

***HARYANA POWER  
GENERATION  
CORPORATION LTD.***

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**Works & Purchase Regulations, 2015**

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**HPGCL**

**OFFICE OF: Controller Finance, HPGCL**  
**Regd. Office: C-7, Urja Bhawan, Sector-6, Panchkula**



## PREFACE

The present HPGCL Works & Purchase Regulations, 2015 is a modified version of HPGCL Purchase Regulation, 2011 and has been approved by the Board of Directors of HPGCL in its 103rd meeting held on 29th September 2015. Keeping in view the applicability of the regulation on all the work and purchase orders the title of the regulation has also been modified accordingly. Prior to that, HPGCL was following the erstwhile HSEB (Purchase) Regulation, 1974 as amended from time to time.

With the passage of time and considering the expansion of HPGCL by adding foreign make generating plants and also in view of the changing economic scenario it was necessitated to review and modify the existing Purchase Regulation, 2011 of HPGCL. Further in order to minimize the ambiguities or litigations, definition and terms of the regulation has been elaborated for clarification and simplification. Power sector is under the regulatory regime as such special emphasis has been made toward Inventory control by revamping general principles of purchase and Standardization and unique Codification of the material.

Smt. Poonam Chaudhry, IA&AS, Director/Finance, HPGCL has taken the lead in presenting the present modified version of the purchase regulation. The present regulation has taken its shape after getting the suggestions from the field offices and with the specific contribution of the following officers:

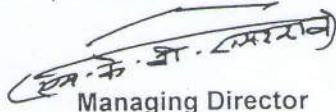
- i) Sh. R.K. Kuchhal, Chief Engineer/ Fuel, HPGCL, Panchkula
- ii) Sh. Arvind Sood, Chief Engineer/ DCRTTP, Yamuna Nagar
- iii) Sh. V.B. Bansal, Chief Engineer/ PTPS-I, Panipat
- iv) Sh. Sanjeev Arora, Controller of Accounts, HPGCL, Panchkula
- v) Sh. B.B. Gupta, Controller of Finance, HPGCL, Panchkula
- vi) Sh. A.K. Sehra, SE/ MM & Stores, PTPS, Panipat

The very object of the document is to use it as an effective tool to bring more transparency and consistency in process of procurement of goods and services. It will also streamline the procurement process towards achievement of inventory control. It will also assist and guide the users and internal audit for ensuring and enforcing the procurement discipline.

This document also covers most of the relevant policies, practices and general guidelines as applicable to HPGCL. The regulation should be read with generally accepted accounting principles and prudent practices.

The policies, process and guidelines are subject to changes / amendments made from time to time to keep pace with latest trends, changes in systems and processes, mandatory regulations / directives and instructions.

It is hoped that these Regulations would serve as a handy guide to the various purchasing authorities of HPGCL in facilitating enhanced transparency and simplification of processes.

  
Managing Director  
Haryana Power Generation Corporation Limited





HPGCL  
AN ISO 9001:2008 & ISO 14001:2004  
CERTIFIED COMPANY

**HARYANA POWER GENERATION CORPORATION LIMITED**

**Regd. Office – C-7, Urja Bhawan, Sector-6, Panchkula**

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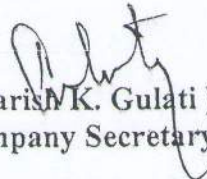
**Fax No. 0172-5022414**

**EXCERPTS OF MINUTES OF 103<sup>rd</sup> MEETING OF BOARD OF DIRECTORS OF  
HARYANA POWER GENERATION CORPORATION LIMITED HELD ON  
TUESDAY 29 SEPTEMBER 2015 AT 12:00 NOON IN THE CONFERENCE HALL,  
SHAKTI BHAWAN, SECTOR-6, PANCHKULA.**

**103.22 Review and Amendment in Purchase Regulations, 2011 of HPGCL.**

The Board of Directors considered the memorandum and after deliberations, approved the proposal as brought out in the memorandum

**On behalf of the Board of Directors  
Haryana Power Generation Corporation Limited**

  
**( Harish K. Gulati )  
Company Secretary**

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## HPGCL WORKS & PURCHASE REGULATIONS, 2015

REG. NO.	PARTICULARS
1.1	These Regulations shall be called "HPGCL Works & Purchase Regulations, 2015.
1.2	These shall come into force with effect from 29 <sup>th</sup> September, 2015.
	<b>DEFINITIONS.</b> In these regulation, unless the subject or context otherwise requires:
2.1	"The Government" means the Government of the State of Haryana.
2.2	"Act" means the Electricity Act 2003, Companies Act 1956 and shall include any statutory amendment, modification or re-enactment thereof, for the time being in force.
2.3	"The Corporation" means the Haryana Power Generation Corporation Ltd., as incorporated under the Companies Act, 1956 and shall include its successors and assigns.
2.4	"The BOD (Board of Directors)" means a meeting of Directors duly called and constituted, the Directors assembled at a BOD meeting or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act, as the case may be.
2.5	"The Chairman" means a Director of Haryana Power Generation Corporation Ltd. duly appointed as Chairman by the Government.
2.6	"Director" means any Director for the time being of the Corporation appointed by the Government to serve on the Board of the Corporation whether on whole time or part time basis and includes the Chairman and the Managing Director.
2.7	"Whole Time Director/s" mean the Director/s of the Corporation appointed to serve on whole time basis.
2.8	"Managing Director" means the Managing Director (MD) duly appointed by the Government.
2.9	"Purchasing Authority" means the BOD or such other authority to whom power to purchase material may have been delegated by the Corporation/ Government.
2.10	"Thermal/ Hydel Standing Committee" means the committee comprising of the MD, Whole Time Directors and the concerned Chief Engineer (CE) of the Power Plant as Member Secretary of the committee.
2.11	"Store Purchase Committee" means the Committee comprising of CE, Superintending Engineer (SE) and FA&CAO constituted by the Corporation for making purchases of certain specified items of stores on behalf of the Corporation.
2.12	"D.G.S. & D" means the Director-General of Supplies and Disposals, Govt. of India.



2.13	"D.S. & D" means the Directorate of Supply & Disposals, Government of Haryana.
2.14	"Rate Contract" means the rate contract entered into by the "D.G.S. & D" or "DS&D" or any other rate contracts approved by the Government of Haryana.
2.15	"Petty Purchase" means a purchase not exceeding Rs. 2,500/- per occasion in case of items of office contingencies and general in nature. In case of items required for the O&M of the power plant it means a purchase not exceeding Rs. 5000/- or 10,000/-, as the case may be, as stipulated under Regulation 6.9.
2.16	"Approved Banks" means the State Bank of India, State Bank of Patiala or any other Nationalized /scheduled Bank approved by the Corporation from time to time.
2.17	"Schedule" means a schedule appended to these regulations.
2.18	"Purchasing Department" means the Department attached to and working under the Purchasing Authority.
2.19	"Inspecting Agency" means the agency/ies nominated and authorized by the Competent Authority for inspecting the material at the works of the supplier or at a designated place of inspection.
2.20	"Inspecting Officer" means any of the officers/ representatives of the Corporation appointed by the Chief Engineer or by the Purchasing Authority.
2.21	(a) "Contract Value" shall mean the bare value of the goods 'ex-works price' without taking into account taxes, duties or any other incidental charges, where the price is ex-works, but where the prices given in the Purchase Order (PO) are on Freight on Road (FOR) destination basis inclusive or exclusive of Excise Duty (ED), Central Sales Tax (CST) etc., then the 'Contract Value' would mean FOR destination prices, given in the PO inclusive or exclusive of ED, CST, other statutory levies etc. as the case may be. b) "Total Contract Value" shall mean Contract Value plus statutory dues like ED, CST etc. any other amount payable under the contract.
2.22	"NIT" means the Notice Inviting Tenders issued by the Purchasing Department with the approval of the Competent Authority containing therein the essential prequalification, minimum quantity to be quoted, the annual turnover required, past performance with the Corporation etc.
2.23	"Technical Committee" means the committee constituted by the Corporation from time to time for specific purpose.
2.24	"Survey off Committee" means the committee constituted by the Corporation as per Financial Delegation of Power of the Corporation.
2.25	"Competent Authority" means the authority defined in the Financial Delegation of Power of the Corporation.
2.26	<b>Specific items</b> means items, required for some significant and specific works, plant & machinery, equipment etc. where only tested and proven material is required and experimental items are not acceptable in the interest of the plant. Such items are not proprietary in nature but are required to be procured of a specific make or from a particular source on the specific recommendation, with



	detailed reasoning, of the Chief Engineer in accordance with the procedure stipulated under Regulation 6.4.
2.27	<b>Consumables or Regular Stock Items</b> means items of normal requirement of recurring nature for operation, maintenance and other purposes.; Only those items, which are fast moving general consumables items shall constitute Regular Stock Items.
2.28	<b>Essential/ Insurance Stock Items</b> means items that are generally recommendatory or mandatory in nature having high value & long delivery period and are required to be stocked on the recommendation of the Original Equipment Supplier/ Manufacturer and may or may not be used during the life cycle/ time of the concerned equipment but are required to be kept available in order to reduce down time of the equipments/ to avoid loss of generation.
2.29	<b>Common Use or Centralized Purchase Items</b> means items used by more than one user at a plant or of common use required at more than one location of HPGCL like fuel, oil, lubricants, bearings, electrodes, conveyor belts, chemicals, HT nuts & bolts, office furniture, medicines, dress code items, safety shoes, etc.; the list is illustrative and not exhaustive.
2.30	Proprietary Items mean and include such equipment/ machinery or its components (including spares) having unique features/ specifications/ attributes/ characteristics, patented under registered trademark or brand name for a specific application and cannot be substituted. These items should not be mixed with single source or specific items.  (a) <b><u>Items relating to Chinese &amp; other overseas equipments of projects</u></b> means and includes items like spares from Shanghai Electric Corporation (SEC) China, Sumitomo Japan, their vendors or from any other overseas equipment manufacturers/ suppliers.
2.31	Indent Approving Authority means the S.E. concerned acting as the indent approving authority.
2.32	Spot Purchase Committee (SPC) means the committee constituted under Delegation of Powers.
2.33	EMD means Earnest Money Deposit.
2.34	<b>E-tendering</b> means internet based process wherein the complete tendering process from advertising to receiving and submitting tender related information is done on-line.
<b>3.</b>	<b>REGULATION 3 : General Principles for Purchase</b>
3.1	As a general principle, purchase of materials should be: ➤ restricted to the minimum requirement and be made after obtaining non availability certificate from the store as well as sub-stores of J.E.s/A.E.s, if any. Such non-availability certificate should also be obtained from other HPGCL plants in case of Common Use or Centralized Purchase Items; and done keeping in view the consumption pattern and various level of inventory so as to avoid over stocking, and at the same time to ensure that the stock is readily/ timely available for consumption. Further, the purchase and/ or work proposal should be initiated well in time in such a way that fresh NIT can be



