MMD PROCUREMENT MANUAL
FOR
NON-AIRCRAFT MATERIALS AND SERVICES
MMAO 715

AIR INDIA LTD.
MATERIALS MANAGEMENT DEPARTMENT
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I. PREAMBLE

A unified set of procedures for procurement of non-aircraft material and services for the then merged entity was issued in the year 2009 vide MMD’s Administrative Order - MMAO 684. The document served and aided the process in MMD quite satisfactorily. With passage of time, the need is felt to review and reissue consolidated MMAO afresh considering:

- Companywide Adoption of SAPERP system and implementation of MM/ SRM modules for core MM functionalities.
- To follow the reverse auction functionality / features developed in SAP-SRM module on case merits.
- Revision / amendments to GFR guidelines as also issuance of set of other norms / rules by the regulating agencies.
- Introduction of GeM - a GOI portal for the public procurement which has evolved in the recent past and has effectively replaced the e/w DGS&D rates contract base system in sync with revised GFR.
- Focus on “Make in India “and issuance of the policy guidelines and initiatives on public procurement under the “Make in India”
- Issuance of the revised / new delegation of corporate financial powers in the company – same have been suitable reflected in the MMAO for the TC composition and approval authority matrix.
- To incorporate and adopt emerging new trends & practices in procurement and material management domain
- The consolidated revised MMAO to serve as a single reference document for procurement in Non-Aircraft Division to facilitate better understanding and decision making, increase efficiency, impart transparency and overall have greater accountability in the procurement process as a whole.

This broad-based provision has been compiled with inputs / suggestions from key stake holders of the organization, vetted by the Finance, and approved by competent authority. The final text of the updated MMAO is being issued and be adhered to in MMD across all Regions / Divisions / Section of MMD for Non-Aircraft procurement. The above MMAO will come into effect from 15th March 2018.

P. S. Negi
Executive Director – MM

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Date of Issue: 15th March 2018
Materials Management Department

II. MMD – VISION & MISSION

VISION
To provide cost effective, timely and efficient services in procurement of quality supplies and services to our internal and external customers, in support of the airline’s vision, mission, goal and values.

➢ To adopt the best and latest global practices in line with Airline industry standards.
➢ Change is a continuing process and hence constant transformation and embracing of new ideas and technology, in tune with times.

MISSION
➢ Enhance productivity and product quality.
➢ Optimize process lead time and keeping compliances of rules and regulations.
➢ Reduce stock outs and optimize inventory holding / carrying cost.
➢ Improve business credibility with ethical conduct, professional integrity and transparency in MM business transaction.

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III. MMD OBJECTIVES

- ON TIME MATERIALS/SERVICES AVAILABILITY AT THE RIGHT PRICE, RIGHT QUANTITY, RIGHT SOURCE.
- BUDGETARY CONTROL
- JUSTIFIED INVESTMENT
- EFFECTIVE MANAGEMENT
- CORPORATE ERP
- TOTAL QUALITY
- INDIGENISATION (MAKE IN INDIA)
- VENDOR DEVELOPMENT (ONGOING BASIS)
- EVALUATION, TRAINING & DEVELOPMENT OF PERSONNEL
- SALVAGE & DISPOSAL

*****
IV. MM CADRE OFFICERS’ PLEDGE/ OATH

- I will act with utmost honesty, integrity and pursue my work in an ethical manner.
- I will discharge my duties and functions in a transparent manner without fear, favour, bias, through a just and equitable manner.
- I will uphold laws and contract covering my own conduct and that of my enterprise.
- I will strive for my own development and also of other officers and colleagues in my supervision, so that MM profession continues to grow and contribute to the cause of the Company and of society.
- I will imbibe good practices for sustainable economic, social and environmental prosperity and promote competitiveness in procurement.
- I will abide by Statues, rules and regulation which may be applicable and relevant to the MM activities carried out in enterprise.
- I will exercise due diligence while discharging my functions to optimize overall material cost, inventory holdings, minimize resources waste, maximize the value for procurement expenditure, and endeavor for safety and security of company material.
- I will respect the views of others and appreciate the individual differences, if any, while interacting with colleagues, suppliers and customers with courtesy dignity and respect.

I shall remain committed, and make this pledge freely upon my honour.

Note: The oath will be administered by respective MM admin / sectional heads to each MM officer once, on joining at grade Asst. Manager and above.

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## V. ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AMC</td>
<td>Annual Maintenance Contract</td>
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<td>BG</td>
<td>Bank Guarantee</td>
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<tr>
<td>BIS</td>
<td>Bureau of Indian Standards</td>
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<tr>
<td>CA</td>
<td>Competent Authority</td>
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<td>CPPP</td>
<td>Central Public Procurement Portal</td>
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<tr>
<td>CVC</td>
<td>Central Vigilance Commission</td>
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<tr>
<td>DGS&amp;D</td>
<td>Director General of Supplies &amp; Disposal</td>
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<tr>
<td>DFP</td>
<td>Delegation of Financial Power</td>
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<tr>
<td>ECS</td>
<td>Electronic Clearing System</td>
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<td>EMD</td>
<td>Earnest Money Deposit</td>
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<td>EUR</td>
<td>Euro</td>
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<tr>
<td>EOI</td>
<td>Expression of Interest</td>
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<td>EPFO</td>
<td>Employees Provident Fund Organization</td>
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<td>ESIC</td>
<td>Employees State Insurance Corporation</td>
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<tr>
<td>FM</td>
<td>Force Majeure</td>
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<tr>
<td>GeM</td>
<td>Govt e-Marketplace</td>
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<tr>
<td>GTC</td>
<td>General Terms &amp; Conditions</td>
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<tr>
<td>IATA</td>
<td>International Air Transport Association</td>
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<td>IEM</td>
<td>Independent External Monitor</td>
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<td>INR</td>
<td>Indian Rupees</td>
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<td>IP</td>
<td>Integrity pact</td>
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<td>LRS</td>
<td>Local Receipt Section</td>
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<td>MSME</td>
<td>Micro, Small and Medium Enterprises</td>
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<td>NBRS</td>
<td>Non Bonded Receipt Section</td>
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<tr>
<td>NEFT</td>
<td>National Electronic Fund Transfer</td>
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<td>NIT</td>
<td>Notice Inviting Tender</td>
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<td>NSIC</td>
<td>National Small Industries Corporation</td>
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<td>OEM</td>
<td>Original Equipment Manufacturer</td>
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<td>PAC</td>
<td>Proprietary Article Certificate</td>
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<td>PBG</td>
<td>Performance Bank Guarantee</td>
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<tr>
<td>PO</td>
<td>Purchase Order</td>
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<td>PQC</td>
<td>Prequalification Criteria</td>
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<tr>
<td>PR</td>
<td>Purchase Requisition</td>
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<td>PVC</td>
<td>Price Variation Clause</td>
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<tr>
<td>QAC</td>
<td>Quality Assurance Certificate</td>
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<tr>
<td>RA</td>
<td>Reverse Auction</td>
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<tr>
<td>RC</td>
<td>Rate Contract</td>
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<tr>
<td>RFx</td>
<td>Request for Quote/Information</td>
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<tr>
<td>RTGS</td>
<td>Real Time Gross Settlement</td>
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<tr>
<td>SC</td>
<td>Shopping Cart</td>
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<tr>
<td>SD</td>
<td>Security Deposit</td>
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Materials Management Department

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>SLA</td>
<td>Service Level Agreement</td>
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<tr>
<td>SPC</td>
<td>Spot Purchase Committee</td>
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<td>SSI</td>
<td>Small Scale Industries</td>
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<tr>
<td>TC</td>
<td>Tender Committee</td>
</tr>
<tr>
<td>TER</td>
<td>Technical Evaluation Report</td>
</tr>
<tr>
<td>TS</td>
<td>Technical Specifications</td>
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<tr>
<td>USD</td>
<td>US Dollars</td>
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VI. MAJOR CONTRACTS UNDER THE PURVIEW OF MMD

- All Stock items that are held in store houses under the purview of MMD.
- In-flight Provisioning items both Bonded and Non-Bonded
- Office equipment and assets (Purchases and repairs)
- Canteen commodity purchases, equipment
- Medicines and medical equipment
- Engineering workshop test/calibrating equipment and spares
- ATF for test house
- Petrol and Diesel for Air India equipment and vehicles
- Oils, gases, grease and lubricants for workshop equipment
- IT Hardware, software and AMCs
- Commercial stock items such as plywood, slotted angles, aluminum sheets, polythene rolls, strapping rolls, dusters, hardware and plumbing items etc.
- Printing of Revenue documents such as AWBs, tickets, MCOs, EBTs, baggage tags, boarding cards etc.
- Printing of menu cards, safety cards and timetables.
- All types of stationery and paper items.
- Uniforms, including monsoon and safety equipment.
- Tailoring contracts for all cadres.
- Hardware, paints, epoxy coatings and extrusions.
- General tools, jigs and fixtures.
- Technical books, literature and magazine subscription for all departments.
- Aircraft Test Equipment and test Programmed packages.
- AMCs of X-ray machines and explosive detection machines for security.
- Vehicles, spares and maintenance for Air India

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Materials Management Department

VII. MAJOR CONTRACTS NOT UNDER THE PURVIEW OF MMD

- ATF for aircrafts
- Insurance
- Catering meal contracts
- Hotel contracts
- Leasing of Aircrafts & Engines
- Ground Handling Contracts
- Ground Handling Equipment and spares
- Housekeeping contract
- Outsourcing contracts of continuous deployment of vendor’s personnel in Air India premises/duty
- Facility Management Contracts
- All contracts and AMCs currently under the purview of P&F, Civil Engineering, EFD and EFPM
- Consultancy Services
- Any other procurement not initiated by MMD

*****
1. **CASH PURCHASES UPTO ₹ 10,000/-**

1.1. Applicable to purchases up to a maximum of ₹ 10,000/-.  
1.2. Individual departments will be responsible for handling their own cash purchases and coordinating with the Finance department for advances/reimbursements thereof as the case may be. MMD will not be involved in cash purchase for any department other than their own.  
1.3. The respective departments would be responsible to set up their own internal mechanism to handle cash purchases.  
1.4. Payment / reimbursement would be subject to the proof of delivery, i.e. delivery challan duly signed / certified by the competent authority of the concerned department, along with the party’s / vendor’s invoice / cash memo.  
1.5. The competent authority of the department concerned will be responsible to ensure that approvals are not given for purchase of items of recurring nature and capital items.  
1.6. The competent authority must also ensure that the splitting of bills is not done for keeping the value below ₹ 10,000/-.  
1.7. In case of cash purchases, Purchase Order(s) would not be issued.  
1.8. The monthly float levels for cash purchases for all departments would be decided by respective departments in consultation with Finance Department / Regional Finance office.

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Materials Management Department

2. PROCUREMENTS BETWEEN ₹ 10,001 AND ₹ 50,000 – THROUGH GEM PORTAL

2.1. Procurement of individual items up to ₹ 50,000/- will be done by the individual departments through the online GeM portal which has been mandated by GOI as per GFR 2017, rule 149. *(Refer procurement of goods 2017 point 4.17).*

2.2. Wherever items/services available under GeM and which meet the requisite quality, specification and delivery period the respective departments would directly place the order through the GeM portal. The detailed process of GeM can be viewed on their website https://gem.gov.in. The gist of the salient points that need to be followed for procurement through GeM in Air India are as follows:

2.2.1. ED-MM would be the primary user for procurement of items/services for Air India through GeM portal.

2.2.2. Departments / Regions to appoint nodal officers for procurement of goods and services through GeM and convey the same to initiate secondary user creation process.

2.2.3. The nodal officers to complete the self-guided registration process as Buyers and Consignees for procurement of Goods / Services under GeM.

2.2.4. Thereafter, the nodal officers would be responsible for procurement and receipt of items/ services through GeM portal.

2.2.5. In the case of capital items, the nodal officers should ensure that the AR process is completed and Asset codes generated prior to release of the purchase order through GeM.

2.2.6. The procuring authorities will certify the reasonability of rates.

2.2.7. The Purchase Order will be generated automatically in the GeM portal and no separate purchase orders would be required in SAP system.

2.2.8. Once the items/ services are received by the user department against the GeM PO, the nodal officers should complete the
Materials Management Department

receipt and acceptance process online in the GeM portal within 10 days as per the guidelines issued by GeM.

2.2.9. Thereafter, the nodal officers should forward the copy of the GeM PO along with certified invoice and Asset code numbers in case of assets, to Finance for payment purposes.

2.2.10. The payments are to be released by Finance within a maximum of 10 days of receipt of goods/services or as mandated by GeM time to time.

2.3. The nodal officers should ensure that only genuine procurements that are required by the departments are done through GeM.

2.4. The nodal officers should submit the details of items/services procured through GeM to the head of the department/region on monthly basis.

2.5. MMD will not be associated in procurement of any items that are available in GeM and is below ₹ 50,000/-. 

2.6. Depending upon the merit of the case, for procurement above ₹ 50,000/- by MMD, AGM and above, as given in Annexure A - Column 2, would be the competent authority to authorize procurement through GeM (Not applicable for procurement by other departments).

*****
3. PROCUREMENTS BETWEEN ₹ 10,001 AND ₹ 50,000 – THROUGH SAP

3.1. Only in case the required materials/services whose procurement value is estimated up to ₹ 50,000/- are not available in GeM, the user departments may raise shopping cart for such procurements in the SAP system.

3.2. If it is observed that the item(s)/services as indented through shopping cart are available in GeM or are priced below ₹ 50,000/- in GeM, the shopping cart would be returned to the user.

3.3. For items/services up to ₹ 50,000/- and not available in GeM, a minimum of 3 quotations will have to be obtained by way of fax, email, letter, etc. However, this may be dispensed with in the case of proprietary/brand approved items.

3.4. SAP Purchase(s) order will thereafter be issued.

3.5. Payments would be made by cheque, ECS, NEFT by the Finance Department. However, in exceptional circumstances, which are to be recorded in writing, cash payment not exceeding ₹ 20,000 may be authorized by the competent authority (CA) in the Materials Management Department not less than the rank of Asst. General Manager.

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4. **SHOPPING CART/PURCHASE REQUISITIONS FOR PROCUREMENTS – ABOVE ₹ 50,000/-**

4.1. Shopping Cart/ Purchase Requisitions will be raised by the user department.

4.2. If the item is capital in nature, the user must first raise Appropriation Request (AR) in FI module and obtain Asset codes before raising the shopping cart. The asset codes must be entered in the shopping carts without which purchase process will not be initiated.

4.3. For stock items (recurring use), requisitions would be triggered by the SAP system, wherever Min / Max levels or reorder levels are maintained for automatic generation of the PRs, for further processing by the Buyer. In case of stock items, where the levels are not maintained, the planners of the user department would raise the PRs manually.

4.4. Providing details such as complete specifications, detailed scope of work, drawings, BIS Number, Pre-qualification criteria, Evaluation criteria, requirement of sample, special packing and markings, shelf life, Service Level Agreements (SLA), warranty requirements, delivery schedule, pre-delivery inspection, requirement of a Pre-Bid conference, and any other relevant details should be provided by the user department along with the shopping cart/Requisition. The Materials Management Department will not be responsible for vetting or authenticating such requirements as provided by the user departments. A checklist for the requirements to be submitted along with the shopping cart is as per **Annexure N**.

4.5. The technical specifications should be unambiguous, precise, objective, functional, broad based/generic, standardised (for items procured repeatedly) and measurable. TS should be broad enough to avoid restrictions on workmanship, materials and equipment commonly used in manufacturing similar kinds of goods.

4.6. The Technical Specifications (TS) constitute the benchmark for responsiveness of bid and subsequent evaluation. The user department therefore should ensure that the specifications:
Materials Management Department

4.6.1. Provides a level playing field and ensures the widest competition.

4.6.2. Set out the required technical, qualitative and performance characteristics to meet just the bare essential needs of the user without including superfluous and non-essential features, which may result in unwarranted expenditure.

4.7. Wherever applicable, Standards set by Bureau of Indian Standards (BIS) to be forwarded by user which should be incorporated in the tender. In the absence of BIS standards, TS may be based on the relevant International standards, provided that an indenting authority may, for reasons to be recorded in writing, base the TS on equivalent international standards even in cases where BIS standards exist. For any deviations from BIS or for any additional parameters for better performance, specific reasons for deviations/modifications should be duly recorded with the approval of the CA. Where the technical parameters are only marginally different, Indian standards may be specified and the user specification/s could cover only such additional details as packing, marking, inspection, and so on, as are specially required to be complied for a particular end use.

4.8. All dimensions incorporated in the specifications shall be indicated in metric units. If due to some unavoidable reasons, dimensions in FPS units are to be mentioned, the corresponding equivalents in the metric system must also be indicated.

4.9. The delivery period along with the tolerance for the same should be clearly spelt out. The tolerance period would be taken into consideration for calculating the loading on the price bid.

4.10. For all IT related purchases, both Hardware and software the user should route the requirement through DIT who would authenticate and approve the requirement. Only on the approval of DIT would MMD initiate purchasing action. In such cases IT member will also be a part of the TC.
Materials Management Department

4.11. For all vehicle related purchases, the user should route the requirement through GSD who would authenticate and approve the requirement. Only on the approval of GSD would MMD initiate purchasing action. In such cases GSD member will also be a part of the TC.

4.12. The estimated cost in the indent is a vital element in procurement processes, approvals and establishing the reasonableness of prices at the time of evaluation of bids. It will therefore be responsibility of the user department to ascertain the estimated cost through past procurement history, market survey or budgetary quotations from one or more prospective suppliers or by any other methodology that is appropriate. The estimated cost/value of the items requisitioned should be provided/ reflected by the user in the shopping cart. The base papers for arriving at the estimated cost should be maintained by the user for any future reference by any agency.

4.13. If the L1 rate obtained is higher than the estimated cost indicated in the shopping cart raised by the user by 25% or above, then the user to be informed of the same and their approval taken before placing the contract/order.

4.14. The buyers should scrutinize the shopping cart/requisitions received from the user departments. In case the shopping cart is incomplete in any respect or the requisite data required by MMD is not provided, then MMD should ask for clarification/requisite information from the user. If the same is not received within 7 days of the query/s then the shopping cart should be returned/closed. In such a scenario, user department would be required to submit a new shopping cart with the complete details.

4.15. If during scrutiny of the shopping cart/requisition, it is observed that the user department has already processed the requirement by obtaining quotations and approvals and has finalized the vendor, but requires the release/regularization of the contract/PO, then such shopping cart/requisitions are to be returned back and no further action from MMD is required. Such requirements should be handled
Materials Management Department directly by the user department and invoices settled directly with Finance.

4.16. Wherever applicable the user should provide justification / cost benefit analysis for the procurement of items/services/lease, along with the shopping cart/Requisition. The user department should get the cost benefit analysis vetted/ratified by Finance Department. The user department may, if required, take the help of any other departments, as deemed fit for preparation of cost benefit analysis.

4.17. In case of the outcome being a contract, the indenters need to provide the detailed information as specified above through an email to the concerned buyer. Once the contract is released, the indenter would be required to create shopping cart/purchase requisition referring to the contract to release the purchase order, as per the terms of the contract.

4.18. For release of Contract/Purchase Order, the requirements/shopping carts must reach the buyers at least 90 days in advance to allow processing of the same as per the guidelines.

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5. **TENDER FEE**

5.1. As a policy, for any tender issued by Materials Management Department, the tender fee will not be applicable irrespective of the value of the tender.
6. MODES OF PROCUREMENT & BIDDING - TENDERING PROCESS

The tender processes would be of the following four types:

6.1. Single tender basis:
   6.1.1. The Single Tender process may be adopted in the case of the following:
      6.1.1.1. OEM / Proprietary procurement.
      6.1.1.2. Procurement on Approved brand basis.
      6.1.1.3. Procurement on single/multiple source/approved basis.
      6.1.1.4. The Single tender can be of any value.
   6.1.2. The onus of declaration of an item as proprietary would be with the user department. In the case of services i.e. AMCs/repairs, the needful services can be obtained from the OEM of the equipment. However, the “Proprietary Article Certificate” (PAC) as per format attached (Annexure P) to be signed, stamped and submitted by the User Department as per following estimated values:

<table>
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<tr>
<th>Estimated Value (INR)</th>
<th>Authority of User Department</th>
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<tr>
<td>Up To ₹ 25 Lakhs</td>
<td>DGM</td>
</tr>
<tr>
<td>Between ₹ 25 Lakhs and ₹ 50 Lakhs</td>
<td>GM</td>
</tr>
<tr>
<td>Between ₹ 50 Lakhs and ₹ 1 Crore</td>
<td>ED</td>
</tr>
<tr>
<td>Between ₹ 1 Crore to ₹ 10 Crores</td>
<td>ED with the concurrence of DF and CMD</td>
</tr>
<tr>
<td>Above ₹ 10 Crores</td>
<td>ED with the concurrence of DF and CMD</td>
</tr>
</tbody>
</table>

6.1.3. In case of non-availability of personnel at the designated level, the PAC may be approved by next higher authority.

6.1.4. The above values will prevail as amended from time to time.
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6.1.5. Brand approved procurement is an industry practice and is unique to airlines and hospitality industry. Brand based procurement is different from proprietary procurement e.g. procurement of consumer preference based in-flight items, such as liquors, wines, juices, where factors such as passenger profile, sectors, class of travel, facilities provided by competing airlines, etc. form the basis for a particular brand to be procured. Similarly, premium products such as, Nescafe, Cornflakes, Sauces, etc. need to be offered to passengers for competitive edge and hence such premium products would form the basis for brand approved procurement. Also where standardization of an item is involved, the same can be done on brand approved basis, e.g. gifts & giveaways, furniture of a particular make, Office equipment, PCs, Printers, etc. Such items, that are procured for its brand value are termed as brand approved procurement.

6.1.6. The sectional head and above of the user department is the competent authority to call for an item on brand approved basis. The same to be obtained in writing along with the request for procurement.

6.1.7. Proprietary/brand approved purchases can be of two types/sources:

6.1.7.1. **Single Source**- Where the procurement is done directly from the manufacturer/Producer/OEM or the sole authorized distributor/dealer/channel partner (as exclusively nominated by the OEM to quote).

6.1.7.2. **Multiple Sources** –Where manufacturer appoints multiple distributors/dealers/channel partners and procurement is on competitive bidding, from amongst them.

6.1.8. If procurement is on the basis of multiple sources of the same OEM, the quotations may be obtained from multiple distributors/dealers/channel partners, as have been
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authorized by the OEM/manufacturer/producer. In such cases the quotes/bids could even be less than 3 (Three).

6.1.9. For single source procurement the user department would also raise a shopping cart/purchase requisition in the SAP system, wherein they will declare the asset, material or service to be procured from OEM/Manufacturer or as proprietary/ brand approved /or as only single approved source. The approval level /authority for proprietary procurement will be as per “PAC” as mentioned under clause 6.1.3.

6.1.10. TC process would be applicable for procurement on Single Tender basis as per the financial powers as given in Annexure A - Column 2.

6.2. Selective/Limited Tender:

6.2.1. Selective/Limited tender denotes tenders that are to be sent to selective vendors/parties for the particular item(s) being tendered for.

6.2.2. Selective/Limited tenders will be for tenders whose estimated value is between ₹ 50,001/- and ₹ 25.00 lakh.

6.2.3. Selective/Limited tenders depending on the merit of the case will either be a Single Bid Tender i.e. only the Price Bids are to be called for or a Two Bid tender.

6.2.4. The number of vendors/parties to whom a Selective/Limited tender should be sent, should be at least 5 (five).

6.2.5. If a minimum of 5(five) vendors/parties are not available for a given item (with the exception of proprietary / brand approved items), web tendering / public tendering, should be resorted to for wider participation.

6.2.6. However, depending on the merit of the case, DGM and above may authorize release of a Selective/Limited tender to even less than 5 vendors/parties, if a minimum of 5 vendors/parties against an item are not available.
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6.2.7. Conversely even if a minimum of five vendors are available for a given item, Sr. Manager & above may authorize a web tender or public tender depending on the merit of individual cases.

6.2.8. Every effort should be made to obtain minimum of 3(Three) quotations, where five or more vendors are available for Selective/Limited tendering.

6.2.9. Regret responses will be considered as valid tender responses. If the regret responses are received either by fax, email, or in an open condition, the same are to be sealed in an envelope by an official of the Materials Management Department with the tender number duly super scribed thereon and put in the tender box. For online regret response, the system will consider the same as a valid response.

6.2.10. In case the number of quotes received is less than 3, depending upon the urgency, and the number of responses received including regret responses, an officer of the Materials Management Department of a level not below that of Sr. Manager may authorize opening of the bids based on recommendations/concurrence of the user, if need be.

6.2.11. Unsolicited bids (other than to whom the selective/Limited tenders were sent) will not be considered as valid response.

6.2.12. If for some reason in a selective/limited tender, the lowest bidder has not submitted his bid as per the requirement/specification of the tender but is offering a better specification or a product then the same is to be referred to the user department. If the user department accepts and recommends the better/ higher specification, then re-tendering is to be resorted to. However, If the user does not require any change /better specification or product then the award may be released on the lowest vendor who has quoted as per tender/user requirement.
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6.2.13. If all the bidders to whom the selected tender enquiries have been sent have responded before the due date, the quotations can be opened before the due date, i.e. the tender may be pre-closed after due notification to all the bidders, who have submitted quotations, inviting them to participate in the tender opening.

6.2.14. Depending on the merit of the case, ED-MM and above may authorize issue of a selective/ limited tender in a single bid/two bid system even for tenders which are non-proprietary items and whose value is above ₹ 25.00 lakhs.

6.3. Web tender:

6.3.1. Web tender is also categorized as public tender since it opens to participation by any bidder meeting the requisite criteria of the tender. The only difference is that it will be hosted on Air India and CPP portal and will not be advertised in the print media. The copy of the hosted NIT on Air India website and CPPPP should be maintained in the respective case files.

6.3.2. Web tender is applicable for items whose estimated tender value is above ₹ 25.00 lakh and up to ₹ 100.00 lakh. (₹ 1 crore).

6.3.3. The existing approved suppliers, as well as any other known sources of the item/s tendered for, should be notified of the hosting of the tender on the website and on CPP Portal.

6.3.4. Prospective bidders should be provided with unrestricted access for downloading the tenders from the website.

6.3.5. Every effort should be made to obtain minimum of 3(Three) quotations.

6.3.6. Regret responses will be considered as valid tender responses. If the regret responses are received either by fax, email, or in an open condition, the same are to be sealed in an envelope by an official of the Materials Management Department with the tender number duly super scribed thereon and put in the
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tender box. For online regret response, the system will consider the same as a valid response.

