RITES Ltd. /Contract Policy Cell/Gurugram

Standard REOI Document for Procurement of Consultancy Services, March-2024

Correction Slip No. 3

Section I: Request for Expression of Interest (REOI)

1) In Clause 4.1 (Eligibility Criteria), S. No. 5) is added below S. No. 4) as given below:

5) must meet the minimum local content as mentioned in REOI Clause 5.1 and Appendix under Section II.

2) Clause 5 (Purchase Preference Policies of the Government) and its sub-clause 5.1 is deleted and replaced with the following:

5. Purchase Preference Policies of the Government

Unless otherwise stipulated in Appendix under Section II, the Procuring Entity reserves its right to grant preferences to the following categories of eligible Bidders under various Government Policies/ Directives during the RFP Process that shall follow this REOI:

(i) Class I Local Suppliers under Public Procurement (Preference to Make in India) Order 2017" (MII) of Department for Promotion of Industry and Internal Trade, (DPIIT - Public Procurement Section) as amended from time to time.

(ii) Bidders from Micro and/ or Small Enterprises (MSEs) under Public Procurement Policy for the Micro and Small Enterprises (MSEs) Order, 2012 as amended from time to time.

(iii) Start-ups Bidders under Ministry of Finance, Department of Expenditure, Public Procurement Division OM No F.20\212014-PPD dated 25.07.2016 as amended from time to time and subsequent clarifications; and/ or

(iv) Any other category of Bidders, as per any Government Policies, announced from time to time, if so provided in the Appendix under Section II.

5.1 Make in India Order

Orders issued by the Government of India regarding eligibility to participate and for purchase preference to "Local Suppliers" to encourage 'Make in India' and promote manufacturing and production of goods and services in India shall apply to this procurement, as detailed below.

5.1.1 Definitions

a) *'L1'* means the lowest tender or lowest bid, or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

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b) 'Local Content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

Explanatory notes for calculation of local content given above:

i) Imported items sourced locally from resellers/distributors shall be excluded from calculation of local content.

ii) The license fees/royalties paid/ technical charges paid out of India shall be excluded from local content calculation.

iii) Procurement/ Supply of repackaged/ refurbished/ rebranded imported products as understood commonly shall be treated as reselling of imported products and shall be excluded from calculation of local content. The definition of repackaged/ refurbished/ rebranded imported products is as follows;

1) 'Refurbishing' means repair or reconditioning of an imported product does not amount to manufacture because no new goods come into existence.

2) 'Repackaging' means repacking of imported goods from bulk pack to smaller packs would not ordinarily amount to manufacture of a new item.

3) 'Rebranding' means relabeling or renaming or change in symbol or logo/ makes or corporate image of a company/ organization/ firm for an imported product would amount to rebranding.

iv) To ensure that imported items sourced locally from resellers/ distributors are excluded from calculation of local content, RITES to obtain from bidders, the cost of such locally-sourced imported items (Inclusive of taxes) along with break-up on license/ royalties paid/ technical expertise cost etc. sourced from outside India. For items sold by bidder as reseller, OEM certificate for country of origin to be submitted.

v) For contracts involving supply of multiple items, weighted average of all items to be taken while calculating the local content.

c) 'Class-I local Supplier' with local content equal to or more than that prescribed in Appendix under Section II or 50% if not prescribed.

d) 'Class-II local Supplier' with local content equal to or more than that prescribed in Appendix under Section II or 20% if not prescribed, but less than that applicable for Class-I local Supplier.

e) 'Non - Local Supplier' with local content less than that applicable for Class-II local Supplier, in sub-clause above.

f) 'Margin of Purchase Preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L1 for the purpose of purchase preference.

g) 'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

5.1.1A Special treatment for items covered under PLI Scheme

The manufacturers manufacturing an item under PLI scheme shall be treated as deemed Class II local supplier for that item unless they have minimum local content equal to or higher than that notified for Class-I local supplier for that item, provided the manufacturer has received incentive from the concerned PLI Ministry for the item. The above shall be applicable for the specific time period only, as notified by concerned PLI Ministry.

5.1.2 Eligibility Restrictions based on Reciprocity.

Refer REOI Clause 4.2.1.

Note to Tender Preparing Authority and Tender document approving Authority:

Tender Preparing Authority and Tender document approving Authority may kindly read provisions of Reciprocity Clause as given in Public Procurement (Preference to Make in India), Order 2017 (Latest order being Order No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II dated 19th July, 2024). Para 10 (d) (i) of Public Procurement (Preference to Make in India), Order No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II dated 19th July, 2024 is reproduced below for the attention of Tender Preparing Authority and Tender document approving Authority.

