



**INTEGRATED MATERIALS MANAGEMENT  
ROTARY WING RESEARCH & DESIGN CENTRE  
HINDUSTAN AERONAUTICS LIMITED  
Post Bag No.1783, Bangalore – 560 017  
INDIA**



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Tele-fax: +91-80-22313184 /22311747  
E-mail: lru.rwrdc@hal-india.co.in

GSTIN.29AAACH3641R1Z3  
CIN L35301 KA 1963GOI 001 622

### **Important Note**

**Bidders are requested to submit their proposals (Technical and Price bid) online at HAL's e-procurement portal (<http://eproc.hal-india.co.in> or link to e-Procurement through [www.hal-india.co.in](http://www.hal-india.co.in)). Tenders submitted through any means other than e-procurement portal will not be considered and will be rejected (No Hard copies of Technical and Price bid should be submitted). Vendors should ensure that the pricing aspects either in PDF form or any other form are not mentioned in the Technical Bid zone. HAL is not responsible for delays/problems faced if any with internet, etc. Hence, you are requested to submit the bids on-line well before the tender due date and time. Refer attached e-tender terms for submission of Bids.**

**Only Integrity Pact in original should be submitted in a separate sealed cover with tender reference and it should reach HAL, RWR&DC, IMM Dept on or before the due date & time.**

### **COVERING LETTER – MAIN RFQ**

**Tender No: RC/IMM/ENGINE/8422LRU/68/1**

**Date: 17<sup>th</sup> October 2020**

### **SUB: REQUEST FOR QUOTATION (RFQ) FOR ENGINE FOR 200KG ROTARY UNMANNED AERIAL VEHICLE (RUAV)**

**Due Date: 18<sup>th</sup> November 2020, 14:00 Hrs IST**

Please indicate above RFQ/Tender number & due date on the Envelopes of Integrity Pact while responding

Dear Sir / Madam,

**1. GENERAL INFORMATION:**

- 1.1 Hindustan Aeronautics Limited (HAL), a Navaratna Public Sector Undertaking is engaged in Design, Development, Manufacture, and Repair & Overhaul of Aircraft, Aero Engines, Helicopters, Avionics and Accessories ([www.hal-india.co.in](http://www.hal-india.co.in)).
- 1.2 HAL, RWRDC is developing a single engine RUAV for the use of Indian Armed Services for Surveillance and troop food re-supply roles. The RUAV would be subsequently adapted for the Civil Aviation applications. The RUAV will be operated with an All Up Weight of approx. 200 kg.
- 1.3 This RFQ deals with requirement of “ENGINE FOR 200KG ROTARY UNMANNED AERIAL VEHICLE (RUAV)”.



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**2. SYSTEM REQUIREMENT DEFINITION:**

**2.1 Technical requirement**

2.1.1 The Technical Specification of the **ENGINE FOR 200KG ROTARY UNMANNED AERIAL VEHICLE (RUAV)** (hereinafter also referred as System based on context) shall be as per HAL document **Ref: RC/RUAV/PP&FS/TS/001 Issue II Rev A dated 24.07.2020** enclosed as **PART- I** to this RFQ.

2.1.2 Based on the feedback after design reviews, integration and testing, if there is any need for modification/ change in the system that may arise, it is the responsibility of the vendor to carry out such modifications / changes and related technical assistance without additional cost to HAL. Vendor is required to note that product performance, weight, reliability and MTBF would be important consideration.

2.1.3 The system offered should be of the current design and should be maintained in service for a period of at least 30 years. In case the vendor intends to phase out or replace the system with a superior system for any reason including obsolescence, vendor should take responsibility for offering an alternate system as per the prices not more than quoted against this RFQ.

**2.2 Integration/ Certification requirements:**

2.2.1 Vendor should supply System for integration into RUAV during development phase. Technical and Qualification Documentation, Ground Support Equipment, Special Tools (if any , required for equipment installation /removal, testing and maintenance) along with spares that are required to prove the system on RUAV platform should be proposed by the vendor and deliveries are to match the requirements at various phases of the project.

2.2.2 Vendor should note that in the process of proving the system on RUAV, necessary services such as Systems Engineering, Adaptations of Hardware & Software and technical services may be required by HAL during the Integration and Ground and Flight evaluation of the system on RUAV including training to HAL representatives to carry out such tasks. Vendor should provide technical assistance to HAL in these aspects.

2.3 **Schedule of Deliverables:** The proposed system is required by HAL in two phases as given below:

2.3.1 **Development Phase:** During the development Phase, our requirement of units is as follows:

ITEM	Quantity	Delivery Date# (Tentative)
Engine for 200Kg RUAV	6 Nos	Engine- 1 No - T0+6 months Engines- 3 Nos -T0+12 months Engines- 2 Nos -T0+ 15 months



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The system to be supplied as per technical specification.

