



TENDER FOR APPOINTMENT
OF
WET LEASING AGENT
FOR
TMT AT HYDERABAD/CHENNAI

TENDER REFERENCE : HYD/CHE/WLA/2014-2015

DATED 16.07.2014

TENDER OPENING: 06.08.2014

STEEL AUTHORITY OF INDIA LIMITED
BRANCH SALES OFFICE
5-9-13, 9th FLOOR, TARAMANDAL COMPLEX,
SAIFABAD,
HYDERABAD-500004

ANNEXURE - I

STEEL AUTHORITY OF INDIA LTD.
(A Govt.of India Enterprise)
Central Marketing Organisation
Branch Sales Office
Hyderabad/Chennai

DRAFT ADVERTISEMENT

Sub: Appointment of Wet-Leasing Agent(s) for TMT at Hyderabad/Chennai

Sealed tenders in prescribed forms are invited from bonafide, resourceful , financially sound Person(s)/ firm(s)/ company(s) for appointment as Wet-Leasing Agent(s) willing to offer total capacity of their plant as per production requirements of SAIL under wet-leasing arrangement. They must have a well-established TMT process of either Turboquench/ Thermex/ Tempcore/ Stelmor/ Evcon, in place, for conversion of minimum 48000 metric tons **and a maximum of 60000Mt** of TMT bars per year (in the diameter range of 8 mm to 32 mm) in & around Hyderabad and in and around Chennai.

Such firms/companies having BIS registration for manufacturing of TMT bars in the size range as above only need to participate in this tender.

Tender document in duplicate alongwith all other terms and conditions can be obtained from SAIL Branch Sales Office, Hyderabad at the above address on payment of Rs 5000/- (Rupees Five Thousand only) in cash /pay order/demand draft (non refundable) drawn on Scheduled Banks in favour of Steel Authority of India Limited, at the Branch office concerned (Demand Draft / Pay Orders from Cooperative/Gramin Banks and Catholic Syrian Bank shall not be accepted) between 10 am to 3 pm on any working day upto 31.07.2014. Tender Documents can also be downloaded from the web site www.sailtenders.co.in

The tender document should be submitted with necessary EMD in the above office upto 1500 Hrs on 06.08.2014. Downloaded tender documents would, in addition, need to be submitted alongwith the cost of the tender documents as stipulated above. SAIL shall hold a pre bid conference on 04.08.2014 at 1500 Hrs at Branch Sales Office, Hyderabad/Chennai.

Tenders will be opened immediately thereafter, in the presence of such tenderers who may wish to be present.

(A) Offers from the following shall not be considered:

- Tenderers whose contract were or have been terminated due to non- performance or unsatisfactory performance in last 3 years ending 31.03.2014 (and till date in current financial year) shall not be considered.
- Firms which have been banned / blacklisted or against whom Banning/Blacklisting process has been initiated.
- Re-rollers/manufacturers who have been found to have misused the SAIL Brand/Logo any time during the last 5 financial years ending 31.03.2014 (and till date in current financial year) would be barred from participation in the tender.

SAIL reserves the right to accept or reject any one or all the tenders without assigning any reason whatsoever.

Branch Manager

STEEL AUTHORITY OF INDIA LTD
(A Govt. of India Enterprise)
Central Marketing Organisation
Branch Sales Office
Hyderabad/Chennai

INVITATION TO TENDER

Messrs.....

.....

Dear Sirs:

Sub: Tender for appointment of a Wet-leasing Agent at /in & around Hyderabad/Chennai for Conversion of TMT bars.

Ref: Your letter no. _____ dated _____

1. Sealed tenders in prescribed proforma enclosed are invited from bonafide, resourceful, experienced person(s)/firm(s) / Companies, willing to offer their total mill/plant capacity to meet exclusively the production requirement of SAIL, for appointment as a Wet-leasing Agent for conversion of Semis to TMT bars of identified sizes at /in & around Hyderabad/Chennai.

Mills with exclusive TMT production facility only will be considered for wet leasing. Accordingly, guaranteed payment clause, stipulated elsewhere, will be operable only for the TMT.

Although the WLA will be required to convert all the diameters and sizes as per SAIL's requirement the thrust for conversion for TMT bars will be in the range of 8/10/12&16.

Such finished products, should be available with a —ve tolerance but within BIS norms as per current market demand.

2. Sale of Tender Document

Tender document in duplicate alongwith all other terms and conditions shall be sold to the prospective tenderers from SAIL Branch Sales Office, Hyderabad at the above address on payment of Rs 5,000/- (Rupees Five Thousand only) in cash /pay order/demand draft (non refundable) drawn on Scheduled Banks in favour of Steel Authority of India Limited, at the Branch office, Hyderabad concerned (Demand Draft / Pay Orders from Cooperative/Gramin Banks and Catholic Syrian Bank shall not be accepted) between 10 am to 3 pm on any working day upto 31.07.2014. Tender Documents can also be downloaded from the web site www.sailtenders.co.in. The tender documents shall be serially numbered and signed by an authorised executive of the Branch, and stamped with the Co.'s rubber stamp.

3. **Financial Standing**

The tenderer should be of sound financial standing and to this effect should provide a certificate from their Bankers, based on their transactions during past three (3) years. They should also submit their audited Balance Sheet for the previous three years or for the period since commencement of the business whichever is less.

4. **Performance Record**

Tenderers whose contract were or have been terminated due to non- performance or unsatisfactory performance shall not be considered. Also offers from firm's as laid out in (B), Annexure-I, Advertisement shall not be considered.