"When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action."

5.1.3 Eligibility to participate

1) **Minimum local content for eligibility to participate:** Only bidders meeting the minimum prescribed local content for the Consultancy

Services shall be eligible to participate subject to the following conditions. This threshold shall be declared in Appendix under Section II.

2) **Classes of Local Suppliers eligible to Participate:** Based on the Make in India Policy, classes of local/ non-local Suppliers eligible to participate in the tender shall be declared in Appendix under Section II. If not so declared, only Class-I and Class-II local Suppliers shall be eligible to participate and not non-local Suppliers.

5.1.4 Thresholds

1) **Following thresholds shall be declared in the Tender Document.**

(a) **Minimum local content for Contractor classification:** Local content percentage prescribed to qualify as Class-I or Class-II local Suppliers for various products.

(b) **Minimum local content for eligibility to participate:** Minimum local content percentage prescribed for eligibility for a bid to be considered.

(c) **The margin of purchase preference:** The bid price quoted by Class-I Local Supplier should be within this percentage from the L-1 price quoted by Non-local or Class-II bidders for being eligible for purchase preference.

2) **If not so declared, the default threshold shall be as follows:**

(a) Local content for eligibility for Class-I; Class-II local Suppliers and Non-local Suppliers shall be 50% and above; 20% and above but less than 50%; and less than 20%, respectively.

(b) Minimum local content for eligibility to participate shall be 50%,

(c) The margin of purchase preference shall be 20%

5.1.5 Purchase preference to Class-I local Suppliers

1) Where the Services are divisible by nature:

(a) Among all qualified bids, the lowest bid shall be termed as L-1. If L-1 is 'Class-I local Supplier', the contract for full quantity shall be awarded to L-1.

(b) If the L-1 bid is not a 'Class-I local Supplier', 50% of the order quantity shall be awarded to L-1. After that, the lowest bidder among the 'Class-I local Supplier' whose quoted price falls within the margin of purchase preference shall be invited to match the L-1 price for the remaining 50% quantity, and a contract for that quantity shall be awarded to him, subject to matching the L-1 price. In case such lowest eligible 'Class-I local Supplier' fails to match the L-1 price or accepts less than the offered quantity, the next higher 'Class-I local Supplier' within the margin of purchase preference shall be invited to match the L-1 price for the remaining quantity and so on, and the contract

shall be awarded accordingly. If some quantity is still left uncovered on Class-I local Suppliers, such balance quantity shall also be ordered on the L-1 bidder.

(c) If the procuring entity negotiates with the L1 bidder, who is not a Class-I Local Supplier, the margin of purchase preference should be calculated based on the original L1 price, not the lower negotiated price, and such eligible Class-I Local Suppliers shall be called to match the new negotiated L1 price as per procedure mentioned above for placement of 50% quantity.

Note: *Since as per sub-para 2) below, MII order is applicable 'where the bid is evaluated on price alone' – MII purchase preference would not be applicable where evaluation is based inter-alia on non-price criteria, e.g., QCBS or FBS in Services and Works.*

2) Where the Services are not divisible, and in the procurement of services where the bid is evaluated on price alone:

(a) Among all qualified bids, the lowest bid shall be termed as L-1. If L-1 is 'Class-I local Supplier', the contract shall be awarded to L-1.

(b) If L-1 is not 'Class-I local Supplier', the lowest bidder among the 'Class-I local Supplier' shall be invited to match the L-1 price subject to Class-I local Supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local Supplier' subject to matching the L-1 price.

(c) If such lowest eligible 'Class-I local Supplier' fails to match the L-1 price, the 'Class-I local Supplier' with the next higher and so on, bid within the margin of purchase preference shall be invited to match the L-1 price, and the contract shall be awarded accordingly. If none of the 'Class-I local Supplier' within the margin of purchase preference matches the L-1 price, the contract shall be awarded to the L-1 bidder.

3) Where parallel contracts are to be awarded to multiple bidders: In Bids where parallel contracts are to be awarded to multiple bidders subject to matching of L-1 rates or otherwise, the 'Class-I local Supplier' shall get purchase preference over 'Class-II local Supplier' as well as 'Non-local Supplier', as per following procedure:

(a) If there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local Suppliers shall be eligible to bid. As such, the multiple Contractors, who would be awarded the contract, should be all and only 'Class I Local Suppliers'.