6.3.7. In case the number of quotes received is less than 3, depending upon the urgency, and the number of responses received including regret responses, an officer of the Materials Management Department of a level not below that of Sr. Manager may authorize opening of the bids based on recommendations/concurrence of the user, if need be.

6.3.8. Bids received after the close of tender, will not be considered as valid response.

6.4. Public / Global tender:

6.4.1. Applicable for items whose estimated tender value is above ₹100.00 lakh. (₹ 1 crore).

6.4.2. Public tenders will normally be a Two Bid system i.e. Technical Bid and Price Bid.

6.4.3. In addition to publishing in the print media (i.e. publishing in regional or on All India basis will be decided by the Competent authority in the Materials Management Department as per Annexure A - Column 2, the tender will also be hosted on the Air-India website and on CPP Portal. The copy of the hosted NIT on Air India Website and CPPP, and the press advertisement should be maintained in the respective case files.

6.4.4. Press advertisement would be released only once for the initial release of the tender. Subsequently, if there is any amendment/ extension to the tender, no further press advertisement is required. However, the amended/ extended tender would be visible/ available on the website.

6.4.5. The press advertisement, therefore, should state that the prospective bidders should regularly visit the Air India website for any amendment issued till the close of the tender.
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6.4.6. The existing suppliers, as well as any other known sources of the item/s tendered for, should be notified of the hosting of the tender on the website.

6.4.7. Prospective bidders who are not registered with Air India should register themselves first to have unrestricted access for downloading the tenders from the portal / bidding online.

6.4.8. Every effort should be made to obtain minimum of 3(Three) quotations.

6.4.9. Regret responses will be considered as valid tender responses. If the regret responses are received either by fax, email, or in an open condition, the same are to be sealed in an envelope by an official of the Materials Management Department with the tender number duly super scribed thereon and put in the tender box. For online regret response, the system will consider the same as a valid response.

6.4.10. In case the number of quotes received is less than 3, depending upon the urgency, and the number of responses received including regret responses, an officer of the Materials Management Department of a level not below that of Sr. Manager may authorize opening of the bids based on recommendations/concurrence of the user, if need be.

6.4.11. Bids received after the close of tender, will not be considered as valid response.

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Materials Management Department

7. **BID SYSTEM**

7.1. There will be 2 types of bid systems.

7.1.1. **Single bid system**: In a Single Bid system only the Price Bid is called for. In a manual tender a single envelope containing the Price Bid in a sealed/closed condition with the tender number, due date and time, vendor name, contact details etc., supercribed on it, is to be submitted in the tender box. Similarly, in the online bidding only the Price Bid page in the system is to be filled and submitted. This will generally be applicable for Proprietary/Brand approved products / services and Selective / Limited tenders (as defined in clause 6.1 & 6.2).

7.1.2. **Two bid system**: In a Two Bid system, the Technical Bid and the Price Bid is to be submitted simultaneously in two separate sealed/closed envelopes with both the envelopes supercribed with the tender number, due date and time, vendor name, contact details etc. These two sealed/closed envelopes may further be put in a single bigger envelope called the Master envelope which should also be sealed/closed and should also be super-scribed with the tender number, due date and time, vendor name, contact details etc. Similarly, in the online bidding both, the Technical bid and the Price Bid page in the system is to be filled and submitted. This will generally be applicable for web tenders and public tenders (as defined in clause 6.3 & 6.4), may also be used for Selective/Limited tenders.

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8. **E-PROCUREMENT**

8.1. It would be mandatory to process selective, web public and public tendering process, through e-Procurement module of SAP SRM system for tenders restricted to Indian bidders.

8.2. All the bidders should be provided access to the SRM portal of SAP.

8.3. All the bidders from India should obtain a digital certificate - class 2/ class 3- organization type digital certificates from any of the authorized certifying agencies, registered in India.

8.4. The tender document should include a clause providing guidelines to bidders for e-Procurement, required system settings, failure of submission of bids due to issues attributable to the bidder (including their network, system settings, lack of training, digital certificates, etc.), acceptance to the e-Procurement tendering process, etc.

8.5. The bid responses, as visible to the buyer in the SAP system in Air India would be final and binding to the suppliers.

8.6. Any dispute arising out of e-Procurement process, the Systems Management Group at Mumbai would liaise with the service provider/service support agency and submit the sequence of events to the concerned buyer. Thereafter, the concerned competent authority in procurement as per the Financial Powers- Annexure A - Column 2 would decide on the next course of action.

8.7. In the case of any system related issue, wherein suitable changes need to be made in the tendering system, Systems Management Group would liaise with the service provider to study the technical feasibility of such a requirement, sign off functional specifications, provide user acceptance testing and provide training to the end user.

8.8. In the case of global tenders (GTE), which are open for participation by both Indian and foreign bidders, online bidding in SAP SRM system is not mandatory. In such cases, Indian bidders will have the option to bid online or manual, as preferred by them and both will be acceptable.

8.9. All the Web Public and Public tenders would be automatically uploaded on Central Public Procurement Portal (CPPP). It would be the
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It is the responsibility of the buyer to ascertain that such tender is displayed on the CPPP. In the case of such a tender not being displayed on CPPP, the concerned buyer would coordinate with regional web group of DIT, who are responsible to maintain the link with the CPP Portal.

8.10. If the tender due/close date/time is extended prior to the closing date/time, then the amended tender document is automatically uploaded with the revised due date/time on the CPP Portal. However, if the extension in tender closing date/time is done after the due date/time of the original tender (which normally is the case), the same is not uploaded/visible on CPP Portal due to technical limitations of CPPP. However, the extension of tender due date/time will be visible on Air India website.

8.11. Depending upon the merit of the case, Dy. General Manager and above would be the competent authority to allow manual tendering process for any value.

8.12. Depending upon the merit of the case, for procurement above ₹50,000/- by MMD, AGM and above, as per the financial powers as given in Annexure A - Column 2, would be the competent authority to authorize procurement through GeM. For such procurement, the process as stated in GeM to be followed.

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9. REVERSE AUCTION

9.1. Reverse Auction is a type of auction (classified as dynamic procurement method) where the starting price, bid decrement, duration of auction, maximum number of automatic extensions are announced before start of online reverse auction.

9.2. AGM & above will authorize initiation of procurement through Reverse Auction mode.

9.3. There are three types of Reverse Auction:

9.3.1. **Direct Auction:** To be used where the item(s) and the vendors are pre-decided, such as selected brand items, multiple distributors of same OEM, etc. This can be used in the case of selective tendering up to ₹ 25 Lakhs. Direct auctions can also be used in case of brand approved items where more than one distributor is available for bidding, irrespective of value.

9.3.2. **Auction from RFx – Single bid (Technical only):** This is a two-stage public tender process, wherein at the first stage only technical bids are invited. This process is to be followed, where the last procurement price is known to fix the start price of the auction. The technical bids are to be evaluated by the user department and the bidders to be shortlisted. In the second stage, the RFx is converted to an auction to invite price bids. Only the shortlisted bidders at stage one are invited for participation in the auction process.

9.3.3. **Auction from RFx – Two Bid:** This is a three-stage public tendering process, wherein both technical and price bids are invited, where the last procurement price is not known to be fixed as start price of the auction. In the first stage only the technical bids are opened and evaluation to be done by the user department. At the second stage, the price bids of the technically qualified bidders are to be opened and the L1 price would be set as the start price for the auction. Only the
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shortlisted bidders at stage two are invited for participation in the auction process.

9.4. In the case of Direct Auction or the Auction from RFx-Single Bid, the last procurement price (all inclusive) would be set as the reference price for the auction.

9.5. In the case of Auction from RFx-Two bid, the L1 price obtained in the RFx process would be the reference price for the auction.

9.6. If the last procurement price is within the period of 2 years, the start price (all inclusive) would be set as last procurement price + 15%.

9.7. If the last procurement price is more than 2 years old, the start price (all inclusive) would be set as last procurement price +25%

9.8. In case of Auction from RFx-Two Bid, the L1 price + 10% would be set as the start price (all inclusive) for the auction.

9.9. Reserve Price would be set as 20% less than the reference price.

9.10. Reverse auction would be conducted for a period of 30 minutes, where the bidders will be allowed to reduce the price from the beginning of the auction. Thereafter, the prices can be reduced repeatedly by the bidders.

9.11. In case any bidder submits the price reduction within 5 minutes of closing of reverse auction timing, the system will automatically extend the reverse auction by a period of 10 minutes. All bidders participating in the auction can reduce the prices during this period.

9.12. If the above situation repeats, i.e. a bidder submits a lower price within 5 minutes of closure of reverse auction, the system would automatically extend the auction period by another 10 minutes.

9.13. The system would allow maximum 3 such extensions. Thus, the maximum possible reverse auction time shall be 30+30=60 minutes.

9.14. In case there is no new lower bid in the last 5 minutes of the original time or during the extended period, the auction would end after the lapse of period and no extension would be allowed.

9.15. The auction would be on landed cost basis.
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9.16. Depending on the nature of the item, the value of decrement is to be fixed by the buyer and shall be the minimum amount a bidder has to reduce in order to beat a higher bid. This shall be in “Absolute Value” fixed by the buyer and will be visible in the system prior to the start of the auction.

9.17. Auction to be conducted by the buyer and one MM representative other than the purchase section. Additionally, representatives from user departments and Finance may also be invited to the auctioning process. However, their presence is not mandatory.

9.18. The buyer should maintain the attendance sheet of the participants present during the auction process.

9.19. Once the auction is over, the successful/qualified bidders should provide break-up of the final price of the reverse auction bid on their letter head clearly indicating the basic price, conditions and Taxes as applicable. This break up should tally with the landed cost as per the reverse auction bid. However, there could be cases where there is a slight fractional variation between the landed cost and break up. In such cases, the appropriate rounding off to be applied.

9.20. Tied ranks would not be allowed.

9.21. In case the MSME vendors participating in the auction, MSME / Make In India benefits to be applied.

9.22. In case of split quantity or tied ranks due to MSME/ Make in India benefits, bidders may be called for negotiation and auction awarded on L1 basis as per the provisions of the MSME/ Make in India clauses.

9.23. In case of multiple items, sequential auction would be followed.


9.25. In the event Reverse Auction has no response or is not successful, DGM and above would authorize online bidding or manual bids.

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10. SPOT PURCHASE BY SPOT PURCHASE COMMITTEE

10.1. The spot purchase refers to the collection of offers/quotes through physical visit(s) to the premises of the suppliers by the designated team of officers and is to be followed in exceptional / rare cases of procurement of material and services.

10.2. Spot purchase shall be resorted normally for the purchase of, “off the shelf”/ or readily available material at short notice, assets or services, which are urgently required and for which a normal tendering process cannot be completed in time and where no drawings/ detailed specifications etc. are available or not practical to have the detailed drawings /specifications for the tendering process and hence procurement is intended through SPC (e.g. furniture /furnishing / sports equipment / promotion – publicity display items like mementoes, medals, plaques, etc.). However, it is to be generally ensured that no long term requirement is covered through SPC which is more of one time / short period requirement due to urgency / immediate implementation / commencement of program etc.

10.3. The justifications for the SPC route procurement should be duly prepared by the user department for in principle approval of the competent authority as per the following given values:

10.3.1. For value up to ₹ 5.00 lakhs - User Departmental Head (GM/ED/RD)

10.3.2. For value between ₹ 5.00 lakhs and ₹ 15.00 lakhs - ED(Fin)

10.3.3. For value between ₹ 15.00 lakhs and ₹ 25.00 lakhs - DF

10.3.4. For value above ₹ 25.00 lakhs - Through DF for CMD approval

10.4. MMD will not ratify or be a part of in principle decision to go in for SPC.
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10.5. Once the in principle approval for Spot Purchase is obtained from the competent authority, the constitution of the SPC will be as under:

<table>
<thead>
<tr>
<th>Value</th>
<th>SPC Level (user/FI/MM)</th>
<th>Report to be approved by the following level official of User Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to ₹ 3 Lakhs</td>
<td>Dy. Manager and above</td>
<td>DGM</td>
</tr>
<tr>
<td>Up to ₹ 15 Lakhs</td>
<td>Manager and above</td>
<td>GM</td>
</tr>
<tr>
<td>Up to ₹ 25 Lakhs</td>
<td>Sr. Manager and above</td>
<td>ED</td>
</tr>
<tr>
<td>Above ₹ 25 lakhs</td>
<td>AGM and above</td>
<td>ED with the concurrence of DF</td>
</tr>
</tbody>
</table>

10.6. No dilution of the above levels of SPC is permissible.

10.7. The representative of the User Department will be the convener of the SPC.

10.8. Selection of suitable product and supplier by actual market/e-market.

10.9. Survey (not by calling of tenders/quotes like selective/limited tenders) is the essence of this mode. Therefore, SPC is required to survey the market/e-market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate product and supplier. It should be ensured that the selected product is of desired quality meeting the requirement in most efficient and economical manner in the given scenario. The SPC must keep the financial proprietary in view while conducting the procurement.

10.10. The SPC shall prepare a report duly covering all aspects. Some of them to be covered are:

10.10.1. Item/service details – description, qty, period.
10.10.2. Authority/approval for SPC based procurement.
10.10.3. Source selection method.
10.10.4. Brief discussion of offer received.
10.10.5. Acceptance of offer/s.
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10.10.6. Deviations, if any accepted.
10.10.7. Terms and Conditions.
10.10.8. Delivery Schedule.
10.10.9. Reasonability of rates.
10.10.10. Payment terms.
10.10.11. Any other points which the committee considers worth mentioning.

10.11. Once the Spot Purchase Committee’s report is approved by the CA in the User department, the vendor is to be communicated by the user department for supply. On receipt of items/services, the user department shall certify the invoice and forward the same to Finance directly for payment purposes. The role of MMD ceases once the CA accepts the SPC report.

10.12. For assets, the AR / Asset Code process should be completed whilst initiating the procurement through SPC.

10.13. Inspection and acceptance of the material/service will be the responsibility of the user department.

10.14. The payment to suppliers should normally be against receipt of assets, materials or services. Though advance payment is to be discouraged, however, in some situations, if advance payments is warranted, same to be authorized against bills/proforma invoice by competent authority of user department whilst safeguarding of company interest and ensuring such advances are duly monitored by the user and settled for closure of advance payments with Finance.

10.15. The convener should ensure that the spot purchase exercise be completed within reasonable time period - max 12 working days from the date of in principle approval of the Spot Purchase.

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11. TRIAL / DEVELOPMENT ORDER

11.1. Trial/Development Order may be placed where:
   11.1.1. The performance of a new product / service is to be assessed.
   11.1.2. Performance/ capability of a new vendor is to be assessed.
   11.1.3. To develop indigenous substitute of a foreign product/service/source.
   11.1.4. The capability of Indian start-ups is to be assessed.
   11.1.5. To develop SC/ST owned MSME units.

11.2. AGM and above may approve placement of the Trial / Development Order. This trial order may be placed for 5% of the quantity of the annual requirement/ 03 trial months in case of services, at a price not exceeding the current procurement price.

11.3. The value of a trial/ development order cannot exceed ₹ 20.00 Lakhs.

11.4. In case a trial order is being released for a new item/service, where the actual annual requirement is not known, then the estimated annual requirement would form the basis of trial/development order.

11.5. Trial/Development order can be given to maximum two vendors (5% for each vendor) in a financial year for a particular item/service i.e. the cap of 10% of the total annual requirement cannot be exceeded.

11.6. The trial/ development orders can be considered against the regular RFQ only on case merit, wherein a potential vendor (unsuccessful on some parameters – say experience/ turnover etc.) is keen and willing to accept the same @ L-1 price, and quantity not exceeding 5% of the tender quantity/ L-1 accepted price or through a separate trial RFQ (say at regions) or on recommendation of MM Vendor Development Cell in consultation with user department.

11.7. Beyond this limit, approval of GM-MM and above will be required for release of any additional trial/ development orders but price not exceeding the current procurement price.

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Date of Issue: 15th March 2018
12. PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSES)

12.1. From time to time, the Government of India lays down procurement policies to help inclusive national economic growth by providing long-term support to small and medium enterprises and disadvantaged sections of society and to address environmental concerns. The Procurement Policy for Micro and Small Enterprises, 2012 has been notified by the Government in exercise of the powers conferred in Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Details of the policy are available on the MSME website.

12.2. Micro and Small Enterprises (MSE) must, along with their offer, provide proof of their being registered as MSE (indicating the terminal validity date of their registration) for the item tendered, with any agency mentioned in the notification of the Ministry of Micro, Small and Medium Enterprises (Ministry of MSME), indicated below:
   12.2.1. District Industries Centre
   12.2.2. Khadi and Village Industries Commission
   12.2.3. Khadi and Village Industries Board
   12.2.4. Coir Board
   12.2.5. National Small Industries Corporation
   12.2.6. Directorate of Handicraft and Handloom
   12.2.7. Udyog Aadhar Memorandum
   12.2.8. Any other body specified by the Ministry of MSME

12.3. The MSMEs are exempted from payment of Earnest Money Deposit, subject to furnishing of the relevant valid certificate for claiming exemption.

12.4. The SD clause will be applicable to MSME vendors. However, in case of MSME vendors the SD/BG can be submitted on yearly basis, renewable every year (Applicable in case of contracts of validity period more than 12 months).
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12.5. Timely payments to MSME suppliers are of essence. The agreed period of payment must not exceed forty-five days after the supplies.

12.6. In tender, participating Micro and Small Enterprises (MSE) quoting price within price band of L1+15 (fifteen) per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 20 (twenty) per cent of total tendered value. The 20 (twenty) per cent quantity is to be distributed proportionately among these bidders, in case there are more than one MSMEs within such price band.

12.7. Within this 20% (Twenty Percent) quantity, a purchase preference of four per cent (that is, 20 (twenty) per cent out of 20 (twenty) per cent) is reserved for MSEs owned by Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs (if they participate in the tender process and match the L1 price). Provided that, in event of failure of such SC/ST MSE to participate in tender process or meet tender requirements and L1 price, four percent sub-target shall be met from other MSE. MSEs would be treated as owned by SC/ST entrepreneurs:

12.7.1. In case of proprietary MSE, proprietor(s) shall be SC/ST.

12.7.2. In case of partnership MSE, the SC/ST partners shall be holding at least 51% (fifty-one percent) shares in the unit.

12.7.3. In case of Private Limited Companies, at least 51% (fifty-one percent) share shall be held by SC/ST promoters.

12.8. In case the tender item is non-split-able or non-dividable, etc. MSE quoting price within price band L1+15% (fifteen percent) may be awarded for full/complete supply of total tendered value to MSE, considering spirit of policy for enhancing the Govt. procurement from MSE. (Refer Manual for procurement of Goods 2017, Para 1.10.4(viii).

12.9. Ministry of MSME have clarified that all Central Ministries/Departments/ Central Public Sector Undertakings may relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting of quality and
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technical specifications. The procuring authority, therefore, if so desires, may incorporate a suitable relaxation clause in this respect in the tender document.

12.10. Where any Aggregator has been appointed by the Ministry of MSME, themselves quote on behalf of some MSE units, such offers will be considered as offers from MSE units and all such facilities would be extended to these also.

12.11. An MSE Unit will not get any purchase preference over another MSE Unit.

12.12. This Policy is meant for procurement of only goods produced and services rendered by MSEs and not for any trading activities by them.

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13. MAKE IN INDIA

13.1. Definitions:

13.1.1. Local Content means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent. The minimum local content shall be 50% for the local manufacturer to be eligible for the purchase preference.

13.1.2. Margin of purchase preference shall be 20%

13.1.3. Local Supplier means a manufacturer of goods/ items in India or a service provider in India whose product or service offered for procurement meets the minimum local content as prescribed above or by the competent ministries/ departments.

13.1.4. Nodal Ministry means Ministry of Civil Aviation (MOCA)

13.2. In line with the preference to ‘Make in India’ policy of GOI, purchase preference shall be given to local/domestic bidder in all procurement of Goods & Services in the manner specified below.

13.3. For all procurements whose estimated value is ₹ 50 lakhs or less only local/domestic suppliers shall be eligible and therefore the tender document should be limited to participation by local/domestic bidder only. The preference for MSME units quoting within the price band of L1 +15% will also be applicable here.

13.4. However, in case (for procurement whose estimated value is ₹ 50.00 lakhs or less) it is known that for items that are being tendered, there are only limited local/domestic bidder and that calling for bids from overseas/global suppliers might result in competitive bids being received, then approval to float a global tender may be taken from the competent authority not less than the rank of Sr. AGM.

13.5. For procurement of goods and services whose estimated value is ₹ 50 lakhs and above and which are divisible in nature, but split criteria has
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not been pre-declared in the tender then the following procedure shall be followed:

13.5.1. Among all qualified bids the lowest bid will be termed as L1. If L1 is from a local/domestic bidder and happens to be a MSME Unit, then the contract for full quantity will be awarded to L1 bidder.

For Example:
After opening of Price Bid if the ranking is as follows:
L1-Local Bidder and MSME
L2-Any other category of Bidder including Local and Non-MSME
Then 100 % of the tender quantity to be awarded to the L1 bidder.

13.5.2. However, if the L1 is a local/domestic bidder, who is not an MSME unit and if there is an MSME unit/s quoting within the price band of L1 + 15% then 80% of the tendered quantity will be awarded to the L1 local/domestic bidder and the balance 20% will be awarded to the MSME unit/s in accordance with preference policy for MSME units i.e. if there are more than one MSME within the L1 + 15% price band then the distribution will be done equally among them from the 20% quantity.

For Example:
After opening of Price Bid if the ranking is as follows:
L1-Local/domestic bidder and Non-MSME
L2-Local/domestic bidder and MSME within L1 + 15 % price band
L3-Local/domestic bidder and MSME within L1 + 15 % price band
Then 80 % of the tender quantity to be awarded to the L1 bidder and balance 10%  each to be awarded to the L2 and L3 bidders subject to their matching the L1 price.

13.5.3. If the L1 bid from a Nonlocal/domestic bidder, then 50% of the order quantity shall be awarded to L1 bidder. Thereafter, the
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lowest among the local/domestic bidder will be invited to match the L1 price for the remaining 50% quantity, subject to the local/domestic bidder’s quoted price falling within the margin of preference of 20%. If the local/domestic bidder happens to be MSME unit and agrees to match the L1 price then, the balance 50% of the tendered quantity shall be awarded to such local/domestic bidder matching the L1 price. In case such lowest eligible local/domestic bidder fails to match the L1 price or accepts less than the offered quantity, the next higher local/domestic bidder within the 20% margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on and so forth. The contract shall be awarded accordingly. In case some quantity is still left uncovered on local/domestic bidder then such balance quantity may also be ordered on the original L1 bidder.

For Example:
Case 1
After opening of Price Bid if the ranking is as follows:
L1-Non local/domestic bidder
L2-Local/domestic bidder and MSME within L1 + 15 % price band
L3-Local/domestic bidder (MSME/Non MSME) within L1 + 20% margin of purchase preference
Then 50 % of the tender quantity to be awarded to the L1 bidder and balance 50% to be awarded to the L2 bidder subject to their matching the L1 price. In case the L2 bidder fails to match the L1 price then the L3 bidder will be invited to match the L1 price and so on and so forth.

Case 2
After opening of Price Bid if the ranking is as follows:
L1-Non local/domestic bidder (Say ₹ 100)
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L2 - Local/domestic bidder and MSME within L1 + 15% price band (Say Rs110)
L3 - Local/domestic bidder (Non MSME) within L1 + 20% margin of purchase
Preference (Say ₹ 112)

Then 50% of the tender quantity to be awarded to the L1 bidder and the balance 50% to the L2 bidder subject to their matching the L1 price. However, if the L2 bidder accepts less than the allotted quantity then the quantities will be allotted as follows:

L1 bidder - 50% of the tender quantity
L2 bidder - Say accepts 30% of the tender quantity
L3 bidder - 20%

(If L2 accepts 40% of the tender quantity then L3 bidder will be eligible for 10%. In other words the allotment of quantity to L3 bidder will depend on the acceptance of the quantity by L2 bidder).

13.5.4. If the L1 is from a Non local/domestic bidder and the L2 is from the local/domestic bidder who is not a MSME unit (but is within 20% margin of purchase preference) and agrees to match the L1 price but however, there is a MSME unit within the L1 + 15% price band then the local/domestic L2 bidder will be eligible for award of 30% of the tender quantity and the MSME will be eligible for 20% of the tendered quantity, provided they agree to match the L1 price. If there are more than one MSMEs within the L1 + 15% price band then the distribution will be done equally among them from the 20% quantity. In case such lowest eligible local/domestic bidder fails to match the L1 price or accepts less than the offered quantity, the next higher local/domestic bidder within the 20% margin of purchase preference shall be invited to match the L1 price for the remaining quantity and so on and so forth. The
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contract shall be awarded accordingly. In case some quantity is still left uncovered on local/domestic bidders then such balance quantity may also be ordered on the original L1 bidder.

Case 1

After opening of Price Bid if the ranking is as follows:
L1-Non Local/domestic bidder (Say ₹ 100)
L2-Local/domestic bidder (Non MSME), within 20% margin of purchase preference (Say ₹ 110)
L3-Local Supplier (MSME) within L1 + 15% price band (Say ₹ 112)

Then the quantity will be allotted as follows:
L1 bidder-50 % of the tender quantity
L2 bidder (Non MSME)- 30 % of the tender quantity
L3 bidder (MSME)-20% of the tender quantity

13.6. For procurement of goods and services whose estimated value is ₹ 50 lakhs and above and which are divisible in nature, and a split criterion has been pre-declared (generally 60:40 ratio) in the tender then the following procedure shall be followed:

13.6.1. Among all qualified bids, the lowest bid will be termed as L1. If L1 and L2 are local/domestic bidder and there are no MSME within the price band of L1 +15% then the contract should be awarded to the L1 and L2 local/domestic bidder in the pre-declared ratio subject to L2 bidder matching the L1 price.

13.6.2. However, if the L1 bidder is not a local/domestic bidder, then 50% of the tender quantity to be awarded to the L1 bidder. If the lowest bidder among the local/domestic bidder falls within the margin of purchase preference of 20% but is not a MSME and there are no other MSME bidders within the L1+15% price band then the balance 50% quantity should be awarded to lowest local/domestic bidder.
13.6.3. If the L1 bidder is not a local/domestic bidder, then 50% of the tender quantity to be awarded to the L1 bidder. If the lowest local/domestic bidder is a MSME unit and falls within the margin of purchase preference of 20%, then the balance 50% tender quantity will be awarded to the local/domestic bidder who also happens to be MSME.