	finalized after appropriate scrutiny and justification of the new offer before closure of the existing contract period (excluding extension, if any).
3.2	<p>The materials shall be broadly classified into the following types of items defined under Regulations 2.26 to 2.30(a) above:</p> <ul style="list-style-type: none"> <li>(i) Specific items,</li> <li>(ii) Consumables or Regular Stock Items,</li> <li>(iii) Essential/Insurance Stock Items</li> <li>(iv) Common use or Centralized purchase items:</li> <li>(v) Items relating to Chinese &amp; other overseas equipments of projects.</li> </ul> <p>The particular type of item should be mentioned on the stock card itself. Different colour stock cards can also be used for easy identification of a particular category of item. Such color combination of the stock cards be uniformly used at each location with the prior approval of the Corporate Office.</p>
3.3	<p><b>Indent.</b></p> <p>The indents for purchase of Items shall be raised in the standardized format as specified at Annexure 1 by the Stores Section in case of Consumables or Regular Stock Items, and by the respective departments through their departmental head in case of the other items, keeping in view the following guidelines:</p> <ul style="list-style-type: none"> <li>(i) The indents would be raised after the quantity in stock has reached at the "Re-Order Level" as determined for the respective items. Such indents/requisitions, amongst other particulars, shall also indicate: <ul style="list-style-type: none"> <li>(a) Re-Order Quantity.</li> <li>(b) Stock in hand (while considering the stock in hand it should be ensured that no item has been kept reserved for any specific use).</li> <li>(c) Pending Purchase Order reference and quantity</li> <li>(d) Consumption statistics</li> <li>(e) Safety Stock etc.</li> </ul> </li> <li>(ii) In case the indent value is in excess of Rs. 5.00 lacs, then the requirements should be reviewed and recommended by the screening committee consisting of SE/ MM &amp; Stores, FA&amp;CAO, Xen (Purchase) and Xen (user).</li> <li>(iii) The requirements should not be intentionally bifurcated /split so as to avoid approval of higher authorities.</li> <li>(iv) One time purchase for projects or capital equipments/ spares should be properly justified.</li> <li>(v) Obsolescence factor should also be taken into account i.e. the equipment to be purchased should conform to the latest specifications and technology available in the market.</li> <li>(vi) The departmental head will ensure that the purchase requisitions indicate: <ul style="list-style-type: none"> <li>(a) Budget provision</li> <li>(b) Estimated value of the requisition: Estimates should be rationally prepared in detail, in the standard formats, by recording full justification and basis of estimate and referring past rates. In case past rates are not available then the quoted rates received for similar works by other similar organizations</li> </ul> </li> </ul>



	<p>should be referred to. Estimates should be approved by an officer of the Purchase/ Works Department in concurrence with the Finance Department.</p> <p>(c) Administrative approval and technical sanction for the new works and purchases.</p> <p>(vii) The indents will be submitted in duplicate to the Purchasing Department.</p> <p>(viii) The indents must be clearly marked for the class of items i.e. Specific Items, Regular Stock Items, Essential Stock Items, Centralized Purchase Items, Items relating to Chinese &amp; other overseas equipments of projects, and approved by the S.E. concerned.</p> <p>(ix) Name(s) of vendor(s)/ contractor(s) in case the item is to be procured through proprietary or limited tenders, must be given in the indent.</p> <p>(x) Detailed specifications, drawings etc. of the items to be procured should be supplied along with indent duly signed by Approving Authority of indent.</p> <p>(xi) Separate indents should be prepared for each category of items.</p> <p>(xii) As far as possible Proprietary Items purchases should be discouraged. However, in case of purchase of Proprietary Items a certificate would also be recorded by the indenter that efforts have been made for alternate product(s) but the indented item only is appropriate.</p> <p>Before classifying any new item as Proprietary Item, the indenting department should explore the possibility of alternative product(s) and in case no alternative is available, proprietary should be decided through a committee constituted by the respective Chief Engineer.</p> <p>A list of items should be prepared and updated regularly and appraised of to the WTDs on annual basis. The items already classified as proprietary should be reviewed by a committee constituted by the respective Chief Engineer, once in every two years.</p> <p>(xiii) As a general principle no purchase should be done on specific source basis however in case any item is required to be procured as specific item from specific source that should be procured with the specific recommendation and detailed reasoning by the respective Chief Engineer or Head of Department.</p> <p>(xiv) As soon as the annual financial budget is approved, concerned user department can place indents within the approved budgetary limits and in accordance with the provisions contained in the Purchase Regulations. All purchases shall be subject to budget provision, which shall be monitored by the respective users as well as by their respective Purchasing Departments.</p> <p>Provided that the provisions of these regulations shall be duly observed in all the purchases and allotment of works made by the project authorities, except where a waiver has been approved by the Competent Authority.</p>
<b>4.</b>	<b>STANDARDISATION &amp; CODIFICATION.</b>
4.1	All capital equipments and stores would have unique codified index, giving complete standard details and self contained specifications which shall be



	prepared centrally by a committee of representatives of projects/ Corporate Office to be constituted by the WTD's of HPGCL. All equipment and stores purchased for the Corporation shall conform to these standardized specifications after such standardization and codification.
4.2	No new code would be opened at the project level. New code if required would also be opened centrally by the Central Committee only.
<b>5.</b>	<b>LIST OF APPROVED VENDORS.</b>
5.1	In order to ensure that tenders are submitted by all reliable and known sources of supply for different items of purchase, respective Chief Engineers shall prepare lists of approved suppliers/ firms for various items, as per the procedure defined in the Vendor Registration Policy approved by the Board of Directors (Annexure - 2).
5.2	<p>a. A category wise list of the registered vendors should be prepared and updated regularly. Such lists should also be published on the website of HPGCL for information of others.</p> <p>b. The list of the registered vendors for the ongoing year i.e. 2015-16, should be finalized by 31.03.2016 and thereafter the same should be updated on an annual basis.</p> <p>c. In case of E-procurement, separate intimations may also be sent to the registered vendors for ensuring healthy competition.</p>
5.3	Any changes necessitated in the aforementioned lists in the light of re-evaluation of vendors, performances and/ or entry of new vendors in the field of business, shall be got approved by the respective Chief Engineers with the approval of TSC from time to time and shall be circulated in HPGCL.
<b>6.</b>	<b>MODE OF PURCHASE.</b>
6.1	<p>Unless otherwise approved specifically by the Board of Directors, or as may be directed by the State Government, the purchases shall be made through one of the following methods as may be applicable under these Regulations:</p> <ol style="list-style-type: none"> <li>I. Purchase through open tenders (NIT).</li> <li>II. Purchase through normal/ short term single part or two parts limited tenders.</li> <li>III. Purchase on single tender i.e without inviting open/limited tenders.</li> <li>IV. Purchase on D.G. S &amp; D/DS&amp;D Haryana rate contract.</li> <li>V. Purchases on HPGC rate contract (Centralized purchase).</li> <li>VI. Purchase from Indian and Foreign OEM- Supplier/ on proprietary basis.</li> <li>VII. Development of spares/ equipments from single source (In case of imported items).</li> <li>VIII. Petty cash purchases.</li> <li>IX. Procurement through Spot Purchase Committee.</li> <li>X. E-Procurement.</li> </ol>
6.2	<p><b>Purchase through Open Tenders (NIT).</b></p> <p>(i) Except for items for which the Corporation may otherwise decide, two part i.e. Part-I (Technical and Commercial Terms and Conditions) and Part-II ( Price Bid) open tenders shall be invited for all purchases:</p>



	<p>Provided that the two part open tendering may be dispensed with in very exceptional and emergent circumstances and single part open tender may be floated with the approval of the next higher authority after recording reasons in writing.</p> <p>(ii) The notice for inviting open tenders shall be published in the Indian Trade Journal and other prominent news papers having wide network all over India, State/ Regional circulation, a list of which, duly approved by the Corporation, shall be circulated by the Public Relation Officer of the Corporation from time to time.</p> <p>The material management department of the Corporation shall display the NIT on Web Site, so that the bidders within and outside the country could participate. The Web Site and E-Mail address shall also be indicated in the NIT sent for publication.</p> <p>(iii) In all cases where open tendering is resorted to, the tender shall also invariably be sent through registered post/speed post/courier in addition to fax/e-mail for fast communication to the approved suppliers on the Corporation's registered list and known sources simultaneously with the floating of open tenders.</p> <p>(iv) All tenders received against open tender enquiry irrespective of whether they are from the approved suppliers on the registered list or others, shall be considered, provided they are in accordance with the tender conditions and specifications. The tenders downloaded from the website shall also be accepted provided it bears the prescribed tender fees and with requisite EMD.</p> <p>(v) Pre-bid conference: Pre bid conference, if required, would be held with the approval of SPC.</p>
6.3	<p><b>Purchase Through Limited Tenders.</b></p> <p>Where the purchase of an item has been reserved for limited tendering under the orders of the Corporation, the purchase shall be made through limited tendering by issuing tender enquiries per registered post/ speed post/ courier in addition to fax/e-mail for fast communication to approved suppliers on the Corporation's list. Where there is no approved list or sufficient number of parties are not registered with the Corporation, the list of firms to whom enquiry may be issued, shall be approved by the next higher authority.</p>
6.4	<p><b>Purchase Through Single Tender.</b></p> <p>Except for an item which the Corporation may specifically reserve for purchase from a particular supplier, no purchase shall be made on single tender basis by selecting any particular supplier, even if he is appearing on the Corporation's list of approved suppliers.</p> <p>Provided that in very exceptional circumstances of an emergent nature, the purchase may be made on a single tender by dispensing with the open/ limited tendering procedure, with specific approval of the project SPC, up to a maximum value of Rs. 5.0 Lacs and beyond Rs. 5.0 Lacs with the approval of Thermal Standing Committee, subject to the reasons being recorded in detail.</p>