#the delivery date indicated is from T0 (Contract Finalization) and is tentative. The seller must be in a position to expedite and shorten the schedule considering project requirement. The same will be finalized at the time of contract finalization.

Vendor should provide itemized list of all deliverables along with Part Nos. and respective quantities.

Vendor should incorporate mutually agreed changes , if any (which will be known after fitment /usage of first set of delivered units) arising out of initial integration and trials on RUAV platform in second lot of supplies without additional cost. Vendor should also retro modify the previously supplied units (against first set of deliveries) as required without additional cost, as and if required by HAL.

For the developmental units supplied by vendor, in case of any deviation in PI check values or any malfunction of the unit, rectification for the same to be performed by the vendor without any cost implications to HAL. Vendor to specify special tools & test equipments if any.

All deficiencies in system (not meeting specification) which are noticed at any stage (including post development phase and post warranty period), which are attributable to vendor should be rectified free of cost in all units/supplies.

**2.3.2 Production Phase :**

2.3.2.1 The total production requirement is about 100 Nos spread over a period of ~ 3 years after successful completion of development phase of project based on receipt of orders from customers. The tentative production program schedule is given below:

Year of delivery	2024	2025	2026
*Total Quantity in Nos.	25	35	40

**The system to be supplied as per technical specification.**

**\*Note**

i) Bidders may note that HAL will not place single order covering development phase and production phase. Production phase order (prices linked to price variation formula) will be placed by HAL's Helicopter production division based on customer requirement and on successful completion of development phase order/ certification.

ii) Orders for production phase supplies are subject to factors like progress of relevant milestones in the programme, successful certification on the Helicopter and receipt of orders from the Customers.



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iii) The emanating requirements will be met through annual purchase orders that will be placed time to time taking into consideration HAL's finalized year to year production schedule / requirements and supply lead-time for the yearly requirement. There will be no single order covering the total production phase requirement.

2.3.2.2 Vendor is required to indicate the lead time for supply of production units with reference to time of placement of production orders.

**2.3.2.3 Seller should carry out Defect investigation and rectification /upgradation /qualifications of the unit without any additional costs, in case of premature failures at all phases of contract.**

**3. SUPPORT REQUIREMENT DEFINITION:**

**3.1 Adherence to agreed Development Plan/ Delivery Schedule:** Vendor is required to indicate development schedule (in the form of a Gantt chart), if the vendor's System is proposed to be developed/ adapted. The delivery schedule however should be in compliance to Para No.2.3 'Schedule of deliverables'.

**3.2 Product support during service life:**

3.2.1 Vendor should supply recommended spares for operator level servicing and should carryout the necessary product support activities. Vendor should also recommend the list of test equipment/ fixtures and special tools required for servicing at HAL/ its customer bases.

3.2.2 In case of prices for long-term supplies of spare parts or price catalogue are not available/ applicable, provision for entering into long term business agreements on supply, servicing and repairs like LTSA / LTRA (Long Term Repair Agreement) should be provided by vendor in the scope of the contract.

3.2.3 Vendor should indicate lead time for supply of spares and should authorize HAL for direct purchase from OEMs/Primary vendors.

3.2.4 Vendor to provide support including technical support, documentation, training and supply of critical parts during the entire product life of the System for a period of 30 years from the date of last supply.

3.2.5 Vendor should suggest disposal procedure for the waste generated during repair/ overhaul process in compliance with ISO 14001.

3.2.6 The warranty period should be thirty-six (36) months from the date of dispatch or 24 months from the date of delivery to the ultimate customer of HAL, whichever is earlier. During the warranty period, Vendor has to provide free of charge minor repair at site or replacement of the System to HAL. Technical life of the System that would be delivered as replacement should not be less than the remaining technical life of the faulty/ defective/ deficient unit being replaced.



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- 3.2.7 In case vendor wants to upgrade the System on account of availability of superior technology based on materials or processes during production phase, vendor may do so provided:
- Intent information to this effect has been provided to HAL in advance
  - Vendor agrees to extend complete support in re-certification of the upgraded system without any additional cost and
  - The upgraded System is available to HAL in future as per the prices not more than quoted against this RFQ.

In cases where contracts are finalized for incremental technologies in relation to upgradation of existing products, Vendor is required to participate at his cost for carrying out detailed study of documentation/ status of old and new parts, inspection of all upgraded parts and integration of final product.

- 3.2.8 In case vendor is phasing out the System or its subsystems/ components from his product range due to any reason including obsolescence, a written notice to HAL should be sent at least 3 years in advance enabling HAL to make alternative arrangements by either undertaking complete production of the System in-house or migrating to any other suitable replacement. After the notice, Vendor is also required to supply at once without any additional cost all technical documents, specific tooling, drawings and equipment essentially required to build-up full capability to manufacture the System at HAL/HAL designated sources.