13.6.4. However, if the lowest local/domestic bidder is not a MSME unit and there are other MSME bidders within the L1+15% price band, then lowest local/domestic bidder will be eligible for 30% of the tendered quantity and the other MSME bidder will be eligible for 20% of the tender quantity. If there are more than one MSME within the L1+15% price band then the distribution will be done equally among them from the 20% quantity.

**NOTE:** In case local/domestic bidder are available within the purchase preference margin of 20% and they are willing to match the L1 price of the non-local/domestic bidder, then the percentage of business to be awarded to the non-local/domestic bidder will not exceed 50%, irrespective of the ratio declared in the tender document.

13.7. For procurements of goods and services whose estimated tender value is ₹ 50 Lakhs and above, and which are not divisible, the following procedure shall be followed:

13.7.1. Among all qualified bids the lowest bid will be termed as L1. If L1 is from a local/domestic bidder, then the 100% of the tender quantity will be awarded to L1 bidder.

13.7.2. If L1 is not from a local/domestic bidder, the lowest bidder among the local/domestic bidder, will be invited to match the L1 price subject to local/domestic bidder’s quoted price falling within the margin of purchase preference of 20%. In such cases the entire 100% of the tender quantity shall be awarded to local/domestic bidder subject to matching the L1 price.
13.7.3. In case such lowest eligible local/domestic bidder fails to match the L1 price, the local/domestic bidder with the next higher bid within the margin of purchase preference of 20% shall be invited to match the L1 price and so on and so forth. The contract shall be awarded accordingly. In case none of the local/domestic bidder within the margin of purchase preference / price band of L1 +20% matches the L1 price then the contract may be awarded to the L1 bidder.

13.8. Appropriate clause in the Bidders details/ prequalification criteria may be incorporated to elicit the percentage of local content, as per the following table which is to be given by the Bidder in the form of an undertaking:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Percentage Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Content (Excluding Net Domestic Indirect taxes)</td>
<td></td>
</tr>
<tr>
<td>Imported Content (Including all Customs Duties)</td>
<td></td>
</tr>
</tbody>
</table>

13.9. In case of procurement for a value in excess of ₹ 10 crores the local/domestic bidder shall be required to provide the above certificate from the statutory auditor or cost auditor of their company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of bidder other than companies) giving the percentage of local content.

13.10. Air India will not be responsible for verification/vetting of the above undertaking.

13.11. Exemption of small purchases: Notwithstanding anything contained above, procurements where the estimated value to be procured is less than ₹ 10 lakhs(non TC cases), the above provisions shall not be applicable. However, it shall be ensured that procurement is not split for the purpose of avoiding the provisions of this clause.

13.12. GM-MM and above will be the competent authority to waive any of the above conditions depending on the merit of the case.
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14. INTEGRITY PACT & IEM

14.1. In respect of all tenders of the estimated value of ₹ 10 Crore and above, the Integrity Pact (as per Annexure O) would be signed by AIR INDIA and Vendors at the pre-tendering stage and will form a part of the technical bid document. A pre-signed Integrity Pact would form a part of the Tender document. The Vendors would sign the Pact and submit it along with the technical bid.

14.2. The tender document should also include the name and contact email address of the IEM.

14.3. Any bid not accompanied by IP duly signed by the bidder is liable to be rejected.

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15. TIME FRAMES FOR QUOTES

15.1. The time frame for submission of quotes against various tender types generally should be as under:
15.1.1. Selective tender: Minimum 7 calendar days.
15.1.2. Web tender: Minimum 15 calendar days.
15.1.3. Public / Global tender: Minimum 21 calendar days.

15.2. The competent authority in the Materials Management Department as per the Financial Powers defined at Annexure A - Column 2 may at their discretion authorize variations in the time frame from the above.

NOTE: The above time frame will also be applicable for manual bids as and when called for.
16. EXTENSION OF TENDER DUE/CLOSE DATE

16.1. The due/close date of a tender may be extended at any time during the tendering process, including after the date of closing of the tender and before opening of bids.

16.2. Generally, a minimum of three quotations / responses are required to open the bids. However, if the number of quotations / responses received is less than three, the tender should be extended once. After one extension the tenders can be opened irrespective of the number of responses received. No further extension is required.

16.3. However, in case of urgency expressed by the user department and on their specific request the bid/s may be opened without any extension irrespective of the number of responses received.

16.4. Under certain circumstances an extension to the tender may be warranted after the scheduled closing date/post first extension of the tender, even if a minimum of three quotations have been received. Such circumstances may arise wherein it is noticed that the market leader or the last supplier has not quoted. In such cases the user department should be consulted and depending upon the merit of the case, the competent authority as per Annexure A - Column 2, may grant extension, if there is adequate justification for the extension based on the profile of the parties who have not quoted/quoted. The reasons for such extensions should be recorded in writing.

16.5. The period for extension should be as given below:

16.5.1. Selective tender: Minimum 4 calendar days
16.5.2. Web tender: Minimum 7 calendar days
16.5.3. Public / Global tender: Minimum 12 calendar days

16.6. The competent authority in the Materials Management Department as per the Financial Powers defined at Annexure A - Column 2, may at their discretion authorize extension as above as well as variations in the time frame of extension.

16.7. In case there are no bids received against original tender period as well as the extended period, the tender then should be extended one more
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time i.e. for a second time. If still there are no quotations, the shopping cart to be returned to indenter and be advised to review the requirements / specifications. In case of change in specifications/requirements, a new tender to be floated.

16.8. After release of the tender but before the due date, if the user desires some changes in the work scope/ specification then the due date to be extended to cover the original period as defined in point 15.1 above.

16.9. In the case of selective/limited tender, extension of tender due date should be notified to all the bidders to whom the selective/limited tender has been forwarded. In the case of web tender, notification of extension should be put up on the website and also intimated to the invited bidders.

16.10. In the case of public / global tender, notification of extension should be put up on the website. In addition, the invited bidders are also to be notified in writing. As stated in point 6.4.4 and 6.4.5, no press advertisement is required for an extension of the tender due date.
17. **TENDER DOCUMENT**

17.1. The tender document should be self-contained and comprehensive without any ambiguity. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the tender document in simple language.

17.2. The Technical Bid should comprise the technical specifications/parameters, detailed scope of work, Service Level Requirements, drawings, pre-qualification criteria / eligibility criteria/technical evaluation criteria, warranty expected, post warranty support requirements (if applicable), delivery schedule, pre delivery inspection, penalty clause for deficiency in quality/service level, Penalty for delayed deliveries of items critical in nature such as fuel, gas, oil etc. (if different from standard penalty clause), requirement of Pre-Bid Conference and any other relevant technical details as provided by the user department.

17.3. Any other specific user requirements provided by the user department to be incorporated in the tender.

17.4. Materials Management Department will incorporate the applicable standard commercial terms in the tender document such as EMD, SD/Performance Bank Guarantee, Standard Payment terms, Bid validity, Standard Penalty clause for delayed deliveries, Standard termination and exit clauses etc.

17.5. New vendors are required to complete the vendor registration formalities at least 5 working days prior to close of a public/ web public tender in order to ensure all the registration formalities/ training are completed within the time. A relevant clause to this effect should be included in the tender document.

17.6. Where ever applicable the tender document should also contain a clause stating the reasons due to which the quotation of a bidder is liable to be rejected, viz. receipt by fax / email, manual quotations instead of online bids, unsigned quotation, open quotations, non-receipt of EMD (without valid proof of exemption), submission of EMD
in a mode other than as indicated in the tender, receipt of quotation after the closing date of the tender, non-receipt of samples (if applicable), etc.

17.7. The relevant bid receiving and opening clauses to be incorporated in the tender document.

17.8. The tender document should include a clause on withdrawal and modification of bids. The bidder, after submitting the bid, is permitted to withdraw / modify the bid without forfeiture of EMD, prior to close of the date and time of the tender. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity. Withdrawal of the bid during this period would result in forfeiture of the bidder’s EMD and other sanctions. Similarly, in online bid the bidder can change his bid till the due /close date and time and the system will automatically consider only his last bid.

17.9. The benefits available to the MSME units should be incorporated in the bid document, in accordance with the extant stipulations of the statutory authorities.

17.10. Similarly purchase preference to ‘Make in India’ program to be incorporated wherever applicable.

17.11. The tender documents are to specify the currency in which the tenders are to be priced. As a general rule domestic bidder are to quote and accept their payment in INR, except in case of Bond-to-Bond transfer or Imported goods which are directly imported against the contract / PO may be quoted and paid in foreign currency.

17.12. If more than one source of supply is necessary due to critical nature of the item, or because the tight delivery schedule as stipulated in the tender may be difficult for a single supplier to comply with, then the ratio in which the tender quantities would be split, (e.g. in the ratio of 60:40/70:30) and the condition thereof, i.e. the eligible bidders would have to agree to match the L-1/negotiated L1 price, have to be pre-disclosed in the tender document itself.
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17.13. However, in case pre-disclosing the distribution of the quantities in the bid document is not feasible, as the capacity of the L-1 firm may not be known in advance, then it may be stated that if, after due processing, it is discovered that the quantity to be ordered is far more than what L-1 is capable of supplying and there was no prior decision to split the quantity, then the quantity being finally ordered should be distributed among the other bidders in a manner i.e. Fair, transparent and equitable at the L-1 rate. *(CVC circular No. 4/3/07 dated 3/3/2007)*.

17.14. In cases where the tendered quantity of the item(s) / service(s) is / are likely to change after the award of contract, or during the term of the contract, quotations should be obtained in different quantity slabs. However, the tender document must spell out clearly the slab which would be considered for arriving at the L1 bid.

17.15. The date and time of tender opening should be declared in the tender document itself. In order to allow for sufficient time to determine whether an extension is to be given for a tender, a gap of one working day may be given between the date and time of tender closing and the date and time of tender opening.

17.16. If for some reason, the tender opening date is declared a holiday by Air India (at the station issuing the tender), then the tender closing/opening date will automatically stand extended to the same timings of the next working day.

17.17. The tender document should contain a clause advising the prospective bidders that in their own interest they should submit their bids well before close of tender date and time in order to avoid any last moment glitches such as postal or courier problems and in the case of online bids network issue or connectivity problems. In the case of manual bids, the bids must reach well in advance with the correct address, tender no, due date, etc. as indicated in the tender document. It may also be mentioned that Air India will not entertain last moment request for extension of due / close date and reserves the right to accept or reject such request for extension at its sole discretion.
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17.18. The tenders should include a clause stating that the closing date for submission of bids may be extended at any time, including after the scheduled date of closing, at the sole discretion of Air India.

17.19. In the case of manual bids, the quotations are to be received in sealed/closed envelopes. A clause to this effect/mode of submission must be included in the tender document.

17.20. The terms of delivery have a direct bearing on the quoted price. Therefore, the terms of delivery such as the delivery schedule, location of delivery, etc. should be clearly mentioned in the tender document. Expressions such as ‘immediate’, ‘ex-stock’, ‘as early as possible’, ‘off-the-shelf’, etc. must not be used to indicate contractual delivery period.

17.21. Wherever applicable, the Loading Criteria in respect of deviations from the Terms and Conditions such as payment terms, warranty, delivery period, etc. which has financial implications should be spelt out in the tender document.

17.22. In case of turn-key contracts, or contracts of special nature such as purchase of sophisticated and costly equipment, a suitable clause is to be provided in the tender document for a pre-bid conference for clarifying by the user department/indenter issues and doubts, if any, about the specifications and other allied technical details, as mentioned in the tender document. The date, time and place of the pre-bid conference should be indicated in the tender document for information of interested bidders. This date should be sufficiently ahead of the tender opening date.

17.23. Names and contact details of two purchase personnel may be given in the tender document for giving clarification to any prospective bidders who wish to seek the same with respect to the commercial terms of the tender such as EMD, SD, payment terms etc. Clarification on technical aspect will be given by the user department.

17.24. In respect of all tenders of the estimated value of ₹10 Crore and above, the Integrity Pact will form a part of the tender document.
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17.25. A tolerance clause, if warranted, should be incorporated in the tender document, reserving the purchaser’s right to increase or decrease the quantity of the required goods up to that limit without change in any terms and conditions and prices as quoted by the bidders. This is to cover unforeseen changes in the quantity requirements from the date of issue of the tender to the date of release of the purchase order / contract. This tolerance should normally be limited to +/- 25%. (As per Manual for Procurement of Goods 2017 clause 7.5.3).

17.26. The tender document should state that “material with AI Logo, including rejected lot should not be used/disposed/sold by the vendor to anybody else in the market”. Undertaking to this effect to form a part of their tender response.

17.27. The tender document should have a clause regarding the validity of the quotations. The validity for a selective tender should generally be for a period of 75 days from the date of opening of the tender. For web / public tenders the validity should generally be for a period of 90 days from the date of opening of technical bid.

17.28. The tender document should clearly state the basis of arriving at L1. i.e. Line wise L1 or overall L1.

17.29. The tender document should mention the basis of award of contract/PO and state clearly whether the comparison would be made on landed cost or CIF or Ex-works or FOB basis etc.

17.30. If it’s a global tender and the response is expected in multiple currencies, then the tender document should clearly state that IATA Exchange rate as prevailing on the date of opening of the technical bid would be the basis for bringing all the bidders on a common platform in INR for comparison purpose.
17.31. The tender document should also mention the basis of delivery. Following are some of the commonly used incoterms viz.:

<table>
<thead>
<tr>
<th>INCOTERMS Options</th>
<th>Applicable to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex-Group of Terms</td>
<td>Buyer takes full responsibility from point of departure</td>
</tr>
<tr>
<td>EXW – Ex-Works</td>
<td>Any mode of transport</td>
</tr>
<tr>
<td>Free Group of Terms</td>
<td>Freight is not paid by the seller</td>
</tr>
<tr>
<td>FCA – Free Carrier</td>
<td>Any mode of transport</td>
</tr>
<tr>
<td>FAS – Free Alongside Ship</td>
<td>Sea and inland waterway transport only</td>
</tr>
<tr>
<td>FOB – Free On Board</td>
<td></td>
</tr>
<tr>
<td>C Group of Terms</td>
<td>Freight is paid by the seller</td>
</tr>
<tr>
<td>CPT – Carriage Paid To</td>
<td>Any Mode of transport</td>
</tr>
<tr>
<td>CIP – Carriage and Insurance Paid to</td>
<td></td>
</tr>
<tr>
<td>CFR – Cost and Freight</td>
<td>Sea and inland waterway transport only</td>
</tr>
<tr>
<td>CIF – Cost, Insurance and Freight</td>
<td></td>
</tr>
<tr>
<td>Delivered Group of Terms</td>
<td>Seller takes responsibility from an intermediate point onwards</td>
</tr>
<tr>
<td>DAT – Delivered At Terminal</td>
<td>Any mode of transport</td>
</tr>
<tr>
<td>DAP – Delivered At Place</td>
<td>Any mode of transport till the designated ware house</td>
</tr>
<tr>
<td>DDP – Delivered Duty Paid</td>
<td>Any mode of transport till the designated ware house</td>
</tr>
<tr>
<td>DDU – Delivered Duty Unpaid</td>
<td>Any mode of transport till the designated ware house</td>
</tr>
</tbody>
</table>

17.32. Fall in price clause – The tender document should contain a clause stating that the successful bidder should pass on any benefits arising due to lower taxation or change in input/raw material cost by virtue of some
exemption by government or for any reasons during the course of the contract/order.

17.33. Wherever applicable the tender document should include a clause on submission of self-certified ‘QAC’ wherein the supplier confirms that the consignment delivered conforms to the specifications / parameters as spelt out in the contract / PO.

17.34. Wherever applicable the tender document should incorporate a clause regarding submission of a Test Report from a certified test laboratory along with each lot / supplies of consignment confirming conformance to the specification of the items / goods as mentioned in the contract / PO. The lab test report can be for one lot which are manufactured but delivered in multiple staggered consignments. This is apart from the QAC.

17.35. The tender document should contain suitable provision for settlement of disputes, if any emanating from the resultant contract i.e. suitable arbitration clause to be incorporated.

17.36. Exit/Termination clause and Force Majeure clause should form a part of the tender document.

17.37. An undertaking is to be obtained from the bidders as per Annexure Q.

17.38. Wherever applicable especially in service contracts, a clause should be incorporated stating that the bidders shall have registration with EPFO & ESIC.

17.39. Generally, for long term rate contracts, the tender should be floated for a period of 24 months. However, depending on the nature of items / services, the contract period in the tender can be increased or decreased. E.g. In case of commodity items like oil, gases etc. the period of contract can be 12 months due to the volatile nature of the item and for AMCs it can be 36 months. The call off for supply of items to be given as and when required or a fixed delivery schedule can be given in staggered lots over the period of contract.

17.40. The tender document should be sent to the user department for review and approval of the entire tender document before release of the same
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by MMD. In case of items required by multi departments, the tender document, if required, may be sent to major departments like Engineering, Operations, Finance, Commercial, etc. for vetting purpose.

17.41. A general sequence of standard terms and conditions to be incorporated in a tender document is as per Annexure R.

Note: The above clauses are illustrative of some commonly used clauses in a tender. However, depending on the nature of the item/service, there may be other tender specific clauses, which should be incorporated wherever applicable.

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18. TURNOVER CRITERIA

18.1. The turnover criteria are pre-qualification criteria to be given by the user department.

18.2. The turnover criteria norm usually will be at minimum 30% of the estimated tender value per annum, for the last 2 financial years.

18.3. If an authorized distributor/dealer bids on behalf of a manufacturer, then apart from the turnover of the distributor/dealer, the turnover of the manufacturer should also be asked for in the tender and should be as per above given criteria.

18.4. In case the user department has not mentioned the turnover parameter as a part of the prequalification criteria forwarded to MMD, MMD should refer back the indent asking for the turnover parameter, if any to be incorporated in the Pre-qualification.

18.5. The final decision with regard to inclusion or exclusion of the turnover parameter or increase/decrease in the turnover parameter from the stipulated 30% of the estimated tender value per annum will be the responsibility of the user department. The reasons/justification for the same should be given in writing duly approved by the TC member of the user department as per Annexure A - Column 2.

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19. BIDS FROM OEM/AUTHORIZED DISTRIBUTORS / DEALERS/CHANNEL PARTNERS

19.1. As a policy, wherever applicable, the bids should be obtained from the OEM/ Principal/ Manufacturer or their authorized distributor/s or dealer/s or channel partners.

19.2. In case of an authorized distributor / dealer quoting on behalf of a principal / OEM and submitting the authorization letter from the principal / OEM, then reconfirmation from the principal / OEM with regard to the issuance of the authorization letter by them, be obtained.

19.3. If the OEM and its authorized distributor/s or dealer/s or channel partners - both participate then, the bid, of only the OEM will be considered.

19.4. One authorized representative /dealer /channel partner of a manufacturer cannot represent two or more manufacturer or quote on their behalf in a particular tender.

19.5. Similarly, at the time of asking for acceptance of repeat order/ extension from such authorized dealers / distributors, the principal company too may be intimated about the intentions of placement of repeat orders /contracts.

19.6. Wherever applicable, the contract /PO placed on an authorized distributor / dealer may have the reference of such principal manufacturer’s product code –make /model / specifications etc. duly specified for execution of contract /PO to be in conformity. This is applicable for both Indian and global OEMs.

19.7. Wherever the contract/ PO is released on the authorized distributor/s or dealer/s or channel partners, the copy of the same should also to be forwarded to the OEM/ Principal/ Manufacturer.

19.8. For procurement of spares, consumables and accessories of an existing equipment, the same should be procured through the OEM. However, if OEM directs for procurement through its authorized distributor/s or dealer/s or channel partners, then the same to be procured from them.
Materials Management Department

19.9. Similarly, for AMCs/ repairs of equipment, the contract should be on OEM or their directed authorized distributor/s or dealer/s or channel partners.

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20. SUBMISSION AND CUSTODY OF TENDER QUOTATIONS/BIDS

20.1. For online tenders the quotations / bids are in an encrypted form and safely stored in the server and cannot be opened till the due date and time. The system is IT Act 2000 compliant.

20.2. For offline / manual tenders, MMD-Admin shall maintain tender boxes for receiving the bids. The tender boxes should be locked at all times and will be under MMD Admin section/ any other non-purchase section.

20.3. For quotations / bids received by courier the same shall be deposited in the tender box.

20.4. For bulky / oversized bids and samples, if any which cannot be dropped into the tender boxes, officials responsible to receive such bids should maintain proper records of all such oversized quotations and samples.

20.5. All manual bids received shall be promptly stamped on the cover with the date and time of receipt, and thereafter deposited in the tender box or in the custody of designated officials of MMD, if they are oversized / bulky.

20.6. Designated official to present the Bids/Quotations to purchase section on the due/close date.

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21. **EARNEST MONEY DEPOSIT (EMD) / BID SECURITY**

21.1. Applicable for all public tenders above ₹ 10.00 lakh.

21.2. EMD will not be applicable for procurement on single tender, selective tender, where the vendors are shortlisted for tendering on the basis of their being registered suppliers / Brand approved / Proprietary /OEM /sole authorized distributor or dealer on single source basis. This will be applicable for tenders of any value.

21.3. MSME units are exempted from submission of EMD. However, this exemption is applicable only if the MSME unit is registered for the goods/services tendered for.

21.4. EMD would not be applicable for Public Sector Units, Govt Undertakings, AI widows’ association, AI cooperative society, Social Welfare organizations, handicapped and blind associations.

21.5. EMD will be applicable @ 2% of the estimated tender value or its equivalent in foreign currency. There will be no higher limit or capping limit to EMD. The amount to be rounded off to the next highest thousand.

21.6. EMD up to ₹ 5 Lakhs can be in the form of an account payee demand draft, bankers’ cheque or through ECS.

21.7. In case of EMD above ₹ 5 Lakhs, the EMD, apart from the above instruments can also be in the form of bank guarantee.

21.8. The bank guarantee should be issued/ confirmed from any commercial bank, preferably an Indian bank in an acceptable form and should be valid for a period of 45 days beyond the bid validity period.

21.9. The BG should be submitted to the concerned Buyer, who would forward the same to Finance department. Since Finance department is the custodian of the BG, an officer of the Finance department should be specifically designated with the responsibility for verification of BG(s). The verification of the authenticity / genuineness of the Bank Guarantee submitted by the parties will be done by Finance Department, the custodian of the Bank Guarantee. Finance may evolve suitable procedure for ensuring authenticity / genuineness of the BGs, including
the concept of acceptance of Electronic BG in line with the guidelines of Banks / Reserve Bank of India from time to time.

21.10. Advice for return/encashment of BGs would be conveyed to the Finance Department by the Materials Management Department after the finalization of the contract.

21.11. The EMD amount is to be mentioned in terms of absolute value in the tender.

21.12. EMD furnished by the unsuccessful bidders should be returned to them free of interest within 45 days of issue of the Purchase Order / conclusion of the contract. EMD of the successful bidder should be refunded without any interest whatsoever, after receipt of Security Deposit or Bank Guarantee in lieu thereof from the vendor.

21.13. EMD of a bidder will be forfeited if the bidder withdraws or amends its bid after the due date, impairs or derogates from the tender in any respect, or declines to accept or honour the Purchase Order / contract if awarded in his favour within the Bid validity period. If the successful bidder fails to furnish Security Deposit or Bank Guarantee within the specified period, its EMD is liable to be forfeited.

21.14. Depending on the merit of the case, the decision to waive incorporation of the EMD clause in the tender document would be with DGM-MM and above. The reasons for according such waiver are to be placed on record.

21.15. Depending on the merit of the case, GM-MM and above would be the competent authority to waive individual EMDs in a particular tender.

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22. SECURITY DEPOSIT/ PERFORMANCE BANK GUARANTEE

22.1. Security deposit/Bank guarantee for PO/contracts up to ₹ 1 Lakh would not be applicable.

22.2. For PO value between ₹ 1 lakh and ₹ 10 lakh, Security Deposit shall be deducted from the invoice/bill(s) by the Finance Department, and no separate Security Deposit needs to be submitted.

22.3. For PO value above ₹ 10 Lakh, a Security Deposit must be obtained from the successful bidder within 2 weeks from the date of issue of the Purchase Order (PO)/Contract. The Security Deposit will be applicable at the rate of 5% of the value of the Contract/PO, and can be in the form of Account Payee Demand Draft, Banker’s Cheque, ECS, Bank Guarantee (BG) issued from any commercial bank, Fixed Deposit Receipt from any commercial bank. However, in some exceptional cases like the purchase of high value items and critical nature of items, depending on the merit the SD / BG, may be higher, ranging between 5-10%. The mode of receiving the SD remains the same as above.

22.4. Security deposit/bank guarantee should be in the same currency as the contract and must conform to Uniform rules for Demand guarantees – an international convention regulating international securities.

22.5. While the Security Deposit in the form of Bank Guarantee can be in an acceptable form which safeguards the purchaser’s interest in all respect, it would also be preferable if a standard Bank Guarantee Format is enclosed along with the contract / PO for easy reference to the successful bidder. The standard Bank Guarantee format is enclosed at Annexure C.

22.6. The validity of the SD/BG would be till 60 days after the scheduled completion of all obligations under the Contract/PO. Generally, the contract period is for 24 months. The SD/BG would thus be valid for a period of 26 months from the date of the contract/PO. In case of performance Guarantee, the same is to be valid up to 60 days beyond the warranty period.
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22.7. However, in case of MSME vendors the SD/BG can be taken on yearly basis, renewable every year. The second year SD/BG should be valid till 60 days beyond the contract period/warranty period.

22.8. In case of commissioning of the equipment, wherever applicable, the SD would be converted into a Performance Guarantee (PG) that would be refunded / returned by Finance on completion of warranty / all obligations under the Purchase Order / contract subject, However, to deduction of penalties, if any, that may be levied under the terms of the Purchase Order / contract. The onus of informing MMD of the shortfall or under performance by the vendor would be on the user department. In the absence of any intimation to the effect from the user department during the course of the contract, MMD would advise Finance for the release of the Security Deposit/ Bank Guarantee, on completion of the warranty / contract period.

22.9. Depending on the merit of the case, the decision to waive incorporation of the SD clause in the tender document would be with DGM-MM and above. The reasons for according such waiver are to be placed on record.

22.10. For procurement on single tender, selective tender, where the vendors are shortlisted for tendering on the basis of their being registered suppliers / Brand approved / Proprietary /OEM /sole authorized distributor or dealer on single source basis, the SD clause although applicable may be refused to be complied with by the successful bidder. Under such circumstances, the competent authority to approve waiver of SD post release of the tender and/or before/after release of the contract would be DGM-MM and above. The reasons for according such waiver are to be placed on record.

22.11. For Public tenders, the competent authority to waive SD post release of tender and/or before/after release of contract would be GM-MM.