(b) In Bids, other than those mentioned above, 'Class II local Suppliers' or both 'Class II local Suppliers' and 'Nonlocal Suppliers' may also participate in the tender process along with 'Class I Local Suppliers'. If 'Class I Local Suppliers' qualify for the contract award for at least 50% of the tendered quantity in tender, the contract shall be awarded to all the qualified bidders as per

award criteria stipulated in the Tender Documents. However, in case 'Class I Local Suppliers' do not qualify for the contract award for at least 50% of the tendered quantity as per award criteria, purchase preference should be given to the 'Class I local Supplier' over 'Class II local Suppliers'/ 'Non-local Suppliers' provided that their quoted rate falls within the margin of purchase preference of the highest bid considered for award of contract so as to ensure that the 'Class I Local Suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity. First purchase preference has to be given to the lowest among such eligible 'Class-I local Suppliers', subject to its meeting the prescribed criteria for the award of contract as also the constraint of the maximum quantity that can be sourced from any single Contractor. If the lowest among such 'Class-I local Suppliers' does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity shall be given to next higher among such 'Class-I local Supplier', and so on.

Notes for Guidance of Tender Preparing Authority and Tender document approving Authority:

Note-1 – Para 3 (a), 3 (b) and 3 (c) of MII Order 2017 is reproduced below:

a) In procurement of all goods, services or works in respect of which the Nodal Ministry/ Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier' as defined under the order, shall be eligible to bid irrespective of purchase value.

b) *Only 'Class-I local supplier' and 'Class-II local supplier', shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3-a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv)-(b) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.*

c) *For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.*

Note 2- Mandatory sourcing of items, with sufficient local capacity and competition, from Class-I local suppliers in SI/EPC/Turnkey Contracts/Service Tenders

a. *The items, notified as having sufficient local capacity and competition, shall mandatory be sourced from Class-I local suppliers in SI/EPC/Turnkey Contracts/ Services tenders. This provision will be applicable only for those items which*

have been notified by the Nodal Ministry as Class I i.e. having sufficient local capacity and competition, with specific HSN codes.

b. *Notwithstanding above, if in any project, it is considered that it is not practically feasible to source such items from Class I local suppliers, it may take relaxation from such stipulation with the approval of Secretary of the administrative Ministry/ Department concerned or with the approval of the Competent Authority specified by the Administrative Ministry/Department, on case-specific basis.*

   For RITES, Administrative ministry is 'Ministry of Railways'. Railway Board has notified the specific items for which sufficient local capacity and local competition exist through various letters/orders, which are available on Railway Board website (Railway Board Directorates → Stores → Circulars → Subject wise Circular → Make_In_India). Railway Board has issued the letter No. 2020/RS(G)/779/2/Pt.1 (E3322671) dated 20.08.2024, which is available on its website. Tender Preparing Authority and Tender document approving Authority are advised to follow the same with up-to-date amendments as notified by Railway Board from time to time.

Note 3- Minimum local content: *The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class- II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively. Railway Board has notified minimum local content more than 50% for specific items through various letters/orders, which are available on Railway Board website (Railway Board Directorates → Stores → Circulars → Subject wise Circular → Make_In_India). Railway Board has issued the letter No. 2020/RS(G)/779/2/Pt.1 (E3322671) dated 20.08.2024, which is available on its website. Tender Preparing Authority and Tender document approving Authority are advised to follow the same with up-to-date amendments as notified by Railway Board from time to time.*

5.1.6 Verification of local content and violations:

1) The 'Class-I local Supplier'/ 'Class-II local Supplier' at the time of tender, bidding, or solicitation shall be required to indicate the percentage of local content and provide self-certification that the Consultancy service offered meets the local content requirement for 'Class-I local Supplier'/ 'Class-II local Supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.

2) In cases of procurement for a tender value in excess of Rs. 10 crores, the 'Class-I local Supplier'/ 'Class-II local Supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of Contractors other than companies) giving the percentage of local content.

   Note: The Procuring Entity will verify the authenticity of the local content certification through the Unique Document Identification Number (UDIN) (a system generated unique number which is generated to verify the authenticity of documents attested / certified by these professionals) from the following links:

- For Chartered Accountants – https://udin.icai.org/search-udin
- For Cost Accountants – https://eicmai.in/udin/VerifyUDIN.aspx
- For Company Secretaries – https://stimulate.icsi.edu/udin/Home/UDINVerification

3) The bidder shall give self-certification for local content in the quoted item (goods/works/services) at the time of tendering. However, at the time of execution of the project, for all contracts above INR 10 Crore, the contractor/ supplier shall be required to give local content certification duly certified by cost/ chartered accountant in practice. For cases where it is not possible to provide certification by Cost/Chartered Accountant at the time of execution of project, the supplier shall be permitted to provide the certificate for local content from Cost/ Chartered Accountant after completion of the contract, within time limit acceptable to the RITES. In case the contractor/ supplier does not meet the stipulated local content requirement and the category of the supplier changes from Class-I to Class-II/ Non-local or from Class-II to Non-local, a penalty upto 10% of the contract value may be imposed. However, contract once awarded shall not be terminated on this account.

