

# **COMMERCIAL TERMS AND CONDITIONS**

## **( APPLICABLE TO INDIAN BIDDERS )**

### **I. PRICES:**

- a) The prices shall remain fixed and firm till the contractual delivery and are on **FOR GSL** basis. The offer shall be inclusive of following:-
- Main equipment,
  - Accessories & Handling Gear.
  - Installation Material
  - On Board spares
  - Inspection
  - Factory Acceptance Test, if applicable
  - Tools & Test equipments.
  - Commissioning Spares,
  - Drawings & documents ( both in soft & prints ),
  - Technical assistance for installation, STW, HATS and SATs.
  - Preservation, de-preservation & re-preservation, as and when required till delivery of ship.
  - Guarantee
  - Training to Ship staff at OEM's works and onboard ship etc.
  - Packing, forwarding, Insurance, freight for delivery charges up to GSL.
- b) Firms shall indicate **FOR GSL, India** prices in **PRICE BID FORMAT**
- c) Bidder shall submit unpriced commercial offer along with Techno commercial offer.

### **II. TAXES, DUTIES & LEVIES:**

**All presently applicable taxes, duties levies etc shall be on Bidders account.** Any increase or decrease in rates or introduction of new taxes, duties, etc by Central or State Govt. of India subsequent to submission of bid shall be payable by/or refundable to the buyer against documentary proof. Bidder should clearly indicate in the price bid the presently applicable taxes, duties, levies etc.

#### **(a) Excise Duty:**

Excise Duty will be on account of Bidder. If sought by the Seller, necessary exemption certificate (Excise Duty) as applicable shall be issued by the Buyer through Owners of the vessel i.e. Indian Navy as per Central Excise Notification no.64/95 or Central Excise as per notification no. 20/2016 in supersession of principal notification no.12/2012.

**Please note that Excise Exemption certificate will not be issued to Bidders sub-suppliers as they are not eligible as per the extant rules. Accordingly, Bidders/Seller will be required to consider cost towards the same and build up in their offer. Bidders/Seller** should indicate the present rate of ED along with excise duty registration no. and central excise tariff code.

**(b) Sales Tax:**

Central Sales Tax as applicable at the time of supply will be paid extra against the issue of form 'C'. Variation in Sales Tax will be applicable only up to the date of contractual delivery. If for any reason the contractual delivery is extended by GSL then the Sales Tax prevailing at the extended delivery date will be applicable. Firm are to indicate Firm's Central Sales Tax Regn. No. and the rate of present CST applicable. Present CST rate is 2% against Form C.

**(c) VAT: ( Applicable to local firms based in Goa)**

Bidders should indicate the VAT as applicable against this transaction. Firm should also indicate the VAT (TIN) No. and date and State in which registered. Please indicate the rate of VAT applicable presently.

**SERVICE TAX ON ASSISTANCE FOR INSTALLATION, STW, II, HATS & SATS:**

Service tax will be paid extra as applicable. Present rate of service tax is 15%.

**(d) Custom Duty:**

Custom duty on import of components/parts by the indigenous firms is not exempted under notification no.54/2015 dt.24.11.2015 and 14/2016 dt.01.03.2016. Similarly, custom duty is not exempted for Base and Depot spares. The Bidders/Seller shall consider financial implication towards custom duty and include in their offer since custom duty exemption certificate will not be issued by GSL. Present peak rate of custom duty is 30% approx.

**III. EXCHANGE RATE VARIATION (ERV).**

Will be suitably addressed & accordingly will be incorporated in RFP/tender.

**IV. PACKING & FORWARDING:**

- i) The items should be suitably packed for safe transportation and handling and storage for 36 months giving full protection required under normal transport conditions to prevent from damages and deterioration till it reaches GSL yard. Adequate protection should be provided against rain and other transit risks. The charges for Packing and forwarding to be included in the prices. Each packing in addition to aligning position should be provided with identification tallies in aligning position.

**Case Marking:**

GOA SHIPYARD LIMITED  
VASCO DA GAMA,GOA (INDIA)

CASE NO. ....