**3.3 Integrated Logistic Support for Customer Operating Bases (ILS):**

- 3.3.1 Vendor should provide a price catalogue for spare parts (along with NATO Code if available). Vendor Code & delivery lead-time to enable HAL to consider placement of order for spares, as and when required. Vendor shall provide list with applicable discount, if any.
- 3.3.2 Vendor should also submit a recommended list of GSE/ Test Equipment/ Fixtures/ Special tools, Spares to be held at the operating bases of HAL customer for assumed flying environment (A batch of 10 helicopters operating at 360 flight hours per year per helicopter and at 90% fleet availability). The above list should also contain itemized prices (along with NATO codes if available).
- 3.3.3 It may be noted that ILS support needs to be quoted at price format for 1 (ONE) facility of “O” Level maintenance & 1 (ONE) facility of “I” Level maintenance as indicative costs, for a base with 10 Helicopters, which would be finalized based on actual scaling required in the production phase.
- 3.3.4 Vendor may note that placement of orders for Integrated Logistics Support would be conditional upon proper and timely integration, certification and qualification of prototype systems on RUAV.



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**3.4 Transfer of Technology for Repair and Overhaul (Mandatory and bids without compliance to Transfer of Technology for Repair and Overhaul will be rejected):**

- 3.4.1 Vendor should include a comprehensive proposal (in two bids, technical and commercial bids separately) for establishing Repair and Overhaul facilities at HAL as per **PART-VII** enclosed.
- 3.4.2 Vendor is required to offer technology transfer in full / maximum extent for absorption by HAL in order to ensure minimal subsequent dependency of HAL on the vendor during ROH Phase, where ToT is applicable. In case of Vendor already has a running repair and overhaul facility in India, he should provide a complete detail of current capacity and repair & overhaul carried out in last three years.

**4. VENDOR QUALIFICATION CRITERIA:**

**4.1 Original equipment manufacturer (mandatory condition to be fulfilled by bidder):**

It is preferred that Manufacturers only should respond against the tender. In case, if any Indian Industry / Company is authorised to manufacture under License from the respective Foreign Manufacturer, such Indian Industry / Company can participate in the Tender on behalf of Foreign Manufacturer and may submit the bid along with Manufacturer's authorization letter. The bid should accompany a formal letter from Manufacturer, stating that Manufacturer will ensure that Manufacturer's name is included in the Product label; Manufacturer shall take full responsibility for quality and performance of the product as well as full product support, for life time of the Helicopter / Aircraft, in compliance with the Terms and Conditions of the RFQ. Further, Manufacturers would also provide detailed roles & responsibility of both, i.e. Manufacturer (themselves) as well as Indian Industry / Company in execution of supplies.

Indian Industry/Company shall not act as trader/distributor/reseller/agent. It should be ensured that minimum 75% of total projected requirement as per tender shall be met out of production facility of Indian Industry/Company, produced through various phases under TOT from Foreign OEM (SKD/CKD/Raw Material phase etc).

Minimum value addition by Indian Industry /Indigenized content of 40% to be ensured under Raw Material phase of production.

In case production facility under ToT from Foreign OEM is yet to be established/under establishment in India, then a clear Road map with timelines (meeting with HAL project requirements) for setting up of required production facilities for tendered item under ToT, for absorbing Technology from OEM, training of its staff, compliance to required quality standards, Qualification /FAI of product in India etc to be provided in bid.

**4.2 Prior experience (mandatory condition to be fulfilled by bidder)**

- 4.2.1 Vendor should have full knowledge in the fields of design, development and supply of subject system. Vendor should also have established infrastructure and skilled manpower required to execute the contract as a time bound project. Documentary evidence to this effect should be provided.



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- 4.2.2 Vendor should have developed/ supplied in last five years similar items of same/ similar/ advanced specifications as given in this RFQ to reputed aerospace industries or organizations across the globe. Details of the executed contracts should be provided to ascertain credentials. **Offers not meeting the requirement as stated at Para 4.1 & 4.2 above will be summarily rejected.**

**Note: Relaxation of the requirement of five year experience as mentioned at SI No. 4.2.2 could be Considered for all startups and MSEs. However, they should have experience in development and supply of same/similar items. Startups and MSE should submit product completion certification / Type approval from the End user or CEMILAC for satisfactory completion of development and supply of items. The bids from Startups and MSE without documentary proof for satisfactory completion of development and supply of same/similar items will be rejected and will not be considered for further evaluation. Also, vendor shall furnish documentary proof for being MSEs/Startup as stipulated by the Govt. of India. Else, the bid will be rejected and not considered for further evaluation.**

4.3 **Sound Financial Standing**

- 4.3.1 Vendor should have a sound financial standing with stable operations during last three years. Vendor therefore should provide authentic information relating to the company profile along with audited statement of accounts/ balance sheet for a period of last three years.