5. **Eligibility of Tenderers**

i) The Tenderer should be a BIS Licence holder at the time of application and should have a good market reputation.

ii. They should be of sound financial standing. They should submit a certificate from their Bankers to this effect as also balance sheets based on their transactions during previous 3(three) years or date of incorporation, whichever is later.

iii. The Wet Leasing Agent shall be required to own suitable computers and also make arrangement for Internet connectivity for availing connectivity to SAIL's ITES System.

iv. WLA shall have facility of Spectrometer in its premises for Chemical analysis of Semis and Finished product **and facility for microstructure study with photographic facility for analysis.** In addition, the WLA must have Automated control mechanism for TMT process. However, such automated process is not required for entire production process but will only be required for the water quenching TMT stage.

v. The WLA shall have a weigh-bridge at his premises. The weighbridge **must be an electronic weighbridge** with printout facility of 60 MT's capacity with a 60 ft platform. The WLA shall have an AMC **with reputed AMC providers, preferably OEM**, to ensure that the weigh - bridge at their premises is kept in order. Calibration of the weighbridge will be undertaken by WLA at periodic intervals as per procedure specified by SAIL and to be done by the AMC agency of the weighbridge.

vi. Prospective Wet-Leasing Agent (WLA) would have to be a license holder of either Turboquench, Thermax, Tempcore, Evcon or Stelmor processes for manufacture of TMT at the time of application. The WLA should be a BIS license holder. WLA with ISO-9000 certification will be given preference.

vii. The total mill capacity shall have to be offered to SAIL and the tenderer shall not produce and sell the said product under his banner or for any other buyer/agency from the wet leased mill.

viii. The mill/plant to be taken under wet leasing arrangement should have a yearly capacity to produce minimum 48000 MT and up to a maximum of 60000 MT's in the diameter range of 8mm to 32 mm TMT bars with approx. 85 % of production capability in 8 mm to 16 mm range. The supplies of TMT shall be in straight length, with minimum 90 % of production being in 12 Mtrs and 5 % in length of 10-13 meters. Stacking of 12 Mtrs and other than 12 Mtrs will have to be arranged separately. The WLA should also be equipped to accept orders in specific length within plant capability, as required by SAIL, from time to time.

ix. For TMT following size mix is desired:

- 8 mm —15 %
- 10 mm —15 %
- 12 mm —25 %
- 16 mm —30 %
- Abv 16 mm —15 %

x. Past dealings with SAIL or any other main producers, during the previous 3 years will be preferred.

xi. WLA's plant must be equipped for supplying 100% embossed material as per branding to be stipulated/prescribed by SAIL. Rolls from the WLA shall have to be cut as per SAIL design by electro discharge machining like SPARKONIX by the WLA. While age of the mill will not be a determining criterion for eligibility, unproductive mills, mills not in running condition, may not be considered.

xii. The total mill capacity shall have to be offered to SAIL and the WLA shall not produce and sell the said product under his banner or for any other buyer/agency at the same location from the wet leased mill.

xiii. The WLA should be registered with Sales Tax and Excise authorities.

xiv. In Case the premises of the WLA, has ingot/billet making facility too, the facility will have to be made inactive prior to commencement of work or a concrete demarcation wall of at least 6 feet height needs to be constructed in between the two facilities and separate entrance to be provided.

6. Tender documents in duplicate are enclosed and one copy of the same duly filled in and signed by a duly authorised person may be put in the Tender Box kept for this purpose in the Branch Sales Office at Hyderabad latest by 06.08.2014. Tenders can also be submitted by Post/Courier. Tenders must be submitted as prescribed in Instruction To Tenderer for Conversion of Semis to TMT bars.

7. To facilitate participation of tenderers with full understanding of the process, SAIL shall hold a Pre-bid conference with the intending bidders on 04.08.2014, before submission of filled in tender documents. The interested parties or their authorised representatives who have purchased/downloaded the tender documents will only be allowed to attend the pre-bid conference.

8. By submitting a quotation the tenderer shall be deemed to have fully familiarised himself with all requisite details including the quantity and type of materials expected to be converted, as well as information contained in the enclosed instructions to Tenderers including the Terms and Conditions of the Wet-leased Agency Contract and have fully satisfied himself/ itself of his/ its capabilities to undertake and perform the jobs to the satisfaction of the company. Any alteration or modification or imposition or suggestion in deviation to the terms and conditions prescribed by SAIL in Tender Papers shall be ignored and such Tenders shall be considered as invalid.

9. The tender shall be kept valid for a period of 90 days from the date of opening of technical bid of the tender and any modification, variation, clarification made thereto by the tenderer during the above period shall be construed as withdrawal of the tender in which event the Company (SAIL) shall reject the Tender and forfeit the EMD without any reference to the tenderer.

10. Please note that by merely inviting you to submit the tender, there is absolutely no commitment, implied or otherwise, at this stage from our side as to the award of actual Contract and no correspondence in this regard will be entertained by us. Nor SAIL shall be liable in any manner whatsoever, for costs and expenses etc. incurred in responding to this Invitation.

11. The Company (SAIL) reserves the right to accept or reject any or all tenders without assigning any reason whatsoever.

Yours faithfully,
For STEEL AUTHORITY OF INDIA LIMITED,

BRANCH MANAGER

ANNEXURE - III

STEEL AUTHORITY OF INDIA LIMITED
(A Govt. of India Enterprises)
Central Marketing Organisation
Branch Sales Office,
Hyderabad/Chennai.