6.5	<p><b>Purchase on D.G.S. &amp; D/ DS&amp;D Haryana Rate Contract.</b></p> <p>(i) Items available on D.G.S. &amp; D/DS&amp;D Haryana Rate Contract or on rates controlled/ approved by the Govt. of India and/or any other statutory agency may be purchased from the manufacturers/ principal dealers borne on the D.G.S. &amp; D/DS&amp;D Haryana approved rates' lists.</p> <p>(ii) While evaluating the quoted rates in normal purchases the same should also be compared with the D.G.S. &amp; D/DS&amp;D Haryana Rate Contracts if available.</p>
6.6	<p><b>Purchases on HPGC rate contract (Centralized purchase).</b></p> <p>Items available on HPGC Rate Contract may be purchased from the manufacturers/principal dealer borne on the HPGC approved rates lists.</p>
6.7	<p><b>Purchase from Indian and Foreign OEM-Supplier/ on proprietary basis.</b></p> <p>In case of BHEL, SEC (Shanghai Electric Corporation), China, its vendors and such other major power equipments suppliers, the commercial terms and conditions (Wherever not existing) should be mutually discussed and finalized by the SPC. Terms of advance payment beyond powers delegated under the Delegation of Powers (DOP) or beyond specifically defined under Regulation 15, should be got approved from Whole Time Directors on case to case basis. The terms &amp; conditions may be reviewed from time to time as per requirement. For purchases on proprietary basis the same shall be dealt with as per the powers delegated by the Corporation from time to time.</p>
6.8	<p>Efforts should be made to record the result/ experience with new technology and development by any organization in the country and as far as possible the result/ experience of HPGCL with any new technology and development must also be recorded suitably.</p> <p>(i) The result/experience of such new technology and development by any organization in the country would be recorded.</p> <p>(ii) The tender can be considered on the terms, conditions and technical specifications agreed by SPC with the said supplier.</p>
6.9	<p><b>Petty Cash Purchases.</b></p> <p>(i) Notwithstanding anything contained in these Regulations, purchase in case of office contingencies or purchases which are general in nature, shall not exceed Rs. 5,000/- per occasion and for running &amp; maintenance of plant up to Rs. 10,000/- on each occasion may be made in cash after ascertaining the lowest rates orally and recording a certificate to this effect with the approval of the Executive Engineer.</p> <p>Provided further that purchases for running and maintenance of plant up to Rs. 20,000/- in each case can also be made on cash and carry basis after ascertaining the lowest rate orally through committee with the approval of the SE concerned.</p> <p><b>Note:-The limit of cash purchases mentioned above are inclusive of all taxes and duties.</b></p>



	(ii) Payments in respect of such petty purchases may be made from the permanent/ temporary imprest.								
6.10	<p><b>E-Procurement.</b></p> <p>Keeping in view the emerging trend of procurement i.e. sale/ purchase, through E-Procurement worldwide, and the directions/ instructions of the State Govt. in this regard, the Corporation would implement e-Procurement to bring improvised accountability, efficiency and transparency in the procurement of material. For conducting procurement through E-tendering process, the procedure as specified under Annexure-3 or as amended from time to time shall be followed.</p> <p>Detailed modalities to implement E-procurement shall be worked out and got approved from WTD's by the Xen/ E-II at the Headquarter and also circulated to all the concerned.</p>								
7.	<b>ISSUE OF TENDER ENQUIRIES.</b>								
7.1	<p>After the consolidated item-wise indent of equipment and material required during the year, as provided for in Regulation- 3 above, the Purchasing Department will initiate the procurement action by inviting open, limited or single tender, as appropriate in each case in terms of Regulation -6, clearly indicating the quantities and specification of the material to be purchased. As far as possible separate tender notices should be issued for separate items. The NIT shall be issued with the approval of competent authority in the prescribed performa and shall be accompanied by the following forms and documents:</p> <ul style="list-style-type: none"> <li>i. Instructions to bidders as prescribed in Annexure 4</li> <li>ii. Tender form as prescribed in Annexure 5</li> <li>iii Terms and condition of contract as prescribed in Annexure 6 along with Annexure 6.a and 6.b</li> </ul> <p><b>Note:</b> The Annexure 6.a and 6.b to Annexure 6 should be filled in before issuance to the bidders by the Purchasing Department.</p>								
7.2	The notices so issued whether for open, limited or single tender(s), proprietary purchases etc. shall be chronologically entered in a Register of Enquires/ Tender/ Notices maintained in the Purchasing Department and a specific serial number shall be allotted to them in the same order. The NIT shall clearly specify the date by which the quotations must reach the Purchasing Department as well as the date on which the tenders shall be opened.								
7.3	The bidders will be asked to quote their rates as well as schedule of delivery for each items included in the NIT, and return the tender form (Annexure 5) along with the terms and conditions of the contract (Annexure 6) and Annexure 6.a & 6.b attached thereto, duly signed at each page thereof.								
7.4	<p><b>Schedule for Due Dates.</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Type of Tender</th> <th style="width: 25%;">Due Date of receipt of request from the bidders</th> <th style="width: 25%;">Due date for sale of tender</th> <th style="width: 35%;">Due date for submission and opening</th> </tr> </thead> <tbody> <tr> <td style="height: 40px;"></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Type of Tender	Due Date of receipt of request from the bidders	Due date for sale of tender	Due date for submission and opening				
Type of Tender	Due Date of receipt of request from the bidders	Due date for sale of tender	Due date for submission and opening						



Open tender	One day before the last date of sale of tender	Two days before due date of submission.	Thirty days from the date of Publication/ issue of NIT.
Limited tender.	N.A.	N.A.	Fifteen to Twenty days from the date of issue of tender.
Short term limited tender.	N.A.	N.A.	Five to Ten days from the date of issue of tender.

**NOTE:** The bidders shall be asked to submit their quotation/ tender in two parts - the first part relating to technical specification, schedule of deliveries and all other terms and conditions except the rates; the second part containing the rates quoted for each item as well as other related terms like freight, Excise Duty, VAT, Sales tax, price escalation, etc. Each part of the tender shall be submitted in separate sealed covers super scribed with the tender enquiry No. and the Part No. of the tender. EMD shall be submitted in a separate envelope. All the three sealed covers shall be placed in another sealed envelope submitted by the supplier as tender, super scribed with the tender enquiry No. and the Part No. of the tender. The tender shall also contain an undertaking from the bidder that the bidder has signed the tender after reading all the terms & conditions of the tender document carefully and no deviation has been proposed.

However in case of E-tendering, the procedure specified/ prescribed for the E-tendering shall prevail.

7 (a)

**Receipt of Tender.**

Generally tenders are to be called On-line, however in case the tenders are required to be submitted manually then there should be an approved system of collecting the tenders in the Tender Box kept for the purpose and placed at a central location independent from the tender issuing agency.

The Tender Box system of receiving the tenders should be invariably used, however in case where the tenders are required to be received manually by any agency, then the authorized person to receive the tender must record the date and time of receipt of the tender on the envelope with the dated initials.

8

**OPENING OF TENDERS.**

8.1

The tenders shall be opened on the due date by Tender Opening Committee comprising of Executive Engineer, A.E./ AEE and a representative of finance /account department not below the rank of Section Officer/ Divisional Accountant.

The committee members shall put their dated initials on all the pages of the tender papers so opened and also encircle the rates quoted under their dated initials. Any alteration or cuttings in the rates and/ or any important terms/ conditions, noticed at the time of opening of tenders, shall be specifically



	recorded by indicating the finally quoted rate in figures as well as in words.
8.2	While opening the tenders, the committee members shall also indicate the total number of pages contained in each tender, on the first page of the tender papers under their dated initials.
8.3	In cases where tenders are received in two parts, the committee members shall open only the part-I in accordance with the above procedure. The sealed envelope containing the price bid/part-II tender shall be initialed by all the committee members and will be retained in the custody of the Purchasing Department.
8.4	If due to any unavoidable reasons, the tenders cannot be opened on the due date prescribed in the NIT, the date shall be extended by the Purchasing Authority and such extended date shall be notified to all the concerned firms /suppliers. The tenders will then be opened on the extended date so notified. In no case the due date for opening of tenders prescribed in the NIT, shall be advanced to an earlier date.
8.5	In case a tender is not accompanied with the prescribed earnest money, a note to this effect shall be made by the officers opening the tender on the papers under their dated initials and such tender shall be rejected straightaway, even if it conforms to all the other terms and conditions of the NIT.
8.6	Only such tenders which are submitted on the prescribed tender form as in Schedule accompanied by duly signed Terms and Conditions of contract as in Schedule along with Annexure/s thereto, shall be considered and others shall be liable to be rejected. However, tenders containing minor and inconsequential variations with the prescribed terms may also be considered by the Purchasing Authority.
8.7	<p>All tenders involving a major departure from the prescribed terms and conditions or technical specifications or otherwise containing ambiguous and vague terms shall be rejected after recording detailed reasons by the Purchasing Authority. Provided that :</p> <p>(i) where the tenders have been invited in two parts, and if Purchasing Authority feels that certain terms and conditions or technical specification of the material or work may require clarification/ discussions with the prospective bidders then in such cases pre-bid conference should be organized prior to the date of tenders. No discussions or clarifications should be made after submission of the tender by the bidders.</p> <p>(ii) To safeguard the financial interest of HPGCL, in case the Purchasing Authority negotiates with bidders regarding commercial terms, delivery schedule etc. after opening of Part-I but before opening part-II (price bid) of the tender (when tenders are invited in two parts), then the bidders may be allowed to revise their price bid and the revised price bid only shall be opened and considered.</p> <p>(iii) Suo-moto revised price bid/ supplementary Part-II will not be accepted after the last date of submission of the tender. However in case revised price bid is submitted by the bidder suo moto but prior to the due date of submission of the tender, then the revised price bid only shall be opened and</p>