ORDER NO. ....

NET WEIGHT .....

GROSS WEIGHT.....

OUTSIDE DIMENSIONS.....

MADE IN .....

The charges for packing & forwarding are included in the prices. Each packing in addition to aligning position { ↑ } shall be provided with identification tallies.

- ii) Every item in each case would be listed in a packing list and a copy of this would be kept inside the case as well as secured & pasted outside, duly protected by plastic sheet. Items not listed in the packing list would be deemed as not supplied.

- iii) A complete and exhaustive bill of material for the equipments, items, tools, accessories, loose components would be forwarded for all items that are in your scope of supply, however minor the item

be, 15 days before contractual delivery date. Each item would be provided with proper identification tallies.

- iv) Each case would have proper instruction, written at the appropriate place to handle the case safely. In addition to indicating the aligning position, each item would be provided with identification tallies, in aligning position, the description and part no. and it would tally with that of packing list. Weight of each case would prominently be written.
- v) In case of part consignment, every delivery / part delivery would be serialized and this serial no. would be indicated in the delivery challan / packing list for ease of correlation. The description of item in the challan would exactly be as per that in the Purchase Order. The delivery challan would be addressed to Officer-in-Charge of Stores,
- vi) Goa Shipyard Limited, Vasco-da-Gama, Goa – 403 802, India. Every delivery challan / communication shall invariably contain the Concerned Purchase Order reference. If items are supplied as free replacement/free of charge, it would be mentioned in the challan as “free supply items” and the relevant GSL reference against which the free supply is made would be indicated.

**V. FREIGHT:**

- i) The eqpt/items shall be strictly dispatched by road transport preferably through GSL Authorized transporters on door delivery freight pre-paid basis. **The freight charges to be included in the price.**
- ii) The description of items in the challan would exactly be as per that in the purchase order. The delivery challan is to be addressed to Officer in Charge (Stores) Goa Shipyard Ltd. each delivery challan / communication would invariably contain the concerned Purchase order and yard no as a reference.
- iii) If items are supplied as replacement, free of charge, it would be mentioned in the challan as free supply items and GSL reference no. against which the free supply is made would also be mentioned in the challan.

**VI INSURANCE:**

The transit insurance of the consignment shall be arranged by Bidder/Seller covering all the risks up to the destination. **The Insurance premium charges will be borne by Bidder/Seller.** However, Bidder/Seller shall intimate the dispatch particulars to The General Manager (Commercial), Goa shipyard Ltd, Vasco-da-Gama Goa, Immediately on dispatch by Fax/ email. The details shall be forwarded by Fax. 0832-2512148 e-mail to [eraja@goashipyard.com](mailto:eraja@goashipyard.com), [vvshirodkar@goashipyard.com](mailto:vvshirodkar@goashipyard.com) and [contactus@goashipyard.com](mailto:contactus@goashipyard.com)

## **VII INSPECTION & INSPECTION CHARGES:**

- a)
  - i) By Indian Navy/Shipyard reps/Inspection agency at Bidder/Seller premises/designated premises.
  - ii) Factory Acceptance Test shall be performed at Bidder/Seller premises prior to despatch in accordance with test procedures previously approved by Indian Navy, **if applicable**. Shipyard and Indian Navy reserves the right to depute their representatives during the FATs of Equipment. Seller to give six week notice prior FATs to Shipyard for Deputation of reps as necessary.
- b) **INSPECTION AT GSL:**
  - i) Receipt Inspection by Shipyard QA & Owners rep at GSL, Goa.
  - ii) By Owners rep On Board Ship for proving performance to their satisfaction, **if applicable**.

### c) **INSPECTION CHARGES:**

Inspection and testing charges, if any to be included in the quoted prices.

## **VIII DELIVERY:** FOR GSL by -----

**IX PAYMENT:** 100% of value of order shall be paid within 30 days of receipt of Equipments/items at GSL and on submission of following documents:

- (i) Ink-signed Commercial invoice.
- (ii) Relevant Lorry receipt/Railway receipt.
- (iii) Manufacturer's Production Test certificate issued by firms QA.