Ref. No.
Phone:
Fax:
Gram:

INSTRUCTIONS TO TENDERERS

1. **Scope of work**

The conversion jobs under wet-leasing would broadly involve:-

- a. Offering full capacity of the plant exclusively for production of 8 mm to 32 mm diameter TMT bars through Thermex/Tempcore/ Stelmox/Evcon process as per requirement of SAIL with 100 % embossing as designed by SAIL. SAIL shall guarantee for minimum utilisation of 75% of the leased capacity. The rated capacity / capacity of the WLA will be assessed by a Technical Evaluation Committee (TEC) of SAIL and their assessment will be final and binding on the appointed WLA.
- b. Transportation of Semis from SAIL Plant(s)/Syd(s) to their premises and unloading at their premises and/or unloading of Semis at Rly. Goods Shed and transportation of the same to their premises in case of direct dispatch at their costs.
- c. Stacking of Semis at their premises with proper identity of the material.
- d. Conversion of semis into TMT bars within 7 (seven) days from the date of receipt of the material at their premises as per the specified size/quality in compliance with the terms & condition and guidelines of the company on wet-leasing.
- e. To ensure that proper traceability of the finished products is maintained with the semis.
- f. The finished products shall have to be supplied by the WLA immediately from the date of presentation of SO/STO subject to placement of vehicles by customer/ transporter (In case of stock transfer and door delivery), based on actual weighment against proper authorization letter from the receiving party / SAIL. The WLA must ensure that the quantity so delivered does not exceed the SO/STO.
- G.To provide Test Certificate to the receiving party at the time of delivery. 3rd party inspection will be carried out, charges for which shall be borne by SAIL.

h. To comply with all the relevant statutory provisions with all the statutory authorities like Excise, Sales Tax etc. as applicable.

i.. Any quality complaint received shall be inspected by SAIL and their decision on the matter will be final and binding on the WLA.

j.WLA shall be required to bundle TMT bars properly by using steel strips with metal locks, (to be provided by WLA), with the help of strapping machine in the following suggested bundle sizes:

8mm-18 pcs
10mm-12pcs
12mm-8pcs
16mm-5pcs
20/25/32mm – As specified by SAIL from time-to-time

The strapping shall be done at minimum 4 equidistant places along the length of the bundle of TMT bars.

WLA shall also be required to attach tags/holograms stickers/printed holograms on metal locks as per SAIL's requirement, while strapping the bundles. It shall be responsibility of WLA to ensure inter alia bundling of TMT Bars of specific length(s) as per SAIL's requirement.

The metal locks shall have SAIL monogram.

The bundle weight should be of 3mt (approx.)

SAIL also supplies TMT to rural/district dealers in bend condition, in which case WLA shall have to bend and bundle TMT by wire in the following suggested bundle sizes.

8mm-18 pcs
10mm-12pcs
12mm-8pcs
16-25mm-5pcs

k. Tags, as may be decided by SAIL, would also have to be fixed on bundles by the WLA. Specific length supplies are to be made without any mix up.

l. The WLA will be responsible for cutting of rolls for embossing by **Electro discharge machining like Sparkonix** for the purpose of branding 'SAIL TMT' on the TMT Bars as may be indicated to theWLAs by SAIL. The WLA will have to ensure that conversion activities are not interrupted due to non-availability of rolls with suitable embossing

2. **Appointment of Wet Leasing agents-Number and locations:**

It is envisaged to enter into one number of wet-leasing arrangements. WLAs would be appointed through open tenders as below:-

<u>LOCATION</u>	<u>Probable no. of WLA</u>	<u>Finished product after conversion.</u>
In & around Hyderabad/Chennai	ONE	TMT Bars (8 to 32 mm)

3. **Wet Leasing Charges:**

i) For the conversion job, WLAs will be paid a consolidated leasing charge (rate) for supply of one tonne of finished goods which will largely be deemed to include the following elements. WLAs shall quote their consolidated rates towards wet leasing charges after considering the elements of cost under A and B below:

Freight for transportation of converted products from WLAs premises, to the parent stockyard, will be "Pre-fixed". However, this will not be taken for evaluation of Price Bid. The quantity to be transported will be as per SAILs requirement.

- (A) -Variable Conversion Cost for per tonne of finished products
- Fixed Conversion Cost for per tonne of finished products
- Profit margin of WLA
- (B) -Storage/Stacking charges
- Cost of transportation of semis from SAIL stockyard/public booking point (PBP) to WLA premises, if any
- Handling cost at PBP/Private siding
- Bending, bundling and metal tagging
- Weighing charges
- Testing and inspection charges
- Handling expenses for delivery into customers' trucks
- Cost of any other services to be rendered to SAIL, as well as to SAIL customers.
- Cost of cutting and embossing of rolls as per SAIL's design.

NB: The elements of costs given above are only indicative and not in any way exhaustive.

In the proforma for obtaining the wet leasing charges (Rate) a single consolidated rate per tonne separately for TMT will be tendered.

- ii) The leasing charges shall be paid on a fortnightly basis.
- iii) SAIL may post their own employee (s) or representative of SAIL appointed/authorised by SAIL (Third Party Inspection Agency) at the premises of WLA who would, over-see the conversion activities.
- iv) The wet leasing charges shall be kept firm for one year with effect from the date specified for commencement of work in the work Order. The leasing charges would be revised annually after one year at the end of first year, based on the escalation formula laid down under clause 16 of Instruction to tenderers.

4. **Metal loss (including arisings, short length etc.):**

a) For every tonne of semis supplied, WLA shall have to return 0.95 MT of tested finished product.

b) If the WLA is able to get a better yield than 95 %, SAIL will buyback the extra quantity in standard length (10 to 13 meter) at the prevailing selling price of the concerned item of SAIL minus Rs 200 per tonne. Selling price of the converted product will be communicated on a monthly basis by SAIL and the price decided by concerned authority of SAIL will be final.

c) In case WLA fails to supply 95 % of the input as finished products, SAIL shall recover the value of the shortage of finished product. Such recoveries will be undertaken on a 6 (six) monthly basis. The applicable value of shortage to be recovered shall be based on the average retail price (excluding QLI's) for 8 mm size TMT Bars during the 6 (six) months period under consideration. The decision of the BM will be final in this regard.

d) The arisings including the short length may be disposed by the WLA on monthly basis after due inspection by SAIL Officials.