	<p>considered by the Purchasing Authority.</p> <p>In case of two part tenders, Part-I tenders would be evaluated with reference to qualifying requirement set forth by the Purchasing Authority in the tender, by a committee comprising of the S.E., 2 XENs (one from procurement/ store wing and other from the end user) and Sr.A.O/AO constituted by the concerned Chief Engineer for the said purpose. Part-II tenders of only those bidder firms would be opened who meet the qualifying requirements of Part-I in accordance with the procedure for opening of tenders outlined above and on such date as the Purchasing Authority may fix for such opening. Ordinarily, the Part-II tenders shall be opened within fifteen days of the opening of the Part-I. The decision of the committee would be binding upon the bidders.</p>
8.8	<p>Tenders received by the Purchasing Authority after the last date notified for their receipt shall not be opened at all regardless of the date of posting by the bidder. The following procedure shall be followed in respect of tenders received late:-</p> <ol style="list-style-type: none"> <li>a) Immediately on receipt of the tender, the envelope shall be super scribed with the word 'Late tender not considered'.</li> <li>b) Late tenders will be kept in safe custody till the evaluation of the tenders received in time is completed.</li> <li>c) After the decision regarding the evaluation of the tenders received in time, the envelope containing the tender received late will be opened and the tender papers shall be superscribed with the words mentioned in clause (a) above.</li> <li>d) The earnest money contained therein shall then be returned to the bidder.</li> <li>e) The tender papers will, thereafter, be retained for a period of three years and then destroyed.</li> </ol>
9	<p><b>PROCESSING OF TENDERS.</b></p>
9.1	<ol style="list-style-type: none"> <li>(a) Immediately after the opening of the tender or Part-II tenders, as the case may be, all the tenders approved for consideration in accordance with Regulation 8 above, shall be tabulated by the Purchasing Department in a 'Comparative Statement of tender' as prescribed in Annexure 7 to these Regulations.</li> <li>(b) The comparative statement shall be approved by the Executive Engineer.</li> <li>(c) The comparative statement will indicate, inter-alia, the base as well as other extra charges on account of freight, Excise Duty, P&amp;F, Sales Tax, VAT, Transit Insurance etc. and the net equivalent price after adding all these elements for each quotation.</li> <li>(d) Previous rate references shall invariably be recorded against each item wherever available. In case more references are available then the same shall also be recorded for the consideration of the Purchasing Authority. In case no references have been recorded then a certificate be recorded that no such item has been previously purchased at that location.</li> </ol>



	<p>(e) The comparative statement will be checked with reference to the original tender papers by an Accounts Officer of the attached Finance wing. Each officer computing or checking the statement will put down his dated initials on the comparative statement in the relevant prescribed columns. Accounts Officer while putting his dated initial on the comparative statement as a token of checking will also ensure that observation on the comparative statement, if any, should be recorded as a part of the comparative statement. Percentage variation of the rates with the previous rates should also be recorded on the comparative statement.</p>
9.2	<p>Rates shall be quoted by the bidders on FOR destination basis. Ordinarily the deviation in terms should not be considered. However in order to make a proper and realistic comparison loading on various elements shall be done as under:</p> <p>(i) P&amp;F: @ 0.5% of basic rate.</p> <p>(ii) Freight: @ 4% of basic rate or the railway freight on the basis of published goods tariff of Indian Railways or freight on the basis of publication/certification of some approved transporter in case of any other mode of transport declared in the NIT, whichever is higher.</p> <p>(iii) Insurance: @0.25% of basic rate.</p>
9.3	<p>After the comparative statement has been so prepared and checked by the Accounts Section, the Purchasing Department shall make a selection of the party or parties on whom the Purchase Order should be placed, the rate on which the item was last purchased, the name of the supplier from whom it was purchased or estimated cost of the item. Where the purchase is required to be made with the approval of the HPPC or any other higher authority other than SPC, the comparative statement will be examined by the Project SPC who will give their detailed, comprehensive recommendation covering inter-alia the following points:-</p> <p>i) Factual position regarding floating of tenders, actual requirement of the material, parties which have responded to the tenders and comparative prices quoted by them.</p> <p>ii) The deviation in specifications which are recommended for acceptance.</p> <p>iii) Reasons for not recommending the lowest bidder, if applicable.</p> <p>iv) Financial implication involved in ignoring the lowest rate.</p> <p>v) Previous performance of the party from whom the purchase is recommended to be made and his rating.</p> <p>vi) Rate on which the same item was purchased on the last occasion, the name of the party from whom it was purchased and its performance.</p> <p>vii) Deviations in commercial terms recommended for acceptance.</p> <p>viii) Total financial implication involved in the purchase proposal.</p> <p>ix) Serial-wise items on which approval of the HPPC is required.</p> <p>x) Essentiality Certificate.</p>



	These recommendations, along with a copy of the relevant comparative statement shall, thereafter, be submitted to the HPPC or any other authority other than SPC and action to place the Purchase Order shall be taken in the light of the decision given by the authority.
9.4	It shall be the duty of the Purchasing Authority, or of the Chief Engineer concerned to observe financial prudence and to follow the general purchase principle as laid down in Regulation 3 above. In case where the HPPC of HPGCL is the approving authority, the Chief Engineer concerned has to ensure that the final decision on the case is taken or obtained at least fifteen days before the expiry of validity period of tenders. A period of twenty-one days shall be reserved for consideration of the case by the Project SPC or HPPC as may be competent to take the final decision, and a minimum period of 40 days for consideration and decision by the Board of Directors, if the case requires the Board of Director's approval.
9.5	Where a purchase lies within the competency of the SPC but there is a difference of opinion between the Members of the Committee on the selection of tenders or placement of orders, the case will be reserved for final decision by the Whole Time Directors. A similar procedure will apply, mutatis mutandis, in the case of purchases requiring HPPC approval, where the final decision will be given by the Board of Directors in the event of difference of opinion between the HPPC Members.
9.6	Notwithstanding anything contained in these Regulations, approval of the next higher authority shall be obtained before placing a Purchase Order where the open or limited tendering attracts less than three tenderers, resulting in lack of healthy competition.
9.7	<p><b>Purchase Preference.</b></p> <p>Purchase preference of the tendered quantities may be allowed as per policy of the State Government from time to time to the Industrial Units located in Haryana on the lowest valid rates, provided:</p> <ul style="list-style-type: none"> <li>• The manufacturer claims purchase preference in the tender;</li> <li>• The manufacturer submits the registration certificate for the quoted items and valid purchase preference certificate issued by Industries Department along with the tender;</li> <li>• The firm submits an undertaking that their sales office for the purpose of billing is based in Haryana and all the billings are/will be raised from Haryana only;</li> <li>• The gross rates of the firm claiming purchase preference are not higher than 10% of the lowest valid gross rates received in tender and the Haryana based firm agrees to the lowest gross rates;</li> <li>• Where more than one bidder claims purchase preference and fulfills all the above conditions, 50% quantity covered under purchase preference may be divided between them on proportionate basis keeping in view the quantity/delivery period quoted by them.</li> </ul>



	<p>Purchase preference may be accorded to the approved Central or Haryana State Public Sector Undertaking/ Enterprises, provided that such approved source takes part in the bidding process and quoted prices of approved source is within 10% of the lowest acceptable price, other things being equal. However, such purchase preference would be available to the approved source only at the lowest acceptable price.</p>
<b>10</b>	<b>NEGOTIATIONS.</b>
10.1	<p>No negotiations shall be conducted with the bidders once the price bid tenders have been opened. The Purchasing Authority can negotiate with bidders regarding commercial terms, delivery schedule, technical specifications etc. after opening of Part-I but before opening part-II (price bid) of the tender where tenders are invited in two parts.</p> <p>Provided that in case of unreasonability of rates, the Stores Purchase Committee comprising of C.E., FA&amp; CAO and concerned superintending Engineer may negotiate with the L-1 bidder or bidders after the opening of Price bids as per the guidelines/policy of Govt. of Haryana issued from time to time and duly adopted by HPGCL.</p>
10.2	The present instructions of Government of Haryana in this regard are annexed as Annexure - 8.
<b>11</b>	<b>PLACEMENT OF ORDER ON ATENDERER OTHER THAN THE LOWEST.</b>
	<p>Normally, the Purchase Order shall be placed only on the lowest bidder or bidders, taking into consideration the total requirement and the maximum quantities offered by bidders in their respective quotation. Where the lowest tender/s or bidder/s is /are to be ignored, except for technical unsuitability of the material, the same shall be done only with the approval of the authority next higher to the Purchasing Authority. The next higher authority approving such a course shall place on record clear and self contained reasons, advanced by the Purchasing Authority for ignoring the lowest bidder after satisfying itself about their correctness and validity. Such general and vague statement as "Not in accordance with the specification, Not technically suitable" etc. shall not be accepted as valid grounds for the rejection of the lowest bidders. Where the item offered does not conform to the specification, the variations shall be clearly brought out in detail.</p> <p>Provided that where the variation between the rate ignored and the next higher accepted rate is 2% or less, approval of the next higher authority will not be required. However, in such case too, the Purchasing Authority shall place on record detailed reasons in support of its decision.</p>
<b>12</b>	<b>ACCEPTANCE OR OTHER WISE OF PRICE VARIATION CLAUSE FOR RAW MATERIAL, WAGES, ETC.</b>
12.1	<p>Ordinarily, only firm rates are required to be quoted by the bidders. However, in certain tenders, particularly if the period covered by the Purchase Order for completion of supplies is sufficiently long (i.e. 3 years or more), it is likely that the bidders may demand the inclusion of a price variation clause in the purchase order.</p>



	<p>Price variation may arise on following accounts:</p> <p>a. Price variation on account of inflation index/market factors; and</p> <p>b. Price variation on account of variation in statutory levies, taxes or duties in the prices of raw material/ component, wages, etc.</p> <p>Price variation on account of inflation index factor or market factor shall generally not be allowed unless specifically provided for with the detailed formula in the NIT.</p> <p>Price variation on account of statutory increases in taxes, duties, etc. on the prices of raw material/ component, wages etc. can be allowed provided there is a clear provision in this regard in the tender document enabling the bidder to include Price variation on account of these factors in his quotation. In the quoted rate, price breakup of the variable component/s on which price variation clause shall be applicable should be clearly mentioned.</p> <p>It should also be made clear in the terms and conditions of the contract that even if the term of Price variation is accepted by the HPGCL, the actual escalation claimed there under shall be admitted only on furnishing such documentary evidence, as may be required by the HPGCL, in support of the variation in respect of each item of raw material/ component of wages etc, for which the escalation is claimed.</p>
12.2	<p>It should be further provided that even where the Price variation clause is to be included inescapably on the basis defined above, the total escalation in the final price should be subject to a ceiling specified in NIT.</p> <p>Applicability of the Price variation shall be limited to the contract/ delivery period only as referred in Regulation 19.2.</p> <p>The equivalent rate in the comparative statement in such cases will be arrived at after loading the quoted prices with the price variation/ escalation ceiling quoted by the bidder.</p>
12.3	Deleted
12.4	Notwithstanding anything contained in the foregoing provisions of the Regulations, no Purchasing Authority below the level of the Stores Purchase Committee shall place a Purchase Order containing a Price variation clause.
12.5	<p><b>Foreign Exchange Variation.</b></p> <p>In case the contract for procurement is in foreign currency, then the applicability of the foreign exchange variation should be clearly defined in the tender document. The period of the applicability of the exchange variation should be restricted according to the delivery schedule as per Regulation 19.2. Ordinarily the exchange variation should not be permitted in the extended period of delivery.</p>
<b>13</b>	<b>ISSUE OF PURCHASE ORDER.</b>
13.1	After the Purchasing Authority has taken a decision on the selection of bidder(s) on whom the purchase order is/are to be placed, the Purchase Order(s) shall be issued by the Chief Engineer, or any other officer under him, specifically authorized in this behalf by the HPGCL, without any avoidable