22.12. The cost of submission of Security Deposit or execution of BG would be borne by the successful bidder.
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22.13. The original BG should be forwarded by the banks to the beneficiary directly under registered post (A.D.). However, in exceptional cases, where the BG is handed over to the bidder for any genuine reason, the bank should immediately send by registered post (A.D.) an unstamped duplicate copy of the guarantee directly to the beneficiary with a covering letter requesting them to compare with the original as handed over to the customer, and to confirm that it is in order. The A.D. card should be kept along with the BG. *(CVC Circular No. 01/01/08 dated 21/12/2008)*.

22.14. The BG should be submitted to the concerned Buyer, who would forward the same to Finance department for independent verification. Since Finance department is the custodian of the BG, an officer of the Finance department should be specifically designated with the responsibility for verification of BG(s). The verification of the authenticity / genuineness of the Bank Guarantee submitted by the parties will be done by Finance Department, the custodian of the Rev Docs / Bank Guarantee. Finance may evolve suitable procedure for ensuring authenticity / genuineness of the BGs, including the concept of acceptance of Electronic BG in line with the guidelines of Banks / Reserve Bank of India from time to time.

22.15. Advice for return/ encashment of BGs would be conveyed to the Finance Department by the Materials Management Department on the basis of the inputs received from the user department, wherever applicable.

22.16. In case of extension of the delivery period under the Purchase Order, the validity of the SD / BG should be extended up to 60 days beyond the period of such extension.

22.17. MSME units are also required to submit the Security Deposit/Performance Bank Guarantee.

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23. **SAMPLING**

23.1. According to the existing guidelines on public procurement of goods 2017, purchase in accordance with a sample should not be usually undertaken. Hence the user department is to give the detailed specification/drawing of the item/s indented. Therefore, calling for a sample along with the tender and deciding on the basis of evaluation of the sample will not be a normal practice.

23.2. However, if at all felt necessary by the user department to have samples along with the technical bid the same be advised by them with specific intended purpose (selection/rejection based on samples) while requisitioning/initiating the tender process as generally the evaluation of such samples is for indeterminable characteristics such as shade/tone, make-up, feel, finish, workmanship, taste, flavour, fragrance and so on.

23.3. Wherever the evaluation, selection of bidders/award is based on samples evaluation also as desired by the user department, the samples may be asked along with quotes/bids submissions or in case of perishable items after the technical bids have been scrutinized and shortlisted by the user department.

23.4. A provision for the submission of a pre-production sample conforming to the tender specifications and/or the purchaser’s sample by successful bidder(s) may be stipulated before giving clearance for bulk production of the supply.

23.5. Samples should be properly coded by the Materials Management Department wherever feasible, and thereafter forwarded to the user department for carrying out the sample evaluation. Materials Management Department would not be associated with evaluation of samples which is a part of technical evaluation and is under the purview of the user department.

23.6. The authority in the user/indenting department for approving samples would be as defined under the financial powers, vide Annexure A - Column 2.
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23.7. For multi-user items, wherever evaluation of samples is to be done by the Materials Management Department, the coding should be carried out by a Section that is different from the Section that would carry out evaluation of the samples. If required, the major user department would be co-opted by MMD for evaluation purpose. Additionally, for staff related items such as uniform, long service momentos etc. personnel/IR should also be associated.

23.8. The coding is to be supervised by an officer of the rank of Sr. Manager and above, and the coding details should be kept under the custody of the supervising officer till such time as the evaluation has been completed.

23.9. Wherever the user department wishes to call for samples for evaluation and shortlisting purpose before the initiation of the tender process, they should arrange to get the samples themselves for evaluation. MMD will not be associated in calling for such pre-tendering samples.

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24. BID RECEIVING AND OPENING

24.1. Depending on the type of bid i.e. Single bid or two bid, quotations will be received either in a single envelope or two envelopes.

24.2. If it is two bid then, Technical and Price bids should be submitted simultaneously and in 2 separate sealed/closed envelopes. These two envelopes can be further enclosed in a master envelope which should also be in a sealed/condition. Each sealed/closed envelope (whether submitted separately or in a master envelope) should be super scribed with the tender number and notation “NOT TO BE OPENED BEFORE_______. (Bidders to mention due date and time in the blank space)”, Bidder Name, email ID / contact numbers (telephone and fax) of the bidders contact person, and the item(s) for which the quotation has been submitted.

24.3. If the master envelope is found to contain an inner envelope marked “Price bid along with the tender reference” in a duly sealed/closed condition, but also contains the “Technical bid” in an open condition, this tender will be accepted / opened and the “Technical bid” will be taken on record. This is because the “Technical bid” was effectively received in a sealed envelope, i.e., the master envelope.

24.4. If the technical bid and the price bid are both in an open condition, when the sealed/closed master envelope is opened, this bid would stand disqualified.

24.5. The bid will also stand disqualified if incomplete quotations, i.e. where only the technical or only the price bid are received in a single sealed master envelope.

24.6. While opening the technical bid envelope if it is found that the same contains the price bid in an open condition, the bid shall stand disqualified.

24.7. The envelopes in which the bids are submitted should be retained in the file. Care should be taken while opening the tenders to ensure that the date, time, tender no. and any other relevant details are not defaced/ torn off prior to filing.
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24.8. In the case of manual bids, price bids of the bidders, who do not qualify at the stage of evaluation of the technical bids, are to be returned after the tender process has been concluded.

24.9. In the case of manual bids received in hard copy, one representative each of the Purchase and Admin Section of the Materials Management Department or any other section of MMD other than purchase would jointly open bids received in hard copy in respect of tenders with an estimated value below ₹ 10 lakh.

24.10. For manual bids received in hard copy in respect of tenders with an estimated value over Rs.10 lakh, the same would be opened by an officer each of the Purchase Section of the Materials Management Department, an Officer of the Finance department and a representative of Admin Section of Materials Management Department or an officer from any other section of MMD other than purchase or the user department.

24.11. With regard to online bids, the respective buyers will be authorized to open online bids submitted through the SAP SRM system irrespective of the value of the tender as the bids are encrypted and cannot be opened before the due/close date and time. Representative of user and Finance is not required as it is compliant with IT Act 2000 and meets the requirement of being tamper proof.

24.12. In the case of manual bids, it would be mandatory to invite all bidders, irrespective of selective or public tender, to attend the opening of Technical/Price bids.

24.13. If for some reason, the tender opening date is declared a holiday by Air India (at the station issuing the tender), then the tender closing/opening date will automatically stand extended to the same timings of the next working day.

24.14. In the case of online bids, bidder’s physical presence during the technical and price bid opening is not required since the facility to view the details of the bids online is available in the SAP SRM system.
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24.15. The price bid of only those vendors, found technically suitable during technical evaluation would be opened. The opening date and time of price bids would be intimated to all the qualified vendors to enable them to attend the price bid opening.

24.16. The competent authority to approve opening of bids would be as given in Annexure A - Column 2.

24.17. The authorized representative(s) of the bidders would only be allowed to attend the bid opening. Such representative(s) must carry an authorization letter on the letterhead of the bidder in the format as given at Annexure G. Separate authorization letters would be required for Technical and price bid opening. Air India reserves the right to restrict the number of representatives of each bidder at its sole discretion.

24.18. Details of the authorized representative(s) of the bidders, who participate in the tender opening, are to be recorded in the format as at Annexure H.

24.19. At the time of tender opening queries related to the tender, if raised by the participants, are not to be entertained.

24.20. Bids received after the specified date and time should not be considered.

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25. EVALUATION OF TECHNICAL BIDS

25.1. Evaluation of the technical bids will be under the purview and the responsibility of the user department.

25.2. If need be user department, may take help from other departments or third-party agency may be taken / co-opted for technical evaluation.

25.3. The technical evaluation is to be done for the bids received against the tender and only for the tendered specifications and terms & conditions.

25.4. A convener of the user department would be responsible for carrying out technical evaluation of the bids. The Technical Evaluation Report (TER) would be submitted to the Materials Management Department duly approved by the Tender Committee (TC) member of the user department as per the delegation of the financial powers as per Annexure A - Column 2 or by an officer not less than a rank of Manager or equivalent level for non-TC cases. The TER should clearly identify the qualified and non-qualified bidders with justifications thereof.

25.5. The TER would be reviewed/scrutinized by the competent authority in the Materials Management Department as per the Financial powers as given in Annexure A - Column 3. In case of any discrepancy/ reasons for acceptance or rejection of technical bids, or with regard to any aspect of the TER, the competent authority in MMD may ask for review of the technical evaluation. Observations would accordingly be conveyed to the user department for their comments / review. Even after review if the user department justifies their TER, then the decision of the user department will be final. Thereafter, the price bids of the bidders technically qualified by the user will be opened.

25.6. In the course of the technical evaluation of the bids, clarifications, if any, regarding technical issues arising out of the quotations should be taken up with the bidders directly by the user department in writing. However, queries seeking information / clarifications on pricing aspects should not be sought from the bidders. The shortfall information/documents should be sought within a specified time, only in case of historical
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documents which were part of the tender document and pre-existed at the time of the tender opening.

25.7. During the evaluation by the user some minor infirmity and / or irregularity and / or non-conformity may also be found in some bids. Such minor issues could be a missing page / attachment or illegibility in a submitted document, non-submission of requisite number of copies etc. Such minor issues should not result in disqualification of the bidder as they do not constitute any material deviation or have a financial impact. In such cases the bidder may be conveyed to submit the necessary documents by a specified date.

25.8. Such request for clarifications, additional documents, and information should be given preferably in writing by the user vide email/ letter, asking the bidder to respond by a specified date, and also mentioning therein that if the bidder does not comply or respond by the date, his tender will be liable to be rejected. The time line should be reasonably decided on the nature of the clarification. In case the bidder seeks an extension to the deadline, for wider participation, the user/ buyer can consider such an extension.

25.9. Facility visit of new vendors may be carried out as a part of the technical evaluation under the recommendations and convener ship of the user department, to assess the infrastructure, capability & capacity of the bidder to manufacture and deliver the goods as per schedule in accordance with the specification and other requirements of the tender. The facility/factory visit forms a part of the technical evaluation and hence is to be conducted by the user department. They can co-opt members from Finance, Medical, MMD or any other department, if so desired by them. The facility visit report is to be prepared by the convener of the user department and submitted to the competent authority in the user department for approval and acceptance of the report.

25.10. Air India also reserves the right to inspect the facility/factory of any other bidders including those who have been inspected earlier, any
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existing vendors / regular / present supplier at any time at its sole discretion. Air India also reserves the right to inspect at random the facility / site of the contractors / suppliers during phase of execution of contracts / PO.

25.11. Such facility visits will also be followed in case of trial / development orders for which representative of MM will be convener.

25.12. For multi user items the major user departments (preferably 2) may be associated for carrying out the technical evaluation of the bids in addition to a non-purchase Materials Management Department representative, who would be the convener. The level of the Technical Evaluation Committee would be as per the financial powers given in Annexure A - Column 2.

25.13. Facility visit of the bidders for a specific item who have been successfully supplying the requirement to Air India need not be carried out for every tender of the same item, subject to such suppliers confirming compliance with the technical specifications. However, it would be a good practice to have the facility visit done every five to seven years, even of the vendors who have been successfully supplying. The decision of the user department to carry out the facility visit, would be final.

25.14. Deviations, if any, in the commercial parameters such as payment terms, warranty, delivery period, if acceptable on the basis of the tender evaluation criteria, should be reflected in the technical evaluation report for the purpose of loading in the corresponding price bids provided the same is mentioned in the tender documents.

25.15. The Materials Management Department will not be associated with technical evaluation (including sampling) which is under the purview of the user department.

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26. EVALUATION OF PRICE BIDS/ AWARD CRITERIA

26.1. As pre-declared in the tender, the vendor whose nett price on a common platform such as the landed cost at warehouse, ex-works, FOB, CIF, etc. works out to be the lowest will be determined as the L-1 bidder.

26.2. As pre-declared in the tender, the L1 would be calculated line wise or on overall L1 basis. In an overall L1 basis, it could so happen that for some individual items the rate of the overall L1 may be higher than the L2 or other bidders. In such a case, efforts should be made to match these individual rates with that of the lowest individual rates. If the L-1 bidder does not agree to match the rates, efforts should be made to negotiate a rate that is closer to the lowest rate for that individual item. However, if the overall L1 bidder still does not match the individual lowest rate, then the award may be placed on overall L1 bidder at his quoted overall L1 rates.

26.3. Make in India and MSME preference should be taken into account while calculating the L1 and the share of award among them as declared in the tender document.

26.4. Suo-moto discounts and rebates after opening of the technical bid or price bid should not be considered.

26.5. However, if that bidder who has suo-moto offered a discount becomes L1 after the price bid opening then the offer of discount can be taken up during negotiation.

26.6. Deviations, if any, in the commercial parameters such as payment terms, warranty, delivery period, advance payment, etc. should be loaded as spelt out in the Tender document.

26.7. If after due processing, it is discovered that the quantity to be ordered is far more than what L-1 alone is capable of supplying, i.e. if the L-1 has capacity constraints, then the quantity being finally ordered should be distributed among the other bidders in a manner that is fair, transparent and equitable at the L-1 rate. The final decision / adjudication regarding the proportion of distribution of quantities will be decided by the
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competent authority in the Materials Management Department as per Annexure A - Column 2.

26.8. In the case of manual bids, in the price quoted, if there is a discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern, and the unit price corrected accordingly.

26.9. If there is an error in a total corresponding to the addition or subtraction of sub totals, the subtotals shall prevail, and the total shall be corrected.

26.10. If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail.

26.11. Such a discrepancy in an offer should be conveyed to the bidder asking him to respond by a target date and if the bidder does not agree to the observation, the bid is liable to be rejected.

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27. RETENDERING / CALLING FOR PRICE BIDS

27.1. Retendering is to be resorted to if there is a change in specification by the user department after opening of bids.

27.2. If there is any major infirmity in the tender document due to which the whole specification, scope and meaning of the item/work changes.

27.3. If for any reason the L1 bidder backs out, there should be re-tendering. The competent authority as per the Delegation of Financial Powers as given in Annexure A - Column 2 may, in such a situation, call for a selective or short notice tender to meet the immediate requirements.

27.4. In case the L-1 vendor backs out, either before issue of the Purchase Order / Letter Of Intent (LOI), or subsequent to its issue, the L-1 bidder should be debarred from participating in the next tender for the said item and in more serious cases or repeated back out, the vendor will be blacklisted for a minimum period of 3 years. This would, However, be subject to the Purchase Order / LOI having been issued within the period of validity of the quotation. In addition, the EMD / SD of the vendor would also be forfeited.

27.5. In certain circumstances after the technical bids have been evaluated but price bids have yet to be opened, it can so happen that there is a change in GST or any other government levies or some drastic changes in raw material pricing or some peculiar circumstances/situation arises due to which there can be an impact on the prices. Under such circumstances, only the price bids can be called for from the technically suitable bidders.

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28. LOADING CRITERIA IN CASE OF DEVIATION

28.1. The loading criteria as specified in Annexure E would be applied to the landed price of the bid.

28.2. If the bidder asks for advance payment, the price bid of the bidder would be loaded @ 10% per annum on the landed price, calculated on pro-rata basis, or as per the loading criteria as defined in the tender.

28.3. In case of deviation with regard to the stipulated warranty period, the price bid of the bidder would be loaded @ 10% per annum on the landed price, calculated on a pro-rata basis.

28.4. In case of deviation with regard to delivery period beyond a pre-defined tolerance (to be ascertained from the user at the time of tender preparation), the price bid of the bidder would be loaded @ 0.5% per week or part thereof.

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29. RETURN OF BIDS OF DISQUALIFIED BIDDERS/ BIDS RECEIVED LATE

29.1. In the case of online bids, the price bids of the disqualified bidders remain unopened in the system in an encrypted form. Though these bids remain in the system the same cannot be viewed / seen at any stage by anyone (IT Act 2000 compliant).

29.2. In the case of manual bids, the price bids of the technically disqualified bidders should be returned to them after finalization of the Purchase Order / Contract.

29.3. The purchaser should intimate the technically disqualified bidders in writing to collect their price bids in person, or through their authorized representative within 10 days of acceptance of the Purchase Order by the successful bidder in the format as per Annexure I (Part A). The representative must carry an authorization letter on the company letterhead.

29.4. An acknowledgement must be taken from the bidders or their authorized representatives on collection of the bids by them as per the format at Annexure I (Part B).

29.5. In case a bidder requests Air India to return back the Price Bid by post then the same may be sent by registered post on receipt of an undertaking from the bidder that they will be responsible for any loss or damage to their bid in transit.

29.6. In the event a bidder fails to collect the price bid within the stipulated 30 days without reasonable grounds for extension sought thereof and duly accepted by Air India, the bids should be shredded in “as is where is” condition after expiry of 30 days or an extended period thereof as agreed to by Air India, whichever is later.

29.7. Point 29.2 to 29.6 will also be applicable for the bids received after the tender closing date/time.

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30. SUBMISSION OF DOCUMENTS

30.1. All documents submitted in support of the requirement of the tender should be in English/Hindi or the local language of the region issuing the tender only. Documents in other languages, Indian or foreign, can be submitted along with a translated copy in English or Hindi or local language of the region issuing the tender duly notarized failing which the bids may not be considered.
31. **TERMINATION AND EXIT CLAUSE**

31.1. The PO / contract should include a termination clause as below:

31.1.1. In case of unsatisfactory performance or breach of any of the clauses of the contract, Air India would issue a notice of 30 days to the party to rectify the breach and improve the performance failing which Air India shall be at liberty to terminate this agreement by providing another 30 days written notice to the party. The party shall not have any right to dispute or question the judgment of Air India of unsatisfactory performance of the party.

31.1.2. Notwithstanding the above, Air India shall also be at liberty to terminate the agreement for any reason including change in situation/circumstances, etc. by providing to the party a 90 days written notice. The party shall also be at liberty to terminate this contract by providing to Air India a 90 days written notice. In such an event, the terminated party shall have no right to claim compensation/damages, etc. from the terminating party on account of early termination. However, the party shall duly comply with their respective obligations during the notice period and thereafter, shall discharge the obligations arising out of the agreement till the termination.

31.2. In case the vendor serves the termination notice before exhaustion of 40% of the contract value or quantity, they will be debarred from participating in the immediate next tender for that particular item/service.

31.3. Depending on the nature of the item / service, the DGM and above of the user department would be the competent authority to decide the termination / exit period if it varies from the above standard exit/termination clause which should be incorporated in the tender document.

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32. NEGOTIATIONS

32.1. As a general norm price negotiation are not to be carried out with the bidders. Negotiations, if at all, shall be an exception and may be held only in the case of procurement on single source basis, or in the case of goods / services with limited sources of supply. If it is decided to hold negotiations for better pricing, then it should be held with the L1 bidder only. (and with the L2...L3 bidders and so on only in the in case of split quantity). Counter offers tantamount to negotiations and should be avoided. *(CVC circular No. 4/3/07).*

32.2. If it is felt that there is a scope for negotiation with the L1 bidder which might lead to savings for Air India, then the negotiations may be carried out with the approval of CA, *Annexure A - Column 2.*

32.3. The Materials Management Department would convene the negotiation meetings, which would be conducted in the Materials Management Department. Negotiations would be carried out by the Tender Committee members (MMD/Finance and user) in accordance with the delegation of financial powers as per *Annexure A - Column 2.* The participation in negotiations should not generally be diluted by delegating the function to a lower level officer. In case for some reason the TC member cannot attend the price negotiation meeting, then attending the meeting can be delegated to an officer one rank below the TC member. However, the responsibility for signing and approving the TC note will rest with the TC member.

32.4. In cases where negotiations are held, the same would be recorded in the negotiation sheet as at *Annexure M.*

32.5. A copy of the negotiation sheet may be given to the negotiating party if asked for by them.

32.6. In case L1 bidder does not attend the negotiation but sends a revised bid with reduction in prices, the same should be considered. The terms and conditions of the tender document would be applicable. In case of any variation on terms and conditions, the clarifications should be sought in writing through email/ letter.
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32.7. Similarly, after coming for the negotiation, if the negotiating party asks for some time to submit its revised offer, the same may be accepted.

32.8. Any request from bidder for negotiation through video conferencing/tele-conferencing should be considered. However, in such a case, minutes of the conferencing should be prepared and sent to the bidder for information/ revised negotiated bid in line with the video conference/teleconference.

32.9. Many a times’ bidders- both Indian and foreign, express their inability to come just to attend the price negotiation. In such cases correspondence for better pricing can be resorted to. Their final offer should be in writing.

32.10. In case the negotiating party declines to attend the price negotiation and states their quoted offer is final, then the original bid to be considered as final.

32.11. The negotiations should be updated in the SRM system. The bidder can view the same after logging in to the SRM system.

32.12. Counter – offers to L1 in order to arrive at an acceptable price, shall amount to negotiation and is not acceptable. However, any counter – offer to L-2, L-3 etc. (at the rates accepted by L-1) in case of splitting of quantities, as pre – disclosed in the tender, shall not be deemed to be negotiation [CVC circular No. 4/3/07& procurement of goods 207 point 7.5.9(iii)].

*****
33. COMPOSITION OF TENDER COMMITTEE

33.1. Tender Committee will consist of appropriate level officers as given in Annexure A - Column 2 from MMD, Finance, and the user department.

33.2. The Tender Committee (TC) will evaluate the bids/response of tenders whose estimated value is ₹ 10.00 lakh and above.

33.3. Representation in the Tender Committee from the respective departments should be strictly as per the levels as specified at Annexure A - Column 2 and the same should not be diluted.

33.4. For stock items used by multiple departments, the TC will consist of members from the Materials Management and Finance Department. Additionally for staff related items such as uniform, long service momentos, canteen provisions etc. Personnel/IR may also be associated as a part of TC.

33.5. The TC note will be prepared by the Materials Management Department. The user department/ Finance may suggest required changes to the TC note to the concerned buyer in MMD. The changes/amendments to the TC note will be carried out by MMD.

33.6. In SAP SRM system, the TC notes would be digitally signed.

33.7. Members of the TC should endorse the TC notes unconditionally. Should a member have a difference of opinion with one or more of the members of the committee, the same should be resolved before finalization of the TC note.

33.8. The recommendations as contained in the TC note are to be put up to the competent authority in MMD for approval in accordance with the delegation of financial powers as at Annexure A - Column 3.

33.9. The members who are associated with the evaluation of a tender would be required to give an undertaking that none of them has any personal interest in the companies / agencies participating in the tender process. A member having interest in any should refrain from participating in the tender evaluation. The format for this undertaking is given at Annexure F in case of manual bids. The Materials Management Department would forward the format of the undertaking to the concerned user.
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department along with the technical bids for evaluation, and the evaluation committee members should sign the undertaking before commencement of the evaluation. For online bids the same is to be given in the SAP system itself.

*****
34. LIQUIDATED DAMAGES/PENALTY CLAUSE

34.1. For stock items, unless otherwise notified in the tender, the LD/penalty to be levied for delayed delivery would be @ 0.5% per week or part thereof of the value of the undelivered portion of the goods or services (excluding taxes and delivery charges) subject to a maximum of 10% of the value of the undelivered part. This is to be recovered from the invoice of the delivered consignment of the vendor, Security Deposit / Performance Guarantee, or from the amount due to the vendor against any invoice. This will be done after due notification to the vendor in advance.

34.2. At the time of delivery / acceptance of the item / goods if it is found that the items / goods so delivered is not as per the specification given in the Contract/PO then Air India reserves the right to reject the entire lot and get the entire quantity replaced free of cost by the bidder. The standard penalty for delayed supplies @ 0.5% per week or part thereof, subject to maximum of 10% would be applicable from the original delivery schedule.

34.3. However, if such rejected consignment bear Air India Logo then such rejected lots / consignment may not be returned to the bidder to prevent its misuses. Even in case the rejected lot is returned to be bidder, the vendors should ensure that it is not misused, and an undertaking should be taken from the vendor to the effect. However, the vendor has to supply the quantity equivalent to the rejected quantity free of cost. In such a case, the standard penalty for delayed supplies @ 0.5% per week or part thereof, subject to maximum of 10% would be applicable from the original delivery schedule.

34.4. However, in case of exigencies where such items are required to be accepted for minor deviations from the specifications of the Contract/PO, due to the possibility of services being affected then depending on the extent and nature of the deviations, such consignment may be accepted at the sole discretion of Air India user
Materials Management Department

department, by imposing an appropriate penalty subject to a maximum of 15% of the invoice value of the lot.

34.5. In case of any complaint on the quality issue at the time of use of the item / goods by Air India, caterers or any other stakeholders of Air India after acceptance of the delivery then depending on the nature and extent of the deficiency, Air India user department reserves the right to impose an appropriate penalty on the total value of the lot supplied, subject to maximum of 15% on the invoice of the consignment / lot.

34.6. In case of any complaint from passengers or any other stakeholders regarding presence of any foreign body, the successful bidder will indemnify Air India against any claims for damages or legal action initiated in this regard. Additionally, depending on the gravity of the complaint an appropriate penalty on the total invoice value of the lot supplied, subject to a maximum of 15% may be levied by Air India user department.

34.7. However, if after the receipt of material or during usage, it is observed there is major deviation in the specifications, wherein the obvious intent of the vendor is to compromise on quality and specifications to have financial gain, same will be dealt with separately including recovery of the differential for the deviation besides the 15% penalty at Point 34.6.

34.8. If no remedial action to the satisfaction of Air India user department has been taken and complaints continue to persist regarding quality issues then based on the recommendations of the user department, Air India reserves the rights to cancel the Contract / PO and take appropriate penal action / debar the vendor from participating in the next tender / black list the vendor for 3 years as deemed fit depending on the merit of the case.

34.9. For non-stock goods and services, that are directly received by the department, the user department should indicate in the shopping cart / requisition the quantum of penalty to be imposed on account of delays / deficiencies, if any, with regard to the delivery of the goods / services. The tender should incorporate the same accordingly. The actual penalty
Materials Management Department
to be imposed would be directly conveyed by the user department to
Finance keeping in view the penalty clause stated in the contract / PO.
In the case of user not mentioning any penalty clause in the shopping
cart, standard penalty clause for delayed supplies of @ 0.5% per week
or part thereof, subject to maximum of 10% would be applicable.

34.10. For non TC cases, DGM-MM and above would be the competent
authority to waive the penalty clause before placement of the
contract/PO, after recording the reasons thereof. For TC cases, the
tender committee would be the competent authority to waive the
penalty clause.

34.11. GM-MM and above would be the competent authority to waive the
penalty clause post release of the contract/PO.

34.12. Manager and above of the department concerned would be the
competent authority to levy the quantum of penalty in accordance with
the provision of the contract/PO.