5. **E. M. D.**

a) Wet-leasing Agents are required to pay an amount of Rs. 3 lacs in the form of Demand Draft/Pay Order/Banker's Cheque with Scheduled Banks in favour of Steel Authority of India Limited, towards EMD at the time of submitting tender documents. No interest will be payable to the tenderers for this EMD amount. Demand Draft / Pay Orders from Cooperative/Gramin Banks and Catholic Syrian Bank shall not be accepted. No request for adjustment of earlier dues against the amount of EMD shall be entertained.

b) In the event the tender of any party is rejected during the course of techno-commercial scrutiny and evaluation, the EMD shall be returned to such tenderer within 7 (seven) days from the date of rejection of offer. The EMD, of unsuccessful Tenderers, shall be refunded after 30 days of issue of work order to the successful tenderer. EMD in respect of successful tenderer will be retained as a part of security deposit. In the event of the successful tenderer failing to comply with the conditions mentioned in the letter of Indent (LOI), the EMD shall be liable for forfeiture.

6. **Financial Security:**

Security Deposit

A total amount of Rs.10 lakhs (Rupees Ten Lakhs) will have to be paid as Security Deposit in the form of Pay Order/Demand Draft/Bankers Cheque drawn on Scheduled Banks favouring Steel Authority of India Ltd. at Hyderabad. In case of successful tenderer, the EMD of Rs.3 lakhs will be converted into Security Deposit and in that case he/they will have to pay a balance amount of Rs.7 lakhs to make good the total amount of Rs.10 lakhs. Demand Draft / Pay Orders from Cooperative/Gramin Banks and Catholic Syrian Bank shall not be accepted. The Security Deposit shall not carry any interest. The Security Deposit will be refunded at the end of the contract subject

to adjustment of SAIL's claim, if any, due to non-performance/non-compliance of the terms and conditions of the contract.

b. Financial Coverage:

Financial coverage in the form of Bank Guarantees shall be taken from the WLA as per values indicated below:

Monthly Turnover (Qty. in M/t)	Total coverage (Rs in lakhs) for max tonnage in MT	BG coverage (Rs in lakhs) For Max. tonnage
3000	750	300
Above 3000- 6000	Max 1500	600
Above 6000- 9000	Max 2250	900
Above 9000		1200

The actual quantity of Semis to be supplied to the WLA shall be restricted within the value of the BG furnished by them.

In exceptional cases, non-interest bearing cash deposit in lieu of Bank Guarantee may be allowed for supply of Semis to WLA on case to case basis.

Additional BG can also be furnished by the WLA for supply of semis beyond the existing BG to meet exigencies only after prior consent of SAIL.

In addition to the above, Custody – Indemnity Bond as per Annexure VIII shall also be taken from the WLA.

7. Validity of Tender and Appointment of Wet leased Companies:

The tenderers shall have to keep their tenders valid for 90 days from the date of opening of technical bid of tenders.

The appointment of Wet leased agents will be done through a 2 stage tendering process, through Open Tender.

8. Tenure:

The successful tenderer will be appointed as the WLA of SAIL initially for a period of four years, extendable by one year solely at the discretion of SAIL, subject to satisfactory performance, with SAIL's option to terminate the contract by giving suitable notices indicated separately in the termination clause. Extension, if any beyond four years will be at the same rates, terms and conditions. Escalated rates, as per terms of contract, shall be payable during the extended period. Extension, if any shall be considered after settlement of all dues/claims/penalties etc from the WLA for the earlier contracted period. Actual physical

stock verification is mandatory after the initial contract period is over & shortage, if any is to be recovered.

9. **Pre bid conference:**

To facilitate prospective WLAs to participate in the tender with full understanding of the process SAIL shall hold a Pre-bid conference with the intending bidders on a pre-notified date before submission of filled in tender documents. The interested parties or their authorised representatives who have purchased the tender documents will only be allowed to attend Pre-bid conference.

10. **Submission of Tender:**

Documents to be submitted by the Tenderers will be as under:

a) The tenderers shall submit their tenders in 3 parts. The EMD shall be put in a sealed envelope No. 1 superscribed with 'Tender for Wet-leasing at Hyderabad/Chennai - EMD'. For downloaded tender documents, the tenderer must also submit the cost of tender documents in the form of Pay Order/ Demand Draft in envelope no.1.

b) The technical bid shall be put in a separate sealed envelope No. 2 superscribed with 'Tender for 'Wet-leasing at Hyderabad/Chennai - Technical Bid'.

c) The technical bid shall contain the following documents —

i) The tender papers with all the pages duly filled up as required, signed by a person authorised to do so on behalf of the tenderer and stamped with the seal of the tenderer.

ii) Constitution of the tenderer's concern /firm /company, including the date of registration/ incorporation.

- In case of a company, Memorandum & Articles of Association along with the certificate of incorporation issued by the Registrar of Companies are to be submitted.

- In case of a Partnership Firm, an authenticated copy of the partnership deed and a copy of certificate of registration issued by the Registrar of Firms (if the Firm is registered) are to be submitted.

