**HINDUSTAN AERONAUTICS LIMITED**

**Conditions of Tender (Indigenous)**

(These General Terms and Conditions shall apply to the extent that they are not superseded by provisions of the Specifications of the Equipment.)

**1) Price:** The bidder is required to indicate prices against individual items.

a) In case Bidder has entered into Rate Contract with DGS&D, the Rate Contract Reference to be sent to HAL along with the quotation. Bidder is required to certify that prices quoted are the same as applicable to DGS&D and other Government Departments. DGS&D Rate Contract holders should state whether they are agreeable for supply at DGS&D Rate Contract Rates in the event of placement of order by us on HAL's own order form.

b) Price quoted should be on F.O.R. Destination basis, for delivery at HAL Stores inclusive of all charges including transit insurance.

c) In case of imported item is quoted by bidder, the prices quoted should be in the currency of the country of supply. HAL reserves the right to avail Custom duty exemption on imported item. To avail the exemption, HAL will provide Custom duty exemption certificate (if applicable) to the Bidder. Bidder shall submit the invoice of foreign supplier prior to release of custom duty exemption certificate by HAL. Bidder is advised to quote both the rates (with custom duty exemption and without custom duty exemption). HAL reserves the right to select any of the option for commercial evaluation and ordering. Indian Bidder should quote in Indian Rupees and payment will be made in Indian Rupees.

d) Tenderers should clearly mention whether the prices hold good when the full quantity of enquiry is not ordered but only a part of it. Unless otherwise mentioned, it would be assumed that the rates hold good even when lesser quantities than those enquired of are ordered. Any increase in prices at a later date for ordering lesser quantities will not be agreed to.

2) **Taxes:**

a) Goods and Service Tax: Rate of GST should be clearly indicated in the offer / bid. If not indicated, HAL will assume that the rates quoted are inclusive of taxes.

b) HSN and SAC applicable code shall be mentioned clearly against respective item.

(Please enclose copy of Registration/provisional etc.)

3) **Quantity:**

a) The quotation must be in the unit in which the quantity is indicated in the enquiry. If it is otherwise, conversion data must be furnished.

b) HAL reserves the right to order quantity less than indicated in the enquiry /quoted for by bidder, at the prices quoted, without any reference to the bidder.

c) For the Raw materials (in forms of bar, sheet, wires etc) (applicable for RFQs for raw material) Qty. tolerance } 10% acceptable.

4) **Supply of Alternative Item:**

In case bidder is quoting for an alternative part number it should be confirmed that the offered part is fully interchangeable with the required part. Applicable descriptive literature/catalogue if any may please be enclosed by the bidder with offer (at least two copies).

5) **Shelf Life:**

Where stores offered have a limited shelf-life, kindly indicate the life involved and confirm that in the event of an order from us, only newly manufactured stores with the maximum possible shelf-life at the time of dispatch will be offered for shipment. In respect of rubber items such as seals etc., having care date, the item should not have been manufactured earlier than 6 months of dispatch.

6) **Validity of the Quotation:**

Price quoted should be net and unless otherwise specified should remain valid for our acceptance for a minimum of 180 days from the closing date of enquiry and the materials of offered should be kept under provisional reservation for this quotation.

7) **Tender Due Date:**

The Due Date & Time for submission of quote is **08/01/2019 - 14:00 hrs**

8) **a) Submission of Tender:** The bidder is required to submit bids directly to HAL either through post/courier/drop in sealed cover with clear marking of bidder details. The cover should be marked with tender no., due date and bidders postal address. Response received, without bearing the bidder address will not be entertained. Bid submitted by bidder’s authorized dealer / distributor/channel partner should accompany with ink signed authorization letter of the bidder to whom tender has been originally issued. In the absence of authorization letter, the bids submitted shall be considered an unsolicited.

b) However, Unsigned Manual offers will not be considered in Limited / Open tender.

**c)** Submission of tender in two bid system: In response to tender in two bid system, the bidders are required to submit technical bid and commercial bid separately. Each bid will be put in separate sealed cover marked with tender No., due date and indicated as technical bid or commercial bid as the case may be. Both sealed covers will be put in a single cover, which will again be sealed and superscribed with tender no. and due date.

**d)** The technical bid should also include EMD in original form. Technical bid without EMD in original form will be rejected. In case of EMD sent by SWIFT / Wire Transfer, Transaction Code should be indicated along with the technical bid. The technical bid will be accepted only after confirmation of receipt of EMD in time.

