

SECTION – II
INSTRUCTION TO BIDDERS (ITB)
2007-2008

(Tender Notification : CSO/04/O & M Materials)

Date: 31.03.2008

A. GENERAL

1.0 NESCO, hereinafter referred to as the "Purchaser" is desirous of procuring various materials for "O & M" works in it's licensed area in the state of Orissa.

2.0 SCOPE OF WORK

The scope shall include Design, Manufacture, Shop Testing at works conforming to the Technical Specifications enclosed along with Packing, Forwarding, Freight and Insurance and Unloading and proper stacking at Purchaser's stores.

3.0 DISCLAIMER

3.01 This Document includes statements, which reflect various assumptions, which may or may not be correct. Each Bidder/Bidding Consortium should conduct its own estimation and analysis and should check the accuracy, reliability and completeness of the information in this Document and obtain independent advice from appropriate sources in their own interest.

3.02 Neither Purchaser nor its employees will have any liability whatsoever to any Bidder or any other person under the law or contract, the principles of restitution or unjust enrichment or otherwise for any loss, expense or damage whatsoever which may arise from or be incurred or suffered in connection with anything contained in this Document, any matter deemed to form part of this Document, provision of Services and any other information supplied by or on behalf of Purchaser or its employees, or otherwise arising in any way from the selection process for the Supply.

3.03 Though adequate care has been taken while issuing the Bid document, the Bidder should satisfy itself that documents are complete in all respects. Intimation of any discrepancy shall be given to this office immediately.

3.04 This Document and the information contained herein are Strictly Confidential and are for the use of only the person(s) to whom it is issued. It may not be copied or distributed by the recipient to third parties (other than in confidence to the recipient's professional advisors).

4.0 COST OF BIDDING

The Bidder shall bear all costs associated with the preparation and submission of its Bid and Purchaser will in no case be responsible or liable for those costs.

B. BIDDING DOCUMENTS

5.0 BIDDING DOCUMENTS

5.01 The Scope of Work, Bidding Procedures and Contract Terms are described in the Bidding Documents. In addition to the covering letter accompanying Bidding Documents, the Bidding Documents include:

Volume - I

- | | | |
|-----|--------------------------------------|-----------------|
| (a) | Invitation for Bids (IFB) | - Section - I |
| (b) | Instructions to Bidders (ITB) | - Section - II |
| (c) | General Conditions of Contract (GCC) | - Section – III |
| (d) | Technical Specifications (TS) | - Section - IV |

Volume - II

- | | | |
|-----|----------------|------------------|
| (a) | Bid Form | - Annexure – I |
| (b) | BG Formats | - Annexure – II |
| (c) | Price Schedule | - Annexure – III |

5.02 The Bidder is expected to examine the Bidding Documents, including all Instructions, Forms, Terms and Specifications. Failure to furnish all information required by the Bidding Documents or submission of a Bid not substantially responsive to the Bidding Documents in every respect will may result in the rejection of the Bid.

6.0 AMENDMENT OF BIDDING DOCUMENTS

6.01 At any time prior to the deadline for submission of Bids, the Purchaser may, for any reasons, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by Amendment.

6.02 The Amendment shall be part of the Bidding Documents, pursuant to Clause 5.01, and it will be notified in writing by Fax/e-mail to all the Bidders who have received the Bidding Documents and confirmed their participation to Bid, and will be binding on them.

6.03 In order to afford prospective Bidders reasonable time in which to take the Amendment into account in preparing their Bids, the Purchaser may, at its discretion, extend the deadline for the submission of Bids.

C. PREPARATION OF BIDS

7.0 LANGUAGE OF BID

The Bid prepared by the Bidder, and all correspondence and documents relating to the Bid exchanged by the Bidder and the Purchaser, shall be written in the English Language. Any printed literature furnished by the Bidder may be written in another Language, provided that this literature is accompanied by an English translation, in which case, for purposes of interpretation of the Bid, the English translation shall govern.