-In case of a proprietary concern, proof of proprietorship issued by the Govt. Deptt. Concerned is to be submitted.

iii) Name & address of the Bankers of the tenderer alongwith certificate from the Bankers on Financial soundness of the tenderer indicating the particulars of transactions during last three years and if the tenderer has obtained ISO 9000 Certification, copy of the same may also be given.

iv) Copy of the BIS license duly attested by a Gazetted Officer/Notary Public.

v) Proof of possession/ownership of infrastructural facilities like land, equipment, weigh-bridge etc. through submission of xerox copy of the Title Deeds, Lease Deeds, certificates of weights & Measures Deptt., etc.

vi) A declaration stating that the tenderer owns suitable computers along with Internet connectivity for connecting to SAIL's ITES System.

vii) Details of equipment and other facilities viz. to be available:

- Annual capacity & daily number of shifts worked.
- Size range and production capacity for the various sizes.
- Testing laboratory and the facilities (facility for Microstructure study with photographic facility)
- Mill size/no. of stands and type of feeding i.e. Automatic/ manual.
- Minimum & maximum size of Billets/other semis that can be used directly.
- Length of the cooling bed.
- Facility for third party inspection.
- Embossing facilities available
- Straightening facilities available
- Cranes and handling equipment available
- Cold/Hot shearing facilities.
- Certification under ISO available or not.
- Details of weigh-bridge in the premises.
- Availability of testing laboratory with required facilities.
- Details of computer facilities available
- CCTV Surveillance

Availability of:

- Spectrometer/UTS Machine/Strapping Machine
- Flying Shear for cutting of TMT Bars in specific lengths.
- Personnel trained in operating PC/computer.

Process adopted for manufacturing TMT Bars (copy of license) and facilities of automated control mechanism.

The total production capacity with optimal sizewise break-up

Copy of the Excise Registration certificate.

Copies of the Audited Balance Sheets for previous 3 financial years.

Details of past experience in carrying out conversion job for SAIL/other Main Producers during the last 3 years, if any.

Declaration as to whether the tenderer has any relative, within the meaning of Sec. 6 read with Schedule 1(a) of the Companies Act, 1956, employed in any capacity in SAIL.

Copy of the Power of Attorney in favour of the authorised signatory submitting the tender documents on behalf of the tenderer.

Signature of the tenderer on the application form shall be attested by two witnesses. The names, occupation and addresses of the witnesses shall be clearly stated.

Copy of AMC for ensuring that the weigh-bridge is in order and certificate from Inspector of Weights and Measures Department of Govt.

d) The price bid containing the consolidated wet-leasing charges (rate) per tonne duly filled up both in figures and words as per Proforma for 'Schedule of Wet-Leasing Charges' at Annexure-B shall be put in a separate sealed envelope No. 3 superscribed with 'Tender for Wet-leasing at Hyderabad/Chennai - Price Bid'.

The tenderers shall be required to submit the conversion rates irrespective of the source/mode of supply for the inputs of Billets in the range 90mm to 150 mm and/or Blooms in the range of 150mm to 320 mm in the quality IS 2830.

e) All the envelopes shall indicate the name and address of the tenderer and shall be sealed and put inside another master envelope No. 4, which shall be submitted in sealed condition, by the tenderer. The master envelope No.4 shall be superscribed 'Tender for Wet-leasing at Hyderabad/Chennai' and shall indicate the name and address of the tenderer.

In case of correction/erasing etc., the same should be countersigned by the authorised signatory of the tenderer and stamped with the office seal of the tenderer.

11. **Receipt of Tenders:**

a) The following shall be the accepted modes for receipt of tenders:

- Tenders received by post,
- Tenders received by courier service,
- Tenders received through tender box.

b) SAIL will not take any liability for accepting a tender because of any loss or delay in transit resulting in non receipt and/or delay in receipt of Tender sent by post and/or through courier service.

c) Tenders shall also be received in the Tender Box kept for this purpose upto the closing time specified in the Tender notice. Immediately thereafter, the tender box shall be sealed and removed so as to eliminate any possibility of submission of any further tenders after the stipulated closing time for receipt of tender is over.

12. **Rejection of Tenders:**

a. Tenders shall be liable for rejection in case of non-compliance in submission of any above documents i.e. as indicated at **10(c)** above. In case any deviation is found in the downloaded tender documents submitted by the tenderers than what has been stated in the original tender document, such tenders shall be liable for rejection.

b. In case of receipt of any adverse report in respect of capabilities and performance of a tenderer, from any department of SAIL or from Heads of Materials Management/ Vigilance Deptts. of sister units/Corporate Office of SAIL or from Ministry of Steel/ Statutory Bodies/CBI/CVC, before or after opening of Price Bids, then the tender/ quotation submitted by such tenderer shall be rejected on the basis of recorded reasons

c. Tenders submitted after the scheduled date and time as stipulated shall not be accepted.

d. Also offers from firm's as laid out in (B), Annexure-I, Advertisement shall not be considered.

13. **Opening of Tender:**

A. EMD

a) A Tender Opening Committee shall first open the envelope No.4 submitted by the tenderers at the appointed time and date.

b) Name, addresses and signatures of the persons present at the time of opening of tenders along with the names of Firms/Companies/concerns such persons are representing shall be recorded by the Tender Opening Committee.

c) Next the envelope No. 1 shall be opened for all the tenderers to see as to whether all the tenderers have submitted the requisite EMD and the cost of downloaded tender documents (wherever applicable). In case any tenderer fails to submit the EMD (excepting the exempted tenderers, if any) or the cost of downloaded tender documents, the tender submitted by such tenderer shall be rejected.

B. Technical Bid:

The technical bids of eligible tenderers, whose tenders have not been rejected due to non submission of required EMD or the cost of downloaded tender documents, as contained in the envelope No. 2, would be taken up next for opening and thereafter for verification and evaluation.

Technical Evaluation:

a) The techno-commercial suitability of the tenderers would be decided at the first stage, based on the eligibility criteria indicated at Sl. no 4 of 'Invitation to Tender'.

b) For technical evaluation of the tenders, the Tender Evaluation Committee of SAIL shall undertake thorough inspection of the infrastructure and other facilities offered by the tenderers.

c) The technical evaluation of the offers will be done on the basis of the following suggested criteria:

- The Bidder should necessarily have a valid BIS license covering Fe500 & Fe500D grades of TMT bars for all sizes required by SAIL
- The size wise capacity and the range of products.
- Financial soundness.
- Market reputation.