	delay, in the Performa prescribed in Annexure 9 to these Regulations.
13.2	All Purchase Orders shall be issued through mail/fax and a confirmation copy by registered post after numbering in accordance with a meaningful and compact code that may be standardized by the Purchasing Department.
13.3	As the purchase order becomes a valid contract between the purchaser and the supplier on the date of its issue, no further changes in the terms and conditions thereof are permissible and any request received in this regard from the supplier/ selected bidder should be summarily rejected, making it clear to him at the same time that he is liable to supply the goods strictly in accordance with the terms and conditions of the contract. It should be noted that such a liability can be enforced on the supplier only if the purchase order does not contain any terms or conditions contrary to what had been quoted in the supplier's tender. Once this is ensured a serious note should be taken of any attempt by the supplier to back out of his commitment and his earnest money deposit be forfeited forthwith with-out prejudice to any further legal remedies open to HPGCL under the relevant laws and statutes in force. At no stage, in such an event, should the purchase order be rescinded nor any correspondence undertaken except by way of repeating the fact that the purchase order constituted a valid contract enforceable in law. Where necessary, the case of supplier illegally backing out of the commitment should also be put up to the Project SPC for consideration of such other administrative steps as black-listing of the firm, besides enforcement of damages recoverable under the law.
13.4	The purchase order issuing authority shall put dated initial on each page of the purchase order.
<b>14</b>	<b>EARNEST MONEY AND SECURITY DEPOSIT.</b>
14.1	<p>Every bidder, while submitting his tender, shall be required to give the earnest money deposit specified in the NIT by way of demand draft drawn in favor of the HPGCL either by way of RTGS/ On-line transfer of funds or by way of cash deposit. The proof of Earnest Money Deposit shall necessarily accompany the sealed tender in a separate envelope, without which the tender shall be rejected forthwith.</p> <p>Provided that the following may be exempt from depositing the earnest money :</p> <ul style="list-style-type: none"> <li>i) Central/ Haryana State Government agencies applying in response to the tender. Provided further that the provision of this regulation may not apply to a Public Sector Undertaking of the Central/ Haryana State Government with whom separate terms regarding Security Deposit, if any, may be negotiated/ provided for.</li> <li>ii) Firms borne on D.G.S. &amp; D/DS&amp;D Haryana rate contracts. The exemption shall be for the specified items which are available on DGS&amp;D/ DS&amp;D rate contract.</li> <li>iii) Firms registered with the Director of Industries, Haryana or registered with National Small Industries Corporation, Govt. of India. The exemption shall be for the specified items which are available on Director of Industries, Haryana/ National Small Industries Corporation rate contract.</li> </ul>



	<p>iv) Firms borne on the HPGCL's approved list of suppliers which may have made a permanent earnest money deposit of Rs.10.00 Lakh for quoting at the respective project/ office of HPGCL, or Rs. 20.00 lakh for quoting anywhere in the HPGCL, if they quote the registration number given by the respective project/office of HPGCL in their tender papers.</p> <p>However the provision of the permanent EMD will not be applicable on specific and high value contract exceeding Rs. 10 crore.</p> <p>v) Proprietary Purchase.</p> <p>vi) No EMD will be required for tender having value upto Rs. 2.50 Lakh.</p>								
14.2	<p>Earnest Money Deposit furnished with the tender either in the form of a cheque or in any other form not specifically approved by the HPGCL, shall not be accepted under any circumstances, nor shall a request from the bidder for the transfer of earnest money/ security deposit furnished against a previous tender to the tender under consideration, be entertained.</p>								
14.3	<p>The amount of earnest money to be specified in the NIT by the Purchasing Department, shall be worked out @ 2% of the estimated value of the tender rounded to the next higher multiple of Rs. 100/-. However the upper ceiling of EMD shall be as under:-</p> <table border="0"> <tr> <td>For tenders having estimated value up to 20.00 Crore</td> <td>Rs 10.00 Lakh</td> </tr> <tr> <td>For tenders having estimated value above 20.00 but upto</td> <td>Rs 50.00 Crore</td> </tr> <tr> <td></td> <td>Rs 25.00 Lakh</td> </tr> <tr> <td>For tenders having estimated value above Rs 50.00 Crore</td> <td>Rs 50.00 Lakh</td> </tr> </table>	For tenders having estimated value up to 20.00 Crore	Rs 10.00 Lakh	For tenders having estimated value above 20.00 but upto	Rs 50.00 Crore		Rs 25.00 Lakh	For tenders having estimated value above Rs 50.00 Crore	Rs 50.00 Lakh
For tenders having estimated value up to 20.00 Crore	Rs 10.00 Lakh								
For tenders having estimated value above 20.00 but upto	Rs 50.00 Crore								
	Rs 25.00 Lakh								
For tenders having estimated value above Rs 50.00 Crore	Rs 50.00 Lakh								
14.4	<p>As soon as the tender has been decided upon and the Purchase Order placed on the selected supplier or suppliers, the Earnest Money Deposit of the unsuccessful bidders shall be released to them forthwith based on the release order issued by the Purchasing Department through the Accounts Officer concerned without waiting for any formal application in this regard from the unsuccessful bidders.</p> <p>In case of E-tenders, the instructions for release of EMD of the unsuccessful bidder shall be directly given to the bank maintaining Escrow Account by the concerned Xen of the tender inviting authority under intimation to the Finance &amp; Accounts office.</p>								
14.5	<p>The earnest money furnished by the successful bidders on whom the Purchase Order is placed shall be converted into security deposit as a guarantee for faithful and satisfactory execution of the Purchase Order up to warranty period. However in exceptional circumstances when the purchase orders are split and issued on more than one supplier and if the retention amount of 2% EMD as security will become a significant amount of the Purchase Order value then the S.E. concern may consider, on case to case basis, for release of the EMD in excess of 2% of the Purchase Order value after issue of the Purchase Order.</p> <p>Provided that for erection and construction works, projects and other services, the security deposit shall be deducted @ 10 percent from the contractor's running payment bill.</p>								



14.6	Deleted.
14.7	<p>The earnest money /security deposit taken from the firms under these regulations shall be forfeited in part or in full under the following circumstances:-</p> <p>i) If the bidder withdraws his tender at any stage during the currency of its validity period, his earnest money shall stand forfeited in full.</p> <p>ii) If the Purchase Order has been issued but the supplier/ selected bidder refuses to comply with it, the earnest money deposited by him shall be forfeited in full, irrespective of whether the HPGCL sustains any loss on account of his default or not. This forfeiture shall be without prejudice to the right of HPGCL to claim any other damages as admissible under law as well as to take such administrative action against the supplier as black listing, etc.</p> <p>iii) Where the purchase order has been complied with but the supplier stops making the supplies after partially fulfilling the purchase order, the security deposit shall be retained and adjusted against any loss that may be caused to HPGCL through risk purchase from alternative source and /or any other damage recoverable from the supplier under the terms of the contract.</p> <p>iv) In the event of a breach of the contract in any manner, the security deposit shall be forfeited and adjusted against the claim of HPGCL on the supplier for any damages or for any loss sustained by HPGCL on account of such breach.</p>
14.8	<p>In cases of the items where there are few prospective bidders e.g. for supply of Tyres, Batteries, low value Chemicals &amp; Gases up to Rs. 20 lacs only, who are not inclined to quote because of their own policies against submission of earnest money/ security deposit, SPC can consider such type of cases for exemption of earnest money and security deposit to avoid lack of competitive offers.</p>
14.9	<p>A condition may be incorporated in the tender document that the EMD is also liable to be forfeited in case of evidence of cartel formation by the bidder(s). Further, in cases where cartel formation amongst the manufacturer-suppliers is apparent, the concerned indenting departments are advised to file complaints with the Competition Commission of India and/ or other appropriate forums.</p>
14.10	<p>In cases where the Performance Bank Guarantee (PBG) has been agreed by the supplier, the security deposit shall be released on the completion of the supplies. In other cases security deposit shall be released only after guarantee/ warrantee period.</p>
<b>15</b>	<b>TERMS OF PAYMENT.</b>
15.1	<p>Subject to any deductions which the purchaser may be authorized to make under the contract, payment for the material shall be made as under:-</p> <p>(i) 100% payment shall be made <b>after 21 days</b> of receipt of material at site in good condition and after receipt/ adjusting of 10% Performance Bank Guarantee (if applicable) and on submission of requisite documents as per Purchase Order.                      OR</p>



	<p>90% payment against documents through bank <b>after 21 days</b> of receipt of intimation from the bank and after receipt/ adjusting of 10% Performance Bank Guarantee (if applicable) and on submission of requisite documents as per Purchase Order and balance 10% after receipt of material in good condition.</p> <p><b>Note(1):-</b></p> <p>(i) Due date of payment shall be <b>22<sup>nd</sup></b> day after completion of all documents required as per P.O.</p> <p>(ii) <b>In case any payment term has been agreed in deviation to the above, loading in the prices shall be made @ 0.50% per week or part thereof at the time of preparation of comparative statement.</b></p> <p><b>Note (2):-</b></p> <p>(i) Performance Bank Guarantee (PBG) shall not be applicable for procurement of chemicals.</p> <p>(ii) No amendment is proposed.</p> <p>(iii) In case of procurement of material from Shanghai Electric Co. (SEC), China or OEM/ OES its vendors, Sumitomo, Japan for Hydel Project or its vendors, or through direct import, 90% payment through Letter of Credit (LC) and balance 10% within ____ days after receipt of material shall be made. However, in case any different terms have been agreed in the contracts specifically entered into with these vendors and those terms are more favorable to HPGCL, then those terms shall prevail. The pre-dispatch inspection can be carried out through third party, if required. The material can be dispatched either by sea or air. The prices shall be on CIF (Cost, Insurance and Freight) basis. The work of custom clearance and other import formalities shall be carried out through clearing agent engaged by HPGCL. In case any relaxation in the payment terms is required, WTD's shall be the competent authority to grant/ approve the same.</p> <p>(iv) In case of procurement of material from BHEL, the term of 10% advance along with order against the Performa invoice for advance and balance 90% against dispatch/ receipt of material along with other terms &amp; conditions can be agreed. In case any relaxation in the payment terms is required, WTD's shall be the competent authority to grant/ approve the same.</p>
15.2	<p>In case any damage, shortages, etc, are noticed on receipt of material by the consignee, claims shall be lodged with the suppliers and the amounts due to him withheld or the Bank Guarantee shall not be released till the claims are satisfactorily settled by the supplier.</p>
15.3	<p>As the bank guarantee is to remain valid for the entire currency of the contract including the warranty period, the supplier should be asked to get the validity of the bank guarantee suitably extended to cover any extension in the delivery period or warranty period agreed to by the Purchasing Authority or where any claim of the Corporation against him is still pending. It shall be the responsibility of Purchase &amp; Finance department to ensure that bank guarantee is got extended in time wherever warranted by circumstances. The</p>