- (iv) Inspection and Factory Acceptance Test Certificate duly signed by owner/Shipyard reps/Inspection agency.
- (v) Packing List.
- (vi) Guarantee Certificate. 1+ 4 Copies
- (vii) Performance Bank guarantee for 10% value of order drawn on scheduled/ Nationalised bank valid till expiry of guarantee period plus 3 months claim period.

**Note:**

i) All payments shall be made in Indian Rupees only. The Mode of transfer shall be by RTGS. The requisite ECS mandate Form for making RTGS payment shall be furnished by the Bidder/Sellers along with bid.

**X PENALTY:**

a) The delivery indicated above is essence and in case of delay in supplying the equipment beyond contractual delivery date, penalty @ 0.5% per week of delay, from the contractual delivery date, subject to a maximum of 10% of the order value of each ship set, will be payable by you to GSL.

b) A penalty of 0.25% per week, subject to a maximum of 1% of the order value would be applicable for delay in submission of binding drgs/fabrication/manufacturing drgs and data ( in soft & in print form ).

**XI RISK PURCHASE:**

In case the supplier fails to deliver the equipment beyond 04 weeks from the stipulated delivery date, GSL reserves the right to cancel the order at it's discretion and procure the equipment from alternative sources. Difference in procured cost, if any, will be recovered from any of his pending bills or through Debit Note.

**XII GUARANTEE:**

You shall undertake guarantee for the satisfactory performance of the items for a period of 12 months from the date of commissioning of ship or 36 months from the date of supply whichever is earlier. During this period, you would be liable to rectify all the defects arising out of inferior workmanship, faulty material and defective design and the same would be rectified & replaced part or whole free of cost and delivered at GSL. All packing, forwarding, insurance and delivery charges arising against this would be borne by you. The guarantee period would be extended by another 6 months for the repaired parts, which were repaired & replaced during the guarantee period.

The guarantee is subject to proper preservation, maintenance, storage, handling and usage of equipment by GSL & Indian Navy and does not covers repairs carried out without the prior consent of the seller / seller rep. by final customer, GSL or any third party.

### **XIII INSTALLATION ASSISTANCE, COMMISSIONING & TRIALS:**

- (a) Service Engineer assistance as required and indicated in the Technical specification to be included in the quoted prices.
- (b) Man days spent by GSL for the rework & rectification arising due to malfunctioning & mismatching of equipment & items supplied will be charged to your account and the same will be recovered from your pending bills.
- (c) It is to be essentially ensured that competent service engineer is deputed for STW/HATS/SATS so that the schedule for these activities is not affected on board ship. It is to be noted that if competent service engineer is not deputed, the STW/HATS/SATS scheduled of the equipment and that of related equipment are badly affected resulting in loss to GSL. In the event of deputation of non competent service representatives, the man days will not be accounted while accounting for free man days or for payment.

### **XIV CANCELLATION OF ORDER:**

In the event of progress in respect of preparation & submission of drawings or manufacture of equipment is found to be unsatisfactory, GSL reserves the right to cancel the order without any financial implication to GSL.

### **XV APPLICABILITY OF LAW AND JURISDICTION:**

The Purchase Order / Contract shall be governed under the Indian Laws and the Courts in India shall have the exclusive jurisdiction for enforcement of Award.

### **XVI ARBITRATION:**

In the event of any question, dispute or difference arising under this Agreement or in connection therewith, the same shall be referred to the sole arbitration of the Chairman & Managing Director of GSL or if his designation is changed or his office is abolished, then in such cases, to the sole arbitration of the officer for the time being entrusted with the functions of Chairman & Managing Director of GSL, Vasco, by whatever designation such officer may be called (hereinafter referred to as the said officer) and if the Chairman & Managing Director or the said officer is unable or unwilling to act as such ~~both of~~ arbitration, some other person appointed by the Chairman & Managing Director or the said officer. There will be no objection to any such appointment that the