- Past experience, if any, particularly in carrying out jobs for main steel producers.
- Available technology for conversion to TMT including automated process control mechanism
- Mill size/no. of stands.
- Minimum & maximum sizes of input Semis acceptable.
- Length of the cooling bed.
- Embossing facility.
- Straightening facility.
- Cold/Hot shearing facilities.
- Type of feeding mill.
- Availability of testing laboratory with required facilities.
- Details of computer facilities
- Scope for third party inspection.
- Whether ISO certified unit.
- Whether having installed Thermex/Tempcore/Stelmore/Evcon process for manufacturing TMT steel bars.
- Cranes, handling equipments and weighbridge inside the premise and their capacities.
- Automated process control mechanism for production of TMT
- Strapping machine
- Availability of spectrometer / UTS machine / strapping Machine
- Flying shear for cutting of TMT Bars in specific lengths.
- Strapping Machine
- Personnel trained in operating PC/Computer.
- Internet connectivity
- **CCTV Surveillance**

The date & time of the opening of the price bid shall be intimated to such tenderers who qualify in the technical evaluation.

Price Bid:

The price bids 'Envelope No.3' of those tenderers who have been successful at the technical evaluation stage shall be opened on the due date and time by the Tender Committee of SAIL. Representative of the technically qualified tenderers may be present. In case the tenderers or their representatives do not opt to be present despite being informed in advance about the date and time of opening, tender committee shall go ahead with opening of price bids in their absence.

The consolidated rates are to be quoted both in words and figures. In case of any discrepancy between the words and figures in the rates quoted, the lesser of the two rates quoted shall be accepted

Evaluation of Price Bids:

i) The Tender Evaluation Committee shall open the price bids of those tenderers who have been successful at the technical evaluation stage. The Committee shall prepare a comparative statement for participating tenderers in respect of the various input-output ranges as per the schedule of rates given at Annexure-B. It may be noted that evaluation of L1 will be done based on bids received both for Chennai and Hyderabad locations together.

The ranking of tenderers will be done as per the consolidated per tonne rate quoted for the entire range.

In case the L-1 rate obtained for a specific input-output combination is within the acceptable range of the estimated workable rate, then the Tender Evaluation Committee may recommend placement of Contract to L-1 tenderer for that specific input-output combination, without any further clarification. In case the L-1 rate so obtained is higher than the upper limit of the acceptable range of workable rate, the Tender Committee shall hold negotiations with the L-1 tenderer for bringing down the rate for the specific input-output combination within the acceptable range.

It is to be noted that negotiations can be held only with the L-1 tenderer and also rates cannot be increased after negotiations. If the L-1 rate is below the lower limit of the acceptable range of workable rate, the L-1 tenderer will be asked to justify the rates quoted. Even after justification, if felt necessary SAIL may ask the tenderer to furnish Performance Guarantee Bond equal to the amount which will be the difference between lower limit of estimated rates and the quoted rates of tenderers. The tenderers who refused to comply with this, their EMD will be forfeited and they will not be considered in re-tendering if orders/contract is not finalized from the present tender. In such an eventuality, the tender will not be finalized and re-tendering shall be resorted to. In case the L-1 tender is able to justify his rate, and found to be workable by the tender Committee or credentials of the party are established, the Performance Guarantee Bond may be waived with the approval of Next Higher Authority.

14. Issue of LOI and Work Order and Agreement:

a. On approval of appointment of specific WLAs the SAIL shall issue a Letter of Intent to the successful tenderer to complete the necessary formalities like, submission of Bank Guarantee, Custody and Indemnity Bond etc within a period of 45 days.

b. The work order will be issued to the successful tenderer on completion of all the formalities detailed in the Letter of Intent. The date of commencement of work in the contract shall be as per the date mentioned in the work Order. Within 15 days of issue of work order, the WLA will be required to execute a formal Agreement on non judicial stamp paper with SAIL for the job awarded.

c. The Advertisement for Tender, Instruction to tenderers, Terms & Conditions of contract along with all the enclosures including the schedule of rates agreed between the parties and letters exchanged with the successful tenderer shall form part of the contract.

d. If the successful tenderer fails to complete the formalities indicated in the LOI within the time permitted to him by SAIL, the EMD submitted by him shall stand forfeited.

15. Payment of Bills:

a) Payment to the WLA for the jobs performed shall normally be made on fortnightly basis on the quantity delivered and only after signing of the agreement.

b) For release of payment against Conversion, WLA shall submit documents like the following for verification by dealing officer and finance executive of the Branch in respect of

correctness of the quantities billed for, the rates and recoveries in respect of materials released to him and other terms and conditions of the contract :

- a) Bills of wet-leasing Charges,
- b) Copies of Delivery Challans,
- c) Copies of Excise Invoices issued under extant excise rules pertaining to (b) above and
- d) Test Certificates pertaining to the deliveries at (b) above.

16. Revision of rates:

The wet leasing charges finalised in the tender shall be kept firm for 1-year w.e.f. the date specified for commencement of work in the work Order. At the end of one year, the leasing charges will be revised based on the following weightage and neutralization for each of the components:

Components	Weight	Neutralization	Basis
Labour	10 %	100 %	Min or statutory Wages as per notification of labour department of the concerned state government.
Fuel (furnace Oil/Other Fuel)	20 %	60 %	IOC / IOC Retail outlet
Electricity	25 %	60 %	Unit electricity rate as per the Electricity provider Co/ SEB in the concerned locality.
Overhead	30 %	50 %	End month/ end year RBI Index on machinery and M/c tools, and Transport equipments and parts on a simple average basis.
Profit	15 %	Nil	

The base indices for the above elements will be considered as on a date which is 60 days prior to the date of opening of the tender, except for fuel, which shall be deemed to be a date which is 15 days prior to the date of opening of the tender. The revision of rates will be permitted annually. The End Year indices for the above elements will be considered in a similar fashion. Calculation of escalation for Fuel will be on prices of furnace oil irrespective of the fuel used.