4) Complaints about Local content declarations may be made through the channels of Procuring Entity. Procuring Entities and Nodal Ministries may prescribe fees for such complaints. Complaints about local content declarations/verification of local content shall be processed/addressed as per Public Procurement (Preference to Make in India), Order No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II dated 19th July, 2024.

5) Bids with false declarations regarding local contents shall be rejected as non-responsive, in addition to punitive actions under the MII orders and for violating the Code of Integrity as per Clause 12 of REOI.

5.1.7 Manufacture under license/ technology collaboration agreements with phased indigenization

If so declared in Appendix under Section II, foreign companies shall enter into a joint venture with an Indian company to participate.

1) The Procuring Entity reserves its right, but without being under any obligation to do so, to grant exemption from meeting the stipulated local content to Bidders

manufacturing indigenously a product developed abroad under a license from a foreign manufacturer (who holds intellectual property rights) under a technology collaboration agreement/ transfer of technology agreement with a precise phasing of increase in local content. Bidder must obtain such an exemption letter and submit it along with his bid to avail such an exemption.

2) In the procurement of all goods, services or works in respect of which there is a substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

Note: *In this regard, Railway Board has issued the letter No. 2024/RS(G)/779/3 (E3464799) dated 25.06.2024, which is available on its website. (Railway Board Directorates → Stores → Circulars → Subject wise Circular → Make_In_India). Tender Preparing Authority and Tender document approving Authority are advised to follow the same with up-to-date amendments as notified by Railway Board and other nodal ministries from time to time.*

5.1.8 Information to be provided by Bidders regarding Make in India policy

Bidder shall provide required self-declaration as detailed in Form 1.2 – Eligibility Declarations:

1) Self-declaration of their local content (and required certificate, in case of procurements above Rs 10 Crores) and their status as Class-I/ Class-II/ Non-local Supplier and their eligibility to participate as per this clause.

2) If the Tender Document indicates countries identified as not allowing Indian companies to participate in their Government procurement, then a declaration that they are not an 'Entity' of such countries (as per criteria of the FDI Policy of DPIIT as amended from time to time) and are therefore eligible to participate in this tender.

3) If a Bidder is claiming exemption (as obtained from relevant authorities) from meeting the stipulated local content on account of manufacturing the product in India under a license from a foreign manufacturer with the precise phasing of increase in local content, he must provide proof thereof.

5.1.9 Exemption of small purchases: Notwithstanding anything contained in paragraph 5.1 to 5.1.8 above, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from the Public Procurement (Preference to Make in India), Order 2017 dated 19.07.2024 (with latest amendment if any) issued by DPIIT, Ministry of Commerce and Industry, GOI. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

5.1.10 Exemption in sourcing of spares and consumables of closed systems:

Procurement of spare parts, consumables for closed systems and Maintenance/Service contracts with Original Equipment Manufacturer/Original Equipment Supplier/Original Part Manufacturer shall be exempted from Public Procurement (Preference to Make in India), Order 2017 (Latest order being Order No. P-45021/2/2017-PP (BE-II)-Part(4)Vol.II dated 19th July, 2024).

5.2 Support/ Preferential Treatment to Micro & Small Enterprises (MSEs)

Policies of the Government to support Micro and Small Industries (MSEs, registered as per the following sub-clause) in comparison to non-MSE enterprises shall apply to this procurement.

This Policy provides preferential procurement of goods produced and services rendered by MSEs. Traders/ distributors/ sole agents/ Works Contract are excluded from the purview of the policy.

5.2.1 Registration of MSEs

1) MSEs interested in availing such benefits must enclose in Form 1.2 with their offer the Udhyam Registration Certificate with the Udhyam Registration Number as proof of their being MSE registered on the Udhyam Registration Portal. The certificate shall be of latest but before the deadline for the bid submission.

2) In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise shall continue to avail of all non-tax benefits of the category (micro, small, or medium) it was in before the re-classification, for a period of three years from the date of such upward change. Non-tax benefits include benefits of various schemes of the Government, including Public Procurement Policy, Delayed Payments, etc.

3) MSEs shall be treated as owned by SC/ ST or women entrepreneurs:

   (a) The proprietor(s) shall be SC/ ST or women in proprietary MSEs

   (b) At least 51% shares shall be held by the SC/ ST or women partners in a partnership MSEs.

(c) At least a 51% share shall be held by SC/ ST or women promoters in Private Limited Companies MSEs.

