

Additional Clause to Chapter No-4 (GENERAL CONDITION OF CONTRACT)

4.57 Make in India

The bidder may set up his manufacturing unit in India to the extent possible through a subsidiary or under license or through transfer of technology to any local manufacturer permitted by the purchaser. The bidder may indicate such tie ups for manufacturing in India if an arrangement is already in place. The provisions of the Public Procurement (Preference to Make in India) Order 2017 dated June 15, 2017 (including revision issued on and 16.09.2020 subsequent amendments issued till opening of tender, if any) by Department of Industrial Policy and Promotion, GoI shall apply to this tender to the extent feasible. The eligibility criteria as mentioned in clause 4.59 shall be applicable to local manufacturers/ OEMs also.

4.58 Preference to Domestic Manufacturers

The provisions of the revised “Public Procurement (Preference to Make in India), Order 2017”, dated 16.09.2020 (and subsequent amendments, if any, till opening of the tender) by Department of Industrial Policy and Promotion, GoI shall apply to this tender to the extent feasible. The criteria for Capability (verifiable evidence that they have manufacturing capability to manufacture the specified quantity and supply the same within stipulated time period), Equipment and Manufacturing facilities as well as net worth under the financial standing eligibility criteria shall be applicable to local suppliers also.

Bidders seeking Purchase preference for any particular SOR item shall submit the documents/ declarations etc. as per latest DIPP guidelines and DOT (Ministry of Communications) Gazette dated 29th August, 2018 or the applicable/associated latest letters if any till date of opening of the bid. The necessary documentation for the individual items being declared to be Local shall be as per the stipulated guidelines as laid down in above mentioned policy letters and to be signed by the OEM as well as the bidder.

4.58.1 Bidders seeking Purchase preference (linked with Local content) (PPP-MII) shall be required to meet/exceed the target of Local Content (LC) of 70%%. **Bidders meeting the criteria of 70% are called as LC Bidders and other will be called as Non-Local Content (NLC) bidders.**

4.58.1.1 Such bidders shall furnish following certificates on its letter head along with their techno-commercial bid. The undertaking shall become a part of the contract.

“We M/s. _____ (Name of bidder) hereby certify that we meet the mandatory minimum Local Content requirements of the tender i.e. 70% quoted vide offer No. _____ dated _____ against RailTel tender No. _____ by us.”

4.58.1.2 Above undertaking shall be supported by the following certificate form Statutory Auditor engaged by the bidder, on the letter head of such Statutory Auditor.

“We _____ the statutory auditor of M/s. _____ (name of the bidder) hereby certify

that M/s. _____ (name of bidder) meet the mandatory Local Content requirements of the Project Work under this tender i.e. __70%__ (to be filled by the work center) quoted vide offer No. _____ dated ____ against RAILTEL tender No. _____ by M/s. _____ (Name of the bidder).

Note: In case of bidder(s) for whom Statutory Auditor is not required as per law, required certificates shall be provided by a practicing Chartered Accountant.

4.58.1.3 At the bidder stage the bidder shall provide Break-up of “Local Component” and “Imported Component” in the prescribed format as enclosed **Annexure –II (Chapter-7)** and shall be uploaded by the bidders along with their price bid in the e-procurement portal.

4.58.2 Eligible (techno-commercially qualified after eRA) LC bidder shall be granted a purchase preference to 20% i.e. where the evaluated price is within 20% of the evaluated lowest price of Non-Local Content (NLC) bidder, other things being equal. Accordingly, purchase preference shall be granted to the eligible (technocommercially qualified) LC bidder concerned, at the lowest valid i.e. NLC price bid.

4.58.3 Only those LC bidders, whose bids are within 20% of the NLC L1 bid, would be allowed an opportunity to match L1 bid. All the eligible LC bidders shall be asked to submit their confirmation to match their price in sealed envelopes. Envelopes of the bidders shall be opened and award for the prescribed quantity shall be made to the lowest evaluated TA/CA (Techno-Commercial Acceptable) bidder among the eligible LC bidders. In case the lowest eligible LC bidder fails to match L1 price, the next eligible LC bidder will be awarded the prescribed quantity and so on. In case none of the eligible LC bidders matches the L1 bid, the actual bidder holding L1 price will secure the order.