34.13. Any review of the penalty levied in point 34.12, can be done by an officer
one level higher than the officer of the same department levying the
penalty.

34.14. In case of acceptance of delivery of Goods/Services by the user beyond
the stipulated delivery date, and in the absence of any remark regarding
imposition of penalty/liquidated damages, it is presumed that the
LD/penalty clause for delayed deliveries is not to be applied for such
cases.

*****
35. ROLE OF TC MEMBERS

35.1. Role of the TC member of the Materials Management Department would be as under:

35.1.1. As the competent authority in accordance with the delegation of financial powers, vide Annexure A - Column 2, to take decision regarding tender processing and sourcing, type of tender to be floated, number of vendors to whom the tender enquiry should be sent in a selective/limited tender etc.

35.1.2. To evaluate the commercial terms and conditions of the technical bid such as EMD, SD, Payment Terms, Exit/Termination clause etc.

35.1.3. To prepare the price comparative statement after opening of the price bids.

35.1.4. To ensure that the laid down purchase procedure has been followed.

35.1.5. To prepare the TC note.

35.2. Role of the TC member of the Finance department would be as under:

35.2.1. To see the price bids and the comparative statement prepared and vet the comparative statement of the price bids prepared by MMD.

35.2.2. To verify the applicability of tax codes and applicable GST.

35.2.3. To evaluate the commercial terms which have financial implication.

35.2.4. To assist the user department in framing/evaluating the financial parameters such as turnover, balance sheet etc. to be incorporated in the Pre-Qualification bid.

35.3. Role of the TC member of the user department would be as under:

35.3.1. To vet the comparative statement of the technical bids prepared by the user department and approve the Technical Evaluation Report (TER).

35.3.2. To vet the comparative statement of the price bids.

35.3.3. To ensure budgetary provision for the estimated expenditure.
Materials Management Department

35.3.4. To ensure the correct reflection of the TER in the TC.

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36. **TIME FRAME FOR COMPLETION OF TENDER EVALUATION**

36.1. A definite time schedule should be laid down for each stage of bid evaluation (Technical / Price bid). Similarly, a time frame for according approval for each stage of the tender process (Technical Evaluation Report / Price Evaluation Report / decision for conducting negotiations, if applicable / award of PO / Contract) should be laid down which should not exceed 15 days for each stage of approval. In any case the overall time for the aforementioned processes should be within the validity period of the tender (CVC Circular No. 4/3/07 dated 3/3/2007).

36.2. Time frames at each stage of the tendering process will generally be as under:

36.2.1. The Materials Management Department to finalize the tender document after receipt of the specifications / work scope and other parameters including clarifications, if any from the user and vetting by the user department (as and where required) - 15 days.

36.2.2. Bidding/ response time for the bidders – 21 days Max. In case of extension, additional 12 days max for each extension.

36.2.3. Evaluation of the technical bids, as and where applicable – the technical evaluation should be completed by the user department in 15 days.

36.2.4. Evaluation of the price bids and price negotiation – 10 days.

36.2.5. Preparation of the TC Note by the Materials Management Department – 5 days.

36.2.6. Approval of the TC note by the TC Members – 5 days.

36.2.7. Placement of P.O. – 5 days.

36.3. If for some reason the timelines cannot be met, and an explanation is called for then the same should be submitted by the concerned personnel to the competent authority of the individual department.
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36.4. For non-TC cases, the procurement process to be completed within 60 days.

*****
37. EXTENSION OF PERIOD OF CONTRACTS/PURCHASE ORDER

37.1. Contracts/Purchase Orders covering a specific period may be extended for a further period of maximum 12 months subject to the following:

37.1.1. The initial order was finalized after following the laid down tender procedure.

37.1.2. The quantities/value to be ordered under the extended order period should not result in an increase in quantity/value from the original order, i.e. only the shortfall in supplies from the original ordered quantity/value may be covered under the extended order(s).

37.1.3. The rate, terms and conditions of the Contract/PO would remain unchanged. However, the government levies would be paid at actuals as applicable as on the date of the extension.

37.2. The extensions can be multiple times subject to the overall period of such extensions not exceeding 12 months from the date of expiry of the initial PO, and subject to the extended quantity/value for all the extensions taken together not exceeding that in the original PO.

37.3. Such extensions are to be approved by the competent authority in the Materials Management Department as per the delegation of financial powers (Refer Annexure A - Column 2), and the reasons for the same are to be placed on record.

37.4. If the extension of order is a technical requirement of the SAP system, i.e. for processing of invoices received after the expiry of the initial order due endorsement to this effect is to be made in the extended P.O. in such cases.

37.5. GM-MM & above will be competent authority to approve extension beyond 12 months. The reasons for the same to be recorded in writing.

37.6. Re-appropriation of quantity and value is permitted during the extended period of the contract.

37.7. TC procedure would not be required.

*****
38. **REPEAT CONTRACTS/ORDERS**

38.1. Repeat Contracts/Orders may be resorted to, provided the following conditions are met:

38.1.1. The initial Contract/Order was finalized after following the laid down purchase procedure.

38.1.2. The quantity under Repeat Contract/Order does not exceed the quantity ordered against the initial Contract/Order.

38.1.3. The basic price remains unchanged.

38.1.4. The GST & other tax components may vary.

38.2. Placement of Repeat Contract/Orders within 6 months of the expiry of the initial Contract/Order, can be approved by the Competent Authority as given in **Annexure A - Column 2**, provided the cumulative quantity so ordered does not exceed the initial Contract/Order quantity, i.e. if the initial Contract/Order with validity of 24 months was, say, for qty 100, then more than one Repeat Contract/Order can be placed within 30 months of the initial Contract/PO date subject to the total qty against all such Repeat Contract/Orders not exceeding qty 100.

38.3. Other parameters remaining the same, placement of Repeat Contract/Orders beyond 6 months of the expiry of the initial Contract/Order would require the approval of ED-MM.

38.4. Beyond the first Repeat Contract/Order i.e. for Second Repeat Contract/Order and for quantities beyond the original Contract/Order quantity, approval of ED-MM would be required to place further Repeat Contract/Order.

38.5. TC procedure would not be required.

38.6. Wherever the repeat contract/PO is released on the authorized distributor/s or dealer/s or channel partners, the copy of the same should also to be forwarded to the OEM/ Principal/ Manufacturer

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Materials Management Department

39. **EMERGENCY PURCHASES BY THE DEPARTMENTS**

39.1. In case any goods / service(s) are required on urgent / emergency basis, the departments are empowered to procure the goods / service(s) directly to meet such situations.

39.2. The value limits for a single instance of such an emergency procurement is ₹ 50,000/-. 

39.3. Goods/services availed of under this provision should be ratified/ certified by the user department and forwarded to Finance directly for payment purpose.

39.4. The PO will not be raised by the Materials Management Department for such purchases.

39.5. Invoices / Bills will be certified by the concerned departments and directly settled by the Finance Department.

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### Materials Management Department

#### 40. WAIVER OF PURCHASE PROCEDURE

40.1. For requirements of items/services above ₹ 50,000/-, which are of an immediate/urgent nature and where the timely supply is not possible under the laid down procurement procedures, the user / indenter would be promptly advised about the same by the Materials Management Department. The user / indenter would thereafter prepare detailed justifications for the urgency of the requirement, duly recommended at the level of Dy. General Manager and above of his / her department, and submit the same to the Materials Management Department for taking priority action for procurement. For such immediate / urgent requirements, where the estimated procurement value exceeds ₹ 50,000, procurement may be authorized by officials as under through waiver of the purchase procedure:

<table>
<thead>
<tr>
<th>Authority level of the Materials Management Department</th>
<th>Order Value (₹)</th>
<th>Report to Authority level in the Materials Management Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. Manager</td>
<td>Up to 60,000</td>
<td>Asst. General Manager</td>
</tr>
<tr>
<td>Asst. General Manager</td>
<td>Up to 75,000/-</td>
<td>Sr. Asst. General Manager</td>
</tr>
<tr>
<td>Sr. Asst. General Manager</td>
<td>Up to ,100,000/-</td>
<td>Dy. G M</td>
</tr>
<tr>
<td>Dy. G M</td>
<td>Up to 2,00,000/-</td>
<td>General Manager</td>
</tr>
<tr>
<td>General Manager</td>
<td>Up to 4,00,000/-</td>
<td>Executive Director - Materials Management</td>
</tr>
<tr>
<td>Executive Director – Materials Management</td>
<td>Up to 10,00,000/-</td>
<td>Director - Finance</td>
</tr>
</tbody>
</table>

40.2. For order value up to ₹ 50,000 the user department may directly take action for procurement from GeM or outside of GeM. No PO for such purchases up to ₹ 50,000/- will be released by MMD and the user has to settle the invoices directly with finance.
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40.3. Any purchase on waiver basis above ₹ 10.00 lakh would require the approval of Director-Finance.

40.4. POs are to be released for purchases made on the basis of waiver of the purchase procedure above ₹ 50,000/-.  

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41. BUY BACK OPTION

41.1. When it is decided by the user / indenting departments to replace any of their existing old items / goods with the latest versions or better substitutes, the department may request the Materials Management Department to trade such existing goods while purchasing the new ones. For this purpose, an appropriate buy-back clause is to be incorporated in the tender document so that interested bidders may submit their tenders accordingly. The condition of the old item, its location and the mode of its handing over to the successful bidder are also to be incorporated in the tender document.

41.2. For capital items, the AR for the item/s to be procured against buy-back options should be routed through the Finance Department and should be countersigned by the appropriate authority in Finance. The requisition should be raised thereafter and forwarded to the Materials Management Department along with the authority of Finance department for further action.

41.3. In the GST regime, the buy-back is considered as a sale. Therefore, the PO would reflect the total value of the new item(s) being procured. The buyback value is to be given in the Terms and Conditions.

41.4. A tax invoice for the buyback value is to be raised by Finance and given to the vendor to enable him to pick-up the buyback item(s). It would be the responsibility of the user department to liaise and coordinate with Finance for the requisite tax invoice.

41.5. The invoice also be raised for the total value of the new item(s) being procured and a credit note for the value of the buyback to be submitted along with the original invoice.

41.6. It would be the responsibility of the user department to facilitate the inspection of the buy-back item(s) to all the bidders interested in bidding for the same.

41.7. The user department will be responsible for ensuring that the condition/quantity of the buy-back item(s) remains the same as during the inspection period. Any conflict with regard to condition/quantity of
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the buy-back item(s) shall be resolved by the user department and the
successful bidder.

41.8. The user department would be responsible for issuing the buy-back
item(s) and facilitating the vendor in terms of documentation like gate
pass, approvals from the concerned authorities, etc.

*****
42. PUBLISHING OF DETAILS OF AWARD OF CONTRACTS / PO ON THE WEBSITE

42.1. A summary of the contracts / purchases made above ₹ 10.00 lakh is to be posted on the Air-India website on monthly basis.

42.2. The details to be posted would be in the format as given at Annexure B.

*****
43. **PURCHASE ORDER AMENDMENTS**

43.1. The PO / Contract is to be amended whenever the period of contract is extended. Approval of the TC would not be required in such cases. Such amendments would require approval of the competent authority as per Annexure A - Column 2.

43.2. There could be situations where the total quantity of the contract has been exhausted much before the expiry of the contract period. This may be due to various reasons such as wrong projection of requirement by the user department, change in schedules, patterns etc. during the contract period. Under such circumstances it will be in order to add additional quantities on a pro-rata basis subject to maximum 25% of the initial contract/PO quantity to cover the contract period. In such cases, approval of the TC would be required.

43.3. The PO / Contract is to be amended whenever there is any change in the terms and conditions. In such cases, approval of the TC would be required.

43.4. The PO / Contract is to be amended when there is an increase, decrease in GST or any other Government levies, etc. In such cases, approval of the TC would not be required.

43.5. In the case of multiple items/services in a contract, if the quantity or value of any of the item/service is exhausted prior to the validity of the contract, but there is sufficient value available against the other items/services, then the user department can advise re-appropriation of the quantity and value of the individual items within the contract value. In such cases, approval of the TC would not be required.

43.6. The above is also applicable in the case of an item/service across multiple region/ station/ location of a centralized contract. In such cases, approval of the TC would not be required.

43.7. In the case of Option clause being invoked, approval of the TC would not be required.

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Materials Management Department

44. GST & OTHER GOVT LEVIES AND TAXES

44.1. GST and any other government levies wherever applicable should be asked separately in the price bid format of the tender.

44.2. The tender document should clearly state that the bidders must specify the applicable GST rates both in terms of percentage and absolute figure. All-inclusive prices should not be encouraged.

44.3. GST and other Government levies, taxes, cess, etc. should not be avoided by changing the delivery locations.

44.4. If the GST is increased or decreased or any new government levies are introduced during the validity of the contract period, then the same shall be applicable at the time of availing of the services, or supply of an item and shall be payable.

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Materials Management Department

45. PAYMENT TERMS

45.1. Payments to vendors shall be effected through the Finance department.

45.2. The preferred mode of payment to Air India vendors by Finance department is through ECS / NEFT / RTGS. Therefore, the vendors are to submit their bank details to Finance for electronic transfer of funds. Finance Department would be required to liaise and coordinate with vendors for capturing bank details.

45.3. The standard corporate payment terms are “Payment within 60 days of receipt of invoice or goods/services whichever is later” and should be incorporated in the tender document. For deviations in the payment terms the loading criteria should be applied for comparison purpose as shown in Annexure E.

45.4. The Payment terms for MSME vendors would be within 45 days as per MSME guidelines (or as revised by the authorities from time to time).

45.5. The contract / PO price will be normally paid in the currency in which the price is stated in the contract / PO.

45.6. Invoice wise payment details are to be promptly made available by the Finance Department to the respective vendor/s as and when payments are released.

45.7. Depending upon the merit of the case, Manager and above would be the competent authority to authorize change in payment period, other than advance.

*****
46. ADVANCE PAYMENT

46.1. Advance payment should generally be discouraged. If payment of advance is unavoidable, in cases of AMC, Turnkey contracts etc. then efforts should be made for payment against delivery. However, if still the advance payment is to be made, then the same can be allowed. In such cases, the company’s interest must be safeguarded by obtaining bank guarantee equal to the sum of the advance payment from the supplier with sufficient validity. Such advance payments, should be interest bearing. The amount of interest would be applicable at the rate of 10% per annum on the whole amount of advance and not part thereof. Advance payments should not generally exceed the following limits (Manual for procurement of goods 2017 point 6.5):

46.1.1. Thirty percent of the contract value to private firms.
46.1.2. Forty percent of the contract value to a state or central government agency, or to a Public Sector Undertaking.
46.1.3. In case of maintenance contracts, the advance amount should not exceed the amount payable for six months under the contract / PO.

46.2. Sr. Manager and above would be the competent authority to approve the advance payment as per the limits reflected above.

46.3. For non TC cases, the ceilings mentioned above may be relaxed by the competent authority at the level of Dy. General Manager – Materials Management and above.

46.4. For TC Cases, the Tender committee would be the competent authority to authorize advance payment.

46.5. The advance payment terms must be clearly reflected in the contract / PO.

46.6. Payment in respect of pro-forma / advance payment should be certified as per Annexure A - Column 2, based on the invoice value, irrespective to the signatory of the Contract/PO, subject to such terms of payment being reflected in the Contract/PO.
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46.7. The buyer should ensure that the final invoice is submitted by the vendor after receipt of the item. The final invoice is required to be forwarded to Finance department for settlement of the advance payment.

46.8. Payment against delivery is not to be treated as an advance payment, However, the processing of the same in SAP system would be against a proforma invoice and processed as an advance. The proforma invoice can be certified by the officer of purchase section as per Annexure A - Column 2, based on the invoice value, irrespective to the signatory of the Contract/PO, subject to such terms of payment being reflected in the Contract/PO.

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Materials Management Department

47. EXCHANGE RATE

47.1. All offers are to be converted into INR if the responses are in multi-currency (typically in the case of a Global tender). In such cases the IATA exchange rate as released on monthly basis by Finance and prevalent on the day of opening of the technical bid would be taken as the exchange rate for conversion and comparison purpose of price bids as well as for all other processes related to tenders.

47.2. If all the responses / quotations are in the same foreign currency say USD or EURO etc. then the comparison may be made in the currency of response. However, it would also be a good practice to also reflect the same in INR for reference purposes.

*****
48. STORES INSPECTION / PRODUCTION SAMPLE

48.1. For multi departmental stock items, the receipt section of the Materials Management Department at the receiving places, will undertake inspections.

48.2. For captive stores stock items such as In-flight, Engineering, etc., the respective departments would be responsible for carrying out the inspection.

48.3. The Receipt Section should ensure that the vendors submit the Quality Assurance Certificate (QAC), wherever so indicated under the terms of the contract / PO.

48.4. For the inspection of items, if required, assistance may be taken by the user department, from other departments or specialized agencies such NTH, BTRA, NITRA, Textile Committee etc. Government agencies or their accredited partners should be preferred.

48.5. For multi departmental stock items, approved sample/s should be retained at receipt section till receipt of the last supply for the purposes of comparison.

48.6. For captive stores items, the production samples are to be retained and preserved (subject to the nature of the items) by the user till the completion of supplies / contract. The user department should also forward such approved production samples at regions / stations where the supplies are received directly and inspection is done centrally.

48.7. While the prerogative of inspection of incoming supplies is by the User Department, however, if on physical / visual examination, if any significant deviation noticed by receiving section of MMD, same be highlighted / brought to the attention of the User Department while carrying out the inspection. The final decision for acceptance or otherwise will remain with the User Department.

48.8. DGM & above in MMD are authorize to offer any random samples from the stock for lab test, if in their opinion it is so warranted to check conformity with the specifications of the contract / PO. This may be
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done even if such supplies have been accepted by the User Department and the system has been updated.

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49. **PRE DELIVERY / DISPATCH INSPECTION**

49.1. Pre delivery / dispatch inspection is generally conducted during various stages of the production process (which is known as stage inspection) or on production of the finished products, but before dispatch of the goods from the suppliers premises.

49.2. The requisitioning / user departments would be responsible for carrying out pre-delivery inspections.

49.3. If need be user department, may take help from other departments or third party inspection agency may be taken / co-opted for such inspections.

49.4. Representatives of MMD & Finance may also be co-opted by the user department, if so required. The convener of the committee will be the representative from the user department.

*****
50. VARIATION OF QUANTITY

50.1. To take care of any change in the requirements during the period starting from issue of tender till placement of the contract / Purchase Order, a plus/minus tolerance clause should be incorporated in the tender document, reserving the purchaser’s right to increase or decrease the quantity of the required goods up to that limit without any change in the terms and conditions and prices quoted by the bidders.

50.2. While awarding the Purchase Order, the quantity ordered may be increased or decreased, if necessary, within the prescribed plus/minus tolerance limits.

50.3. The variation limit should not be more than plus/minus 25% (Twenty-five percent) (Manual for procurement of Goods 2017, clause 7.5.3).

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51. OPTION CLAUSE

51.1. In case of long running contracts, to take care of any change in the requirement during the contract period, a plus/minus option clause of 25% (Twenty-five percent) may be included in the tender document, reserving purchaser’s right to increase or decrease the required goods/services up to that limit without any change in terms and conditions and prices quoted by the bidders (Manual for procurement of Goods 2017, clause 7.5.4).

51.2. Variation of Quantity clause and Option clause may co-exist in a tender.

*****
52. **EXCESS SUPPLY**

52.1. Maximum of 5% of the PO quantity can be accepted as excess supply against a PO due to case size / lot size, MOQ / MSQ or for any other genuine reasons.

52.2. The excess supply can be against the purchase order quantity and not against the contract quantity.

52.3. Excess quantity should be part of the open receipt and should not be received after all the quantities against the order have already been received. E.g. If the purchase order is for 100 units, and 105 units have been received, the same can be accepted. However, the receipt is to be done for the entire quantity of 105 units and not split as 100 units + 5 units as the purchase order will get close after the receipt of the total ordered quantity of 100 units.

52.4. Vendors’ invoices for the excess quantity to be processed for payment by the Finance Department without a reference, or an amendment to the PO.

*****
53. FALL CLAUSE

53.1. The vendor should ensure to pass on the benefits of fall in prices due to change in input cost, raw material prices, concessions availed, Govt levies, or for any other reasons. A suitable clause to this effect should be incorporated in the tender document/ Contract/PO. This is applicable for both goods and services.

53.2. In case the vendor supplies or quotes a lower rate for the same item/service, to other organizations, during the period of the contract and having same terms and conditions, then they should also supply Air India at the same lower rate from the date of the lower rate being applicable to the other organizations.

53.3. In case, it is observed that the vendor has not passed on the lower rate to Air India from the applicability period, then the vendor should reimburse the difference for the supplies during such period.

53.4. The onus of informing Air India about the fall in rates rests with the vendor.

53.5. The provision of fall clause will not apply to the following:

53.5.1. Export/ Deemed export by the supplier.

53.5.2. Sale of goods or services as original equipment prices lower than the price charged for normal replacement.

53.5.3. Sale of goods, such as medicines, food items, which have shelf life expiry date.

53.5.4. Sales of goods/ services prior to entering the existing contract.

53.5.5. If the quantity, volume, terms and conditions of the contract are different than the existing contracts, e.g. if the existing contract is for 60 days payment terms whereas the supplier offers the same good or service to another organization with payment terms as advance or 30 days, etc.
54. FORCE MAJEURE

54.1. A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party’s non-performance entirely, but only suspends it for the duration of the FM. The vendor has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organization only. In such a situation, the purchase organization is to communicate with the supplier along similar lines as above for further necessary action.

54.2. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.

54.3. Notwithstanding the punitive provisions contained in the contract for delay or breach of contract, the supplier would not be liable for imposition of any such penalty so long as the delay and/or failure of the supplier in fulfilling its obligations under the contract is the result of an event covered in the FM clause.
55. DISPUTE RESOLUTION

55.1. Normally, there should not be any scope for dispute between the purchaser and supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to a disagreement between the purchaser and supplier. Therefore, the conditions governing the contract should contain suitable provisions for settlement of such disputes or differences binding on both parties. The mode of settlement of such disputes/differences should be through arbitration. However, when a dispute/difference arises, both the purchaser and supplier should first try to resolve it amicably by mutual consultation. If the parties fail to resolve the dispute within 21 (Twenty-One) days, then, depending on the position of the case, either the purchaser or supplier should give notice to the other party of its intention to commence arbitration. When the contract is with a domestic supplier, the applicable arbitration procedure shall be as per the Indian Arbitration and Conciliation Act, 1996. While processing a case for dispute resolution/litigation/arbitration, the Procuring Entity is to take legal advice, at appropriate stages.

55.2. Arbitration Clause

If an amicable settlement is not forthcoming, recourse may be taken to the settlement of disputes through arbitration as per the Arbitration and Conciliation Act 1996. For this purpose, when the contract is with a domestic supplier, a standard arbitration clause may be included in the tender document indicating the arbitration procedure to be followed. The venue of arbitration should be the place from where the contract has been issued.

55.3. Foreign Arbitration

The Arbitration and Conciliation Act 1996 has provisions for international commercial arbitration, which shall be applicable if one of the parties has its central management and control in any foreign country.
Materials Management Department

55.4. When the contract is with a foreign supplier, the supplier has the option to choose either the Indian Arbitration and Conciliation Act, 1996 or arbitration in accordance with the provisions of the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules.

55.5. The arbitration clause with foreign firms should be in the form of self-contained agreements. This is true especially for large value contracts or those for costly plant and machinery. The venue of arbitration should be in accordance with UNCITRAL or arbitration rules of India, whereby it may be in India or in any neutral country.

*****
Materials Management Department

56. RECEIPT CERTIFICATION- FOR MMD GENERATED POS

56.1. For direct delivery to user:
   56.1.1. All non-stock and asset items would be delivered by the vendor directly to the end user.
   56.1.2. The user shall acknowledge the vendor’s challan/ invoice for having received the goods.
   56.1.3. The user shall also generate confirmation in the SAP system. The confirmation number thus generated by the SAP system should be reflected on the delivery challan/ invoice.

56.2. For stock items:
   56.2.1. Receipt certification will be done by the Receipt Section of the Materials Management Department.
   56.2.2. The receipt section will acknowledge the party’s / vendor’s challan / invoice for having received the goods.
   56.2.3. The receipt section will generate a receipt in the SAP system.

56.3. For Services:
   56.3.1. The Requisitioner/ User department / receiver of the services will acknowledge services received, through his signature on the service report.
   56.3.2. In addition to the above, the Requisitioner / User department shall acknowledge the services rendered in the SAP system by generating a confirmation number to facilitate further processing by the Finance department for payment.

*****
Materials Management Department

57. INVOICE PROCESSING-FOR MMD GENERATED POS

57.1. Invoices should be submitted to the Invoice Processing Section, Materials Management Department along with Challan /GRN/ System Confirmation number.

57.2. Three way matching of PO, GRN and Invoice shall be done through the SAP system.

57.3. The Invoice Processing Section of MMD will do the matching for validation purpose and park the invoice. The Challan / Invoice need to carry only the MAT DOC reference No. for having parked the invoice and the same will be forwarded to the Finance Department by Invoice Processing Section, MMD under a covering letter for payment purpose. Finance department would acknowledge, in writing, the receipt of the same.

57.4. As all the invoices would be processed through the SAP system, no separate certification would be required from the Materials Management Department.

57.5. For any reason, if the original challan or invoice is not available/ lost in transit then payment would be processed on the duplicate challan/ invoice, duly signed and stamped by the receiver. However, an undertaking on the company’s letter head should be submitted to Air India as per Annexure L.

57.6. Whenever online Invoicing module is activated, the supplier would create/submit invoice through the SAP system only. No physical copy of the Challan and Invoice would be submitted by the vendor. Three-way matching will be done by the SAP system and payment to be effected by Finance accordingly.

*****

Date of Issue: 15th March 2018
58. STANDARDIZATION

58.1. Some items like PCs, office equipment, furniture, vehicles, Air conditioners etc. are used by multiple departments. In the interest of achieving economies of scale, uniformity in products to the extent possible across the organization and simplify the procurement process and subsequent maintenance activities, Executive Director – Materials Management or any other Dept. Head may appoint a Committee for standardising a particular item. The committee will constitute members from MMD, Finance and the relevant departments, such as DIT for IT and office equipment, PFD for Air conditioners, Ground Support for Vehicles, etc.

58.2. The purchase of the items, so standardised, shall be processed in line with the recommendations of the Standardisation Committee.

58.3. The normal tender procedures would be followed for fixation of rates for standardized products. For placement of POs based on these rates further approval of the TC would not be required.