8.0 DOCUMENTS COMPRISING THE BID

The Bid prepared and submitted by the Bidder shall comprise the following components:

- (a) Bid Form, Price & other Schedules (STRICTLY AS PER FORMAT) and Technical Data Sheets completed in accordance with Clause 9.0, 10.0, 11.0 and Technical Specification;
- (b) All the Bids must be accompanied with the required bid security as mentioned in the Section-I against each tender.
- (c) Power of Attorney indicating that the person(s) signing the Bid have the authority to sign the Bid and thus that the Bid is binding upon the Bidder during the full period of its validity, in accordance with clause 12.0.

9.0 BID FORM

9.01 The Bidder shall complete an 'Original' and another one 'Copy' of the Bid Form and the appropriate Price & Other Schedules and Technical Data Sheets furnished in the Volume-II of the Bidding Documents.

9.02 Bid Security

Pursuant to Clause 8.0 (b) above, the bidder shall furnish, as part of its bid, a bid security amounting to 1% of the total bid value (FOR Destination) as already specified in the Section-I. The bid security is required to protect the Purchaser against the risk of Bidder's conduct which would warrant the security's forfeiture.

The bid security shall be denominated in the currency of the bid, and shall be in the following form:

- (a) a bank guarantee issued by any scheduled bank strictly as per the format enclosed and shall be valid for a period of thirty (30) days beyond the validity of the bid.
- (b) Bank Draft in favour of NESCO, payable at Bhubaneswar.

Unsuccessful bidders' bid security will be discharged or returned as promptly as possible but not later than thirty (30) days after the expiration of the period of bid validity.

The successful bidder's bid security will be discharged upon furnishing the performance security.

The bid security may be forfeited :

- (a) if the Bidder:
 - i) withdraws its bid during the period of bid validity specified by the Bidder in the Bid Form; or
- (b) in the case of a successful Bidder, if the Bidder fails:
 - (i) to sign the Contract, or
 - (ii) to furnish the required performance security.

10.0 BID PRICES

10.01 Bidders shall quote for the entire Scope of Supply with a break-up of prices for individual items. The total Bid Price shall also cover all the Supplier's obligations mentioned in or reasonably to be inferred from the Bidding Documents in respect of Design, Supply, Transportation to site, all in accordance with the requirement of Bidding Documents. The Bidder shall complete the appropriate Price Schedules included herein, stating the Unit Price for each item & total Price.

10.02 The prices offered shall be inclusive of all costs as well as Duties, Taxes and Levies paid or payable during execution of the supply work, break up of price constituents, should be there.

10.03 Prices quoted by the Bidder shall be "Firm" and not subject to any price adjustment during the performance of the Contract. A Bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.

11.0 BID CURRENCIES

Prices shall be quoted in Indian Rupees Only.

12.0 PERIOD OF VALIDITY OF BIDS

12.01 Bids shall remain valid for 120 days from the date of opening of the Bid.

12.02 Notwithstanding Clause 12.01 above, the Purchaser may solicit the Bidder's consent to an extension of the Period of Bid Validity. The request and the responses thereto shall be made in writing by Fax/e-mail.

13.0 ALTERNATIVE BIDS

Bidders shall submit Bids, which comply with the Bidding Documents. Alternative Bids will not be considered. The attention of Bidders is drawn to the provisions of Clause 22.03 & 22.04 regarding the rejection of Bids, which are not substantially responsive to the requirements of the Bidding Documents.

14.0 FORMAT AND SIGNING OF BID

- 14.01 The original Bid Form and accompanying documents (as specified in Clause 9.0), clearly marked "Original Bid", plus one copy must be received by the Purchaser at the date, time and place specified pursuant to Clauses 15.0 and 16.0. In the event of any discrepancy between the original and the copies, the original shall govern.
- 14.02 The original and copy of the Bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to sign on behalf of the Bidder. Such authorization shall be indicated by written Power-of-Attorney accompanying the Bid.
- 14.03 The Bid shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the Bid.