5.2.2 Support to MSEs

1) Tender sets shall be provided free of cost to MSEs.

2) MSEs shall be exempted from payment of Earnest Money. (they shall be required only to submit Bid Security Declaration during RFP process)

5.2.3 Purchase Preference to MSEs

The Procuring Entity reserves its option to give purchase preference to MSEs compared to the non-MSE enterprises as per policies of the Government from time to time. This preference shall only apply to products produced and services rendered by Micro and Small Enterprises.

(i) Where the services are divisible by nature:

a) Among all qualified bids, the lowest bid shall be termed as L-1. If L-1 is an MSE bidder, the contract shall be awarded to L-1.

b) If an MSE bidder quotes a price within the band of the lowest (L-1) +15 percent in a situation where the L-1 price is quoted by someone other than an MSE, the MSE bidder is eligible for being awarded up to 25 percent of the total quantity being procured if that eligible MSE bidder agrees to match the L-1 price. In case of more than one such eligible MSE, this 25 percent quantity shall be distributed proportionately among the eligible MSE bidders who agree to match L1 price.

Note- When an L1 bidder is not a Micro and Small Enterprise (MSE), MSE bidders eligible for purchase preference under the policy are those whose prices fall within the preference margin of L1+15%. If the procuring entity negotiates with the L1 bidder, the preference margin (L1+15%) should be calculated based on the original L1 price, not the lower negotiated price. Such eligible MSEs should be invited to match the negotiated L1 price as per the policy.

(ii) Where the services are not divisible by nature:

(a) Among all qualified bids, the lowest bid shall be termed as L-1. If L-1 is MSE bidder, the contract shall be awarded to L-1.

(b) If L-1 is not an 'MSE' bidder, the lowest bidder among the 'MSE bidders' quoting a price within the band L1+15% will be awarded for full/ complete supply of total tendered value subject to matching the L-1 price, considering the spirit of the Policy for enhancing Govt. Procurement from MSEs. If such lowest eligible 'MSE bidder' fails to match the L-1 price, the 'MSE bidder' with the next higher and so on, bid within the margin of

purchase preference shall be invited to match the L-1 price, and the contract shall be awarded accordingly. If none of the MSE bidders within the margin of purchase preference match the L-1 price, the contract shall be awarded to the L-1 bidder.

5.3 Support to Start-up Enterprises

5.3.1 Definition of Start-up Enterprises

1) As defined by DPIIT, an entity shall be considered as a 'Start-up':
    a) Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India, and
    b) Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees, and
    c) The entity works towards innovation, development or improvement of products or processes or services or a scalable business model with a high potential for employment generation or wealth creation.
2) Provided that an entity formed by splitting up or reconstructing an existing business shall not be considered a 'Start-up'.
3) A Start-up so identified under the above definition shall be required to obtain and submit along with his bid a 'Certificate of Recognition' issued by the Department for Promotion of Industry and Internal Trade (DPIIT).

5.3.2 Support to Start-ups

The Government of India has ordered the following support to Start-ups (as defined by the Department of Promotion of Industrial and Internal Trade - DPIIT).

1) **Exemption from submission of Bid Security:** Such Start-ups shall be exempted from payment of Earnest Money (they shall be required only to submit Bid Security Declaration during RFP process)
2) **Relaxation in Prior Turnover and Experience:** The Procuring Entity reserves its right to relax the condition of prior turnover and prior experience for start-up enterprises subject to meeting of quality & technical specifications. The decision of the Procuring Entity in this regard shall be final. The benefits under Startup policy will be applicable only for the particular industry/ sector for which they are registered with DPIIT.

5.4 Concurrent application of Public Procurement Policy for Micro and Small Enterprises Order, 2012 and Public Procurement (Preference to Make in India) Order, 2017

5.4.1 As indicated in Clause 5.1 & 5.2 above, Public Procurement (Preference to Make in India) Order 2017 (PPP-MII Order), revised on 19.07.2024 (with upto date amendments) and Public Procurement Policy for the Micro and Small Enterprises (MSEs) Order, 2012 (PPP-MSE Order), revised on 09-11-2018 (with upto date amendments), are applicable for the tender.

A situation may arise when both the policies are to be concurrently applicable. Such situations shall be dealt as per Department of Expenditure (DOE), Ministry of Finance (MOF) Order No. F.1/4/2021-PPD dated 18.05.2023 which may be duly referred to for such situation. As per this order following provisions shall be applicable for Concurrent application of the PPP-MII and PPP-MSE policies. In case of any clarifications on these policies, the provisions of the order dated 18.05.2023 including the example on applicability of the policy given as Annexure to said order shall prevail.

