GST / Custom Duties / other Government taxes & levies and the contract provides for payment of these duties on the basis of actual rates, provided the supplies are made during the original delivery period or amended delivery period due to delay attributable to Buyer / Force Majeure conditions (with denial clause wherever applicable).

4. The need for Contract Amendment is required to be envisaged by seller and buyer well before the milestone / event impacted by the contract amendment and contract amendment shall usually be signed before the milestone / event impacted.

5. All contract amendments process to be completed within three months of initiation. Towards this, the Seller should take up the case in writing for DP extension atleast two month prior to the contractual delivery date. The timelines for completing the procedural activities related to contract amendment process is given at Annexure I. Any delay on part of vendor in submission of the requisite documents will be excluded from the above said prescribed timeline.

6. A status report on contract amendments in pipeline shall be presented by Service Headquarter to DG (Acq) on quarterly basis in respect of non-delegated cases andin SHQ to the Vice Chief in delegated cases.

7. All contract amendments requiring approval of MoD (Acquisition Wing) shall be processed for approval of ~~CFA~~ competent authority within six weeks of receipt of case file.

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8. Technical Assistance Agreement (TAA). All contracts signed with US Government necessitate signing of TAA towards provision of Defence Services including training, exchange of technical date, warranty repairs etc., by US based contractor to a non-US organization as per extant IATR provisions. The TAA and their amendments are generally administrative in nature. Hence, signing of TAA and subsequent amendments to TAA shall be treated as 'clearance to export / import' and the Competent Authority to sign the TAA and their amendments shall be an office at SHQ not below the rank of two star.

Checklist for submission of Contract Amendment Proposal

1. Proposed amendment in the form of 'For' and 'Read' format, specifically quoting the authority & rationale for amendment.

2. Sr. No. of the Order (Dated 27/02/2020) on Delegation of Powers for post-contract management in respect of Capital Acquisition according to which the contract amendment is to be processed.

3. Reasons for proposing amendment in the contract with justification / all supporting documents.

4. Linking the contracts, amendments and all related documents till date.

5. Updated Status of delivery and payment.

6. POV evaluation required only in cases where the amendment involves increase in cost.

7. Provision of DAP-2026 under which the proposal is to be considered.

8. If the proposal is for invoking 'Force Majeure' supporting documents on

   8.1. Chambers of Commerce / Govt. letters with respect to the FMC Condition.

   8.2. Contract provision that the events falls under Force Majeure clause.

9. Delivery extension schedule along with the proposal stating with or without LD, and the reasons there off.

10. Proposed amendment (s) to clearly contain the following:-

   10.1. Block for signature of Buyer and Seller.
   10.2. Block for signature of witness.
   10.3. Block for initial of Buyer, Seller and SHQ on each page.
   10.4. Authorisation letter for representative of vendor for signing the amendment.

11. Amendment cases going to DG(Acq) and above for approval to be approved by DCOAS, DCAS, DG ICS, DCIDS, ACNS at SHQ. Amendment case for approval at JS level to be recommended with approval of DG / ADG level at SHQ.

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Appendix D to Chapter XII

(Refers to Para 31 of Chapter XII)

DELEGATION OF POWERS FOR POST CONTRACT MANAGEMENT

Ser No	Powers in respect of	Concurring Authority[a]	Approving Authority
1	(i) Payment of additional bank charges / LC charges, payments due to amendments in taxes and statutory levies (with denial clause wherever applicable), additional cost in opening of LC. (ii) Payments in Foreign Exchange, ERV, transportation charges and Price Escalation as per the terms of the Contract (with Denial Clause wherever applicable). (iii) Provisional DP Extension.*	-	Delegated and Non-delegated Cases: Designated Authority in SHQs, CGHQ&HQIDS not below the level of two star. *Note:* Paying Authority will carry out verification prior to release of payment at the stage of payments / bill processing as preferred by the Designated Authority.
2	Amendment to contracts involving (i) Extension of Delivery Period (DP)[b] with imposition of Liquidated Damages (LD)[c]; and (ii) Regularization of Provisional DP Extension* (iii) Editorial changes in contracts due to Typo graphical errors.	Delegated cases: PIFA / IFA Non-delegated Cases: FM, Acquisition Wing	Delegated cases: Maj Gen / equivalent rank officers in IAF / IN / CG Non-Delegated cases: AM