D. SUBMISSION OF BIDS

15.0 SEALING AND MARKING OF BIDS

- 15.01 Bid submission: One original & one Copy (hard copies) of all the Bid Documents shall be sealed and submitted to the Purchaser before the closing time for submission of the bid.
- 15.02 The Technical Documents and the Bid Security shall be enclosed in an sealed envelope and the said envelope shall be superscribed with "Technical & Bid Security". The price bid shall be inside another sealed envelope with superscription "Price Bid". Both these envelopes shall be sealed inside another big envelope. All the envelopes should bear the Name and Address of the Bidder and marking for the Original and Copy. The envelopes should be super-scribed with "Tender Notice No. & Due date of opening".
- 15.03 The Bidder has the option of sending the Bids in person. Bids submitted by Telex/Telegram/Fax will not be accepted. No request from any Bidder to the Purchaser to collect the proposals from Airlines/Cargo Agents etc shall be entertained by the Purchaser.
- 15.04 **The Bidder, along with the bid documents has to submit Samples along with detailed Drawings for all the items. However for 33/0.403 KV station transformer & LT XLPE Cable sample submission is not required. The sample should clearly indicate (i) Name of the bidder (ii) Tender No., (iii) Group & Item Srl. No. etc. The samples shall not be returned back to the bidder. Samples submitted earlier against other tender notices shall not exempt the bidder to submit fresh samples under this tender.**

16.0 DEADLINE FOR SUBMISSION OF BIDS

- 16.01 The original Bid, together with the required copies, must be received by the Purchaser at the address specified no later than 1.00 PM. on 14.04.2008.
- 16.02 The Purchaser may, at its discretion, extend the deadline for the submission of Bids by amending the Bidding Documents in accordance with Clause 9.0, in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

17.0 ONE BID PER BIDDER

Each Bidder shall submit only one Bid either by itself, or as a partner in a Joint Venture. A Bidder who submits or participates in more than one Bid will cause all those Bids to be rejected.

18.0 LATE BIDS

Any Bid received by the Purchaser after the deadline for submission of Bids prescribed by the Purchaser, pursuant to Clause 16.0, will be declared "Late" and rejected and returned unopened to the Bidder.

19.0 MODIFICATIONS AND WITHDRAWAL OF BIDS

19.01 The Bidder is not allowed to modify or withdraw its Bid after the Bid's submission.

E EVALUATION OF BID

20.0 PROCESS TO BE CONFIDENTIAL

Information relating to the examination, clarification, evaluation and comparison of Bids and recommendations for the award of a contract shall not be disclosed to Bidders or any other persons not officially concerned with such process. Any effort by a Bidder to influence the Purchaser's processing of Bids or award decisions may result in the rejection of the Bidder's Bid.

21.0 CLARIFICATION OF BIDS

To assist in the examination, evaluation and comparison of Bids, the Purchaser may, at its discretion, ask the Bidder for a clarification of its Bid. All responses to requests for clarification shall be in writing and no change in the price or substance of the Bid shall be sought, offered or permitted.

22.0 PRELIMINARY EXAMINATION OF BIDS / RESPONSIVENESS

22.01 Purchaser will examine the Bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the Bids are generally in order.

22.02 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price per item that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price per item will be corrected. If there is a discrepancy between the Total Amount and the sum of the total price per item, the sum of the total price per item shall prevail and the Total Amount will be corrected.

22.03 Prior to the detailed evaluation, Purchaser will determine the substantial responsiveness of each Bid to the Bidding Documents including production capability and acceptable quality of the Goods offered. A substantially responsive Bid is one, which conforms to all the terms and conditions of the Bidding Documents without material deviation.