5.4.2 The Class-I local suppliers, under PPP-MII Order, participating in any tender, may or may not be MSEs, as defined under the MSME Act. Similarly, MSEs participating in any tender, may or may not be Class-I local suppliers. Suppliers may be categorised in following four broad categories for consideration or applicability of purchase preference:

Category	**Terminology**
Supplier is both MSE & Class-I local supplier.	"MSE Class-I local supplier"
Supplier is MSE but not Class-I local supplier.	"MSE but non-Class-I local supplier"
Supplier is not MSE but is Class-I local supplier.	"Non-MSE but Class-I local supplier"
Supplier is neither MSE nor Class-I local.	"Non-MSE non-Class-I local supplier"

5.4.3 The applicability of PPP-MSE Order and PPP-MII Order in various scenarios, involving simultaneous purchase preference to MSEs and Class-I local suppliers under PPP-MSE Order and PPP-MII Order respectively, shall be as under:

a) Items covered under Para 3(a) of PPP- MII Order, 2017 for which Nodal Ministry has notified sufficient local capacity and competition exists: For these items, only Class-I local suppliers are eligible to bid irrespective of purchase value. Hence, Class-II local suppliers or Non-local suppliers, including MSEs which are Class-II local suppliers/ Non-local suppliers, are not eligible to bid. Possible scenarios can be as under:

i) L-1 is "MSE Class-I local supplier" - 100% of the tendered quantity is to be awarded to L-1.

ii) L-1 is "Non-MSE but Class-I local supplier" - Purchase preference is given to MSEs as per PPP-MSE Order. Balance quantity is to be awarded to the L-1 bidder.

b) Items reserved exclusively for procurement from MSEs as per PPP-MSE Order: These items are reserved exclusively for purchase from MSEs. Hence, non-MSEs are not eligible to bid for these items. Possible scenarios can be as under:

i) L-1 is "MSE Class-I local supplier"- 100% of the tendered quantity is to be awarded to L-1.

ii) L-1 is "MSE non- Class-I local supplier"- Purchase preference is to be given to Class-I local supplier as per PPP-MII Order. Balance quantity, is to be awarded to L-1 bidder.

c) If items are neither notified for sufficient local capacity nor reserved for MSEs, then the process will be as follows: '

c(a) Items covered under Para 3A(b) of PPP-MII Order are divisible items and both MSEs as well as Class-I local suppliers are eligible for purchase preference. Possible scenarios can be as under:

i) L-1 is "MSE Class-I local supplier"- 100% of the tendered quantity is to be awarded to L-1.

ii) L-1 is "Non-MSE but Class-I local supplier" - Purchase preference is to be given to MSEs, if eligible, as per PPP-MSE Order. Balance quantity is to be awarded to L-1 bidder.

iii) L-1 is "MSE but non-Class-I local supplier" - Purchase preference is to be given to Class-I local suppliers, if eligible, as per PPP-MII Order. Balance quantity is to be awarded to L-1 bidder.

iv) L-1 is "Non-MSE non-Class-I local supplier" -Purchase preference is to be given to MSEs as per PPP-MSE Order. Thereafter, purchase preference is to be given to Class-I local suppliers for "50% of the tendered quantity minus quantity allotted to MSEs above" as per PPP-MII Order. For the balance quantity, contract is to be awarded to L-1 bidder.

c(b) Items covered under Para 3A(c) of PPP-MII Order, 2017 are non- divisible items and both MSEs as well as Class-I local suppliers are eligible for purchase preference. Possible scenarios can be as under:

i) L-1 is "MSE Class-I local supplier"- Contract is awarded to L-1.

ii) L-1 is not "MSE Class-I local supplier" but the "MSE Class-I local supplier" falls within 15% margin of purchase preference - Purchase preference is to be given to lowest quoting "MSE Class-I local supplier". If lowest quoting "MSE Class-I local supplier" does not accept the L-1 rates, the next higher "MSE Class-I local supplier" falling within 15% margin of purchase preference is to be given purchase preference and so on.

iii) If conditions mentioned in sub paras (i) and (ii) above are not met i.e. L-1 is neither "MSE Class-I local supplier" nor "MSE Class-I local supplier" is eligible to take benefit of purchase preference, the contract is to be awarded/ purchase preference to be given in different possible scenarios as under:

A. L1 is "MSE but non-Class-I local supplier" or "Non-MSE but Class-I local supplier" - Contract is be awarded to L1.

B. L1 is "Non-MSE non-Class-I local supplier" - First purchase preference to be given to MSE as per PPP-MSE Order. If MSE not eligible/ does not accept - purchase preference to be given to Class-I local supplier as per PPP-MII Order. If Class-I local supplier also not eligible/ does not accept - contract to be awarded to L-1.

d) Items reserved for both MSEs and Class-I local suppliers: These items are reserved exclusively for purchase from MSEs as well as Class-I local suppliers. Hence, only "MSE Class-I local supplier" are eligible to bid for these items. Non-MSEs/Class-II local suppliers/ Non-local suppliers cannot bid for these items. Hence the question of purchase preference does not arise.

e) Non-local suppliers, including MSEs falling in the category of Non-local suppliers, shall be eligible to bid only against Global Tender Enquiry.