58.4. Standardisation will be for a defined period not exceeding three years.

*****
Materials Management Department

59. MATERIAL REJECTION INTIMATION

59.1. At the time of delivery / acceptance of the item / goods if it is found that the items / goods so delivered are not as per the specification given in the Contract/PO then Air India reserves the right to reject the entire lot and get the entire quantity replaced free of cost by the bidder.

59.2. However, if such rejected consignment bear Air India Logo then such rejected lots / consignment may not be returned to the bidder to prevent its misuses. However, the vendor has to supply the quantity equivalent to the rejected quantity free of cost. Even in case the rejected lot is returned to the bidder, the vendors should ensure that it is not misused and an undertaking should be taken from the vendor to the effect.

59.3. Materials rejected by the user, should be informed to the vendor and the concerned purchase office, within 5 working days. The vendor should collect back the material within 15 days of intimation of rejection, beyond this Air India reserve the right to charge rentals / demurrage @ ₹ 500/- per day. Beyond 30 days from the date of intimation, Air India will be at liberty to dispose of the material as it deems fit, if the supplier does not pick up the rejected material in spite of the notification.

59.4. For stock items, DGM-MM would be the competent authority to waive the demurrage charges depending upon the merit of case. For non-stock DGM of the user department would be the competent authority to waive the demurrage charges.

*****
60. BUDGETING

60.1. Budgeting allocation would be done by Finance Department in the SAP system.

60.2. It would be the responsibility of the user to advise Finance Department the funds required for the financial year at each business area/ fund Center and GL. This will be for Revenue Budget.

60.3. Finance department would allocate funds in SAP system based on the inputs received from the user department.

60.4. The user department shall ensure that the sufficient funds are made available prior to raising any Purchase Order.

60.5. In the case of capital items, the user department should ensure sufficient funds are available in the AR before placement of the Purchase Order.

60.6. On release of the purchase order, the system shall automatically debit the PO value from the allocated budget head.

60.7. For any shortfall in the budget during the financial year, the user department will be responsible to liaise with Finance and getting additional budget in the system.

*****
61. **CONTRACT ADMINISTRATION**

61.1. Generally, for long term rate contracts, the tender should be floated for a period of 24 months. In case of commodity items like oil, gases etc., the period of contract can be 12 months due to the volatile nature of the item and for AMCs it can be 36 months.

61.2. The contract administration would be the sole responsibility of the user department.

61.3. The user department would be responsible for day-to-day monitoring of the contract as per the terms as specified in the contract.

61.4. For items and services received directly by the users, the quantum of penalty to be levied in case of any underperformance or deviation from the deliverables will be determined by the competent authority in the user department, and the same advised to the Finance department.

61.5. With regard to the SLA, the user department would be responsible to resolve any conflict with the vendor. Materials Management Department may be kept informed for vendor performance and appraisal.

61.6. At the end of the contract period, in the absence of any intimation by the user department of serious breach of contract by the vendor during the course of the contract and to withhold their SD/PBG, MMD would advise Finance for the release of the same, on completion of the warranty / contract period.

61.7. The user department would be responsible for compilation and submission to the concerned authorities the details of export obligations for goods imported against the licenses such as EPCG, etc.

61.8. In the context of facilitation of execution of contracts, the individual departments would be responsible for activities such as issuance of gate pass for items / equipment, entry pass for contractor’s personnel, facilitation of issuance of BCAS / AAI passes, airport regulator passes, liaison with the Security Department for police clearance certificate of the contractor’s personnel wherever required, provision of space and infrastructure, etc.
Materials Management Department

61.9. In the case of multiple items/services in a contract, if the quantity or value any of the item/service is exhausted prior to the validity of the contract, but there is sufficient value available against the other items/services, then the user department can advise re-appropriation of the quantity and value of the individual items within the contract value.

61.10. The above is also applicable in the case of an item/service across multiple region/station/location of a centralized contract.

*****
62. VENDOR REGISTRATION

62.1. The supplier registration process enables suppliers who are not yet registered with Air India, to submit their details for registering themselves for participation in Air India tenders.

62.2. All new vendors would be required to register themselves through the SRM portal https://erpportal.airindia.in. Vendors would be required to click on the Supplier registration link to register themselves. Once the vendors fill and submit the registration form, they would receive a questionnaire on the email link provided during the registration process. The vendors would be required to respond to the questionnaire.

62.3. Once the questionnaire is submitted by the vendor, the same would be reviewed by MMD. Once the form is accepted by MMD, the vendor would get user name and password through email ID provided during registration. The vendor registration would be completed within 3 working days after submission of the questionnaire. Therefore, a clause should be incorporated in the tender document, advising new vendors to complete the vendor registration formalities at least 5 working days prior to close of a public/web public tender.

62.4. In the case of duplicate registration or the entered data is incomplete, or the questionnaire not answered by the vendor, Vendor registration request would be rejected within 5 working days of submitting the initial request.

62.5. Finance is the custodian of the vendor data base. Request for any of the following, should be sent to Finance for system update

62.5.1. Manual Vendor creation
62.5.2. Vendor extension
62.5.3. Update of GST details
62.5.4. Update of Bank details
62.5.5. Any other vendor master update

*****
63. **SUSPENSION OF BUSINESS**

63.1. A vendor, who during the course of the contract/purchase order, backs out/deviates from the terms and conditions of the contract/purchase order, but the deviation/seriousness of the default is not very grave, then apart from the penalty as applicable in the contract/purchase order, GM-MM and above will be the competent authority to impose additional penalty commensurate with the gravity of deviation/seriousness of default, including suspension of business with the party for the next tender for that item, i.e. the defaulting vendor can participate for tenders, other than the one for which they have been suspended. Similarly, if the vendor has been awarded a contract/purchase order for other items, the same may continue including supply of spares for equipment maintenance.

63.2. However, if the gravity of the deviation/seriousness of default/persistent complaints are such that it warrants suspension of the business with the vendor for the next tender, not only the item in which deviation has occurred but for other items too, then GM-MM and above will be the competent authority to suspend business with the defaulting vendor for all items, for the next tender. Contract/s if any on such vendors will be reviewed and if warranted cancellation of the contract/PO can also be taken by the competent authority i.e. GM-MM and above after duly examining the case merit and legal implications etc.

63.3. The suspension of such business at regional level will also be notified to the office of ED-MM who would have overriding authority in case of appeals/representations.

63.4. It is the responsibility of the user department to share the feedback on the performance of the supplier against the current contract for the procurement of material and services, which will be taken into account/factored in while renewal of such contracts.

*****
64. BANNING OF BUSINESS

64.1. During tendering/contract process, if it comes to light that a bidder/vendor has misrepresented, used submitted false/fraudulent documents, means or material, or is banned for business in other government and PSUs, has committed serious breach of contract/adopted means and business practices unethical, then ED-MM may approve suspension of the business of such bidders/vendors for a period of 6 months, pending investigation. Thereof, the process of banning business with such vendors will be carried forward in keeping with the corporate policy on banning of business and reference also made to office of CVO. If after following the due procedure, it is established that the business with the vendor is to be banned, the same would normally be for a period of 3 years or as decided by competent authority (ED-MM) on merit of case.
65. PURCHASING AT REGIONS

65.1. Normal purchase procedure to be followed by the Station Tender Committee.

65.2. The Tender Committee will comprise officers at the appropriate level, as identified at Annexure A - Column 2, from the Regional Materials Management Department, Regional Finance Department and the Regional User / Indenting Department. In case an officer at the designated level is not available in a given region, the participation in the tender committee from the concerned department would be decided by the ED of the region. The Executive Director - Region will exercise the same financial powers for purchase related activities as the Executive Director – Materials Management.
Materials Management Department

66. DELEGATION OF AUTHORITY

66.1. A senior officer in a given department may exercise all or any of the powers given to the officers’ subordinate to him / her in the same department in line with the financial powers as given in Annexure A - Column 2 to Column 4.

66.2. In such a case, no further approval for award would be required from any higher authorities.

*****
## 67. ANNEXURE

<table>
<thead>
<tr>
<th>Annexure</th>
<th>Description</th>
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<td>A</td>
<td>Financial Powers</td>
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<td>Format for details of Contract Awarded During the month (Above ₹ 10 Lakh)</td>
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<td>Bank Guarantee Format for SD/PBG</td>
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<td>Letter of Authorization for Attending Bid Opening</td>
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<td>Negotiation Sheet</td>
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<td>Check List while creating the Shopping Cart</td>
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<td>O</td>
<td>Integrity Pact</td>
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<td>P</td>
<td>Proprietary Article Certificate</td>
</tr>
<tr>
<td>Q</td>
<td>Undertaking from Bidders</td>
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<td>R</td>
<td>General Sequence of Clauses in Tender Terms</td>
</tr>
</tbody>
</table>

*****

Date of Issue: 15th March 2018
# Materials Management Department

## ANNEXURE A - FINANCIAL POWERS

<table>
<thead>
<tr>
<th>Estimated Value of Contract in INR or its equivalent in any foreign currency</th>
<th>Tender Processing level/Composition of TC</th>
<th>Authority Level for Final Award/</th>
<th>Authority Level for signing PO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Column 1</strong></td>
<td><strong>Column 2</strong></td>
<td><strong>Column 3</strong></td>
<td><strong>Column 4</strong> *</td>
</tr>
<tr>
<td>Up to ₹ 1 Lakhs</td>
<td>Asst. Manager/ No TC</td>
<td>Asst. Manager</td>
<td>Asst. Manager</td>
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<tr>
<td>Up to ₹ 2 Lakhs</td>
<td>Asst. Manager/ No TC</td>
<td>Dy Manager</td>
<td>Asst Manager</td>
</tr>
<tr>
<td>Up to Rs.5 Lakhs</td>
<td>Dy. Manager/ No TC</td>
<td>Manager</td>
<td>Dy Manager</td>
</tr>
<tr>
<td>Up to ₹ 10 Lakhs</td>
<td>Manager/ No TC</td>
<td>Sr Manager</td>
<td>Manager</td>
</tr>
<tr>
<td>Up to ₹ 35 Lakhs</td>
<td>MMD: Manager Finance : Manager User Deptt. Equiv. Level</td>
<td>Sr. Manager</td>
<td>Manager</td>
</tr>
<tr>
<td>Up to ₹ 50 Lakhs</td>
<td>MMD : Sr. Manager Finance : Sr. Manager User Deptt. Equiv. Level</td>
<td>AGM</td>
<td>Sr. Manager</td>
</tr>
<tr>
<td>Up to ₹ 1 Crores</td>
<td>MMD : AGM Finance : AGM User Deptt. Equiv. Level</td>
<td>Sr. AGM</td>
<td>AGM</td>
</tr>
<tr>
<td>Up to ₹ 3 Crores</td>
<td>MMD : Sr. AGM Finance : Sr. AGM User Deptt. DGM/ADGM</td>
<td>DGM</td>
<td>Sr. AGM</td>
</tr>
<tr>
<td>Up to ₹ 6 Crores</td>
<td>MMD: DGM Finance: DGM User Deptt. Equiv. Level</td>
<td>General Manager</td>
<td>DGM</td>
</tr>
<tr>
<td>Up to ₹ 12 Crores</td>
<td>MMD: GM Finance: GM User Deptt. Equiv. Level</td>
<td>Executive Director</td>
<td>GM</td>
</tr>
<tr>
<td>Up to ₹ 24 Crores</td>
<td>MMD:ED Finance:ED Head of User Deptt.</td>
<td>Director - Finance / Functional Director</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Above ₹ 24 Crores</td>
<td>MMD : ED Finance : ED - Head of User Deptt.</td>
<td>Concurrence by Director - Finance Approval by Chairman &amp; Managing Director</td>
<td>Executive Director</td>
</tr>
</tbody>
</table>

* The level defined in Column 4 are before Tax.

*****

Date of Issue: 15th March 2018
ANNEXURE B - FORMAT FOR DETAILS OF CONTRACT AWARDED DURING THE MONTH (ABOVE ₹ 10 LAKH)

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<th>13</th>
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<tbody>
<tr>
<td>Tender No.</td>
<td>Item/ Nature of work</td>
<td>Mode of Tender Enquiry</td>
<td>Type of Bidding (Single/ Two Bid System)</td>
<td>Last date of receipt of tender</td>
<td>Nos. of tenders received</td>
<td>Nos. and names of parties qualified after technical evaluation</td>
<td>Nos. and names of parties not qualified after technical evaluation</td>
<td>Whether contract awarded to lowest tenderer/ evaluated L.1</td>
<td>Contract No &amp; date</td>
<td>Name of Contractor</td>
<td>Value of Contract</td>
<td>Scheduled date of completion of supplies</td>
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ANNEXURE C - BANK GUARANTEE FORMAT FOR SD/PBG

To

Executive Director - Materials Management

Air India Ltd

--------------------------------

WHEREAS ………………………………………………………………………...

(name and address of the supplier) (hereinafter called “the supplier”) has undertaken, in pursuance of contract no........................................ dated ................... to supply (description of goods and services) (herein after called “the contract”).

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a commercial bank recognized by you for the sum specified therein as security for compliance with its obligations in accordance with the contract;

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE, we ............................................ Bank, hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of .......................................................... (amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the supplier before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract to be performed thereunder or of any of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until the .......... day of ....... 20.......
## ANNEXURE D - ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR

<table>
<thead>
<tr>
<th>S. No.</th>
<th>ITEM DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AAC/ACSR Conductors upto 19 stand</td>
</tr>
<tr>
<td>2</td>
<td>Agricultural Implements -</td>
</tr>
<tr>
<td>3</td>
<td>Hand Operated Tools and Implements</td>
</tr>
<tr>
<td>4</td>
<td>Animal Driven Implements</td>
</tr>
<tr>
<td>5</td>
<td>Air/Room Coolers</td>
</tr>
<tr>
<td>6</td>
<td>Aluminium Builders and Hardware</td>
</tr>
<tr>
<td>7</td>
<td>Ambulance Stretcher</td>
</tr>
<tr>
<td>8</td>
<td>Ammeters/Ohm Meters/Volt meter (Electro magnetic upto Class I accuracy)</td>
</tr>
<tr>
<td>9</td>
<td>Ankles Web Khaki</td>
</tr>
<tr>
<td>10</td>
<td>Augur (Carpenters)</td>
</tr>
<tr>
<td>11</td>
<td>Automobile Head Lights Assembly</td>
</tr>
<tr>
<td>12</td>
<td>Badges Cloth, embroidered and metals</td>
</tr>
<tr>
<td>13</td>
<td>Bags of all types i.e. made of leather, cotton canvas &amp; jute etc. including kit bags, mail bags, sleeping bags &amp; waterproof bags.</td>
</tr>
<tr>
<td>14</td>
<td>Bandage Cloth</td>
</tr>
<tr>
<td>15</td>
<td>Basket cane, (Procurement can also be made from State Forest Corporation and State handicraft Corporation).</td>
</tr>
<tr>
<td>16</td>
<td>Bath Tubs</td>
</tr>
<tr>
<td>17</td>
<td>Barbed Wire</td>
</tr>
<tr>
<td>18</td>
<td>Battery Charger</td>
</tr>
<tr>
<td>19</td>
<td>Battery Eliminators</td>
</tr>
<tr>
<td>20</td>
<td>Bean Scales (upto 1.5 tons)</td>
</tr>
<tr>
<td>21</td>
<td>Belt Leather and Straps</td>
</tr>
<tr>
<td>22</td>
<td>Bench Vices</td>
</tr>
<tr>
<td>23</td>
<td>Bituminous Paints</td>
</tr>
<tr>
<td>24</td>
<td>Blotting Paper</td>
</tr>
<tr>
<td>25</td>
<td>Bolts and Nuts</td>
</tr>
<tr>
<td>26</td>
<td>Bolts Sliding</td>
</tr>
</tbody>
</table>
# Materials Management Department

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Bone Meal</td>
</tr>
<tr>
<td>28</td>
<td>Boot Polish</td>
</tr>
<tr>
<td>29</td>
<td>Boots and shoes of all types excluding Canvas shoes</td>
</tr>
<tr>
<td>30</td>
<td>Bowls</td>
</tr>
<tr>
<td>31</td>
<td>Boxes Leather</td>
</tr>
<tr>
<td>32</td>
<td>Boxes made of Metal Braces</td>
</tr>
<tr>
<td>33</td>
<td>Braces</td>
</tr>
<tr>
<td>34</td>
<td>Brackets other than those in Railways</td>
</tr>
<tr>
<td>35</td>
<td>Brass Wire</td>
</tr>
<tr>
<td>36</td>
<td>Brief cases (other than moulded luggage)</td>
</tr>
<tr>
<td>37</td>
<td>Brooms</td>
</tr>
<tr>
<td>38</td>
<td>Brushes of all types</td>
</tr>
<tr>
<td>39</td>
<td>Buckets of all types</td>
</tr>
<tr>
<td>40</td>
<td>Buttons of all types</td>
</tr>
<tr>
<td>41</td>
<td>Candle Wax Carriage</td>
</tr>
<tr>
<td>42</td>
<td>Cane Valves/stock valves (for water fittings only)</td>
</tr>
<tr>
<td>43</td>
<td>Cans metallic (for milk &amp; measuring)</td>
</tr>
<tr>
<td>44</td>
<td>Canvas Products -</td>
</tr>
<tr>
<td>45</td>
<td>Water Proof Delivery Bags to Specn. No. IS-1422/7D</td>
</tr>
<tr>
<td>46</td>
<td>Bonnet Covers &amp; Radiators Muff. To spec. Drg. Lv7/NSN/IA/130295</td>
</tr>
<tr>
<td>47</td>
<td>Caps Cotton &amp; Woolen</td>
</tr>
<tr>
<td>48</td>
<td>Caps Waterproof</td>
</tr>
<tr>
<td>49</td>
<td>Castor Oil</td>
</tr>
<tr>
<td>50</td>
<td>Ceiling Roses upto 15 amps</td>
</tr>
<tr>
<td>51</td>
<td>Centrifugal steel Plate Blowers</td>
</tr>
<tr>
<td>52</td>
<td>Centrifugal Pumps-Section and Delivery 150mm. x 150mm.</td>
</tr>
<tr>
<td>53</td>
<td>Chaff Cutter Blade</td>
</tr>
<tr>
<td>54</td>
<td>Chains lashing</td>
</tr>
<tr>
<td>55</td>
<td>Chappals and sandals</td>
</tr>
<tr>
<td>56</td>
<td>Chamois Leather</td>
</tr>
</tbody>
</table>

**Items Reserved for SSI / Handicrafts Sector**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
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<tbody>
<tr>
<td>33</td>
<td>Braces</td>
</tr>
<tr>
<td>34</td>
<td>Brackets other than those in Railways</td>
</tr>
<tr>
<td>35</td>
<td>Brass Wire</td>
</tr>
<tr>
<td>36</td>
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<tr>
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<td>41</td>
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</tr>
<tr>
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<td>Cane Valves/stock valves (for water fittings only)</td>
</tr>
<tr>
<td>43</td>
<td>Cans metallic (for milk &amp; measuring)</td>
</tr>
<tr>
<td>44</td>
<td>Canvas Products -</td>
</tr>
<tr>
<td>45</td>
<td>Water Proof Delivery Bags to Specn. No. IS-1422/7D</td>
</tr>
<tr>
<td>46</td>
<td>Bonnet Covers &amp; Radiators Muff. To spec. Drg. Lv7/NSN/IA/130295</td>
</tr>
<tr>
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<td>Caps Cotton &amp; Woolen</td>
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<tr>
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<td>Caps Waterproof</td>
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<td>Castor Oil</td>
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<tr>
<td>50</td>
<td>Ceiling Roses upto 15 amps</td>
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<td>51</td>
<td>Centrifugal steel Plate Blowers</td>
</tr>
<tr>
<td>52</td>
<td>Centrifugal Pumps-Section and Delivery 150mm. x 150mm.</td>
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<tr>
<td>53</td>
<td>Chaff Cutter Blade</td>
</tr>
<tr>
<td>54</td>
<td>Chains lashing</td>
</tr>
<tr>
<td>55</td>
<td>Chappals and sandals</td>
</tr>
<tr>
<td>56</td>
<td>Chamois Leather</td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------------------</td>
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<tr>
<td>57</td>
<td>Chokes for light fitting</td>
</tr>
<tr>
<td>58</td>
<td>Chorme Tanned leather (Semi-finished Buffalo &amp; Cow)</td>
</tr>
<tr>
<td>59</td>
<td>Circlips</td>
</tr>
<tr>
<td>60</td>
<td>Claw Bars and Wires</td>
</tr>
<tr>
<td>61</td>
<td>Cleaning Powder</td>
</tr>
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<td>62</td>
<td>Clinical Thermometers</td>
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<tr>
<td>63</td>
<td>Cloth Covers</td>
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<td>64</td>
<td>Cloth Jaconet</td>
</tr>
<tr>
<td>65</td>
<td>Cloth Sponge</td>
</tr>
<tr>
<td>66</td>
<td>Coir fibre and Coir yam</td>
</tr>
<tr>
<td>67</td>
<td>Coir mattress, cushions and matting</td>
</tr>
<tr>
<td>68</td>
<td>Coir Rope hawser laid</td>
</tr>
<tr>
<td>69</td>
<td>Community Radio Receivers</td>
</tr>
<tr>
<td>70</td>
<td>Conduit pipes</td>
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<tr>
<td>71</td>
<td>Copper nail</td>
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<tr>
<td>72</td>
<td>Copper Napthenate</td>
</tr>
<tr>
<td>73</td>
<td>Copper sulphate</td>
</tr>
<tr>
<td>74</td>
<td>Cord Twine Maker</td>
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<tr>
<td>75</td>
<td>Cordate Others</td>
</tr>
<tr>
<td>76</td>
<td>Corrugated Paper Board &amp; Boxes</td>
</tr>
<tr>
<td>77</td>
<td>Cotton Absorbent</td>
</tr>
<tr>
<td>78</td>
<td>Cotton Belts</td>
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<td>79</td>
<td>Cotton Carriers</td>
</tr>
<tr>
<td>80</td>
<td>Cotton Cases</td>
</tr>
<tr>
<td>81</td>
<td>Cotton Cord Twine</td>
</tr>
<tr>
<td>82</td>
<td>Cotton Hosiery</td>
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<tr>
<td>83</td>
<td>Cotton packs</td>
</tr>
<tr>
<td>84</td>
<td>Cotton Pouches</td>
</tr>
<tr>
<td>85</td>
<td>Cotton Ropes</td>
</tr>
<tr>
<td>86</td>
<td>Cotton Singlets</td>
</tr>
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**ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR**
### Materials Management Department

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>87</td>
<td>Cotton Sling</td>
</tr>
<tr>
<td>88</td>
<td>Cotton Straps</td>
</tr>
<tr>
<td>89</td>
<td>Cotton tapes and laces</td>
</tr>
<tr>
<td>90</td>
<td>Cotton Wool (Non absorbent)</td>
</tr>
<tr>
<td>91</td>
<td>Crates Wooden &amp; Plastic</td>
</tr>
<tr>
<td>92</td>
<td>(a) Crucibles upto No. 200</td>
</tr>
<tr>
<td>93</td>
<td>Crucibles Graphite upto No. 500</td>
</tr>
<tr>
<td>94</td>
<td>Other Crucibles upto 30 kgs.</td>
</tr>
<tr>
<td>95</td>
<td>Cumbles &amp; blankets</td>
</tr>
<tr>
<td>96</td>
<td>Curtains mosquito</td>
</tr>
<tr>
<td>97</td>
<td>Cutters</td>
</tr>
<tr>
<td>98</td>
<td>Dibutyl phthaiate</td>
</tr>
<tr>
<td>99</td>
<td>Diesel engines upto 15 H.P.</td>
</tr>
<tr>
<td>100</td>
<td>Dimethyl Phthaiate</td>
</tr>
<tr>
<td>101</td>
<td>Disinfectant Fluid</td>
</tr>
<tr>
<td>102</td>
<td>Distribution Board upto 15 amps</td>
</tr>
</tbody>
</table>
| 103  | Domestic Electric appliances as per BIS Specifications :-
|      |   - Toaster Electric, Elect. Iron, Hot-Plates, Elect. Mixer Grinders,
|      |   - Room heaters & convectors and ovens. |
| 104  | Domestic (House Wiring) P.V.C. Cables and Wires
|      |   (Aluminum) Conforming to the prescribed BIS Specifications
|      |   and upto 10.00 mm. sq. normal cross section. |
| 105  | Drawing & Mathematical Instruments |
| 106  | Drums & Barrels |
| 107  | Dust Bins |
| 108  | Dust Shield leather |
| 109  | Duster Cotton all types except the items required in Khadi |
| 110  | Dyes |

#### ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>111</td>
<td>Azo Dyes (Direct &amp; Acid)</td>
</tr>
<tr>
<td>112</td>
<td>Basic Dyes</td>
</tr>
</tbody>
</table>
## Materials Management Department

<table>
<thead>
<tr>
<th>Material Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>113</td>
<td>Electric Call bells/buzzers/door bells</td>
</tr>
<tr>
<td>114</td>
<td>Electric Soldering Iron</td>
</tr>
<tr>
<td>115</td>
<td>Electric Transmission Line Hardware like steel cross bars, cross arms clamps arching arm, brackets etc.</td>
</tr>
<tr>
<td>116</td>
<td>Electronic door bell.</td>
</tr>
<tr>
<td>117</td>
<td>Emergency Light (Rechargeable type)</td>
</tr>
<tr>
<td>118</td>
<td>Enamel Wares &amp; Enamel Utensils</td>
</tr>
<tr>
<td>119</td>
<td>Enamel camouflage Bamboo support</td>
</tr>
<tr>
<td>120</td>
<td>Exhaust Muffler</td>
</tr>
<tr>
<td>121</td>
<td>Expanded Metal</td>
</tr>
<tr>
<td>122</td>
<td>Eyelets</td>
</tr>
<tr>
<td>123</td>
<td>Films Polythene-including wide film</td>
</tr>
<tr>
<td>124</td>
<td>Films spool &amp; cans</td>
</tr>
<tr>
<td>125</td>
<td>Fire Extinguishers (well type)</td>
</tr>
<tr>
<td>126</td>
<td>Foot powder</td>
</tr>
<tr>
<td>127</td>
<td>French polish</td>
</tr>
<tr>
<td>128</td>
<td>Funnels</td>
</tr>
<tr>
<td>129</td>
<td>Fuse Cut outs</td>
</tr>
<tr>
<td>130</td>
<td>Fuse Unit</td>
</tr>
<tr>
<td>131</td>
<td>Garments (excluding supply from Indian Ordnance Factories)</td>
</tr>
<tr>
<td>132</td>
<td>Gas mantels</td>
</tr>
<tr>
<td>133</td>
<td>Gauze cloth</td>
</tr>
<tr>
<td>134</td>
<td>Gauze surgical all types</td>
</tr>
<tr>
<td>135</td>
<td>Ghamellas (Tasllas)</td>
</tr>
<tr>
<td>136</td>
<td>Glass Ampules</td>
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<tr>
<td>137</td>
<td>Glass &amp; Pressed Wares</td>
</tr>
<tr>
<td>138</td>
<td>Glue</td>
</tr>
<tr>
<td>139</td>
<td>Grease Nipples &amp; Grease guns</td>
</tr>
<tr>
<td>140</td>
<td>Gun Cases</td>
</tr>
<tr>
<td>141</td>
<td>Gun Metal Bushes</td>
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<tr>
<td>142</td>
<td>Gum tape</td>
</tr>
<tr>
<td>143</td>
<td>Hand drawn carts of all types</td>
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</tbody>
</table>