5. **COMMERCIAL REQUIREMENTS:**

5.1 **Prices**

- 5.1.1 All the prices payable by HAL for **Engine for 200Kg RUAV** should be given in the price format enclosed as **PART-III** of this RFQ. It should be complete in all respects.
- 5.1.2 Prices for the Development Phase should be firm and fixed till completion of development phase. The prices for Production Phase, ToT for Repair and Overhaul, Spares and availing additional Technical assistance/Training etc should be at EC 2020 price level. The prices will thereafter be varied as per price variation formula to be quoted by vendor as referred in the Commercial Terms and Conditions placed as **PART II** of this RFQ with the maximum cap on escalation. Price variation will be considered only if delivery of supplies / services occurs within the contractual delivery period.
- 5.1.3 The prices of product spares (buying product as spare) should not be more than respective production phase prices linked to price variation formula(including requirement beyond production phase period).
- 5.1.4 Details of indices used in the bid should be provided for the last 5 years. The indices incorporated should be Govt. published or public domain indices and capable of being verified / recognised. It may be noted that increase of prices quoted by the vendor are not allowable based on any factor or consideration other than verifiable indices to be quoted.



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**5.2 Compliance to Commercial Terms and Conditions**

5.2.1 Vendor needs to comply with all the terms and conditions as given in **PART-II** of this RFQ.

**5.3 Reduction of Prices**

5.3.1 Vendor should include a statement and description of the current/ future cost reduction plan on account of economy of scale and by adopting technological improvements in engineering, manufacturing etc. and best management practices with concepts like lean, supply chain pertaining to the System being quoted. This would be in addition to the price variation principle based on indices, which has its basis in technology and management aspects remaining same.

**5.4 HAL's Rights**

5.4.1 HAL reserves rights to reject any or all the bids received from vendor (s) without assigning any reason what so ever.

5.4.2 HAL reserves the right to foreclose or terminate the contract/ purchase order finalized based on this RFQ for reasons attributable to non-compliance of any of its terms (if not relaxed in writing) during execution of contract/ purchase order.

5.4.3 HAL is under no obligation by merely issuing this RFQ to pay any cost incurred in the preparation or submission of any response including technical / commercial proposals from Vendor.

5.4.4 HAL reserves right to call for a demonstration of the System being quoted or discussion on the development plan proposed with any one or all vendors on no cost no commitment basis before opening of the commercial bids.

5.4.5 In case of deficiency in performance of the System compared to what has been stated by the vendor against this RFQ, which get noticed after integration into RUAV or any other platform, HAL reserves right to impose and recover penalty from the vendor towards resulting adverse consequences, if any.

5.4.6 HAL will not pay any interest on Security Deposit and Performance Deposit etc.

5.4.7 **Validity of Prices/ Bids:** All quoted prices and bids should be kept valid for a minimum period of 180 days from the closing date of tender.

**5.5 Transfer of Intellectual Property Rights:**

5.5.1 Vendor should without any restrictions, with reference to intellectual property rights held (by vendor or his suppliers) in respect of the items being offered under this bid, authorize usage of item by HAL in any platform (without any restriction with regard to territory/ place and time frame).



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5.5.2 Intellectual Property Rights for the products wherein development cost is paid by HAL rests with HAL. In the development orders, where technical inputs / assistance are provided to vendors, the Intellectual Property Rights (IPR) will rest with HAL. Vendor will not directly deal with HAL's customer for these items also. In case of Transfer of Technology for Repair and Overhaul facility at HAL /HAL designated source, the transfer of applicable intellectual property rights should be modified to cover the repair and overhaul of the items at HAL.

5.5.3 In any case, all items/product/spares/services etc. are to be supplied to HAL's customers through HAL only i.e. HAL will only deal with its customer requirements directly.

**6. GUIDELINES FOR SUBMISSION OF BIDS: Vendor should submit proposal in 2 (Two) bid format, Technical bid and Commercial bid separately (through HAL e-Procurement portal only).** Accordingly, your proposal should cover the following:

**6.1. Technical Bid: Following documents must be submitted as part of the technical bid:**

**6.1.1** Technical Proposal (also referred as Technical Bid) which should also include the following information at 6.1.2 to 6.1.11.

**6.1.2 Compliance Statements:**

6.1.2.1 Compliance matrix confirming point-by-point compliance to all paras of this RFQ (more specifically para 2 to 5 including sub paras) point by point, compliance matrix against technical specifications at Part I and compliance matrix against Commercial terms and conditions at Part II, should be enclosed with the technical proposal.

6.1.2.2 In case of any non-compliance to any of the clauses, it should be provided in compliance matrix and a separate table should be provided giving all the necessary factual and comprehensive details covering the variance/ non-compliance. Insufficient or incomplete details may lead to rejection of the offer. In respect of Technical specifications, indication of "compliance" needs to be substantiated with details.

**6.1.3 Development Plan with Schedule**

Vendor to provide a Development Plan with Schedule, in case the System is to be developed or adapted, clearly indicating the intermediate milestones in the form of a Gantt chart. The Development plan is required to be executed and monitored as per Para No.26 of PART-II.