4.58.3.1 Entire contract shall be awarded to the lowest techno-commercially qualified LC bidder subject to matching with valid NLC L1 rates. In case LC bidder fails to match rates with valid NLC L1 rates then entire contract shall be awarded to valid NLC L1 bidder.

4.58.4 For the purpose of this policy, all terms used vide aforesaid policy shall be governed by the definitions specified in Para 2 of the policy document notified by DIPP vide letter No. P-45021/2/2017-B.E.-II dated 15.06.2017 (including its revision issued on 16.09.2020).

4.58.5 The successful bidder shall be obliged to fulfill the requirements of quality and delivery time in accordance with the provisions of the Purchase order/contract.

4.58.6 RailTel(RCIL) shall have the right to satisfy itself of the production capability and product quality of the manufacturer.

4.58.7 Determination of LC

4.58.7.1 LC of bid offer shall be the ratio of the whole cost of domestic component in the combination of goods and services to the whole combined cost of goods and services.

4.58.7.2 The whole combined cost of goods and services shall be the cost spent to produce the combination of goods and services, which is incurred on work site. LC of the combination of goods and services shall be counted in every activity of the combination work of goods and services.

4.58.7.3 The spent cost as mentioned in paragraph 4.A.45.8.2 shall include production cost in the calculation of LC of goods as at clause 4.A.45.7.3.1 and service cost in the calculation of LC of services as mentioned in clause 4.A.45.7.3.2.

4.58.7.3.1 Calculation of LC of goods: LC shall be computed on the basis of the cost of domestic components in goods, compared to the whole cost of product. The whole cost of product shall be constituted of the cost spent for the production of goods, covering direct component (material) cost, direct manpower cost, factory overhead cost and shall exclude profit, company overhead cost and taxes for the delivery of goods.

4.58.7.3.2 Calculation of LC of Services: LC of Service shall be calculated on the basis of the ratio of service cost of domestic component in service total cost of service.

i) The total cost of service shall be constituted of the cost spent for rendering service, covering:

- a) Cost of component (material), which is used.
- b) Manpower and consultant cost, cost of working equipment/facility and c) General service cost, excluding profit, company overhead cost, taxes and duties.

ii) **Determining of Local Content:** The determination of local content of the working equipment/facility shall be based on the following provision:

Working equipment produced in the country is valued as 100% (one hundred percent)
local content working equipment produced abroad is valued as much as nil (0% percent) local content.

4.58.8 Calculation of LC and Reporting

4.58.8.1 LC shall be calculated on the basis of verifiable data. In case of data used in the calculation of LC being not verifiable, the value of LC of the said component shall be treated as nil.

4.58.8.2 Formats for the Self Certification as given in DOT (Ministry of Communications) Gazette notification issued dated 29th August, 2018 on LC of goods is placed at FORM-13 for submission by the bidder.

4.58.9 Certification and Verification

4.58.9.1 Bidder seeking Purchase Preference under the policy, shall be obliged to verify the LC of goods as follows:

4.58.9.1.1 At bidding stage:

a) Price Break-up

- (i) The bidder shall provide break-up of “Local Component” and “Imported Component” along with the price bid as per provisions under clause 4.A.45.1.3.
- (ii) Bidders must have LC in excess of the specified requirement.

b) Undertaking by the bidder

- (i) The bidder shall submit undertaking along with the techno-commercial bid as per clause No. **4.58.1.1**, such undertaking shall become a part of the contract.

(ii) Bidder shall also submit the list of items/services to be procured from Indian manufacturers/service providers.

4.58.9.1.2 After Contract Award

a) In the case of procurement cases with the value less than Rs. 10 crore (Rupees Ten Crore), the LC content may be calculated (self-assessment) by the contractor and certified by the Director/Authorized Representative of the Company.

4.58.9.2 Each supplier shall provide the necessary local content documentation to the statutory auditor, which shall review and determine the local content requirements have been met and issue of local content in the good or service measured. The Auditor shall keep all necessary information obtained from supplier for measurement of Local Content confidential.