Date of Issue: 15th March 2018
<table>
<thead>
<tr>
<th>No.</th>
<th>Item Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>144</td>
<td>Hand gloves of all types</td>
</tr>
<tr>
<td>145</td>
<td>Hand Lamps Railways</td>
</tr>
<tr>
<td>146</td>
<td>Hand numbering machine</td>
</tr>
<tr>
<td>147</td>
<td>Hand pounded Rice (polished and unpolished)</td>
</tr>
<tr>
<td>148</td>
<td>Hand presses</td>
</tr>
<tr>
<td>149</td>
<td>Hand Pump</td>
</tr>
<tr>
<td>150</td>
<td>Hand Tools</td>
</tr>
<tr>
<td>151</td>
<td>Handles wooden and bamboo (Procurement can also be made from State Forest Corp. And State Handicraft Corporation).</td>
</tr>
<tr>
<td>152</td>
<td>Hamess Leather</td>
</tr>
<tr>
<td>153</td>
<td>Hasps &amp; Staples</td>
</tr>
<tr>
<td>154</td>
<td>Haver Sacks</td>
</tr>
<tr>
<td>155</td>
<td>Helmet Non-Metallic</td>
</tr>
<tr>
<td>156</td>
<td>Hide and country leather of all types</td>
</tr>
<tr>
<td>157</td>
<td>Hinges</td>
</tr>
<tr>
<td>158</td>
<td>Hob nails</td>
</tr>
<tr>
<td>159</td>
<td>Hold all</td>
</tr>
<tr>
<td>160</td>
<td>Honey'</td>
</tr>
<tr>
<td>161</td>
<td>Horse and Mule Shoes</td>
</tr>
<tr>
<td>162</td>
<td>Hydraulic Jacks below 30 ton capacity</td>
</tr>
<tr>
<td>163</td>
<td>Insecticides Dust and Sprayers (Manual only)</td>
</tr>
<tr>
<td>164</td>
<td>Invalid wheeled chairs</td>
</tr>
<tr>
<td>165</td>
<td>Invertor domestic type upto 5 KVA</td>
</tr>
<tr>
<td>166</td>
<td>Iron (dhobi)</td>
</tr>
<tr>
<td>167</td>
<td>Key board wooden</td>
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<td>168</td>
<td>Kit boxes</td>
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<td>169</td>
<td>Kudali</td>
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<td>170</td>
<td>Lace leather</td>
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<tr>
<td>171</td>
<td>Lamp holders</td>
</tr>
<tr>
<td>172</td>
<td>Lamp signal</td>
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</tbody>
</table>

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<table>
<thead>
<tr>
<th>Item</th>
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</tr>
</thead>
<tbody>
<tr>
<td>173</td>
<td>Lanterns Posts &amp; bodies</td>
</tr>
<tr>
<td>174</td>
<td>Lanyard</td>
</tr>
<tr>
<td>175</td>
<td>Lantex foam sponge</td>
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<td>176</td>
<td>Lanthies</td>
</tr>
<tr>
<td>177</td>
<td>Letter Boxes</td>
</tr>
<tr>
<td>178</td>
<td>Lighting Arresters - upto 22 kv</td>
</tr>
<tr>
<td>179</td>
<td>Link Clip</td>
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<tr>
<td>180</td>
<td>Linseed Oil</td>
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<td>181</td>
<td>Lint Plain</td>
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<td>182</td>
<td>Lockers</td>
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<tr>
<td>183</td>
<td>Lubricants</td>
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<tr>
<td>184</td>
<td>L.T. Porcelain KITKAT &amp; Fuse Grips</td>
</tr>
<tr>
<td>185</td>
<td>Machine Screws</td>
</tr>
<tr>
<td>186</td>
<td>Magnesium Sulphate</td>
</tr>
<tr>
<td>187</td>
<td>Mallet Wooden</td>
</tr>
<tr>
<td>188</td>
<td>Manhole covers</td>
</tr>
<tr>
<td>189</td>
<td>Measuring Tapes and Sticks</td>
</tr>
<tr>
<td>190</td>
<td>Metal clad switches (upto 30 Amps)</td>
</tr>
<tr>
<td>191</td>
<td>Metal Polish</td>
</tr>
<tr>
<td>192</td>
<td>Metallic containers and drums other than N.E.C. (not elsewhere classified)</td>
</tr>
<tr>
<td>193</td>
<td>Metric weight</td>
</tr>
<tr>
<td>194</td>
<td>Microscope for normal medical use</td>
</tr>
<tr>
<td>195</td>
<td>Miniature bulbs (for torches only)</td>
</tr>
<tr>
<td>196</td>
<td>M.S. Tie Bars</td>
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<tr>
<td>197</td>
<td>Nail Cutters</td>
</tr>
<tr>
<td>198</td>
<td>Naphthalene Balls</td>
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<td>199</td>
<td>Newar</td>
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<td>Nickel Sulphate</td>
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<td>201</td>
<td>Nylon Stocking</td>
</tr>
<tr>
<td>202</td>
<td>Nylon Tapes and Laces</td>
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</tbody>
</table>

**ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR**

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<th>Item</th>
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</tr>
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<tbody>
<tr>
<td>190</td>
<td>Metal clad switches (upto 30 Amps)</td>
</tr>
<tr>
<td>191</td>
<td>Metal Polish</td>
</tr>
<tr>
<td>192</td>
<td>Metallic containers and drums other than N.E.C. (not elsewhere classified)</td>
</tr>
<tr>
<td>193</td>
<td>Metric weight</td>
</tr>
<tr>
<td>194</td>
<td>Microscope for normal medical use</td>
</tr>
<tr>
<td>195</td>
<td>Miniature bulbs (for torches only)</td>
</tr>
<tr>
<td>196</td>
<td>M.S. Tie Bars</td>
</tr>
<tr>
<td>197</td>
<td>Nail Cutters</td>
</tr>
<tr>
<td>198</td>
<td>Naphthalene Balls</td>
</tr>
<tr>
<td>199</td>
<td>Newar</td>
</tr>
<tr>
<td>200</td>
<td>Nickel Sulphate</td>
</tr>
<tr>
<td>201</td>
<td>Nylon Stocking</td>
</tr>
<tr>
<td>202</td>
<td>Nylon Tapes and Laces</td>
</tr>
</tbody>
</table>

Date of Issue: 15<sup>th</sup> March 2018
# Materials Management Department

<table>
<thead>
<tr>
<th>Item No</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>203</td>
<td>Oil Bound Distemper</td>
</tr>
<tr>
<td>204</td>
<td>Oil Stoves (Wick Stoves only)</td>
</tr>
<tr>
<td>205</td>
<td>Pad locks of all types</td>
</tr>
<tr>
<td>206</td>
<td>Paint remover</td>
</tr>
<tr>
<td>207</td>
<td>Palma Rosa oil</td>
</tr>
<tr>
<td>208</td>
<td>Palmgur</td>
</tr>
<tr>
<td>209</td>
<td>Pans Lavatory Flush</td>
</tr>
<tr>
<td>210</td>
<td>Paper conversion products, paper bags, envelopes, Ice-cream cup, paper cup and saucers &amp; paper plates</td>
</tr>
<tr>
<td>211</td>
<td>Paper Tapes (Gummed)</td>
</tr>
<tr>
<td>212</td>
<td>Papads</td>
</tr>
<tr>
<td>213</td>
<td>Pickles &amp; Chutney</td>
</tr>
<tr>
<td>214</td>
<td>Piles fabric</td>
</tr>
<tr>
<td>215</td>
<td>Pillows</td>
</tr>
<tr>
<td>216</td>
<td>Plaster of paris</td>
</tr>
<tr>
<td>217</td>
<td>Plastic Blow Moulded Containers upto 20 litre excluding Poly Ethylene Terphthalate (PET) Containers</td>
</tr>
<tr>
<td>218</td>
<td>Plastic cane</td>
</tr>
<tr>
<td>219</td>
<td>Playing Cards</td>
</tr>
<tr>
<td>220</td>
<td>Plugs &amp; Sockets electric upto 15 Amp.</td>
</tr>
<tr>
<td>221</td>
<td>Polythene Bags</td>
</tr>
<tr>
<td>222</td>
<td>Polythene pipes</td>
</tr>
<tr>
<td>223</td>
<td>Post picket (wooden)</td>
</tr>
<tr>
<td>224</td>
<td>Postal Lead Seals</td>
</tr>
<tr>
<td>225</td>
<td>Potassium Nitrate</td>
</tr>
<tr>
<td>226</td>
<td>Pouches</td>
</tr>
<tr>
<td>227</td>
<td>Pressure Die Casting upto 0.75 kg.</td>
</tr>
</tbody>
</table>

**ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>228</td>
<td>Privy pans</td>
</tr>
<tr>
<td>229</td>
<td>Pulley wire</td>
</tr>
<tr>
<td>230</td>
<td>PVC footwear</td>
</tr>
<tr>
<td>231</td>
<td>PVC pipes upto 110 mm.</td>
</tr>
</tbody>
</table>

Date of Issue: 15<sup>th</sup> March 2018
Materials Management Department

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>232</td>
<td>PVC Insulated Aluminium Cables (upto 120 Sq. mm) (ISS:694)</td>
</tr>
<tr>
<td>233</td>
<td>Quilts, Razais</td>
</tr>
<tr>
<td>234</td>
<td>Rags</td>
</tr>
<tr>
<td>235</td>
<td>Railways carriage light fittings</td>
</tr>
<tr>
<td>236</td>
<td>Rakes Ballast</td>
</tr>
<tr>
<td>237</td>
<td>Razors</td>
</tr>
<tr>
<td>238</td>
<td>RCC Pipes upto 1200 mm. Dia</td>
</tr>
<tr>
<td>239</td>
<td>RCC Poles Prestressed</td>
</tr>
<tr>
<td>240</td>
<td>Rivets of all types</td>
</tr>
<tr>
<td>241</td>
<td>Rolling Shutters</td>
</tr>
<tr>
<td>242</td>
<td>Roof light fittings</td>
</tr>
<tr>
<td>243</td>
<td>Rubber Balloons</td>
</tr>
<tr>
<td>244</td>
<td>Rubber Cord</td>
</tr>
<tr>
<td>245</td>
<td>Rubber Hoses (Unbranded)</td>
</tr>
<tr>
<td>246</td>
<td>Rubber Tubing (Excluding braided rubbing)</td>
</tr>
<tr>
<td>247</td>
<td>Rubberised Garments Cap and caps etc.</td>
</tr>
<tr>
<td>248</td>
<td>Rust/Scale Removing Composition</td>
</tr>
<tr>
<td>249</td>
<td>Safe meat &amp; milk</td>
</tr>
<tr>
<td>250</td>
<td>Safety matches</td>
</tr>
<tr>
<td>251</td>
<td>Safety Pins (and other similar products like paper pins, staple pins etc.)</td>
</tr>
<tr>
<td>252</td>
<td>Sanitary Plumbing Fitting</td>
</tr>
<tr>
<td>253</td>
<td>Sanitary Towels</td>
</tr>
<tr>
<td>254</td>
<td>Scientific Laboratory glassware (Barring sophisticated items)</td>
</tr>
<tr>
<td>255</td>
<td>Scissors cutting (ordinary)</td>
</tr>
<tr>
<td>256</td>
<td>Screws of all types including High Tensile</td>
</tr>
<tr>
<td>257</td>
<td>Sheep skin all types</td>
</tr>
<tr>
<td>258</td>
<td>Shellac</td>
</tr>
<tr>
<td>259</td>
<td>Shoes laces</td>
</tr>
<tr>
<td>260</td>
<td>Shovels</td>
</tr>
<tr>
<td>261</td>
<td>Sign Boards painted</td>
</tr>
<tr>
<td>262</td>
<td>Silk ribbon</td>
</tr>
</tbody>
</table>
Materials Management Department

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>263</td>
<td>Silk webbing</td>
</tr>
<tr>
<td>264</td>
<td>Ski boots &amp; shoes</td>
</tr>
<tr>
<td>265</td>
<td>Sluice Valves</td>
</tr>
<tr>
<td>266</td>
<td>Snapfastner (Excluding 4 pcs. Ones)</td>
</tr>
<tr>
<td>267</td>
<td>Soap Carbolic</td>
</tr>
</tbody>
</table>

**ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>268</td>
<td>Soap Curd</td>
</tr>
<tr>
<td>269</td>
<td>Soap Liquid</td>
</tr>
<tr>
<td>270</td>
<td>Soap Soft</td>
</tr>
<tr>
<td>271</td>
<td>Soap washing or laundry soap</td>
</tr>
<tr>
<td>272</td>
<td>Soap Yellow</td>
</tr>
<tr>
<td>273</td>
<td>Socket/pipes</td>
</tr>
<tr>
<td>274</td>
<td>Sodium Nitrate</td>
</tr>
<tr>
<td>275</td>
<td>Sodium silicate</td>
</tr>
<tr>
<td>276</td>
<td>Sole leather</td>
</tr>
<tr>
<td>277</td>
<td>Spectacle frames</td>
</tr>
<tr>
<td>278</td>
<td>Spiked boots</td>
</tr>
<tr>
<td>279</td>
<td>Sports shoes made out of leather (for all sports games)</td>
</tr>
<tr>
<td>280</td>
<td>Squirrel Cage Induction Motors upto and including 100 KW 440 volts 3 phase</td>
</tr>
<tr>
<td>281</td>
<td>Stapling machine</td>
</tr>
<tr>
<td>282</td>
<td>Steel Almirah</td>
</tr>
<tr>
<td>283</td>
<td>Steel beds stead</td>
</tr>
<tr>
<td>284</td>
<td>Steel chair</td>
</tr>
<tr>
<td>285</td>
<td>Steel desks</td>
</tr>
<tr>
<td>286</td>
<td>Steel racks/shelf</td>
</tr>
<tr>
<td>287</td>
<td>Steel stools</td>
</tr>
<tr>
<td>288</td>
<td>Steel trunks</td>
</tr>
<tr>
<td>289</td>
<td>Steel wool</td>
</tr>
<tr>
<td>290</td>
<td>Steel &amp; aluminium windows and ventilators</td>
</tr>
<tr>
<td>291</td>
<td>Stockinet</td>
</tr>
<tr>
<td>292</td>
<td>Stone and stone quarry rollers</td>
</tr>
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</table>

Date of Issue: 15th March 2018
# Materials Management Department

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>293</td>
<td>Stoneware jars</td>
</tr>
<tr>
<td>294</td>
<td>Standard wire</td>
</tr>
<tr>
<td>295</td>
<td>Street light fittings</td>
</tr>
<tr>
<td>296</td>
<td>Student Microscope</td>
</tr>
<tr>
<td>297</td>
<td>Studs (excluding high tensile)</td>
</tr>
<tr>
<td>298</td>
<td>Surgical Gloves (Except Plastic)</td>
</tr>
<tr>
<td>299</td>
<td>Table knives (Excluding Cutlery)</td>
</tr>
<tr>
<td>300</td>
<td>Tack Metallic</td>
</tr>
<tr>
<td>301</td>
<td>Taps</td>
</tr>
<tr>
<td>302</td>
<td>Tarpaulins</td>
</tr>
<tr>
<td>303</td>
<td>Teak Fabricated round blocks</td>
</tr>
<tr>
<td>304</td>
<td>Tent poles</td>
</tr>
<tr>
<td>305</td>
<td>Tentage Civil/Military &amp; Salitah jute for Tentage</td>
</tr>
<tr>
<td>306</td>
<td>Textile manufactures other than N.E.C. (not elsewhere classified)</td>
</tr>
<tr>
<td>307</td>
<td>Tiles</td>
</tr>
</tbody>
</table>

**ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>308</td>
<td>Tin Boxes for postage stamp</td>
</tr>
<tr>
<td>309</td>
<td>Tin can unprinted upto 4 gallons capacity (other than can (O.T.S.))</td>
</tr>
<tr>
<td>310</td>
<td>Tin Mess</td>
</tr>
<tr>
<td>311</td>
<td>Tip Boots</td>
</tr>
<tr>
<td>312</td>
<td>Toggle Switches</td>
</tr>
<tr>
<td>313</td>
<td>Toilets Rolls</td>
</tr>
<tr>
<td>314</td>
<td>Transformer type welding sets conforming to IS:1291/75 (upto 600 amps)</td>
</tr>
<tr>
<td>315</td>
<td>Transistor Radio upto 3 band</td>
</tr>
<tr>
<td>316</td>
<td>Transistor Insulation – Testers</td>
</tr>
<tr>
<td>317</td>
<td>Trays</td>
</tr>
<tr>
<td>318</td>
<td>Trays for postal use</td>
</tr>
<tr>
<td>319</td>
<td>Trolley</td>
</tr>
<tr>
<td>320</td>
<td>Trollies - drinking water</td>
</tr>
</tbody>
</table>
Materials Management Department

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>321</td>
<td>Tubular Poles</td>
</tr>
<tr>
<td>322</td>
<td>Tyres &amp; Tubes (Cycles)</td>
</tr>
<tr>
<td>323</td>
<td>Umbrellas</td>
</tr>
<tr>
<td>324</td>
<td>Utensils all types</td>
</tr>
<tr>
<td>325</td>
<td>Valves Metallic</td>
</tr>
<tr>
<td>326</td>
<td>Varnish Black Japan</td>
</tr>
<tr>
<td>327</td>
<td>Voltage stabilisers including C.V.T's</td>
</tr>
<tr>
<td>328</td>
<td>Washers all types</td>
</tr>
<tr>
<td>329</td>
<td>Water Proof Covers</td>
</tr>
<tr>
<td>330</td>
<td>Water Proof paper</td>
</tr>
<tr>
<td>331</td>
<td>Water tanks upto 15,000 liters capacity</td>
</tr>
<tr>
<td>332</td>
<td>Wax sealing</td>
</tr>
<tr>
<td>333</td>
<td>Waxed paper</td>
</tr>
<tr>
<td>334</td>
<td>Weighing Scale</td>
</tr>
<tr>
<td>335</td>
<td>Welded Wiremash</td>
</tr>
<tr>
<td>336</td>
<td>Wheel barrows</td>
</tr>
<tr>
<td>337</td>
<td>Whistle</td>
</tr>
<tr>
<td>338</td>
<td>Wicks cotton</td>
</tr>
<tr>
<td>339</td>
<td>Wing Shield Wipers (Arms &amp; Blades only)</td>
</tr>
<tr>
<td>340</td>
<td>Wire brushes and Fibre Brushes</td>
</tr>
<tr>
<td>341</td>
<td>Wire Fencing &amp; Fittings</td>
</tr>
<tr>
<td>342</td>
<td>Wire nails and Horse shoe nails</td>
</tr>
<tr>
<td>343</td>
<td>Wire nettings of gauze thicker than 100 mesh size</td>
</tr>
<tr>
<td>344</td>
<td>Wood wool</td>
</tr>
<tr>
<td>345</td>
<td>Wooden ammunition boxes</td>
</tr>
<tr>
<td>346</td>
<td>Wooden Boards</td>
</tr>
<tr>
<td>347</td>
<td>Wooden Box for Stamps</td>
</tr>
</tbody>
</table>

**ITEMS RESERVED FOR SSI / HANDICRAFTS SECTOR**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>348</td>
<td>Wooden Boxed and cases N.E.C. (Not elsewhere classified)</td>
</tr>
<tr>
<td>349</td>
<td>Wooden Chairs</td>
</tr>
<tr>
<td>350</td>
<td>Wooden Flush Door Shutters</td>
</tr>
</tbody>
</table>
## Materials Management Department

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>351</td>
<td>Wooden packing cases all sizes</td>
</tr>
<tr>
<td>352</td>
<td>Wooden pins</td>
</tr>
<tr>
<td>353</td>
<td>Wooden plugs</td>
</tr>
<tr>
<td>354</td>
<td>Wooden shelves</td>
</tr>
<tr>
<td>355</td>
<td>Wooden veneers</td>
</tr>
<tr>
<td>356</td>
<td>Woolen hosiery</td>
</tr>
<tr>
<td>357</td>
<td>Zinc sulphate</td>
</tr>
<tr>
<td>358</td>
<td>Zip Fasteners</td>
</tr>
</tbody>
</table>

*****
Materials Management Department

ANNEXURE E - LOADING CRITERIA

1. Advance Payment
2. Warranty
3. Delivery Period

1. Advance Payment (Prior to delivery): @ 10% per annum calculated on pro-rata basis.

Scenario 1

Basic Rate ₹ 1,00,000/-
GST 5% ₹ 5,000/-
Delivery Period 4 Weeks
Payment due after 60 days of delivery
Loading for advance payment will be 3 Months i.e. 2.5% on the Landed cost i.e. ₹ 2,625/- on ₹ 1,05,000/-
Therefore the total landed cost would be calculated as follows

Basic Rate ₹ 1,00,000/-
GST 5% ₹ 5,000/-
Loading ₹ 2,625/-
TOTAL ₹ 1,07,625/-

Scenario 2

In case the payment is on delivery the loading will be
Basic Rate ₹ 99,000/-
Packing ₹ 1,000/-
GST 5% ₹ 5,000/-
Payment due after 60 days of delivery
Loading for payment against delivery will be 2 Months i.e. 1.6% on the Landed Cost i.e. ₹ 1,680/- on ₹ 1,05,000/-
Therefore the total landed cost would be calculated as follows

Basic Rate ₹ 1,00,000/-
GST 5% 5,000/-
Loading ₹ 1,680/-
TOTAL ₹ 1,06,680/-

2. Warranty: @ 10% per annum calculated on pro-rata basis

Basic Rate ₹ 1,00,000/-
GST 5% ₹ 5,000/-
Warranty period 2 years as per tender
Materials Management Department

Warranty quoted 1 year
Loading for warranty period will be 12 Months i.e. 10% on the Landed Cost i.e. ₹ 10,500/- on ₹ 1,05,000/-
Therefore the total landed cost would be calculated as follows

Basic Rate  ₹ 1,00,000/-
GST 5%  ₹ 5,000
Loading  ₹ 10,500/-
TOTAL  ₹ 1,15,500/-

3. Delivery period: @ 0.5% per week calculated on pro-rata basis

Basic Rate  ₹ 1,00,000/-
GST 5%  ₹ 5,000
Delivery Period as per tender 4 Weeks
Delivery Period quoted – 6 Weeks
Loading for Delivery period will be 2 Weeks i.e. 1% on the Landed Cost i.e. ₹ 1050/- on ₹ 1,05,000/-
Therefore the total landed cost would be calculated as follows

Basic Rate  ₹ 1,00,000/-
GST 5%  ₹ 5,000
Loading  ₹ 1050/-
TOTAL  ₹ 1,06,050/-
ANNEXURE F - UNDERTAKING BY TC EVALUATION MEMBERS

Date: ______________

Tender no. ________________________

Description:

We, the following committee members for the subject tender, confirm that none of us has any personal interest in the companies/agencies participating in the subject tender process.

Signature ___________ ___________ ___________

Name ___________ ___________ ___________

Designation ___________ ___________ ___________

****
To

Materials Management Department,
Air India Ltd,

Subject : Authorisation for attending bid opening

Tender No. ____________________ Closing Date: _____________________

Opening Date _____________ Opening Time _____________________

The following person(s) are hereby authorised to attend the bid opening for the tender mentioned above on our behalf.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name</th>
<th>E-Mail ID</th>
<th>Contact No.</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Authorised Signatory

Note : 1. Permission for entry to the hall where bids are opened, may be refused in case authorization as prescribed above is not received.

2. The authorized representatives, in their own interest, must reach the venue of bid opening well in time.
3. The authorized representatives must carry a valid photo identity.

*****
Materials Management Department

ANNEXURE H - BID OPENING ATTENDANCE SHEET

DATE: ______________

TENDER NO. ___________________________ SECTION: _______________

Subject: ____________________________________________________________________

The following vendors were present for tender opening.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Company Name</th>
<th>Name of Rep</th>
<th>Tel No.</th>
<th>Email</th>
<th>Sign of Rep</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>3</td>
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<td>4</td>
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<td>5</td>
<td></td>
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</tr>
</tbody>
</table>

Name & Signature of Air India Representatives

(Name and signature) (Name and signature) (Name and signature)

*****
Materials Management Department

ANNEXURE I - RETURN OF BIDS

Part A Intimation to bidders

To

Date: ---------

______________________

Reference No. __________________

______________________

______________________

Sub: Return of price bids

Sir/ Madam

Please refer to your price bid submitted against our tender no. ___________ dated ____________.

In connection with the above tender, this is to advise that your price bid was not opened as your technical bid did not qualify in terms of compliance with the tender requirements. You are, therefore, requested to collect your price bid from the office of the undersigned within the next 30 days. Your representative must carry an authorization letter in order to enable us to hand over the same.

In case you do not collect the price bid within the stipulated 30 days, Air India reserves the right to destroy the bid without any further intimation to you, and no communication whatsoever in this regard would be entertained subsequently.

We thank you for having participated in the tender.

Name of the Materials Management official

Designation

Contact No

E-Mail ID

Date of Issue: 15th March 2018
PART B: ACKNOWLEDGEMENT OF RETURN OF PRICE BID

To

Date: ___________

_____________________

_____________________

_____________________

_____________________

Tender No............................ Tender Date ......................... Due Date

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

Vendor Name _____________________

We, hereby, acknowledge the receipt of our price bid against the above mentioned
tender number. The same is in sealed condition and Air India has no obligation with
regard to this tender.

(Signature of Bidder Representative)

Encl: Price Bid

*****
Materials Management Department

ANNEXURE J - LETTER OF AUTHORIZATION FOR ATTENDING PRE-BID CONFERENCE

(To reach MMD on or before date of Pre-bid conference)

To

Materials Management Department,
Air India Ltd,

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

Subject: Authorisation for attending Pre-bid Conference

Tender No. ___________ Due Date: ______________

Pre-Bid Conference Date __________

The following person(s) are hereby authorised to attend the pre-bid conference for the tender mentioned above on our behalf.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Name</th>
<th>E-Mail ID</th>
<th>Contact No.</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Authorised Signatory

Note: 1. Permission for entry to the hall where bids are opened, may be refused in case authorization as prescribed above is not received.
2. The authorized representatives, in their own interest, must reach the venue of bid opening well in time.
3. The authorized representatives must carry a valid photo identity.