**6.1.4 Separate Technical Bid for Integrated Logistic Support:**

A separate technical bid for Integrated Logistics Support for customer operating bases should be submitted.



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**6.1.5 Separate Technical Bid for Transfer of Technology for Repair and Overhaul ( Mandatory and bid with these details will be rejected):**

A separate technical bid for establishing repair and overhaul facilities at HAL / HAL designated source in India should be submitted.

**6.1.6 Integrity Pact (IP):**

6.1.6.1 Vendor should sign (duly signed by authorized signatory and witness) and submit hard copy of original and signed Integrity Pact as per the format placed at **Part-IV** of RFQ in a sealed envelope. The envelope should be marked as “Integrity Pact” indicating Tender Reference and due date. The sealed separate envelope (superscribed with tender number& due date) containing the signed Integrity pact should reach us at the following address on or before the tender due date and time:

Additional General Manager (IMM)-RC,  
Rotary Wing Research & Design Centre,  
Hindustan Aeronautics Ltd.  
Vimanapura Post,  
Bangalore-560017, Ph :+91 80 2232 7253

**Or**

alternatively the sealed cover with tender reference and due date containing the signed Integrity pact should be dropped in the tender box ( Rotary Wing Research and Design Centre) kept at Reception (VIP Gate of RWRDC& Helicopter division) on or before the tender due date and time specified in tender.

HAL will not be responsible for any transit/postal delay or delay due to any other reasons in receipt of hard copy of original signed IP. A copy of signed IP should also be scanned and attached with your technical bid, which has to be submitted online through e-Procurement portal.

6.1.6.2 Entering into integrity pact is preliminary qualification.

6.1.6.3 In respect of IP and its monitoring there would be at least one Independent External Monitor (IEM) who will be appointed by the Central Vigilance Commission, a statutory body and not by HAL. The present IEM is

Shri Rajeswara Rao  
e-Mail ID: grajeswararao@gmail.com

6.1.6.4 The submission of original Integrity Pact without deviation is a mandatory requirement. Hard copy of original signed Integrity Pact has to be submitted on or before tender due date and time.



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6.1.6.5 Bidders who have not submitted IP/ submitted IP with deviation will be given an opportunity to submit original signed IP without deviation, within stipulated time limit as decided by HAL.

6.1.6.6 In the event of non receipt of hard copy of original signed Integrity Pact on or before tender due date and time/ HAL stipulated date, bid submitted would be considered as unresponsive and will be rejected.

6.1.6.7 Bidders should submit IP on plain bond Paper duly signed by Authorized official. All pages to be initialed by Buyer and Bidder/seller.

6.1.6.8 The signed IP will form part of the contract/purchase order, in the event of placement of order.

6.1.6.9 **Bidders have submitted signed IP to HAL with any material change / deviations / different format (from HAL's approved format placed at PART-IV), the bids of such bidders will be rejected.**

6.1.6.10 All clarifications/query/status w.r.t tender & validity extension of tender should be forwarded to HAL only and not to the IEM except query related to IP.

6.1.6.11 Signed IP in original should be forwarded to the division and not to IEM.

6.1.6.12 The bidder may approach IEM nominated only for integrity pact related issues. Bidders may seek clarification on specific tender / RFQ / NIT related queries on-line only from (Contact Person) within the specified period at the following contact details.

Address of Division:

Rotary Wing Research & Design Centre (RWR&DC)

Hindustan Aeronautics Limited, Vimanapura Post,

Old Airport Road

Bangalore -560017

Fax: 0091-80-22313184 / 22311747

Phone No: 0091-80-22323219 /22327173 /22327253

Contact Person: Sri K K M Nambiar, Mob: +91 9438901056

Alternate Contact Person: Sri. Gopalakrishnan.V, Mob: +91 9902061975, e-mail: [lru.rwrdc@hal-india.co.in](mailto:lru.rwrdc@hal-india.co.in)

**6.1.7 Non-disclosure Agreement:** Non-disclosure Agreement duly signed by the authorized signatory from the vendor's side strictly as per the format enclosed at **PART-V** of this RFQ should be submitted.



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**6.1.8 Support needed from HAL:** Vendor needs to clearly define the information/ support needed from HAL for executing the proposed supply after signing of contract/ placement of PO. In case support is required from HAL, a Work Share Matrix clearly indicating the responsibilities of HAL and Vendors to be attached.

**6.1.9 Checklist:** Vendor should attach duly filled check list as given in **PART-VI** of this RFQ.

**6.1.10 Non-compliance, if any:** It may please be noted that non-compliance will be seen critically and may have adverse impact in qualification of the bid.

**6.1.11 Price formats without figures in Technical Bid:** Vendor should also attach price formats filled-in with all details other than prices ( quoted/ not quoted against each line items). The price figures should not be filled-in in the format attached with technical bid. Vendor should indicate 'Quoted'/'Not Applicable' in price column.