**e)** Bid received with technical bid and commercial bid in open condition inside one envelope will be rejected.

**f)** Submitting only one bid with rates and technical details as a single bid will be rejected. The technical bid should also include EMD in original form. Technical bid without EMD in original form will be rejected. In case of EMD sent by SWIFT / Wire Transfer, Transaction Code should be indicated along with the technical bid. The technical bid will be accepted only after confirmation of receipt of EMD in time.

**9) Late Tender:**

a) Bid received after the due date and time specified in the tender shall be considered as late tender and will not be considered.

b) HAL will not be responsible for loss or delay in receipt of tender documents / tender in transit.

c) HAL will not be responsible for inability of vendor to upload the tender documents in e- procurement.

d) HAL reserves the right to reject late or incomplete tender.

**10) Opening of Tender:**

a) Tender will be opened on **09/01/2018 -13:00 hrs** at IMM Dept, Aerospace Divn, HAL, Bengaluru-560 075. Bidders or their authorized reps. who are desirous to attend the tender opening may forward written confirmation with name of authorized person and designation prior to tender opening.

b) During tender opening only the important particulars like price, payment and delivery terms will be read out.

**11) Tender Evaluation:**

a) The tender will be evaluated on **Totality L1** basis.

b) Bid with lowest price conforming to the specification will be considered for placement of order.

c) If the bidder considers that tendered quantity is small, the bidder may quote for Minimum Ordering Quantity (MoQ). Commercial evaluation in this case will be done on MoQ x unit price, if MOQ offer beyond 20% of RFQ quantity.

d) If two or more bidders quote the same price, HAL reserves the right to seek revised offer from the same bidders and placing order on revised L-1 offer. If same situation prevails then HAL reserve the right to place order on any of them.

e) If, the lowest bidder has not offered full quantity, for the balance quantity HAL reserves the right to source from other bidders on L1 price.

f) To have parallel source of supply the order may be spilt to 2 or 3 sources subject to other bidders agreeing for L-1 price. The distribution of quantity among the bidders will be as per the proportion (to be decided by the tenderer) given below:

Qty. distribution among L-1 : L-2 in proportion x% : y%

or

Qty. distribution among L-1 : L-2 : L-3 in proportion x% : y% : z%

g) Conditional discounts will not be considered in evaluation of tender.

h) Applicability of the Taxes (Goods and Service Tax etc.) should be explicitly indicated by the bidder in his response either in percentage or in absolute terms. In the absence of this input the offer would be considered all inclusive.

i) Bid received in different currency will be converted to Indian Rupees. The TT selling rate for foreign currency exchange rate for conversion will be adopted as per the STATE BANK OF INDIA, HAL BRANCH/RESERVE BANK OF INDIA in India as on date of tender opening of TECHNICAL BID.

12) **Supply of Samples**

Samples submitted for any reasons shall be supplied without charge and freight paid and without any obligation on the Purchaser as regards safe custody. All samples submitted must be clearly labeled with the contractor’s name and address and tender number. If the contractor submits the samples with his tender the same shall not govern the standard of supply except when it has been specifically stated in the Purchase Order that it is accepted instead of any sealed pattern. Should certified samples be lent to a contractor by HAL the contractor is responsible for the return in perfect order of all certified samples with the labels intact.

13) **Others**

a) Please indicate approximate net weight of each of the item and gross weight and dimension of the package to enable HAL to determine the mode of dispatch.

b) Please indicate in your tender, whether stores newly manufactured are offered. Where newly manufactured stores are offered and on inspection it is found that reconditioned stores or parts have been used, such stores will be rejected at the contractor’s risk and expense.

c) Manufacturer's name and country of origin of the materials offered must be clearly specified. Complete details and illustrated literature must accompany all quotations.

d) Vendors should clearly indicate similar equipment supplied on global basis to Aircraft manufacturing industry, to any Division of HAL and other reputed/Govt customers and anywhere in India with customer’s full address, telephone/telefax No., P.O. No., value and year of supply.

e) Quotation should be free from correction, over-writing, using correcting fluid etc.

f) All drawings (photo/sketches) sent by HAL should be returned with quotations, if bidder is unable to quote, HAL drawings/photos/sketches should also be returned immediately along with regret letter.

g) HAL is not bound to accept the lowest or any quotation and reserves the right of accepting the whole or any part of the quotation or part of the quantity offered and bidder must supply the same at the rate quoted.

h) Vendor shall not be entitled without HAL’s consent to assign or transfer to a third party all or part of the benefits or obligations under this contract.