	PBG shall be valid for 21 months instead of 18 months of guarantee/ warranty period.
15.4	In the case of defects/ damages in the material being noticed at any time, including during the warranty period, claims shall be lodged with the firms to make good the defects/ damages or replace the material within a reasonable period not exceeding 30 days from the date of notification of defect to the supplier. In case of the supplier/ firm failing to do so, the damages/ defects may be got rectified by the Corporation and the claim may be adjusted from the supplier's/ firm's pending dues and/ or security deposit against this or any other contract in force and the balance be got made good by the supplier. Alternatively, the Corporation may dispose off the damaged/ defective material and set off the sale proceeds against its claim against the supplier.
15.5	The dispatch documents viz. Railway Receipt/ GR or goods challan shall be exchanged by the supplier/ firm with the consignee against payment or the same shall be negotiated through the appropriate branch of the approved bank of the buyer but in the latter case, bank charges shall be payable by the suppliers unless otherwise agreed to.
15.6	These terms of payment can be modified by the Project SPC so as to make the terms of payment more favorable to HPGCL; but any relaxation in favour of the supplier can be considered only with the approval of WTDs.
<b>16</b>	<b>TESTS AND INSPECTION.</b>
16.1	<p>The inspection and tests shall normally be arranged at the supplier's premises before the material is dispatched to the Corporation, and the copy of the inspection/ test report in such case shall be attached by the supplier in original along with Railway Receipt/ GR and other requisite document as per P.O. For this purpose, the supplier shall be required to give at least fifteen days notice to the purchasing authority, to arrange for the inspection of goods offered for dispatch on different occasions.</p> <p>Provided that the inspection and/ or tests may be waived off, in special circumstance, by the Chief Engineer after recording reasons thereof, and the supplier shall be authorized, in writing, to send the consignment or consignments without the inspection. In such cases the supplier will attach a copy of the inspection waiver letter with Railway Receipt/ GR and other requisite documents as per Purchase Order. Such material will however, be subject to inspection at the consignee's store and defects, if any noticed, shall be intimated within one week to the supplier for rectification or replacement of defective material as necessary, under intimation to the Purchasing Department.</p>
16.2	The material inspected by the Inspecting Officer of the Corporation at the supplier's end shall be duly marked with a clearly distinguishable identification mark so as to ensure that only the inspected material has actually been dispatched by the supplier. Even so, if the material received is found to be defective/ deficient at the consignee's end, the fact shall be brought to the notice of the supplier forthwith and the defect got rectified or the material got replaced as may be necessary. It shall be the duty of the consignee to report of deficiencies/ defects not only to the supplier direct, but also to the Purchasing Authority concerned, Store and Accounts. The Purchasing Authority shall be



	responsible for ensuring that the payments made in respect of such material are adjusted / recovered in the event of the supplier's failure to rectify /replace the material.
16.3	It may be necessary in certain cases to prescribe the submission of test certificates issued by the supplier's own laboratories or any other agency specifically mentioned in the Purchase Order. In such cases, the end user shall confirm that the test certificates are suitable and in order as per requirement. Purchasing Department shall further accept the same, before settling the supplier's claims.
16.4	The Chief Engineer shall give clear instructions regarding the quantum and nature of inspection of tests to be carried out by the Inspecting Officers, of different types of equipments/ materials. The quantum and nature of inspection should be prescribed in the NIT and should be in line with the Quality plan given by the manufacturer and in case it is not available, then as per the recommendation of the user approved by the C.E. The Purchasing Authority will not only ensure compliance of these instructions but shall also take care to see that the facilities necessary for carrying out the prescribed tests are made available to the Inspecting Officer at the point of Inspection to be carried out.
16.5	The inspection call received after expiry of delivery period shall be entertained after approval of respective purchase proposal by the approving officer i.e. Concerned Xen/SE. All other cases shall be considered if approved by CE keeping in view the requirement of end user.
16.6	On receipt of the advance notice from the supplier offering the material for inspection, the Purchasing Department shall communicate the same to the Inspecting Officer, who shall ensure that the consignment is inspected within fifteen days from the date of receipt of such notice. In case material was not ready for inspection and that the notice given by the supplier was in fructuous, the expenditure incurred by the Corporation on arranging for such inspection shall be recovered from the supplier.
16.7	In case the inspecting officer fails to inspect the material within 15 days and the delay is not attributable to the supplier, the purchasing authority shall fix the responsibility of the delinquent officer/ official for the delay in inspection. In case the delay in carrying out the inspection is inevitable, reason thereof shall be recorded in detail by respective controlling authority.
16.8	Inspecting officer shall carry and deliver road permit ST-38 (if required) to the supplier, collect the requisite documents as per P.O. and issue dispatch instructions to avoid delay in dispatch of material by supplier.  In case of third party inspection, the supplier will send a request for ST-38 along with requisite documents as per P.O. and dispatch instruction would be issued by the Purchasing Department.
16.9	Supplier shall dispatch the material immediately after inspection but not later than 10 (ten) days failing which the delay shall be on the part of supplier for the purpose of levying of Liquidated Damages (L.D.) In case of waiver of inspection, the supplier shall dispatch the material within 10 days of receipt of waiver letter or within 15 days of dispatch of waiver letter, whichever is earlier. In case prices are F.O.R destination basis, even then the time period as above



	will be allowed for dispatch of material.
17.1	<p><b>MODE OF TRANSPORT.</b></p> <p>The normal mode of transport for dispatch of material from supplier's end shall be by train/ approved road transport However, in special cases, where the dispatch of material through train/ road may entail an undue delay and the transportation by an alternative mode becomes necessary, the Purchasing Authority may, with the approval of Chief Engineer to allow the transportation by such alternative mode.</p> <p>Provided where the required mode of transportation is by air, approval of the Stores Purchase Committee would be necessary.</p>
17.2	<p>The provisions of Regulation 17.1 above shall apply, mutatis mutandis, to cases where the mode of transportation is changed subsequent to the placement of the original purchase order.</p> <p>The list of transporters shall be approved centrally by a Committee of Chief Engineers of Thermal Power Plants (PTPS-1, DCRTPP and RGTPP) on yearly basis and got approved from WTD of HPGCL. The approved list of the transporters shall be circulated at each project location and review by the WTD at periodical intervals.</p>
<b>18</b>	<b>DELIVERY AGAINST PURCHASE ORDER.</b>
18.1	The delivery of material as per the Annexure 6.b attached to Terms and Conditions of Contract shall be the essence of the contract between the supplier and the Corporation, and the delivery of each consignment must, accordingly, be insisted upon on the date it is due in terms thereof.
18.2	As also stipulated under Regulations 16.5 and 16.9, no supplies/ consignments received after the date on which they were actually due according to the terms of the Purchase Order, shall be accepted by the consignee, except with the approval of the Purchasing Authority. In case the Purchasing Authority decides to accept a delayed supply, the supplier shall still remain liable to pay penalty @ 0.5% per week or part thereof of the value of the goods delayed where the part supply is acceptable and of the contract value where part supply is not acceptable, subject to a maximum of 5% of the contract value. In case of Work Orders, unless specified otherwise, the rate of penalty shall be @1% of the contract value per week or part thereof subject to a maximum of 10% of the contract value. A clause to this effect shall be duly incorporated in the Terms and Conditions of the Contract.
18.3	The material dispatched by a supplier after the expiry of the delivery period will not be accepted by the Consignee without the approval of the Purchasing Authority.
18.4	Delivery schedule should be specific and realistic and should not be too long and not too small e.g. Delivery schedule like 4 to 6 months or delivery against ex-works or 1 year should be avoided. Range of delivery schedule may be accepted in case of delivery in lots, where it means delivery is to be started from lower range and will be finished up to higher range.
18.5	In case the delivery schedule provides lot wise delivery of material, lot wise



	penalty shall be imposed.
18.6	To cover up the time lag between the date of issue of P.O. by the purchaser and receipt of the same by the supplier and to make consistency and transparency, the delivery period shall be reckoned from the 7 <sup>th</sup> day of issue of P.O./L.O.I. whichever is earlier.
19.	<b>EXTENSION IN DELIVERY SCHEDULE.</b>
19.1	No extension of dates on which the deliveries are due as per the terms of Purchase Order shall ordinarily be granted except under force-majeure circumstances as defined under Regulation 22. Acceptance of a delayed supply shall be at the sole discretion of the Purchasing Authority and shall be subject to the levy and recovery of applicable liquidated damages as prescribed under Regulation 18.
19.2	In exceptional circumstance, where the supplier applies for a extension of the due date of delivery well before the due date, and advances good and valid reasons for claiming extension to the satisfaction of the Purchasing Authority, the Authority may grant such extension by amending the relevant clause/s of the Purchase Order, with no extra financial liability on HPGCL on account of increase in statutory levies, etc. during the extended period. Further, in the event of grant of extension, no penalty/ liquidated damages in terms of Regulation 18 shall be leviable or recoverable from the supplier.
20	<b>RISK PURCHASE.</b>
20.1	In the case of delay or non-supply of any or all the material/ goods on the date/s due and no extension of time has been sought by the supplier or granted by the authority purchasing the material/ goods, the Corporation will have a right to refuse to accept such delayed supplies and to make the purchase of the material so delayed or not supplied from any alternative source or through departmental manufacture, at the sole risk and cost of the supplier. Any extra expenditure incurred on such purchase or departmental manufacture shall also be recoverable in full from the supplier in addition to the Corporation's right or claim for applicable liquidated damages or penalty.
20.2	Alternatively, the purchasing authority may cancel the purchase order due to non-fulfillment of its terms (i.e. delivery) by the supplier and give notice for recovering the damages applicable to such non-fulfillment under terms of the contract, viz 5% of the total value of the contract or P.O./ un-executed part of the contract/ purchase order as the case may be.
20.3	Where risk purchase action is proposed to be taken, a legal notice should be served by the Purchasing Authority on the supplier by registered post bringing his defaults to his notice pointedly and asking him to complete all pending supplies immediately, and in any case, within the specified period, (a reasonable period to be specified by the purchasing authority in the notice), failing which the Corporation shall reserve the right to effect the risk purchase at his sole risk and cost, besides levying and recovering liquidated and /or other damages admissible under the contract, or to cancel the contract at its sole discretion and recover the damages for non-fulfillment or unsatisfactory execution of the contract. He should be asked to acknowledge the receipt of the notice immediately. In case he again defaults, he should be issued a