**Note:** The bidder should upload their response/compliance (Technical bid) to cover all points under RFQ (also refer para 6 above) in form of attachments (each attachment file not exceeding 5 MB) through HALs e-Procurement portal, along with additional information as required.

**6.2. Commercial Bid:**

**6.2.1 Prices as per schedule:**

It should be ensured that all prices/ values payable are specified in the Price Format. No subsequent addition/ alteration/ claim will be entertained over and above the quote. Offers without complete information and pricing will be treated as incomplete and will not be considered for further evaluation.

**Note:** All prices should be filled in the Part –III excel sheet downloaded from e-procurement portal and same should be uploaded in the portal. Prices should not be indicated in any other places.

**6.2.2 Price escalation formulae, if applicable**

- i) Prices for the Development Phase should be firm and fixed till the completion of development phase. Prices for Production Phase, ToT RoH, Spares and Technical assistance /Training etc. should be at EC 2020 price level. The prices will thereafter be varied as per price variation formula to be quoted by vendor as referred in the Commercial Terms and Conditions placed as **PART II** of this RFQ with indicated maximum cap on escalation.
- ii) Details of indices used in the bid should be provided for the last 5 years for referencing purpose. The indices incorporated should be Govt. published / public domain indices and capable of being verified.



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**6.2.3 Applicable taxes and duties, if any**

Vendor needs to provide details of additional taxes and duties payable by HAL, if any, over the rate/ price quoted. (Also Refer clause No.11 of Part II). These details have to be quoted /mentioned separately in price bid.

Applicability of the Taxes (GST etc) should be explicitly indicated by the bidder in his response either in percentage or in absolute terms in price bid. In the absence of this input the offer would be considered all inclusive.

**6.2.4 Vendors should note the following, if exchange rate variation is claimed on the quoted prices:**

- i) Vendor should invariably specify the Import Content included in the quoted prices in terms of Foreign exchange as well as Indian Rupees. In the absence of this input, it would be considered that vendor will be not claiming exchange rate variation.
- ii) Exchange rate variation (+/-) will be paid only to the extent of Import Content. For the purpose of commercial evaluation, if ERV is applicable, ERV reckoning date shall be the last date of submission of Commercial bids (i.e., due date of the tender). The exchange rate prevailing on last date of submission of Commercial bids (i.e., due date of the tender) will be considered for the import content and will be loaded on to the indigenous content to arrive at the total value.
- iii) However, for the purpose of making payment, the exchange rate adopted will be TT Selling Rates prevailing as on the date of invoice and the corresponding payment will be made.
- iv) Bidders to invariably accept for the above conditions in case exchange rate variation is claimed on the quoted prices, failing which the offer will be liable for rejection.
- v) Bidders to indicate the breakup of import content for Development Phase, Production Phase and ILS Phases etc.
- vi) Vendor to provide all required supporting documentary evidence w.r.t. import content linked to HAL's order and Bill of Materials to claim custom duty exemption ( if applicable) and exchange rate variations. Apart from the above & price variation formula (applicable for production phase, Spares, Additional Technical Assistance & Training beyond scope of contract), no other price variation will be considered.
- vii) For purpose of making ERV payment, actual value of import (to be supported by BOE, etc) or declared value of import in bidders quote whichever is lower will be considered for calculation of ERV based on TT selling rate on the date of BOE.



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

**7. EVALUATION PROCESS AND ACCEPTANCE CRITERIA:**

**7.1 Technical Conference, if required:** A Technical conference may be held if decided by HAL as a requirement, for the benefit of all interested vendors who wish to bid against this RFQ and willing to be present at HAL on a notified date & time. All interested vendors are required to forward particulars of representatives (strictly one per vendor) along with details of clarifications required by them through email or fax or letters so as to reach at least 5 working days in advance. Clarifications sought by all the vendors will be consolidated and HAL's response on all points would be given to all present in the conference and also be forwarded to all remaining vendors who could not attend the conference but had shown interest in submitting the bid. No request for further clarifications after the conference will be entertained.

**7.2 Technical bid opening:** Technical bid against this RFQ would be opened on **next working day of due date**. Interested bidders may witness the bid opening online by logging into HAL e-Procurement portal.

**7.3 Technical Evaluation:** All the technical bids submitted by the vendors would be opened and examined for adherence/ compliance to the requirements as specified in this RFQ. In case of ambiguity or non-clarity in statements given by the vendors, HAL may seek information/ clarification from any or all the vendors. HAL may also use its right to call for demonstration of the System or evaluation of the proposed development plan before concluding the technical evaluation. Only such offers that meet HAL requirements shall be short listed for further commercial evaluation.