**14)** **Warranty:** Shall be as mentioned in ‘Technical Specification Cum Bid’ (Minimum) from the date of acceptance of items at HAL or more as per bidders policy. Warranty is after the goods have been taken over by HAL against any defective design, workmanship, materials and non-conformance to intended performance. (Optional Clause: During warranty minimum uptime of 95% shall be ensured failing which warranty period shall deemed to be proportionately extended). During warranty period equipment shall be replaced/ repaired free of cost including any to & fro freight/insurance involved. Supplier shall attend to warranty calls within 48 hours notice.

**15) POST-WARRANTY SERVICE** Arrangements for after sales service and maintenance (authorized service centre) in India on site during warranty & post warranty period should be clearly indicated providing with name, address, phone, fax, contact person, infrastructure along with spare parts inventory held by your Authorized Technical Service Center. The vendor to indicate the validity period of authorization for the technical service center.

**16) Liquidated Damages:** In the event of an order, we reserve the right to collect a sum of 0.5% per week (on basic cost only excluding taxes & duties, if such details are furnished separately in the bid submitted) of delay or part thereof, subject to a maximum of 10% as our claim towards liquidated damages on the undelivered part of the order. If delay in respect of service / labour part, 0.5% per week (on basic cost only excluding taxes & duties, if such details are furnished separately in the bid submitted) of delay or part thereof, subject to a maximum of 10% of labour / service cost, as our claim towards liquidated damages. **In case of tenderers not agreeing for LD clause, the maximum LD amount / to the extent not agreed LD value, to be loaded in the Comparative Statement, to determine the successful bidder.**

**17) Delivery:** Deliveries quoted should be firm (or as per the schedule indicated).

**18**) **Terms of Payment**: 80% of supply value plus 100% statutory levies against delivery & inspection at HAL and 20% of supply value and 100% of Commissioning charges if any, after Prove Out and acceptance & handing over of Instrument and submission of performance bank guarantee as per HAL format for 10% of order value valid till end of warranty period, from a scheduled bank in India/Bank of International Repute (for Foreign Bidder). However, in case of Global tenders, domestic vendors may opt for payment through Letter of Credit.

Applicable for MSMEs & Start Ups: 15% (of the basic price) interest free Advance will be payable against BG of equivalent amount and balance 85% will be paid within 30 days of receipt and acceptance at our stores. In case advance is not sought, 100% payment will be made within 30 days of receipt and acceptance at our stores subject to submission of PBG.

19) Any order, resulting from the enquiry, shall be governed by the General Terms and Conditions of Contract of HAL and any party quoting against this enquiry shall be deemed to have read and understood these terms and conditions and to have quoted subject to these terms and conditions (Enclosed).

20) When counter terms and conditions have been offered by a tenderer, HAL shall not be deemed to be governed by such terms and conditions unless specific written acceptance thereof has been given by HAL.

21) Any terms & conditions which has not been the part of the bid or Purchase Order, if put forward in subsequent correspondence, shall not be considered by HAL.

22) Disregard of any instructions, may result in your offer being ignored.

23) Canvassing by tender form, including unsolicited letter on tender submitted or post tender corrections shall render their tenderers liable for rejection.

24) **BRIBES AND GIFTS:** Any bribe, commission, gift or advantage given, promised or offered by or on behalf of the contractor or his parties, agent or servant or any one on his or their behalf to any officer, servant, representative or agent of HAL or any person on his or their behalf in relation to the obtaining or to the execution of this or any other contract with HAL shall in addition to any criminal liability which the contractor may incur, subject the contractor to the cancellation of this and all other contracts with HAL and also to payment of any loss or damage resulting from any such cancellation under clauses-8 and 10 thereof. Any question or dispute as to the commission of any offence under the present clause shall be settled by HAL in such manner and on such evidence or information as they may think fit and sufficient and their decision shall be final and conclusive.

25) **CONFIDENTIALITY:** The Supplier shall hold confidential technical data and information supplied by the Purchaser or on behalf of the Purchaser and shall not reproduce any such technical data or information or divulge the same to any third party without the prior written consent of the Purchaser. The Purchaser shall hold confidential technical data and information supplied by the Supplier or on behalf of the Supplier and shall not reproduce any such technical data or information or divulge the same to any third party without prior written consent of the Supplier except as far as may be necessary for either party to carry out its obligations under this Contract.

26) In the development orders, where technical inputs/assistance is provided to the vendors, the Intellectual Proprietary Rights (IPR) will rest with HAL. Vendor will not directly deal with HAL’s customer for these items.

27) **PERFORMANCE BANK GUARANTEE:** Vendor shall furnish a Performance Bank Guarantee as per HAL's format for 10% of order value (to be calculated only on basic cost excluding taxes & duties, if such details are furnished separately in the bid submitted) valid till end of the guarantee / warranty period from a scheduled bank in India. **In case vendor does not agree for Performance Bank Guarantee / retention of equivalent amount, the offer would be summarily rejected.**

28) The Contractor / Vendor shall be liable for any loss caused to HAL due to financial or any other irregularities by the employees or labour deployed or working under Contractor / Vendor.