arbitrator to any such appointment that the arbitrator is a government servant or that he has to deal with matter to which the agreement relates or that in the course of his duties as a Government Servant that he has expressed views on all or any such of the matters in dispute or indifference. The award of the arbitrator shall be final and binding on the parties. It is the terms of the agreement that in the event of such arbitrator to whom the matter is referred, being transferred or vacating his office or being unable to act for any reasons whatsoever, the said officer shall appoint another persons to act as an arbitrator in accordance with terms of the agreement and the person as appointed shall be entitled to proceed with reference from the stage of which it was left out by his predecessor. Upon any and every reference as aforesaid, the assessment of the cost of an incidental expenses in the proceeding for the award shall be in discretion of the arbitrator. The venue of arbitration proceedings will be the office of the Chairman & Managing Director, Goa Shipyard Ltd, Vasco da Gama, Goa or such other place as the arbitrator may decide.

**XVII COMPREHENSIVE & PART IDENTIFICATION LIST:**

CPL & PIL (in soft & print form) to be forwarded along with the equipment.

**XVIII BAR CHART:**

In order to monitor the progress of the manufacturing of the above equipment, you shall submit the bar chart indicating major activities on cardinal events and major milestone along with the complete details of the subcontracted items within 6 weeks from the date of placement of order. You shall submit progressive report every month, so that the delivery of the equipment is ensured.

**XIX DOCUMENTS:**

You shall provide requisite documents & drawings and manuals etc (both in soft & prints), for the equipment. Binding drawings are to be supplied within 06 weeks from the date of the Purchase order.

**XX PRESERVATION:**

The equipment shall be supplied duly preserved suitable for 12 months storage from the date of readiness for dispatch. Cost of preservation is to be included in the prices. Preservation and re-preservation procedure shall be included in your manual. Assistance for re-preservation beyond this period will be provided by you free of cost.



## **XXI DEVIATIONS & NON CONFORMITY:**

The sizes of the equipment are required to be exactly as per your binding drawing to be submitted and approved by GSL & Indian Navy. In case it is not so and consequently resulted in rework to the seating prepared already as per their drawing, cost of the rework would be charged to your account. You are therefore requested to ensure that the actual sizes of the equipment match with your binding drawing. The scope of supply shall strictly confirm to Technical advice no TA. No deviation & non-conformity will be accepted unless such deviation & modification has the prior approval of GSL & Indian Navy.

## **XXII INDIVIDUALITY OF CONTRACT**

In the event of an order resulting from tender, the same shall be treated as an individual contract and shall not allow any general lien to the supplier, and shall not get prejudice in execution due to any situation arising out of some other contract that the firm may have with GSL.

## **XXIII PRODUCT SERVICE TO INDIAN NAVY:**

You shall provide lifetime product support by way of spares, components, tools and services as and when required by Indian Navy. While the items will be supplied on chargeable basis, the technical supervision services will be provided free of cost. However, to and fro transport & lodging expenses will be borne by Indian Navy for scheduled overhaul. Any services required from you for repair, rectification work arising out of non-adherence to your specific instruction or maintenance schedule will be on chargeable basis. The above commitment would be valid provided components and spares of your make and supply only are utilized in the system by Indian Navy.

## **XXIV SECRECY:**

Firm shall not divulge any information about our drawings, documents, specification etc. concerning this enquiry / order to any other party.

## **XXV JURISDICTION:**

In the event of any dispute arising in connection with the contract/Order, the same will be subject to jurisdiction of the courts in Goa.

## **XXVI PENDING ORDERS WITH THE FIRM FROM OTHER SHIPYARDS**

Firm shall submit the details of the pending orders from the other shipyards. The complete details shall include :- (i) Name of Customer, (ii) Purchase Order number & date, (iii) Original contractual date of delivery, (iv) Extended date of delivery, (v) Actual supplies made, reasons for the delay/pendency, if any, (vi) E.D.C. (Expected Date of Completion) etc.