**7.4 Commercial Bid Opening:** Commercial bids of short listed vendors whose technical bids have been found to be meeting HAL's requirement would be opened online. The date and time information would be provided separately to successful vendors. Technically qualified bidders may witness the tender opening online by logging into HAL e-Procurement portal.

**7.5 Commercial Evaluation**

**7.5.1** Bid with lowest price arrived at based on the commercial evaluation criteria mentioned below conforming to the specification will be considered for placement of order:

a. The tender will be evaluated on package-wise considering the total value quoted for Development Phase, Production Phase and Transfer of Technology for Repair & Overhaul subject to Purchase Preference Policy.

**Note: In line with Public procurement (Preference to make in India) and with a view to support Indian industries by way of providing Purchase Preference, HAL has implemented "Purchase Preference Policy". The Purchase Preference is applicable for the Local Supplier for items/ services covered in this tender. The details regarding purchase preference policy is attached for your reference. The same will also be**



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**considered for commercial evaluation. The item is categorized as indivisible under the policy. Details provided at Appendix-A**

b. The price quoted for Development Phase should be firm & fixed till completion of Development phase (no escalation is applicable for development phase). The prices of Production Phase, ToT RoH, spares etc should be quoted at price level “EC 2020”. The total value for Production Phase will be evaluated, based on the tentative programme schedule given in the RFQ as well as the basic unit price & escalation CAP to be quoted by the vendor (i.e. base price quoted for production phase at EC 2020 will be escalated up to year of requirement as per tentative schedule indicated in RFQ at para 2.3 above considering maximum cap on escalation per annum quoted by technically qualified bidder). If escalation cap per annum is not quoted by any bidder, the maximum escalation cap quoted amongst all the technically qualified bidder of subject tender will be considered for evaluation.

c. The prices quoted for Production Phase will be discounted to the net present value (NPV) by using discounted cash flow method (DCF). The Discounting rate (%) will be State Bank of India Benchmark Prime Lending Rate at the beginning of the commercial bid opening month. The prevailing SBI benchmark Prime Lending Rate is **12.15%**.

d. In case of foreign vendors, the prices quoted in foreign currency as per price format will be converted to Indian Rupees (for comparison purpose) by adopting the exchange rate prevailing on the date of price bid opening (as per Reserve Bank of India website). For any reason, if the exchange rate is not available on the date of tender opening, the next available exchange rate will be adopted.

e. The following loading factors will be considered for commercial evaluation:

ITEM	WEIGHT-AGE FACTOR	AMOUNT TO BE ADDED ON BASIC PRICE
<b>DT Factor</b>  Delivery term – FOR HAL	-- (Actuals )	i) Packing & forwarding charges quoted, if any  <b>Note:</b> In the absence of this input, it will be considered that the quoted prices are inclusive.  ii) Freight & Insurance charges quoted, if any. Delivery terms (FOR,HAL / INCOTERMS) to be clearly indicated.  <u><b>Note:</b></u> The prices quoted will be evaluated on FOR HAL basis. Hence, in case of foreign Vendors, for Exworks/FCA/FOB delivery terms, freight and insurance charges in percentage terms as decided by HAL for all such procurement cases would be loaded before commercial evaluation. Indigenous vendors should quote FOR HAL prices, otherwise loading of Freight and Insurance charges would be done as in case of foreign supplies.



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<p><b>DL Factor</b></p> <p>Delivery Lead Time (as per RFQ for development phase for supply of system)</p>	<p align="center">1%</p>	<p align="center"><math>Q * \frac{(TQ-TR)}{12} * 0.01</math></p> <p>Where, Q – Quoted basic Price TR – Delivery required as per RFQ TQ – Delivery quoted (This is applicable for delivery schedule wrt development phase only for supply of system).</p>
<p><b>L.D. Factor</b></p> <p>Liquidate damages @ 0.5% per week of delay maximum upto 10% of PO value.</p>	<p align="center">2%</p>	<p align="center"><math>Q * \frac{(10-L)}{10} * 0.02</math></p> <p>Where, Q – Quoted Price L – Maximum rate of LD agreed</p>
<p><b>SD Factor</b></p> <p>5% of PO value. If it is BG, it should be valid up to 60 days from last delivery</p>	<p align="center">5% of quoted value</p>	<p align="center"><math>Q * 0.05</math></p> <p>Where, Q – Quoted Price (applicable in case SD clause is not accepted by bidder).</p>
<p><b>WA Factor</b></p> <p>(Warranty): 36 months from date of dispatch.</p>	<p align="center">2%</p>	<p align="center"><math>Q * \frac{(WR-WO)}{12} * 0.02</math></p> <p>Where, Q – Quoted Price WR – Warranty in months as per RFQ WO – Warranty offered in months</p>

f. **Conditional discounts will not be considered in evaluation of tender.**

g. For indigenous vendors- Applicability of the Taxes (GST etc) should be explicitly indicated by the bidder in his response either in percentage or in absolute terms. In the absence of this input the offer would be considered all inclusive.

h. Prices and applicable taxes indicated in the price bid shall only be considered.

i. Payment terms: In case bidder offers any other terms of payment (Refer Part-II for HAL payment terms) and any financing cost which has to be borne by HAL, the same will be taken for commercial evaluation and appropriate loading will be done (apart from above mentioned loading factors).