****

Date of Issue: 15th March 2018
Materials Management Department

ANNEXURE K - PRE BID MEETING – ATTENDANCE SHEET

DATE: ________________

TENDER NO. ________________ SECTION ________________

Subject: ___________________________________________________

The following vendors were present for Pre-bid meeting.

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Company Name</th>
<th>Name of Rep</th>
<th>Tel No.</th>
<th>Email</th>
<th>Sign of Rep</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td>5</td>
<td></td>
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</tr>
</tbody>
</table>

Name & Signature of Air India representatives

(Name and signature) (Name and signature) (Name and signature)

Date of Issue: 15th March 2018
To
Materials Management Department,
Air India Ltd,

Subject: Undertaking for payment against duplicate challan/invoice

Purchase Order No. ___________ Purchase Order Date: ______________

Invoice No. _________________ Invoice Date: ________________

Challan No. _________________ Challan Date: ________________

This is to state that this is a duplicate invoice/challan and no payment has been received by us against the above mentioned PO. However, if it is later found that payment has been received, the same will be refunded to Air India.

Authorised Signatory
(with Stamp)

*****
Materials Management Department

ANNEXURE M - NEGOTIATION SHEET

<table>
<thead>
<tr>
<th>RFx No.</th>
<th>RFx Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Description:

________________________________________________________________________________________
________________________________________________________________________________________

A price negotiation meeting was held in the office of ________________________ On ______________________ at ________________am/pm. The following participants were present:

<table>
<thead>
<tr>
<th>Air India</th>
<th>Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
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<tr>
<td>3.</td>
<td></td>
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<tr>
<td>4.</td>
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<tr>
<td>5.</td>
<td></td>
</tr>
</tbody>
</table>

Following points were discussed and agreed upon:

<table>
<thead>
<tr>
<th>Purchase Representative</th>
<th>Finance Representative</th>
<th>User Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Vendor (Authorised Signatory) ____________________________

*****
ANNEXURE N - CHECK LIST WHILE CREATING THE SHOPPING CART

All the shopping carts must contain complete requirement in its correctness. The users should check and confirm if following information, wherever applicable, has been provided while creating the shopping cart.

1. Sufficient budget/ AR / Asset Codes
2. Correct Unit of Measure
3. Estimated cost
4. Model no/ Make
5. Complete specifications
6. Drawings
7. Scope of Work
8. Service level agreement requirements
9. Sample requirements
10. Warranty requirements
11. Delivery Schedule
12. Pre-Qualification Criteria
13. Technical Evaluation criteria
14. Pre-delivery inspection requirements
15. Pre-Bid conference Requirement
16. Whether required on Proprietary or brand approved basis

MMD reserves the right to reject the shopping cart if the information is either incomplete or not provided or is not relevant.

*****
ANNEXURE O - INTEGRITY PACT

Between

Air India Ltd. (AIL) hereinafter referred to as “The Principal”,

and

hereinafter referred to as “The Bidder/ Contractor”

PREAMBLE

The Principal intends to award, under laid down organizational procedures, contract(s) for -------------. The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/transparency in its relations with its Bidder(s) and/or Contractor(s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 – Commitments of the Principal

1. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
   a. No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to. The word ‘take’ shall also include the past and future.
   b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
Materials Management Department

c. The Principal will exclude from the process all known prejudiced persons and persons who would be known to have a connection or nexus with the prospective bidder.

2. If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act or the conduct rules of the Principal, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

Section 2 – Commitments of the Bidder(s)/ contractor(s)

1. The Bidder(s)/ Contractor(s) commit themselves to take all measures necessary to prevent corruption in their dealings with AIR INDIA LTD. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
   a. The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal’s employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
   b. The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.
   c. The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
   d. The Bidder(s)/Contractors(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractors(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the “Guidelines on Indian Agents of Foreign Suppliers” shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the “Guidelines on Indian Agents of Foreign Suppliers” is placed at (Page nos. 6-7)
   e. The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
   f. This integrity pact shall override the confidentiality clause, if any, in the offer submitted by the Contractor/Bidder and in the agreement entered into by the Principal with the Contractor/Bidder.

2. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences or acts outlined above or be an accessory to such offences.

Section 3 – Disqualification from tender process and exclusion from future contracts

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If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the “Guidelines on Banning of business dealings”. Copy of the “Guidelines on Banning of business dealings” is placed at Page nos. 8-16.

Section 4 – Compensation for Damages

1. If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/Bid Security and other actual damages due to the consequential delay.
2. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.
3. The Contractor/Bidder shall not be entitled to claim from the Principal any amounts either as damages or otherwise, on account of termination.

Section 5 – Previous transgression

1. The Bidder declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealings”.

Section 6 – Equal treatment of all Bidders/Contractors/Subcontractors

1. The Bidder(s)/Contractor(s) undertake(s) to demand from all subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
2. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.
3. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

Section 7 – Criminal charges against violating Bidder(s)/Contractor(s)/Subcontractor(s)

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder,
Materials Management Department

Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

Section 8 – Independent External Monitor/Monitors

1. The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He shall report to the Chairman, AIR INDIA LTD.

3. The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.

4. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.

6. The Monitor will submit a written report to the Chairman, AIR INDIA LTD. within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.

7. Monitor shall be entitled to compensation on the same terms as being extended to / provided to Independent Directors on the AIR INDIA LTD. Board.

8. If the Monitor has reported to the Chairman AIR INDIA LTD., a substantiated suspicion of an offence under relevant IPC/PC Act, and the Chairman AIR INDIA LTD. has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.

9. The word ‘Monitor’ would include both singular and plural.

Section 9 – Pact Duration

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This Pact begins when both parties have legally signed it. It expires for the Contractor 3 years after the last payment under the contract, and for all other Bidders 12 months after the contract has been awarded.

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Board of AIR INDIA LTD..

Section 10 – Other provisions

1. This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. Mumbai.
2. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
3. If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members and in the case of a Company by an authorised representative.
4. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

________________________________________  ______________________________________
(For & On behalf of the Principal)  (For & On behalf of Bidder/ Contractor)

(Office Seal)  (Office Seal)

Place --------------
Date -----------

Witness 1:
(Name & Address)  __________________________
__________________________

Date of Issue: 15th March 2018
Materials Management Department

Witness 2:
(Name & Address)

_____________________________
_____________________________
_____________________________
_____________________________
GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS

1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with AIR INDIA LTD. Departments/Stations shall apply for registration in the prescribed Application Form.

1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/remuneration/salary/retainer ship being paid by the principal to the agent before the placement of order by AIR INDIA LTD. Departments/Stations.

1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order.

2.0 DISCLOSURE OF PARTICULARS OF AGENTS/REPRESENTATIVES IN INDIA. IF ANY.

2.1 Tenderers of Foreign nationality shall furnish the following details in their offer:

2.1.1 The name and address of the agents/representatives in India, if any and the extent of authorization and authority given to commit the Principals. In case the agent/representative be a foreign Company, it shall be confirmed whether it is a real substantial Company and details of the same shall be furnished.

2.1.2 The amount of commission/remuneration included in the quoted price(s) for such agents/representatives in India.

2.1.3 Confirmation of the Tenderer that the commission/remuneration if any, payable to his agents/representatives in India, may be paid by AIR INDIA LTD. in Indian Rupees only.

2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:

2.2.1 The name and address of the foreign principals indicating their nationality as well as their status, i.e., whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make
Materials Management Department

an offer in India in response to tender either directly or through the agents/representatives.

2.2.2 The amount of commission/remuneration included in the price(s) quoted by the Tenderer for himself.

2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/remuneration, if any, reserved for the Tenderer in the quoted price(s), may be paid by AIR INDIA LTD. in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items.

2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission/remuneration, if any payable to the agents/representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.

2.4 Failure to furnish correct and detailed information as called for in paragraph-2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by AIR INDIA LTD. Besides this there would be a penalty of banning business dealings with AIR INDIA LTD. or damage or payment of a named sum.
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<th>Page(s)</th>
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</tbody>
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Introduction

1.1 Air India Ltd., being a Public Sector Enterprise and ‘State’, within the meaning of Article 12 of the Constitution of India, has to ensure preservation of rights enshrined in Chapter III of the Constitution. AIR INDIA LTD. has also to safeguard its commercial interests. AIR INDIA LTD. deals with Agencies, who have a very high degree of integrity, commitments and sincerity towards the work undertaken. It is not in the interest of AIR INDIA LTD. to deal with Agencies who commit deception, fraud or exercise of coercion or undue influence or other misconduct in the execution of contracts awarded / orders issued to them. In order to ensure compliance with the constitutional mandate, it is incumbent on AIR INDIA LTD. to observe principles of natural justice before banning the business dealings with any Agency.

1.2 Since banning of business dealings involves civil consequences for an Agency concerned, it is incumbent that adequate opportunity of hearing is provided and the explanation, if tendered, is considered before passing any order in this regard keeping in view the facts and circumstances of the case.

2. Scope

2.1 The General Conditions of Contract (GCC) of AIR INDIA LTD. generally provide that AIR INDIA LTD. reserves its rights to remove from list of approved suppliers/contractors or to ban business dealings if any Agency has been found to have committed misconduct, violation of any law or any term of the agreement and also to suspend business dealings pending investigation. If such provision does not exist in any GCC, the same may be incorporated.

2.2 Similarly, in case of sale of material there is a clause to deal with the Agencies/customers/buyers, who indulge in lifting of material in unauthorized manner. If such a stipulation does not exist in any Sale Order, the same may be incorporated.

2.3 However, absence of such a clause does not in any way restrict the right of Company (AIR INDIA LTD.) to take action/decision under these guidelines in appropriate cases.

2.4 The procedure of (i) Removal of Agency from the List of approved suppliers / contractors; (ii) Suspension and (iii) Banning of Business Dealing with Agencies, has been laid down in these guidelines.

2.5 These guidelines apply to all the Departments/Stations and subsidiaries of AIR INDIA LTD.
Materials Management Department

2.6 It is clarified that these guidelines do not deal with the decision of the Management not to entertain any particular Agency due to its poor/inadequate performance or for any other reason.

2.7 The banning shall be with prospective effect, i.e., future business dealings.

3. Definitions

In these Guidelines, unless the context otherwise requires:

i) ‘Party/Contractor/Supplier/Purchaser/Customer’ shall mean and include a public limited company or a private limited company, a firm whether registered or not, an individual, a cooperative society or an association or a group of persons engaged in any commerce, trade, industry, etc. ‘Party/Contractor/Supplier/Purchaser/Customer’ in the context of these guidelines is indicated as ‘Agency’.

ii) ‘Inter-connected Agency’ shall mean two or more companies having any of the following features:
   a. If one is a subsidiary of the other.
   b. If the Director(s), Partner(s), Manager(s) or Representative(s) are common;
   c. If Management is common;
   d. If one owns or controls the other in any manner;

iii) ‘Competent Authority’ and ‘Appellate Authority’ shall mean the following:
   a. For Company (entire AIR INDIA LTD.) Wide Banning
      The Executive Director – SBU in charge of Procurement shall be the ‘Competent Authority’ for the purpose of these guidelines. Chairman, AIR INDIA LTD. shall be the ‘Appellate Authority’ in respect of such cases.
   b. In case the foreign supplier is not satisfied by the decision of the First Appellate Authority, it may approach AIR INDIA LTD. Board as Second Appellate Authority.
   c. For Departments / Stations only
      Any officer not below the rank of Executive Director appointed or nominated by the Functional Director / SBU Head shall be the ‘Appellate Authority’ in all such cases.
   d. For Corporate Office only
      For procurement of items / award of contracts, to meet the requirement of Corporate Office only, Head of CMMG shall be the “Competent Authority” and Director (Technical) shall be the “Appellate Authority”.
   e. Chairman, AIR INDIA LTD. shall have overall power to take suo-moto action on any information available or received by him and pass such order(s) as he may think appropriate, including modifying the order(s) passed by any authority under these guidelines.

iv) ‘Investigating Department’ shall mean any Department or Unit investigating into the conduct of the Agency and shall include the Vigilance Department, Central Bureau of Investigation, the State Police or any other
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authority or agency set up by the Central or State Government having powers to investigate.

v) 'List of approved Agencies - Parties/Contractors/Suppliers/Purchasers/Customers' shall mean and include list of approved/registered Agencies - Parties/Contractors/Suppliers/Purchasers/Customers, etc.

4. Initiation of Banning/Suspension

Action for banning/suspension of business dealings with any Agency should be initiated by the department having business dealings with them after noticing the irregularities or misconduct on their part. The Vigilance Department of AIR INDIA LTD. shall have the right to recommend banning/suspension and this shall be binding on the Department/SBU and non-compliance of these recommendations/instructions shall be deemed to be a misconduct on the part of the Head of the Department/SBU.

5. Suspension of Business Dealings

5.1 If the conduct of any Agency dealing with AIR INDIA LTD. is under investigation by any department (except Foreign Suppliers of imported coal/coke), the Competent Authority may consider whether the allegations under investigation are of a serious nature and whether pending investigation, it would be advisable to continue business dealing with the Agency. If the Competent Authority, after consideration of the matter including the recommendation of the Investigating Department, if any, decides that it would not be in the interest to continue business dealings pending investigation, it may suspend business dealings with the Agency. The order to this effect may indicate a brief of the charges under investigation. If it is decided that inter-connected Agencies would also come within the ambit of the order of suspension, the same should be specifically stated in the order. The order of suspension would operate for a period not more than six months and may be communicated to the Agency as also to the Investigating Department. The Investigating Department may ensure that their investigation is completed and whole process of final order is over within such period.

5.2 The order of suspension shall be communicated to all Departmental Heads within the Departments/Stations. During the period of suspension, no business dealing may be held with the Agency.

5.3 As far as possible, the existing contract(s) with the Agency may continue unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.

5.4 If the gravity of the misconduct/violation under investigation is very serious and it would not be in the interest of AIR INDIA LTD., as a whole, to deal with such an Agency pending investigation, the Competent Authority may send his recommendation to Chief Vigilance Officer (CVO), AIR INDIA LTD. Corporate Office along with the material available. If Corporate Office considers that depending upon the gravity of the misconduct/violation, it would not be desirable for all the Departments/Stations and Subsidiaries of AIR INDIA LTD. to have any dealings with the Agency concerned, an order suspending business dealings may be issued to all the Departments/Stations by the Competent Authority of the Corporate Office, copy of which may be endorsed to the
Materials Management Department

Agency concerned. Such an order would operate for a period of six months from the date of issue.

5.5 For suspension of business dealings with Foreign Suppliers, following shall be the procedure:-

i. Suspension of the foreign suppliers shall apply throughout the Company including Subsidiaries.

ii. Based on the complaint forwarded by ED-Procurement or received directly by Corporate Vigilance, if gravity of the misconduct under investigation is found serious and it is felt that it would not be in the interest of AIR INDIA LTD. to continue to deal with such agency, pending investigation, Corporate Vigilance may send such recommendation on the matter to Executive Director-Procurement to place it before a Committee consisting of the following:

1. Director-Finance/Head of Corporate Finance;
2. SBU Head/Department concerned;
3. ED-Headquarters/Head of Corporate Office;
4. GM-Legal/Head of Corporate Law.

The committee shall expeditiously examine the report, give its comments/recommendations within twenty one days of receipt of the reference by ED-Procurement.

iii. The comments/recommendations of the Committee shall then be placed by ED-Procurement before the Board of AIR INDIA LTD. and if the Board opines that it is a fit case for suspension, SBU Head may pass necessary orders which shall be communicated to the foreign supplier by ED-Headquarters.

5.6 If the Agency concerned asks for detailed reasons of suspension, the Agency may be informed that its conduct is under investigation. It is not necessary to enter into correspondence or argument with the Agency at this stage.

5.7 It is not necessary to give any show-cause notice or personal hearing to the Agency before issuing the order of suspension. However, if investigations are not complete in six months time, the Competent Authority may extend the period of suspension by another three months, during which period the investigations must be completed.

6. Grounds on which Banning of Business Dealings can be initiated

6.1 If the security consideration, including questions of loyalty of the Agency to the State, so warrants;

6.2 If the Director/Owner of the Agency, proprietor or partner of the firm, is convicted by a Court of Law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector enterprises or AIR INDIA LTD., during the last five years;
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6.3 If there is strong justification for believing that the Directors, Proprietors, Partners, owner of the Agency have been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolations, etc;

6.4 If the Agency continuously refuses to return/refund the dues of AIR INDIA LTD. without showing adequate reason and this is not due to any reasonable dispute which would attract proceedings in arbitration or Court of Law;

6.5 If the Agency employs a public servant dismissed/removed or employs a person convicted for an offence involving corruption or abetment of such offence;

6.6 If business dealings with the Agency have been banned by the Govt. or any other public sector enterprise;

6.7 If the Agency has resorted to Corrupt, fraudulent practices, coercion, undue influence and other violations including misrepresentation of facts;

6.8 If the Agency uses intimidation/threatening or brings undue outside pressure on the Company (AIR INDIA LTD.) or its official in acceptance/performances of the job under the contract;

6.9 If the Agency indulges in repeated and/or deliberate use of delay tactics in complying with contractual stipulations;

6.10 Wilful indulgence by the Agency in supplying sub-standard material irrespective of whether pre-despatch inspection was carried out by Company (AIR INDIA LTD.) or not;

6.11 Based on the findings of the investigation report of CBI/Police/internal Vigilance or any other investigative agency including Government Audit against the Agency for malafide/unlawful acts or improper conduct on his part in matters relating to the Company (AIR INDIA LTD.) or even otherwise;

6.12 Established litigant nature of the Agency to derive undue benefit;

6.13 Continued poor performance of the Agency in several contracts;

6.14 If the Agency misuses the premises or facilities of the Company (AIR INDIA LTD.), forcefully occupies tampers or damages the Company’s properties including land, water resources, forests / trees, etc.

(Note: The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealing for any good and sufficient reason).

7 Banning of Business Dealings

7.1 Normally, a decision to ban business dealings with any Agency should apply throughout the Company including Subsidiaries. However, the Competent Authority of the Department/Unit except Corporate Office can impose such ban unit-wise only if in the particular case banning of business dealings by respective Department/Unit will serve the purpose and achieve its objective and banning throughout the Company is not required in view of the local conditions and impact of the misconduct/default to beyond the Department/Unit. Any ban imposed by Corporate Office shall be applicable across all Departments/Stations of the Company including Subsidiaries.

7.2 For Company-wide banning, the proposal should be sent by ACVO of the Department/Unit to the CVO through the Chief Executive of the Department/Unit setting out the facts of the case and the justification of the action proposed along with all the relevant papers and documents.

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except for banning of business dealings with Foreign Suppliers of imported coal/coke.

The Corporate Vigilance shall process the proposal of the Department/Unit for a prima-facie view in the matter by the Competent Authority nominated for Company-wide banning.

The CVO shall get feedback about that agency from all other Departments/Stations. Based on this feedback, a prima-facie decision for banning/or otherwise shall be taken by the Competent Authority.

If the prima-facie decision for Company-wide banning has been taken, the Corporate Vigilance shall issue a show-cause notice to the agency conveying why it should not be banned throughout AIR INDIA LTD..

After considering the reply of the Agency and other circumstances and facts of the case, a final decision for Company-wide banning shall be taken by the Competent Authority.

7.3 There will be a Standing Committee in each Department/Unit to be appointed by Chief Executive for processing the cases of “Banning of Business Dealings” except for banning of business dealings with foreign suppliers of coal/coke. However, for procurement of items/award of contracts, to meet the requirement of Corporate Office only, the committee shall be consisting of Executive Director/General Manager from Finance, Procurement and Legal:

i) To study the report of the Investigating Agency and decide if a prima-facie case for Company-wide/Local unit wise banning exists, if not, send back the case to the Competent Authority.

ii) To recommend for issue of show-cause notice to the Agency by the concerned department.

iii) To examine the reply to show-cause notice and call the Agency for personal hearing, if required.

iv) To submit final recommendation to the Competent Authority for banning or otherwise.

7.4 If the Competent Authority is prima-facie of the view that action for banning business dealings with the Agency is called for, a show-cause notice may be issued to the Agency as per paragraph 9.1 and an enquiry held accordingly.

8 Removal from List of Approved Agencies - Suppliers/Contractors, etc.

8.1 If the Competent Authority decides that the charge against the Agency is of a minor nature, it may issue a show-cause notice as to why the name
Materials Management Department

of the Agency should not be removed from the list of approved Agencies - Suppliers/Contractors, etc.

8.2 The effect of such an order would be that the Agency would not be disqualified from competing in Open Tender Enquiries.

8.3 Past performance of the Agency may be taken into account while processing for approval of the Competent Authority for awarding the contract.

9 Show-cause Notice

9.1 In case where the Competent Authority decides that action against an Agency is called for, a show-cause notice has to be issued to the Agency. Statement containing the imputation of misconduct or misbehaviour may be appended to the show-cause notice and the Agency should be asked to submit within 15 days a written statement in its defence.

9.2 If the Agency requests for inspection of any relevant document in possession of AIR INDIA LTD., necessary facility for inspection of documents may be provided.

9.3 The Competent Authority may consider and pass an appropriate speaking order:

   a. For exonerating the Agency if the charges are not established;
   b. For removing the Agency from the list of approved Suppliers/Contractors, etc.
   c. For banning the business dealing with the Agency.

9.4 If it decides to ban business dealings, the period for which the ban would be operative may be mentioned. The order may also mention that the ban would extend to the interconnected Agencies of the Agency.

10 Appeal against the Decision of the Competent Authority

10.1 The Agency may file an appeal against the order of the Competent Authority banning business dealing, etc. The appeal shall be to the Appellate Authority. Such an appeal shall be preferred within one month from the date of receipt of the order banning business dealing, etc.

10.2 Appellate Authority would consider the appeal and pass appropriate order which shall be communicated to the Agency as well as the Competent Authority.

11 Review of the Decision by the Competent Authority
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Any petition/application filed by the Agency concerning the review of the banning order passed originally by Chief Executive/Competent Authority under the existing guidelines either before or after filing of appeal before the Appellate Authority or after disposal of appeal by the Appellate Authority, the review petition can be decided by the Chief Executive/Competent Authority upon disclosure of new facts/circumstances or subsequent development necessitating such review. The Competent Authority may refer the same petition to the Standing Committee for examination and recommendation.

12 Circulation of the names of Agencies with whom Business Dealings have been banned

12.1 Depending upon the gravity of misconduct established, the Competent Authority of the Corporate Office may circulate the names of Agency with whom business dealings have been banned, to the Government Departments, other Public Sector Enterprises, etc. for such action as they deem appropriate.

12.2 If Government Departments or a Public Sector Enterprise request for more information about the Agency with whom business dealings have been banned, a copy of the report of Inquiring Authority together with a copy of the order of the Competent Authority/Appellate Authority may be supplied.

12.3 If business dealings with any Agency have been banned by the Central or State Government or any other Public Sector Enterprise, AIR INDIA LTD. may, without any further enquiry or investigation, issue an order banning business dealing with the Agency and its inter-connected Agencies.

12.4 Based on the above, Departments/Stations may formulate their own procedure for implementation of the Guidelines.

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## ANNEXURE P - PROPRIETARY ARTICLE CERTIFICATE

<table>
<thead>
<tr>
<th>S/N</th>
<th>DESCRIPTION OF THE ITEM</th>
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<tbody>
<tr>
<td>1</td>
<td>Description of the item / services</td>
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<tr>
<td>2</td>
<td>Quantity requirement</td>
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<tr>
<td>3</td>
<td>Estimated value</td>
</tr>
<tr>
<td>4</td>
<td>Proprietor’s name</td>
</tr>
<tr>
<td>5</td>
<td>Proprietor’s address</td>
</tr>
</tbody>
</table>

**Declaration:**

☐ I approve the AMC/ repair on PAC basis on the OEM/ authorized service providers.

☐ I approve the above purchase on PAC basis and certify that no other make / brand will be suitable for the following reasons:

__________________________________________________________________

__________________________________________________________________

__________________________________________________________________

__________________________________________________________________

__________________________________________________________________

Signature and stamp of the Competent / approving authority

Name:

Designation:

Date:

*****
Materials Management Department

ANNEXURE Q - UNDERTAKING FROM BIDDERS

I / We ……………………………………………………………………………………………………………………………………………………………
confirm that I / we do not have any relative, who is an Employee of Air India or its subsidiaries and is likely to benefit us during the Award / implementation of the contract /PO.

I / We also indemnify that any subsequent detection of direct or indirect beneficiary of any application / award of any contract to any employee of the organization may result in disqualification / termination as the case may be. Air India or its subsidiary will have the sole discretion to do so and such cases cannot be referred for arbitration.

SIGNATURE :

SEAL OF THE COMPANY :

*****
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**ANNEXURE R - GENERAL SEQUENCE OF CLAUSES IN TENDER TERMS**

<table>
<thead>
<tr>
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<tbody>
<tr>
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<tr>
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<td>SUBMISSION OF BID</td>
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<tr>
<td>3</td>
<td>VALIDITY OF BID</td>
</tr>
<tr>
<td>4</td>
<td>QUANTITY/ LEAD TIME/ DELIVERY SCHEDULE</td>
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<td>5</td>
<td>EARNEST MONEY DEPOSIT</td>
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<tr>
<td>6</td>
<td>EXEMPTION OF EMD/ PREFERENCE TO MSME UNITS</td>
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<tr>
<td>7</td>
<td>SECURITY DEPOSIT</td>
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<td>8</td>
<td>SUBMISSION OF SAMPLES</td>
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<tr>
<td>9</td>
<td>METHOD OF QUOTING AND ARRIVING AT L1 &amp; L2 BIDDER</td>
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<tr>
<td>10</td>
<td>APPLICATION OF SPLIT CRITERIA</td>
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<td>11</td>
<td>CRITERIA FOR SPLITTING OF TENDER QUANTITY</td>
</tr>
<tr>
<td>12</td>
<td>PRICE COMPARISON/ NEGOTIATION</td>
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<tr>
<td>13</td>
<td>AWARD DECISION</td>
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<tr>
<td>14</td>
<td>RELEASE OF CONTRACT AND CONTRACT MANAGEMENT</td>
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<td>15</td>
<td>SUBMISSION OF PRODUCTION SAMPLE</td>
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<td>PENALTY</td>
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<td>PAYMENT TERMS AND MODE OF PAYMENT</td>
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<td>GENERAL TERMS</td>
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