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Ser No	Powers in respect of	Concurring Authoritya	Approving Authority
3	(i) Amendment to contracts involving increase in the Contract value other than on Account of items covered in Sl. (1) above. [Except c*ases that need to be Referred to CCS & Finance Minister*]**[d]**	Delegated cases:PIFA / IFA Non-Delegated Cases: SDF / FA(DS)	Delegated cases: VCOAS / VCNS / CISC / DCAS / DG(CG) Non-delegated cases: Defence Secretary*(Where Defence Secretary is CFA)* RM*(For RM and above CFA cases except cases that need to be referred to CCS & Finance Minister)*[d]
4	(i) All other amendments to contracts including DP Extension[b] without imposition of LD, LD waiver, recoveries, penal levies, reallocation of funds within the overall sanctioned cost and residual issues within the overall contract value.(ii) regularization of Provisional DP Extension*	Delegated cases: PIFA / IFA Non-Delegated Cases: AS&FA(Acq)	Delegated cases: DGCD & Lt Gen equivalent officers in IAF / IN / ICG Non-Delegated cases: DG(Acq)
5	Payment to Government Counsels / Advocates and Law Firms for their professional advice / legal services rendered in Arbitration cases in defence capital contracts.	Delegated and Non- delegated Cases: PIFA / IFA	Delegated and Non- delegated Cases: Lt Gen equivalent officers in IA / IAF / IN / CG

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Notes:

a. If a proposal is not concurred by the designated concurring authority, the decision will be taken by the approving authority if it is the CFA. If the approving authority is not the CFA, case will be taken for decision to the next higher level.

b. The cases of DP extension with or without LD involving project time over run beyond 25% and 50% of the delivery schedule shall be brought to the notice of DG(Acq) and Defence Secretary respectively.

c. The cases where imposition of LD is contested by the vendor will be disposed of at the level of DG (Acq) with the concurrence of AS&FA(Acq).

d. Approval of CCS, in respect of CCS power cases and approval of Finance Minister in respect of Finance Minister's power cases to be sought in the cases of increase in the firmed up costs or Revised Cost Estimates as per the extant CCS ToBR.

*As per Para 9.7.12 of Manual of Proc of Goods 2024 "As per law, if stores are accepted after expiry of the delivery date of a particular installment without extension in Delivery Period having being given, duly reserving our rights to levy LD". If the vendor makes deliveries locally after the expiry of DP, the supplies may be provisionally retained under a franking clause reserving rights and the Contractor (i.e the Vendor) may be asked to obtain an extension of the delivery period from the authorised officer (i.e Contract Executing Authority) with or without any LD / denial clause. The following undertaking to be taken from the vendor:-

"The materials have been supplied after the expiry of contracted delivery date and its provisional retention does not acquiesce or condone the late delivery and does not intend or amount to an extension of the delivery period or keeping the contract alive. I shall be applying for an extension of delivery date from the procuring Entity. The goods may be retained without prejudice to the rights of the Government of India under the terms and conditions of the contract".

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Annexure I to Appendix C
(Refers to Para 5 of Appendix C to Chapter XII of DAP 2026)

Work Table for 12-week Timeline

S. No.	Activity	Proposed timeline for disposal of proposal (in weeks)
1	Request letter from vendor	T_o
2	SHQ to scrutinize and ask for any clarification / documents / modification of proposal	T_o+2
3	On receipt of clarification / documents with respect to proposed amendments from Vendor, S||HQ to process the case for submission to Acq Wing / MoD	T_o+3
4	Examination of the proposal by Acq Wing (MoD) and clarification sought from SHQ, if any (strictly only one)	T_o+4
5	Response to Acq Wing's observation by SHQ.	T_o+5
6	Examination of SHQ's response in Acq Wing and forwarding the proposal to MoD (Fin) for concurrence.	T_o+6
7	Examination of the proposal by MoD (Fin) and clarification sought for if any (strictly only one)	T_o+7
8	SHQ to respond to the clarification / observation raised by MoD (Fin) through Acq Wing.	T_o+8
9	Examination of SHQ's response by MoD (Fin) and their concurrence.	T_o+9
10	Preparation of final Amendment Order by SHQ and submission for CFA approval.	T_o+10
11	Acquisition Wing to obtain CFA approval	T_o+11
12	Amendment order Signature	T_o+12

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