	<p>further legal notice stating that as he had failed to fulfill his part of the contract by delaying deliveries, the purchasing authority is issuing a tender for the purchase of the quantities not delivered by him and any extra cost including the cost of re-tendering will be recoverable from him in addition to the liquidated damages leviable in terms of the contract. He should be asked to acknowledge the receipt of this notice. Immediately, thereafter, a notice inviting tenders should be issued and a copy of the NIT should also be sent to the supplier giving him an opportunity again to participate in the tender. On receipt of tenders and their comparison, a copy of the purchase order issued should also be sent to him and in case he himself is the person on whom the order is to be placed, he will be entitled only to receive the payment as per the original purchase order. On completion of the supplies by the firm from whom this purchase is effected, a full account, including loss incurred on risk purchase, liquidated and / or other damages claimable under the contract, should be sent to the supplier against whom the risk purchase is effected demanding legally that he shall make good the amount within a reasonable period (to be specified). Failing payment of the same by the supplier, the amount of claim shall be recovered from his outstanding dues and / or security deposits against the relevant contract or any other contract in operation, and for the balance, due process of law shall be initiated.</p>
20.4	<p>For deciding upon the question of acceptance of delayed supplies, and /or of grant of extension in the delivery dates against the supplier's application in this behalf, or enforcing risk purchase action or even canceling the purchase order in terms of Regulations 18, 19 and 20, the powers of Purchasing Authority shall be exercisable by the Stores Purchase Committee in cases where the Whole Time Directors, HPPC, BoD or other higher authority are the competent purchasing authorities.</p>
21	<p><b>REPLACEMENT OF REJECTED MATERIAL.</b></p>
21.1	<p>Material found sub-standard or defective or not conforming to the prescribed specification in any manner at consignee's end shall not be accepted and intimation to this effect shall be given to the supplier by the Purchasing Authority with a copy to the consignee and Sr. A.O. The Purchasing Authority shall promptly take up the matter with supplier and ask him to rectify or replace the defective/ sub-standard material forthwith, and in any case, within a period of 45 days from the date of original supply, failing which the Corporation shall reserve the right to get the defect rectified at the supplier's cost or to dispose off such material and adjust the sale proceeds thereof, if any, against its claim on the supplier. The supplier shall also be notified that all expenses involved in the replacement by way of handling, transportation, storage, etc. shall be on his account.</p>
21.2	<p>In respect of the defective/ sub standard supplies, the date on which such a supply is replaced shall be reckoned as the effective date of delivery there against, and the delay shall be worked out accordingly with reference to the date on which the supply was due as per the terms of contract, for the purpose of determining penalties/ liquidate damages recoverable under Regulations 18.2, 18.4 and 18.5. Period of Guarantee/ warrantee shall also be reckoned from the date of replacement.</p>



21.3	The provisions of Regulations 21.1 and 21.2 shall apply mutatis mutandis to the material found sub-standard or defective during the period of warranty.
21.4	The material supplies should be declared as defective/sub –standard, on the basis of detailed inspection/rejection report approved by the concerned C.E.
<b>22</b>	<b>FORCE MAJEURE.</b>
22.1	Notwithstanding the provisions of Regulations 18, 19 and 20, the supplier shall not be made liable for any loss or damage due to delay in manufacture or delivery of the material/ equipment on order as may result from any causes arising out of compliance with regulations, orders or instructions of the Central or State Governments, acts of God, acts of Civil & Military authority, fires, floods, strikes, lock-outs, freight embargoes, war-risk riots and civil commotion.
22.2	Whenever the supplier is not in a position to supply the material within the delivery period and he wants extension in the due date (s) of delivery under this clause, he will request for such extension of the delivery period along with all necessary evidence, before the expiry of the schedule date(s) of delivery. In no case, the delivery period shall be extended under this Regulation if the request is received after the due date of delivery has expired. Extension in the delivery period may be granted only for the period for which delay in the completion of the supply is proved by the supplier for circumstances mentioned in this Regulation.
22.3	In all such cases, the Corporation shall have the option to accept any portion of the balance material and cancel the order for the rest, provided that if any material had been manufactured exclusively for the purchaser under this contract, prior to the commencement of the force majeure circumstance, it shall be accepted by the purchaser, and that secondly, the cancellation will be without any liability of Corporation for damages on the part of the supplier.
22.4	Non availability of raw material or any other similar cause shall not be considered as a force majeure circumstance.
22.5	The decision of the Corporation in all matters under this Regulation shall be final and binding on the supplier.
<b>23.1</b>	<b>WARRANTY.</b>
	The supplier shall be made responsible to replace free of cost, with no transportation or insurance-cost to the Corporation, up to the destination the whole or any part of the material which in normal and proper use proves defective in quality or workmanship, subject to the condition that the defect is noticed within 12 months from the date the material is used or 18 months from the date of dispatch which ever period may expire earlier. The consignee or any other officer of the Corporation actually using the material will give prompt notice of each such defect to the supplier as well as the Purchasing Authority and the Sr. A.O. The replacement shall be effected by the supplier within reasonable time, but not, in any case, exceeding 45 days. The supplier shall, also , arrange to remove the defective supply within a reasonable period, but not exceeding 45 days from the date of issue of the notice in respect thereof, failing which, the Corporation shall reserve the right to dispose of the defective material in any manner considered fit by it at the sole risk and cost of the



	supplier. Any sale proceeds of the defective material after meeting the expenses incurred on its custody, disposal, handling etc. shall, however be credited to the supplier's account and set-off against any outstanding dues of the Corporation against the supplier.
23.2	These provisions shall, also, equally apply to the replaced material. In case the material is again found to be defective within a period of 12 months of its replacement, it shall also have to be replaced similarly by the supplier.
24	<b>SUPPLIER'S DEFAULT LIABILITY.</b> In the event of breach of any of the terms and conditions of the Contract/ Purchase Order by the supplier, the Corporation shall reserve the right to terminate the contract without notice to the supplier at any stage and the supplier shall have no claim what-so-ever on the Corporation on this account. But the supplier shall be made liable to pay to the Corporation a sum equivalent to 5% of the value of the undelivered material as liquidated damages and not as penalty. The supplier shall in addition and without prejudice to the above said damages be required to make good any other loss or damage that may be incurred by the Corporation on making risk purchase in terms of Regulation 20-' Risk Purchase".
25	<b>SET-OFF.</b> Any sum of money due and payable to the supplier under a contract (including security deposit returnable to the supplier) may be appropriated by the Corporation and set-off against any claim of the Corporation for the payment of a sum of money arising out of / under that or any other contract entered into by the supplier with the Corporation.
26	<b>ARBITRATION.</b>
26.1	All matters, questions, disputes, differences and / or claims arising out of and / or concerning, and /or in connection with, and /or in consequence of, and /or relating to any contract under these Regulations, whether or not obligations of either or both the Supplier and the Corporation under a contract be subsisting at the time of such dispute and whether or not the contract has been terminated or purported to be terminated or completed, shall be referred to the sole arbitration of MD,HPGCL or an officer appointed by the MD,HPGCL as his nominee. The award of the Arbitrator shall be final and binding on both the parties to the contract.
26.2	The objection that the Arbitrator has to deal with matters, to which the contract relates, in the course of his duties or, he has expressed his views on any or all of the matters in dispute or difference, shall not be considered as a valid objection.
26.3	The Arbitrator may, from time to time, with the consent of the parties to the contract extend the time for making the award. The venue of the arbitration shall be the place from which the acceptance of tender is issued or such other place as the Arbitrator, in his discretion, may determine.
26.4	All arbitration proceeding under this Regulation shall be governed by the provisions of the Arbitration and Conciliation Act, 1996 and the Rules there under, with any statutory modifications thereof for the time being in force.