29) HAL will arrange CDEC (Customs duty Exemption Certificate) for items imported from foreign origin and hence vendors shall also quote on High Sea sales basis, if applicable (refer clause 1c above) by indicating the prices FOR -HAL Aerospace Division, Bangalore ,India.

**30) Earnest Money Deposit:**

a**) EMD for a value of Rs.3,00,000 OR equivalent amount in any FREELY CONVERTIBLE foreign currency (for foreign vendors) to be submitted in the form of DD/Banker’s Cheque/Pay Order/Bank Guarantee of Scheduled Bank/WIRE/SWIFT Transfer.** EMD should be valid for 28 days beyond the validity of the bid. In case EMD is submitted in the form of Bank Guarantee, the same is to be submitted in the form of irrevocable Bank Guarantee from the scheduled Banks (or, in case of foreign suppliers, from Bank of International Repute) valid for 28 days beyond the validity of the Bid. EMD can be sent through SWIFT / Wire Transfer to HAL Account No. (as indicated below), the proof of which shall accompany the bidder’s offer.

**HAL Account Details** (for Direct Transfer by swift/wire/NEFT/RTGS):

* + 1. Beneficiary Name: Hindustan Aeronautics Limited
    2. Bank Name: State Bank of India
    3. Branch Code no: 1114
    4. Branch MICR no: 560002018
    5. Account Type: Cash Credit
    6. Branch Account no: 10918220679
    7. SWIFT: SBININBB147
    8. IFSC Code: SBIN0001114

b) Offers not accompanied with requisite amount of EMD or EMD not submitted in the specified form in original shall be summarily rejected.

c) EMD will not carry any interest for the period it is retained with HAL. EMD will be forfeited if a bidder withdraws, amends, impairs and / or derogates within validity period.

d) Bidders exempted from submission of EMD as per Govt. of India directives must submit certified copy of Govt. of India authority for such exemption in lieu of EMD.

e) EMD of unsuccessful bidder will be returned within 15 working days of completion of technical evaluation or within 15 working days of determination of successful bidder (as the case may be).

f) EMD in original form should be enclosed along with the technical bid. Technical bid without EMD in original form will be rejected.

**g) EMD in original form will only be acceptable. Copies of EMD documents/instruments in Technical Bid not acceptable. The Bidders should indicate the reference & details of submission of EMD in their technical offer. In case WIRE/SWIFT transfers the transaction code is to be mentioned in the technical bid.**

31) **Risk Purchases**: The Supplier will supply quality items as per approved sample and also the quantity intended by the concerned Division in full as per terms and conditions of purchase order. In case the Supplier fails to execute the order either in terms of quality or in quantity, HAL reserves the right to procure from elsewhere at the risk and cost of the Supplier and any extra expenditure incurred due to this purchase is payable by the Supplier.

32) **EXIT CRITERIA**: i) The contractor / order may be terminated under the following circumstances:

a) In the event of unsatisfactory performance by the vendor during the contract period, or any of the information provided by the supplier is found to be untrue, or supplier is found to have attempted to influence any person involved with the contract through unethical means, the contract shall be terminated with **01 month’s** advance notice without any financial implication to HAL. Notwithstanding the foregoing, in cases where it is found that a supplier is engaged in unethical practices, they shall be barred from participating in the future contracts for a period **05 years**.

b) If there is change in the Customer requirement, contract shall be terminated with **01 month’s** advance notice. The liability of HAL in this case will be agreed mutually.

ii) In the event of termination of contract by either party the supplier shall ensure the following:

1. IPRs are transferred to HAL to enable HAL to proceed on the work with other suppliers. Suppliers also will render all assistance till the other suppliers fully take over the balance work.
2. Transfer title and deliver all or any part thereof of the supplies, materials, work-in-progress, finished products, Tooling, drawings and data produced or acquired by vendor specifically for the product being terminated.
3. Supplier shall ensure supply of products and its components / spares at least for a period **10 years** from the date of such termination”.

iii) The supplier is declared bankrupt or becomes insolvent.

iv) The delivery of material is delayed due to causes of Force Majeure by more than **01 months**.

v) Based on the decision of the Arbitration Tribunal.