Section II: Appendix

3) The rows of S. No. 3.0 {Eligibility and Qualification Criteria} may be deleted and replaced with the following:

3.0 Eligibility and Qualification Criteria (REOI Clauses 2.3.2, 4, 5, 10.2 and Section III)	
Nature of Consultants eligible and association with sub-consultants/ JV	*[restriction, if any, on Individual Consultant/ Firms/JVs, sub-contracting, or any restriction on the structure of a JV]* *Note to TIA: JV/C can be allowed for estimated value of Consultancy services more than Rs 5 crore.*
Maximum limit of the value of Subcontracting permitted	*[25%]*
Various JV parameters: Maximum number of members etc., as per clause 4.4.-1)	*[Specify if different]*
Any additional Eligibility or responsiveness Criteria	*[Mention any additional eligibility or responsiveness criteria, especially relating to clause 4.2.1, if any. Or any additional documents required to be submitted]*
Entities from countries not eligible to participate	*[Indicate if any, otherwise delete]*

on reciprocal basis REOI-clause 5.1.2 (Make in India Policy)	
Minimum local content for eligibility to participate REOI-clause 5.1.3 (Make in India Policy)	50%
Classes of Local Suppliers eligible to participate REOI-clause 5.1.3 (Make in India Policy)	Only Class I local Suppliers are eligible
The margin of purchase preference for Class-I Local Suppliers (REOI-clause 5.1.4)	20%
Is the requirement divisible for preference (REOI-clause 5.1.5 & REOI-clause 5.2.3)	*[Yes/No]*
Would the contract be split among more than one bidder (REOI-clause 5.1.5)	*[Yes/No]*
Whether foreign companies may enter into a joint venture with an Indian company- REOI-clause 5.1.7 (Make in India Policy)	*[Yes/No]*

Form 1.2: Eligibility Declarations

4) Form 1.2: Eligibility Declarations, may be deleted and replaced with the following:

Form 1.2: Eligibility Declarations

(Ref REOI Clause 2.3)

(On Consultant's Letter-head)

(Along with supporting documents, if any)

REOI document No. REOI/xxxx; Tender Title: Consultancy Services

Consultant's Name_____

[Address and Contact Details]

Consultant's Reference No._____ Date.....

[Note: The list below is indicative only. You may attach more documents as required to confirm your eligibility criteria.]

Eligibility Declarations

(Please tick appropriate boxes or cross out any declaration not applicable to the consultant)

We hereby confirm that we comply with all the stipulations of REOI Clause 4.1 of the REOI document and declare as under and shall provide evidence of our continued eligibility to the Procuring Entity as and when it may be requested:

1) **Legal Entity of Consultant:** We are:

a) : _____ relevant documents enclosed)

b) We are a Consultancy Services provider with valid registration regarding GSTIN, PAN, EPF, ESI, Labour, or equivalent registration certificate as applicable to the subject Services.

2) Eligibility: We solemnly declare that we (including our affiliates or subsidiaries, or constituents):

(a) are not insolvent, in receivership, bankrupt or being wound up, not have our affairs administered by a court or a judicial officer, not have our business activities suspended and are not the subject of legal proceedings for any of these reasons;

(b) (including our affiliates or subsidiaries, or constituents for any part of the assignment):

i) Do not stand declared ineligible/ blacklisted/ banned/ debarred by the RITES Ltd. or Ministry of Railways/ Department from participation in its procurement processes; and/ or

ii) Are not convicted (within three years preceding the last date of EOI submission) or stand declared ineligible/ suspended/ blacklisted/ banned/ debarred by appropriate agencies of the Government of India from participation in procurement processes of all its entities for offences mentioned in REOI document in this regard.

iii) We have neither changed our name nor created a new "Allied Entity", consequent to the above disqualifications.

(c) Do not have any association (as consultant/ partner/ Director/ employee in any capacity) with such retired public official or near relations of such officials of Procuring Entity, as counter-indicated, in the REOI document.

(d) We have no conflict of interest, which substantially affects fair competition. The quoted prices are competitive without adopting unfair/ unethical/ anti-competitive means. No attempt has been made or shall be made by us to induce any other consultant to submit or not to submit an EOI to restrict competition.