27	<b>LAWS GOVERNING CONTRACTS.</b>												
27.1	All contracts shall be governed by the laws of India for the time being in force.												
27.2	Irrespective of the place of delivery, place of performance or place of payment under a contract, the contract shall be deemed to have been made at the place from where the acceptance of tender has been issued.												
27.3	Jurisdiction of Courts- The courts of the place from where the acceptance of tender has been issued shall alone have exclusive jurisdiction to decide any dispute arising out of or in respect of the contract.												
28	<p><b>Standardization of Qualifying Requirements (QRs) / Eligibility Conditions:</b></p> <p>The objective for prescribing QRs of the prospective bidders is to ensure quality and reliability of the supplies without inhibiting efficient price discovery through the process of competitive bidding.</p> <p>The tenderer/ bidder shall be Original manufacturer or its authorized dealer of the requisite/ similar item/s and shall have experience of _____ years in manufacturing or dealing in such item/s in any Public Sector Undertakings of Central Govt./State Govt./SEBs/Corporations/ or in any other reputed thermal/ hydel plant of requisite installed capacity or more as on _____ (dated of financial year last ended), having annual turnover of Rs. _____ from such business and executed a single order having minimum value of _____ during last three years preceding the last date of submission of tender.</p> <p>In addition to above, the Indenting Departments may, also endeavor to specify the necessary Qualification Requirements as follows:</p> <table border="1" data-bbox="335 1153 1300 1534"> <thead> <tr> <th data-bbox="335 1153 558 1265">Qualifying criteria</th> <th data-bbox="558 1153 925 1265">For cases having estimated value less than Rs. 10 lacs</th> <th data-bbox="925 1153 1300 1265">For cases having estimated value of Rs. 10 lacs and above</th> </tr> <tr> <th data-bbox="335 1265 558 1310">Period</th> <th data-bbox="558 1265 925 1310">Preceding three years</th> <th data-bbox="925 1265 1300 1310">Preceding five years</th> </tr> </thead> <tbody> <tr> <td data-bbox="335 1310 558 1422">Annual turnover</td> <td data-bbox="558 1310 925 1422">Not required</td> <td data-bbox="925 1310 1300 1422">Five times of estimated value of the case during last three years</td> </tr> <tr> <td data-bbox="335 1422 558 1534">Minimum Single order value executed</td> <td data-bbox="558 1422 925 1534">40% of the yearly estimated value of material/Works</td> <td data-bbox="925 1422 1300 1534">40% of the yearly estimated value of material/ Works</td> </tr> </tbody> </table> <p>The bidders shall be required to provide copies of requisite documents in his tender to authenticate/ certify the (QRs)/ Eligibility Criterion specified by the authority concerned in the tender.</p> <p>Provided however, in case of bidders who are registered vendors of the HPGCL registered as per the vendor registration policy for the specific category of the work/ purchase, shall not be required to prescribe to the aforesaid QRs.</p> <p>Concerned Project SPC may review the above qualifying criteria as per the merit of the case.</p>	Qualifying criteria	For cases having estimated value less than Rs. 10 lacs	For cases having estimated value of Rs. 10 lacs and above	Period	Preceding three years	Preceding five years	Annual turnover	Not required	Five times of estimated value of the case during last three years	Minimum Single order value executed	40% of the yearly estimated value of material/Works	40% of the yearly estimated value of material/ Works
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29	<p><b>CONSULTATION WITH LEGAL DEPARTMENT.</b></p> <p>The Purchasing Department shall maintain a close liaison with the Legal Department of the Corporation on all matters relating to the processing, placements and execution of Purchase Orders from time to time with a view to protect and safeguard the legal position of the Corporation in all respects. The Legal Department shall invariably be consulted well in time, wherever any dispute arises with the supplier and / or where any claim is to be lodged against him or recovery effected. The Legal Department shall also be consulted before taking a decision on cancellation of a Purchase Order or for lodging claims for any damages on the supplier for non fulfillment of the terms of contract.</p>
30	<p><b>AMENDMENTS TO THE PURCHASE ORDER CONTRACT.</b></p> <p><b>Ordinarily, no amendments, shall be made to the terms &amp; conditions of the purchase order/contract after it has been placed.</b></p> <p>Provided that an amendment to the mode of transport or of the delivery schedule in terms of Regulations 17 and 19 above shall not be deemed to be an amendment under this Regulation.</p> <p>Provided further that where for un-avoidable circumstances, an amendment in any other terms or conditions does become necessary, such amendment shall be with the prior approval of the authority next higher to the purchasing authority.</p> <p>Provided further that in case of any amendment involving higher financial commitment on the part of the Corporation, the approval of the next higher authority shall be obtained. If the financial implication is more than 10% then the approval of WTD shall be obtained in cases where such approval is within the authority of the WTD. In case where approval from any authority higher than the WTD is required, then the approval of Board of Directors shall be solicited. However in case of overhauling works, such amendment can be approved by the respective authority who is competent to approve the value of enhanced work as per DOP.</p>
31	<p><b>DELEGATION OF POWERS.</b></p> <p>Except to the extent inherent in these Regulations, the power exercisable under these Regulations by different officers of the Corporation shall be such as may be delegated to them by the Corporation from time to time.</p>
32	<p><b>DETAILED PROCEDURES.</b></p> <p>The responsibility for framing detailed procedure/ instructions regarding purchase, inspection, payment, safe custody of equipment and stores and exercising proper inventory control, consistent with these Regulations, shall be evolved centrally by Director Finance with the approval of Managing Director. The procedure so prescribed or any clarification issued shall become the part of these Purchase Regulations.</p>
33	<p><b>RELEASE OF BANK GUARANTEE.</b></p> <p>33.1 All Bank Guarantees will be kept &amp; maintained alive by the DDO concerned. The Purchasing Department shall issue No Dues Certificate (NDC) after</p>



	completion of Warrantee period before the due date for release of Bank Guarantee.
13.2	In case No Dues Certificate is not received from any office, DDO shall request the Purchasing Department for issuance of the same. The SE concerned shall ensure issue of NDC for the timely release/extension of BG by the DDO. However delay in such cases shall be attributable to the NDC issuing authority.
33.3	In case, NDC is still not received from the concerned office after expiry of the stipulated period, the BG shall then be released and in the event of any liability that may be pointed out later on and not found recoverable from the firm, the same shall be recovered from the officer concerned who failed to supply the NDC to the DDO as per given time schedule.
<b>34</b>	<b>PURCHASES FROM FOREIGN OEM – SUPPLIER.</b>  In case of purchases from foreign OEM - Supplier for the existing, new and future requirements, the project SPC shall mutually discuss and finalize the commercial terms & conditions with the Overseas Equipment Supplier if already not agreed for and a Memorandum of Understanding (MOU) detailing the agreed terms & conditions may be entered into with the foreign supplier after concurrence of the Director Finance and obtaining approval of WTDs, wherever required. Efforts must be made to ensure that as far as possible same terms & conditions with a particular overseas manufacturer/ supplier are made applicable in HPGCL as a whole.
<b>35</b>	<b>ENGAGEMENT OF CONSULTANT.</b>  In order to implement the latest and advance technology in the Corporation and also for overseas purchases relating to Chinese equipment and other overseas purchases, the services of the experts/consultant may be required from time to time. The services of these experts can be availed with the approval of SPC by entering into appropriate contractual arrangement containing clear terms of reference/ mandate. The assignment of the services shall be made as per Delegation of Power.
<b>36</b>	<b>BLACK LISTING OF THE FIRMS.</b>  As the Purchase Order becomes a valid contract between the purchaser and the supplier on the date of its issue, no further changes in the terms and conditions thereof are permissible and any request received in this regard from the supplier should be summarily rejected, making it clear to supply the goods strictly in accordance with the terms and conditions of the contract. It should be noted that such a liability can be enforced on the supplier only if the Purchase Order does not contain any term or condition contrary to what had been quoted in the supplier's tender. Once this is ensured, any attempt by the supplier to back out of his commitment should be taken as serious and his earnest money deposited be forfeited forthwith, without prejudice to any further legal remedies open to the Corporation under the relevant laws. Where necessary, the case of supplier illegally backing out of the commitment, should also be put up to the Whole Time Directors for consideration and to decide for black-listing of the firm and recovery of damages, if any.  In case of minor punishment, the Project SPC is empowered to take the decision.



	<p>Further, the reasons for blacklisting of the firm should be appropriately recorded in detail.</p> <p>Any punitive action such as imposing minor punishment or blacklisting shall be taken only after an opportunity of personal hearing has been granted to the concerned supplier, as per the principles of natural justice.</p>
<b>37</b>	<p><b>CORRUPT OR FRAUDULENT PRACTICES.</b></p> <p>The Corporation requires that Bidders/ Suppliers/ Contractors observe highest standard of ethics during the procurement and execution of contracts and that the Bidders/ Suppliers/ Contractors do not indulge in corrupt or fraudulent practices. In pursuance of this policy, the Corporation:-</p> <p>(a) defines, for the purposes of this provision, the terms corrupt practice and fraudulent practice as follows:</p> <p>(i) "corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution: and</p> <p>(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 Corporation, and includes collusive practice among Bidders (prior to or after tender submission) designed to establish tender prices at artificial, non-competitive levels and to deprive the Corporation of the benefits of free and open competition;</p> <p>(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;</p> <p>(c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Corporation contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Corporation contract.</p>
<b>38</b>	<p><b>CARTEL FORMATION/ POOL RATES.</b></p> <p>Sometimes a group of bidders quote same rate against a tender. Such Pool/ Cartel formation is against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices should be severely discouraged with strong measures. In case of evidence of cartel formation, detailed cost analysis may be done, besides taking suitable administrative action, like rejecting the offers, reporting the matter to appropriate authorities to take suitable strong actions against such firms. The Corporation may also encourage new firms to get themselves registered to break the monopolistic attitude of the firms forming cartel.</p>
<b>39</b>	<p><b>PATENT RIGHT.</b></p> <p>The supplier shall indemnify the Corporation and/ or the purchasing authority against all third-party claims of infringement of patent, trademark or industrial design rights arising from use of the Goods or any part thereof in India. The Corporation and/ or the Purchasing Authority shall give notice to the supplier of such claim without any delay.</p>



	<p>In the event of any claim asserted by a third party of infringement of copyright, patent, trademark or industrial design rights arising from the use of the Goods or any part thereof by the Corporation and/ or the Purchasing Authority, the supplier shall act expeditiously to extinguish such claim. If the supplier fails to comply and the Corporation and/ or the purchasing authority is required to pay compensation to a third party resulting from such infringement, the supplier shall be responsible for the compensation including all expenses, court cost and lawyer fees.</p>
40	<p><b>SEPARATE VENDOR DEVELOPMENT &amp; INSPECTION CELL.</b></p> <p>At the projects/plants, a separate vendor development and inspection committee comprising of Chief Engineer, SE/MM, SE/user and FA&amp;CAO, shall be constituted for registration of vendors.</p>
41	<p><b>TRAINING.</b></p> <p>To provide with the most qualified professionals for handling works contracts and purchase functions including compliance with the statutory requirements, a series of courses and training is required to be provided. To facilitate the efforts, officers/ staff working at the projects and Corporate office should be trained by arranging training courses through leading institutions/ organizations before their posting in such departments. The minimum duration of the training should be 15 days. The posting of officers in procurements should not be for more than three years.</p> <p><b>Scope of the Training may Includes :</b></p> <ol style="list-style-type: none"> <li>1. General knowledge of purchase procedures.</li> <li>2. Steps in the procurement cycle, performance of purchasing responsibilities in an ethical manner.</li> <li>3. Procedure for preparation of accurate, clear competitive and simple specifications.</li> <li>4. Valuation of the tenders and preparation of comparative statement.</li> <li>5. Preparation of the Vendor Rating.</li> <li>6. Preparation of reports, documents and proposals.</li> <li>7. Basic skills, Techniques and Strategies for conducting negotiations.</li> <li>8. Use of cost and price analysis for best value determination for contract award.</li> <li>9. Management of vendor performance strength and weaknesses.</li> </ol>
42	<p><b>PRESERVATION OF RECORDS.</b></p> <p>Unless otherwise necessary in consequence of any audit objection by Internal or Statutory audit or pendency of any dispute with the supplier or arbitration or court proceedings, all records relating to each purchase i.e. the notice inviting tenders, the quotations from suppliers, the comparative statement and the purchase order issued, together with relevant correspondence, should be preserved for a period of five years to be reckoned from the date of completion of supply of the entire material.</p>



<b>43</b>	<b>MODEL DRAFT PURCHASE ORDER.</b> After finalizing the proposed regulations, model NIT/ purchase order shall be prepared by a Committee and approved by WTDs whenever required with a view to cut short the procedural time in finalization of the standard terms of the orders. Pre audit of NIT shall be required in case of model NIT.
<b>44</b>	<b>POWER TO AMEND THE REGULATIONS.</b> In case any amendment is required in these Regulations the same shall be made with the approval of the Board of Directors, HPGCL.