4.58.9.3 The Local Content certificate shall be submitted along with each invoice raised. However, the % of local content may vary with invoice while maintaining the overall % of Local Content for the total work/purchase of the pro-rata Local Content requirement. In case, it is not satisfied cumulatively in the invoices raised up to the stage, the supplier shall indicate how the local content requirement would be met in the subsequent stages.

4.58.9.4 Where currency quoted by the bidder is other than Indian Rupees, exchange rate prevailing on the date of notice inviting tender (NIT) shall be considered for the calculation of Local Content.

4.58.9.5 RAILTEL shall have the authority to audit as well as witness production processes to certify the achievement of the requisite local content.

4.58.10 Sanctions

4.58.10.1 RailTel shall impose sanction of bidder/successful bidder for not fulfilling LC in accordance with the value mentioned in certificate of LC.

4.58.10.2 The sanctions may be in the form of written warning, financial penalty and blacklisting.

4.58.10.3 If the bidder does not fulfill the obligation after the expiration of the period specified in such warning. RailTel shall initiate action for blacklisting such bidder/successful bidder.

b) The verification of the procurement cases with the value Rupees Ten Crore and above shall be carried out by a Statutory Auditor engaged by the bidder.

4.59 Eligibility Criteria Requirements for OEM's:

OEMs of whose products are proposed to be used in this Supply, Installation and Commissioning of Wi-Fi in 5 Workshops of Western Railway work should meet following criteria–

SN	Eligibility Criteria Requirements	Supporting Document Required
1.	The OEM should have proven facilities	The certificates/Undertaking along

	<p>for Engineering, manufacture, assembly, integration, testing and basic facilities with respect to space, Engineering, Personnel, Test equipment, Manufacture, Training, Logistic Supports for at least past three years in the country from where the proposed equipment are planned to be supplied. In case OEM is located outside India, it should have training, repair and service center facilities in India also.</p>	<p>with the complete address for the same will have to be submitted along with bid.</p>
2.	<p>The Equipment offered by the OEM or equipment/software of the same series/family from the same OEM should have been satisfactorily working in Government/PSUs/Telecom Service Providers/ Public Listed Company for at least 12 months as on date of opening of tender, in India or Abroad.</p> <p>Work experience certificate issued by Public listed company having average annual turnover of Rs 500 Cr and above in last 3 financial years excluding the current financial year, listed on National Stock Exchange or Bombay Stock Exchange, incorporated/ registered at least 5 years prior to the date of opening of tender, shall also be considered provided the work experience certificate has been issued by a person authorized by the Public listed company to issue such certificates.</p>	<p>An undertaking by the OEM has to be submitted in support in case of immediate predecessor of same series/family.</p>
3.	<p>OEM should have supplied the equipment offered or equipment/software of the same series/family at least of the value {as mentioned in BDS (Chapter-5, Section-I)} during last preceding 3 financial years (i.e. current year and three previous financial years) as on opening date of bid to Government/ PSUs /Telecom Service Providers / Public Listed Company in India or Abroad.</p> <p>Work experience certificate issued by Public listed company having average</p>	<p>OEM should submit self-certificate with proper contact detail of clients along with PO reference and amount supplied (Details of End User - Firm Name, Contact person, Designation, Telephone Number, Fax, Official mail id etc.). The same should be issued by authorized signatory.</p> <p>Supply Confirmation Certificate from the End User clearly mentioning the Date of supply and make& model of Hardware/Software.</p>