22.04 A Bid determined as not substantially responsive will be rejected by the Purchaser and / or the Purchaser and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

23.0 EVALUATION AND COMPARISON OF BIDS

23.01 The evaluation of Bids shall be done based on the delivered cost competitiveness basis.

23.02 The evaluation of the Bids shall be a stage-wise procedure. The following stages are identified for evaluation purposes:

In the first stage, the Bids would be subjected to a responsiveness check. The Technical Proposals and the Conditional ties of the Bidders would be evaluated.

Subsequently, the Financial Proposals along with Supplementary Financial Proposals, if any, of Bidders with Techno-commercially Acceptable Bids shall be considered for final evaluation.

23.03 The Purchaser's evaluation of a Bid will take into account, in addition to the Bid price, the following factors, in the manner and to the extent indicated in this Clause:

(a) Supply Schedule

(b) Deviations from Bidding Documents

Bidders shall base their Bid price on the terms and conditions specified in the Bidding Documents.

The cost of all quantifiable deviations and omissions from the specification, terms and conditions specified in Bidding Documents shall be evaluated. The Purchaser will make its own assessment of the cost of any deviation for the purpose of ensuring fair comparison of Bids.

23.04 Any adjustments in price, which result from the above procedures, shall be added for the purposes of comparative evaluation only to arrive at an "Evaluated Bid Price". Bid Prices quoted by Bidders shall remain unaltered.

F. AWARD OF CONTRACT

24.0 CONTACTING THE PURCHASER

24.01 From the time of Bid opening to the time of contract award, if any Bidder wishes to contact the Purchaser on any matter related to the Bid, it should do so in writing.

24.02 Any effort by a Bidder to influence the Purchaser and / or in the Purchaser's decisions in respect of Bid evaluation, Bid comparison or Contract Award, will result in the rejection of the Bidder's Bid.

25.0 THE PURCHASER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS

The Purchaser reserves the right to accept or reject any Bid and to annul the Bidding process and reject all Bids at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for the Purchaser's action.

26.0 AWARD OF CONTRACT

The Purchaser will award the Contract to the successful Bidder whose Bid has been determined to be the lowest - evaluated responsive Bid, provided further that the Bidder has been determined to be qualified to satisfactorily perform the Contract. Purchaser reserves the right to award order other bidders in the tender, provided it is required for progress of project & provided he agrees to come to the lowest rate.

27.0 THE PURCHASER'S RIGHT TO VARY QUANTITIES

The Purchaser reserves the right to vary the quantity i.e. increase or decrease the numbers/ quantities without any change in terms and conditions during the execution of the Order.

28.0 LETTER OF INTENT/ NOTIFICATION OF AWARD

The letter of intent / Notification of Award shall be issued to the successful Bidder whose bids have been considered responsive, techno-commercially acceptable and evaluated to be the Lowest (L1). The successful Bidder shall be required to furnish a letter of acceptance within 7 days of issue of the letter of intent /Notification of Award by Purchaser.

29.0 PERFORMANCE SECURITY

Within 15 days of the receipt of Notification of Award/ Letter of Intent from the Purchaser, the successful Bidder shall furnish the Performance Security in the form of Bank Guarantee for an amount of 10% (Ten percent) of the Contract Price in accordance with the General Conditions of Contract in the Performance Security Form provided in Vol.-II, Annexure - II of the Bidding Documents. Upon submission of the performance security, the bid security shall be released.

30.0 CORRUPT OR FRAUDULENT PRACTICES

30.01 The Purchaser requires that the Bidders observe the highest standard of ethics during the procurement and execution of the Project. In pursuance of this policy, the Purchaser:

(a) Defines, for the purposes of this provision, the terms set forth below as follows:

- (i) "Corrupt practice" means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves and/or those close to them, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement process or in contract execution; and
- (ii) "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Purchaser, and includes collusive practice among Bidders (prior to or after Bid submission) designed to establish Bid prices at artificial non-competitive levels and to deprive the Purchaser of the benefits of free and open competition.

(b) Will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

- (c) Will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded an contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, an contract.

30.02 Furthermore, Bidders shall be aware of the provision stated in the General Conditions of Contract.