(e) We certify that we fulfil other additional eligibility conditions if prescribed in the REOI document.

3) We certify that we are not an entity from a country identified to restrict Consultants from India from participation in their Government Procurements as per EOI clause 4.2.1.

4) Restrictions on procurement from consultants from a country or countries or a class of countries under Rule 144 (xi) of the General Financial Rules 2017:

"We have read the clause regarding restrictions on procurement from a consultant of a country which shares a land border with India and on sub-contracting to contractors from such countries, and solemnly certify that we fulfil all requirements in this regard and are eligible to be considered. We certify that:

a) *we are not from such a country or, if from such a country, we are registered with the Competent Authority (Where applicable, evidence of valid registration by the Competent Authority i.e., DPIIT shall be attached) and;*

b) *we shall not subcontract any assignment to a contractor from such countries unless such a contractor is registered with the Competent Authority (Where applicable, evidence of valid registration by the Competent Authority i.e., DPIIT shall be attached).*

c) *"I have read the clause regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that this bidder does not have any ToT arrangement requiring registration with the competent authority."

OR

*"I have read the clause regarding restrictions on procurement from a bidder having Transfer of Technology (ToT) arrangement. I certify that this bidder has valid registration to participate in this procurement." (Evidence of valid registration by the Competent Authority i.e., DPIIT shall be attached)

* Delete whichever is not applicable

5) Startup Status:

We confirm that we are (Certificate of Recognition issued by the Department for Promotion of Industry and Internal Trade (DPIIT) enclosed herewith)/ are not a Startup entity as per the Department of Promotion of Industrial and Internal Trade – DPIIT.

6) MSME Status:

Having read and understood the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 (as amended and revised till date), and solemnly declare the following:

a) We are - Micro/ Small/ Medium Enterprise/ SSI/ Govt. Deptt. / PSU/ Others:.....

b) We attach herewith, Udhyam Registration Certificate with the Udhyam Registration Number as proof of our being MSE registered on the Udhyam Registration Portal. The certificate is the latest up to the deadline for submission of the bid.

c) Whether Proprietor/ Partner belongs to SC/ ST or Women category. (Please specify names and percentage of shares held by SC/ST Partners).....

7) Make in India Status:

Having read and understood the Public Procurement (Preference to Make in India PPP - MII) Order, 2017 (as amended and revised till date) and related notifications from the relevant Nodal Ministry/ Department, and solemnly declare the following:

a) **Self-Certification for the category of suppliers:**

(Provide a certificate from statutory auditors/ cost accountant in case of Tenders above Rs 10 Crore for Class-I or Class-II Local Suppliers). Details of local content and location(s) at which value addition is made are as follows:

Local Content and %age	
Location(s) of value addition	

Therefore, we certify that we qualify for the following category of the supplier (tick the appropriate category):

☐ Class-I Local Supplier/

☐ Class-II Local Supplier/

☐ Non-Local Supplier.

b) **We also declare that.**

☐ There is no country whose bidders have been notified as ineligible on a reciprocal basis under this order for the offered Services, or

☐ We do not belong to any Country whose bidders are notified as ineligible on a reciprocal basis under this order for the offered Services.

8) Penalties for false or misleading declarations:

We hereby confirm that the particulars given above are factually correct and nothing is concealed and undertake to advise any future changes to the above details. We understand that any wrong or misleading self-declaration would violate the Code of Integrity and attract penalties as mentioned in this Tender Document.

.....	.....
(Signature with date)	(Name and designation)

Duly authorised to sign REOI for and on behalf of

.....

.....

[Name, address, and seal of the Consultant]

DA: As in Sr 1 to 8 above, as applicable

****

No. e-file C. No. 79350/RITES/CPC/Correction Slip No. 3 (Standard REOI Document for Consultancy Services)

Date: 10.02.2026

The above Correction Slip No. 3 to Standard REOI Document for procurement of Consultancy Services, March-2024 is issued with the approval of the competent authority.

(Sushil Yadav) 10/2/26.
GGM/F-1-CPC

Copy to:

1. Secy. to CMD/DP/DT/DF for kind information of CMD/DP/DT/DF please.
2. Secy. to CVO for kind information of CVO please.
3. Vertical Heads, Regional Heads, PU/SUB-Unit/RIO Heads and Regional Business Heads
4. GM/IT for getting uploaded on RITES website under Tenders → Standard Tender Documents for Services → RITES Standard REOI Document for procurement of Consultancy Services, March-2024 (Correction Slip No. 3), and on RITES ESS Portal/ CPC Documents Tab