	<p>annual turnover of Rs 500 Cr and above in last 3 financial years excluding the current financial year, listed on National Stock Exchange or Bombay Stock Exchange, incorporated/registered at least 5 years prior to the date of opening of tender, shall also be considered provided the work experience certificate has been issued by a person authorized by the Public listed company to issue such certificates.</p> <p>Note: For Startups*(recognized by Department of Industrial policy and promotion, Ministry of Commerce and Industry) only 1/3 of value as mentioned above is required.</p>	
4.	OEM and its subcontractors should not have been black-listed currently by Central Govt./State Govt./CPSU in India or anywhere globally by Government for security reasons.	Self- Declaration by the OEMs on Company's letter head.
5.	Hardware and Software supplied by OEM should not have any malicious code.	No Malicious Code Undertaking Letter to be provided (as per Form No. 8 of Chapter-6).
6.	<p>The OEM shall ensure that Intellectual Property Rights of Hardware (including MAC address) and Source Code and of Software must not reside in any Country that shares a Land Border with India. Moreover, OEM must ensure that they are not getting 3rd party manufacturing from any Country that shares a Land Border with India.</p> <p>Note – This clause is not applicable for OEMs, from country that shares a land border with India, registered with DPIIT as per para 4.A.18.6.</p>	Proof of IPR & source code residing in which country and requisite permission & registration with Competent Authority of Govt. of India, as applicable.

*: Relaxations given in eligibility criteria are indicative in nature and startup companies are required to submit their proposal for seeking relaxation in above mentioned eligibility criteria. Their proposal will be dealt on case-to-case basis only.

Additional Forms Chapter No-6 FORMS OF TENDERS

Form No. 17 - PROFORMA FOR SELF CERTIFICATION REGARDING LOCAL CONTENT (LC) FOR TELECOM PRODUCT, SERVICES OR WORKS

(For OEM's claiming preference as Domestic Manufacturer under PMI policy)

Date:

.....S/o,D/o, W/o, Resident of
.....do hereby solemnly affirmand declare as under:

That I agree to abide by the terms and conditions of Department of Telecommunications, Government of India issued vide Notification No:dated.....

That the information furnished hereinafter is correct to best of my knowledge and belief and I undertake to produce relevant records before the procuring entity or any other authority so nominated by the Department of Telecommunications, Government of India for the purpose of assessing the LC.

That the LC for all inputs which constitute the said Telecom Product/Services/Works has been verified by me and I am responsible for the correctness of the claims made therein.

That in the event of the LC of the Telecom Product/Services/Works mentioned herein is found to be incorrect and not meeting the prescribed LC norms, based on the assessment of an authority so nominated by the Department of Telecommunications, Government of India and I will be liable as under clause 9 (f) of Public Procurement (Preference to Make in India) Order 2017.

I agree to maintain all information regarding my claim for LC in the Company's record for a period of 2 years and shall make this available for verification to any statutory authorities.

- i) Name and details of the Local supplier (Registered Office, Manufacturing unit location, nature of legal entity)
- ii) Date on which this certificate is issued
- iii) Telecom Product/Services/Works for which the certificate is produced
- iv) Procuring agency to whom the certificate is furnished
- v) Percentage of LC claimed
- vi) Name and contact details of the unit of the manufacturer
- vii) Sale Price of the product
- viii) Ex-Factory Price of the product
- ix) Freight, insurance and handling
- x) Total Bill of Material
- xi) List and total cost value of inputs used for manufacture of the Telecom Product/Services/Works
- xii) List and total cost of inputs which are locally sourced. Please attach LC certificates from local suppliers, if the input is not in-house.
- xiii) List and cost of inputs which are imported, directly or indirectly

Authorized signatory (To be duly authorized by the Board of Directors resolution)

<Insert Name, Designation and Contact No. and date>

Form No. 8 - PROFORMA FOR “MANUFACTURER’S AUTHORIZATION FORM”

Note: This authorization letter should be printed on the letter head of all the original equipment manufacturer (OEM) and should be signed by a competent person having the power of attorney to bind the manufacturer.

Executive Director/RGM, Dated:

RailTel Corporation of India Ltd.

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Subject: Manufacturer Authorization form (MAF) to M/s for

Ref: Bid No.....dated.....

Dear Sir,

We, M/s....., are established and reputed manufacturer and service provider of (Product details), having our registered office at

We hereby authorize M/s (bidder name), Office to participate in bid and subsequently upon award of the bid to execute the supply and Installation & Commissioning of our range of products against your above said bid.

We further extend our warranty for years and AMC for years for our range of products offered by M/s against the above-said bid.

Thanking you,

Best regards,

Authorized Signatory