**33. Relaxation of Prior Experience & Prior Turnover criteria for Micro & Small Enterprises (MSEs) & Startups:** Wherever RFQ stipulates qualification / eligibility criteria to be met by bidders such as prior experience and/or prior turnover, the criterion will be relaxed w.r.t to all startups and MSEs subject to meeting of quality and technical specifications stipulated in the tender. Also vendor shall furnish documentary proof for being MSEs/Startup as stipulated by the Ministry.

**33. Import Content:** In case the item / product offered by Indian vendor has import content, then the value of import content shall be indicated in the quotation (in FE / INR as the case may be).

**35. Date of reckoning of Exchange rate variation:** If the products/items/materials quoted by the Indian vendors involves import content, then the value of import content needs to be indicated in the offer (in FE). Further, vendor should indicate whether Exchange Rate Variation(ERV) is applicable on the FE content declared by the vendor. If ERV is applicable, ERV reckoning date shall be the last date of submission of commercial bids (i.e. due date of the tender).

For purpose of making ERV payment, actual value of import (to be supported by BOE, etc) or declared value of import in bidders quote whichever is lower to be considered for calculation of ERV based on TT selling rate on the date of BOE.

Exchange rate variation on the higher side, shall be paid by the HAL and similarly any exchange rate variation on lower side i.e. price reduction, to be passed on to HAL.

36. **MSME vendors are eligible for the benefits as per public procurement policy for MSEs order 2012 only if the MSME bidder declare UAM number and submit the copy of UAM certificate along with the bid.**

37. **SECURITY DEPOSIT**:

1. Wherever applicable the successful vendor, shall have to deposit 5% of the value of the order as Security Deposit (to be calculated only on basic cost excluding taxes & duties, if such details are furnished separately in the bid submitted) within 15 days of receipt of the purchase order, by demand draft or bank guarantee in a prescribed format of H.A.L from a scheduled bank in India / bank of international repute (for Foreign vendors), valid up to 60 days after the completion of contract period/last supply. This Security Deposit will bear no interest and will be returned only after the contract is completed to the entire satisfaction of H.A.L.

In case, quotes received without indicating the break-up details of GST, ED, VAT, Sales Tax etc. and order placed subsequently on composite value (without indicating break-up details of taxes & duties) then the Security deposit to be sought on the composite value (including taxes & duties)

b) In case the contract is not executed to the entire satisfaction of HAL the security deposit shall be forfeited, besides initiation of risk purchase action.

c) No claim will be entertained against HAL either in respect of interest, if any due on the security deposit or depreciation in value.

d) On due performance and completion of the contract in all respects, the security deposit will be returned to the vendor, without any interest, on presentation of absolute “No Demand Certificate” and upon return in good condition of any specifications, drawings, samples or any other property belonging to the purchaser, which may have been issued to the vendor.

**e) Loading factor of 5% shall be considered while preparing Price Comparative Statement for bidders who have not agreed for submission of Security Deposit.**

38. **INTEGRITY PACT**:

1. Bidder shall submit duly signed Integrity Pact in original, strictly as per the format (without any deviation) enclosed with the Tender. Bidders not complying with this are liable for rejection and their bids will not be considered for evaluation.

b. In case of two bid system, the bidder is required to submit the signed pre-contract IP as part of technical bid. Signed IP in original should be forwarded to Aerospace division along with the offer and not to IEM.

c. If IP is not submitted along with the quotation / submitted with deviation by the bidder, HAL-Aerospace Division may take-up with such bidders for submission of IP / submission of IP as per HAL format. The duration for submitting the IP / revised IP as per HAL format can be allowed up to a maximum period of 15 days from the date of opening of technical bid (two bid) and before opening of price bid. In case the IP is not received within the period specified above, the bid will be rejected.

d. You are requested to submit the IP after signature by he authorized official on plain bond paper (not on your letter head).

e. IEM is appointed by the Central Vigilance Commission, a statutory body and not by HAL. Integrity related issues should be forwarded to IEM.

Name, Mobile No. & email ID of the IEM is as follows:

Name: Shri Ramachandran Venkataramani, Mobile No.: +91 97312 22888

email ID: **vrchandran2018@gmail.com**

f. The bidder may approach the IEM nominated only for integrity related issues. Bidders may seek clarification on specific Tender related queries online only from the following contact details within the specified period.

Address of the Division / Dept: Aerospace / IMM

**Shri A.K.Nayak, Chief Manager (IMM), AEROSPACE DIVISION,**

**HINDUSTAN AERONAUTICS LIMITED, NEW THIPPASANDRA POST, BANGALORE – 560075.**

**PHONE: + 91 080 – 22315641/540, FAX: +91 080-22312603. MOBILE: +91 –9448229659.**

**E-mail:** [**imm.aerospace@hal-india.com**](mailto:imm.aerospace@hal-india.com)