TERMS AND CONDITIONS OF WETLEASING AT / IN & AROUND HYDERABAD/CHENNAI

1. Definitions

The following words and expressions used in this Contract shall have the meaning assigned to them except where the context otherwise requires.

The 'Company' shall mean Steel Authority of India Limited (SAIL) with its Registered Office at ISPAT BHAVAN, Lodi Road, New Delhi 110 003. And also having one of its Units as Central Marketing Organisation at 40, Jawaharlal Nehru Road, Calcutta — 700 071 as also its Branch Sales Offices at Hyderabad and Chennai.

The expression 'Executive Director (Marketing)' shall mean the Executive Director (Marketing — LP Group) of the Company or any other officer of the Company for the time being incharge of the Company's Central Marketing Organisation (Home Sales — LP Group).

'Regional Manager' shall mean the Head of the Region, or any other Officer of the Company for the time being, incharge of the Region.

'Branch Manager' shall mean the Branch Manager of the Concerned Branch under whose jurisdiction the Wetleased premise is situated or any other Officer of the Company for the time being incharge of the Branch.

'Tenderer' shall mean the person, firm/ company or corporation submitting a tender against the Invitation to Tender and shall include his / its successors and assigns approved by the 'Company'.

'Wet Leasing Agent' (WLA) shall mean the tenderer whose tender has been accepted by the "Company" and shall include Wet Leasing Agent's successors and assigns approved by the Company.

'Third Party Inspection Agency (TPIA)' shall mean representative of SAIL appointed/authorised by SAIL for inspection, monitoring of WLA activities.

'Contract' shall mean and include the Agreement between the Company and the wet leasing Agent duly signed by the parties thereto for the execution of the work together with all documents annexed / attached therewith or referred to.

'Public Booking Point' shall mean the Railway Goods shed where Railway wagons are placed for unloading and / or booking of goods including Iron & Steel materials (This goods shed may not be a public booking point in the strict literal sense).

'Private Siding' shall mean the Railway siding as defined in the siding agreement with the railways inside the Wet Leasing Agent's Yard and where railway wagons are placed for unloading and / or booking of Iron & Steel materials.

'Company's Materials' means Iron and steel materials despatched from the company's Plants at Bhilai, Durgapur , ISP at Burnpur, Rourkela , Bokaro and any other Plant/Mill that shall be subsequently taken over by the Company during the tenure of contract and also stock transfer of such materials from any of company' stockyards.

'Excepted Matters' mean those matters in respect of which decision of the Company shall be final and binding upon the successful tenderer.

2. **Scope of work:**

i. SAIL will endeavor to deliver the Rerollable materials to WLAs directly from the nearest Plant.

ii. Semis may also be supplied from stockyards of SAIL/ SAIL Plants or from public booking points situated near the works of the WLAs or even at the private Railway siding of the WLA.

iii. While, loading will be done free of cost by SAIL at the Steel Plants/Stockyards, WLAs shall have to arrange to bring the materials to their premises by own arrangement from public booking point/stockyard.

iv. In case of direct delivery to the WLAs from the Plant, either transportation cost actually incurred or PPM freight from the plant to the nearest stockyard destination which ever is lower may be reimbursed to the WLA. However, if the semis are despatched by wagons to public booking point, cost of transportation to the public booking point shall be borne by SAIL and WLA shall have to arrange for unloading and transportation of the same to their premises at their own cost.

v. For delivery of semis from stockyards, the transportation cost for carrying the materials to the premises of the WLA would be borne by the WLA themselves. They shall unload the semis inside their premises at their own cost and stack them after ensuring proper identity of the material. The WLAs would execute the conversion job within 7 days from the date of receipt of Semis in rolling lot/campaign at their premises and ensure that proper traceability of the finished products is maintained.

vi. The finished products shall have to be supplied by the WLA immediately from the date of presentation of SO/STO subject to placement of vehicles by customer/ transporter (In case of stock transfer and door delivery), based on actual weighment against proper authorization letter from the receiving party / SAIL. The WLA must ensure that the quantity so delivered does not exceed the SO/STO. It is the responsibility of WLA to avoid any delays in loading of the vehicles. Any claims towards detention of vehicles at WLA premises by Customer / Transports will be on account of WLA.

vii. WLAs shall have to provide Test Certificates in the prescribed format to the receiving party/ SAIL at the time of delivery. 3rd party inspection will be carried out, charges for which shall be borne by SAIL.

viii. The WLA will be responsible for cutting of rolls for embossing by Electro Discharge machining like Sparkonix machines for the purpose of branding 'SAIL TMT' on the TMT Bars as may be indicated to the WLAs by SAIL. The WLA will have to ensure that conversion activities are not interrupted due to non-availability of rolls with suitable embossing.

ix .WLA shall be required to bundle TMT bars properly by using steel strips with metal locks, (to be provided by WLA), with the help of strapping machine in the following suggested bundle sizes:

8mm-18 pcs
10mm-12pcs
12mm-8pcs
16mm-5pcs
20/25/32mm – As specified by SAIL from time to time

The strapping shall be done at minimum 4 equidistant places along the length of the bundle of TMT bars.

WLA shall also be required to attach tags/holograms stickers/printed holograms on metal locks as per SAIL's requirement, while strapping the bundles. It shall be responsibility of WLA to ensure inter alia bundling of TMT Bars of specific length(s) as per SAIL's requirement.

The metal locks shall have SAIL monogram.

The bundle weight should be of 3mt (approx.)

SAIL also supplies TMT to rural/district dealers in bend condition, in which case WLA shall have to bend and bundle TMT by wire in the following suggested bundle sizes.