7.5.2 HAL reserves the right to limit the order covering the requirement of development phase only and to place separate orders for various other phases of requirements and orders in respect of a) Production phase,



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b) Spares , c) Additional Technical Assistance/Training d) ToT RoH etc., after successful completion of development phase and receipt of customers orders by HAL.

7.5.3 The other cost implication viz. GST and other Govt. levies (as applicable) will also be taken into account during commercial evaluation (Also Refer Part-II, SL.No.11).

7.5.4 The prices quoted will be evaluated on FOR HAL basis. Hence, in case of foreign Vendors, for Ex-works/FCA/FOB delivery terms, freight and insurance charges in percentage terms as decided by HAL for all such procurement cases would be loaded before commercial evaluation. Indigenous vendors should quote FOR HAL prices, otherwise loading of Freight and Insurance charges would be done as in case of foreign supplies.

**7.5.5 PERFORMANCE BANK GUARANTEES (MANDATORY):**

**Successful bidder (Seller) after placement of order and supply of product, shall provide Performance Bank Guarantee as per HAL's format for 10% of the order value of supplies valid up to end of the warranty period of supplies from a Nationalised Bank/Scheduled bank in India / Bank of International repute (for foreign vendor) or otherwise equivalent amount shall be retained till completion of warranty period and other obligation of Purchase Order / contract.**

**In case, vendor does not agree for Performance Bank Guarantee / retention of equivalent amount, the bid will be summarily rejected. Also, refer guidelines for submission of Bank Guarantee.**

**8. Additional Information**

- i) Offers received in the form of hard copy (courier/post/dropping in tender box) / e-mail / fax or any other mode (other than submitting online through HAL's e-Procurement portal) will not be considered and will be rejected. Offer should be submitted online (HAL's e-Procurement portal) within due date and time specified.
- ii) The bidder should not indicate price details / indicate pricing aspects in technical bid. **If bidder submit price bid / indicate pricing aspects in technical bid, the bid is liable for rejection and such bid may not be considered for further evaluation.**
- iii) HAL reserves the right to reject late / incomplete tenders.
- iv) Canvassing by tenderers in any form, including unsolicited letters on tenders submitted or post tender corrections shall render their tenders liable for summary rejection.
- v) Vendor should return all the documents and data supplied by HAL (if any) in reference to this RFQ, in case vendor does not want to submit bid.



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- vi) Successful vendor needs to take sufficient insurance cover against the risks of product and civil liabilities in relation to equipment /product supplied by him. In the event of claims from any other party on any damages or deficient performance which are directly attributable to the vendor's product, HAL would not be liable and would have the right to seek appropriate compensation from the vendor. Successful vendor should provide the details of insurance coverage / policy after placement of order.
- vii) HAL would be deducting at source applicable Income Tax as per Government of India Rules applicable at the time of making payments (Generally on the amounts towards Services like training, technical assistance offered by the vendor and license fees). As per the Rules, Income Tax has to be borne by the recipient of the Income and relevant Certificate to this effect will be issued to the vendor on deduction of such amounts, as applicable. (Refer clause No.11 of Part-II)
- viii) Proposals should be submitted through HAL's e-procurement portal only on or before due date and time. Refer attached e-Tender terms for submission of online proposal (**Annexure-2**).

**Any clarifications on the tender, you may contact:**

Additional General Manager (IMM) – RC

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- ix) **Tender Documents:** The bidders should download all tender documents directly from HAL e-procurement portal (<http://eproc.hal-india.co.in> or link to e-Procurement through [www.hal-india.co.in](http://www.hal-india.co.in)). No Tender fee is applicable.

Thanking You,

Yours faithfully,  
For Hindustan Aeronautics Ltd,

-Sd-

(K.K.M. NAMBIAR)

**ADDITIONAL GENERAL MANAGER (IMM) RC**

**Note:** Bidders are advised to visit HAL website/e-procurement portal till the closing date of tender as all future corrigendum with regard to this tender, if any, shall be published only at HAL website/ e-procurement portal only.

**Enclosures:**

1. Part -I : Technical Specification
2. Part -II : Commercial Terms and Conditions
3. Part-III : Price Format
4. Part-IV : Integrity Pact
5. Part-V : Non Disclosure Agreement
6. Part –VI : RFQ check list
7. Part-VII- Details w.r.t Transfer of Technology for Repair & Overhaul
8. Annexure.1 :Bank Mandate Form
9. Annexure-2: e-Tender Terms for submission of Bids at HALs e-procurement portal
10. Annexure-3: Bank Guarantee formats towards performance guarantee and security deposits