## **XXVII RECOVERY OF SUMS DUE**

Whenever under this contract any sum of money is due and payable by the Bidder/Contractor/Supplier to GSL, GSL shall be entitled to recover such sum by appropriating in whole or in part, the Security Deposit if any, paid by the Bidder/Contractor/Supplier, if a security being insufficient or if no security has been taken from Bidder/Contractor/Supplier, then the total sum due/balance of the total sum due, as the case may be, shall be deducted and recovered from the sum due to the Bidder/Contractor under this or any other contract (with the Goa Shipyard Limited) and remaining balance due, if any, will be recovered through due process of law.

## **XXVIII FALL CLAUSE:**

The BIDDER undertakes that it has not supplied/ is not supplying similar product/systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the BIDDER to any other Ministry/ Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the CONTRACT/PURCHASE ORDER has already been concluded.

## **XXIX LIMITATION OF LIABILITY:**

“Seller’s liability shall be limited to the obligations specified in the CONTRACT/PURCHASE ORDER. Under no circumstances Seller shall be liable for any consequential or indirect damages of whatsoever nature incurred by the Buyer, including but not limited to loss of use, loss of production, loss of profit, loss of business, increase in operating costs or damages to its reputation. For all motives considered together arising out of CONTRACT/PURCHASE ORDER or tort relating to performance of the CONTRACT/PURCHASE ORDER, Seller’s liability shall be limited to 100% of the total CONTRACT/PURCHASE ORDER value”.

## **XXX PRE-CONTRACT INTEGRITY PACT:**

- a) The signing of a ‘Pre-Contract Integrity Pact’ is mandatory for contract value of Rs.2 crore and above. The format of Integrity Pact (IP) is placed at Annexure IV. The BIDDERS are required to sign the same and submit separately in an envelope along with the Techno Commercial offer.
- (b) The Integrity Pact (IP) is a binding agreement between the BUYER and BIDDER/SELLER, in which the BIDDER/SELLER promises that it will not offer bribes during the procurement process and that the Buyer promises that it will not accept bribes. Under the IP, the BIDDER/SELLER for specific services or contracts agrees with the Buyer to carry out the contracted transaction in a fair and transparent manner.

### **XXXI INDIGENIZATION & PURCHASE PREFERENCE:**

To promote 'Make in India' policy of GSL in pursuance of Govt. of India initiative, the following purchase preference will be given to domestic manufacturers:

a) In a competitive bidding process, Indian firm quoting with minimum 30% indigenous content in the product and quoting a maximum up to 10% higher than the foreign L1 firm, may accept L1 price and GSL may consider the domestic firm for placement of order at L1 price. The purchase preference will depend upon the proposal value as per the following details:

- |                                  |   |
|----------------------------------|---|
| i) upto 10% Purchase Preference  | - For Proposal value Up to Rs. 1 Cr.              |
| ii) upto 7% Purchase Preference  | - For Proposal value between Rs. 1 Cr to Rs. 5 Cr |
| iii) upto 5% Purchase Preference | - For Proposal value Above Rs. 5 Cr.              |

#### **Note:**

i) Necessary supporting documentary evidence to be provided by the vendors to GSL in support of indigenization percentage declared by them.

ii) In case the percentage of indigenization to be achieved, as declared by the vendors prior to placement of order, is not achieved at the time of supply, then 2.5% of the order value per 10% increase over and above the committed import content, or part thereof, shall be deducted as penalty while making final payment, for non compliance towards indigenization.

iii) Firm eligible for purchase preference in accordance with this policy will be required to submit Bank Guarantee, within three weeks from the date of placement of order, for an amount equivalent to the purchase preference given to the firm i.e. difference between firm's offer and L1 price of the foreign firm, valid till execution of the order plus three months encashing period. In case, the firm is not able to meet the percentage of Indigenization promised as per the Purchase Order terms, the penalty as elaborated in Note (ii) is to be adjusted by the firm in their Invoice, or else, same will be adjusted by encashing the bank Guarantee.

### **XXXII ORDER ACKNOWLEDGEMENT:**

In the event of an order resulting from the tender, an acknowledgement and acceptance of the order including all terms & conditions shall be submitted by the supplier, on a GSL prescribed format.