8mm-18 pcs
10mm-12pcs
12mm-8pcs
16-25mm-5pcs

k. Tags, as may be decided by SAIL, would also have to be fixed on bundles by the WLA. Specific length supplies are to be made without any mix up.

x. WLA shall comply with all the relevant statutory provisions with all the statutory authorities like Excise, Sales Tax etc. as applicable.

3. **Capacity to be committed under Wet Leasing:**

Offering full capacity of the plant exclusively for production of 8 mm to 32 mm diameter TMT bars through Turboquench/ Thermex/Tempcore/ Evcon/ Stelmox process as per requirement of SAIL with 100 % embossing as designed by SAIL.

b. The rated capacity / capacity assessed by SAIL would be taken under wet leasing facility and shall be final and binding. For this purpose the no. of hot hours per month/ year is to be indicated by the WLA in their application. However, SAIL shall guarantee for minimum utilisation of 75 % of the leased capacity.

c. The total mill capacity shall have to be offered to SAIL and the tenderer shall not produce and sell the said product under his banner or for any other buyer /agency from the leased mill.

4. **Door Delivery:**

The scheme essentially envisages that Wet-Leasing Agent shall supply converted products to the customers of SAIL against valid delivery order from their premises. However, if a customer prefers to take delivery at their premises, then Branch Sales Office of SAIL shall provide door delivery for all converted products from the Wet leasing Agent's premises through the transporter appointed by SAIL for the purpose.

Converted product may also be brought to the Syd. by authorized transporter of SAIL for onward delivery to the customer. WLAs may also be allowed to transport the materials to our stockyards with the permission of SAIL at SAIL approved transportation rates.

Freight for transportation of converted products from WLAs premises, to the parent stockyard, will be "Pre-fixed". However, this will not be taken for evaluation of Price Bid. The quantity to be transported will be as per SAIL's requirement.

5. **Supply of raw material:**

i) Semis would be supplied to WLAs normally from ISP, BSP, DSP and VISL. However, required Semis from RSP, BSL or any other Plant(s) of SAIL, subject to availability, can be also supplied to the WLA(s), if required. **For Semis of SAIL, directly delivered to the WLA premises by road, wet leasing charges paid will be less by SAIL approved local transport charges from Hyderabad/Chennai stockyard to WLA premises.**

ii) Normally, semis from BSP/VISL would be supplied to WLA's located in WR & SR, whereas semis from DSP /ISP would be made available to WLA's located in ER & NR. However, SAIL reserves the right to supply semis from any of the plants to any of the regions, subject to availability and supply constraint from designated Plants.

iii) The WLAs based at Plant locations may be allowed to collect semis directly from the Plant, through their arrangements. Depending upon the specification of the finished items as well as availability of different sizes of semis, the actual type and quality of semis to be supplied to the WLA will be decided. The semis would be in standard length with upto 15% in short length down to 1.5 Mtrs. Linked test certificates for the semis would be made available to WLA.

iv) SAIL may decide to supply semis from Syds/Public Booking Points nearby the premises of WLAs instead of directly delivering the same at the Plant, at their option.

6. **Financial Security & Bonds:**

a) The Wet Leasing Agent shall furnish the Security Deposit of Rs.10 lakhs. In case of successful tenderer, the EMD of Rs.3 lakhs will be converted into Security Deposit and he/them will have to pay a balance amount of Rs.7 lakhs drawn on scheduled Banks in the form of PayOrder/Demand Draft/Bankers Cheque favouring Steel Authority of India Ltd. At Hyderabad to make good the total amount of Rs.10 lakhs. Demand Draft / Pay Orders from Cooperative/Gramin Banks and Catholic Syrian Bank shall not be accepted. The Security Deposit shall not carry any interest. The Security Deposit will be refunded at the end of the contract subject to adjustment of SAIL's claim, if any, due to non-performance/non-compliance of the terms and conditions of the contract.

b) The Wet Leasing Agent shall furnish a Bank Guarantee (as per prescribed proforma) for appropriate value issued by a Scheduled Banks except Catholic Syrian Bank and Gramin/ Cooperative Bank towards partial value of materials held in stock as stated under:

Monthly Turnover (Qty. in MT)	Total coverage (Rs in lakhs) for max tonnage in MT	BG coverage (Rs in lakhs) for max tonnage
3000	750	300
Above 3000- 6000	Max 1500	600
Above 6000- 9000	Max 2250	900
Above 9000		1200

The WLA shall in addition execute a Custody and Indemnity Bond (as per prescribed proforma at Annexure-VIII) in respect of materials to be despatched to and received in the WLA Premise.

c) If the company suffers any losses or damages due to any negligence and / or non-performance of the obligations under the contract by the Wet Leasing Agent, the WLA shall on demand pay to the company the specified sum.

However, the company reserves the right to recover such losses and/ or damages by enforcing the Bank Guarantee as well as the Custody and Indemnity Bond and/ or from any of the Wet Leasing Agent's Bills pending for payment with the company without prejudice to any other legal remedies / recourse available to the company to proceed against the Wet Leasing Agent for recovering such losses / damages.

d) The decision of the company as to the amount of loss (es) / damage(s) suffered by the company shall be final and binding upon the Wet Leasing Agent.

e) The Bank Guarantees / Custody and Indemnity Bond shall be released only after the expiry / termination of the contract and satisfactory performance of the work and on completion of all obligations by the Wet Leasing Agent under the contract terms.

f) Before release of B/Gs, the Wet Leasing Agent shall also submit a certificate to the effect that he has no claim(s) against the company under the contract.

g) In the event of B/Gs being inadequate or fully encashed, the balance of the total sum recoverable shall be deducted from any sum due to the Wet Leasing Agent under this or any other contract with the company. Should such sum also be not sufficient to cover the full amount recoverable, the WLA, on demand, shall pay to the company the balance due.

h) Wherever the B/Gs falls short of the amount specified in clauses above by the virtue of any recoveries made by SAIL, the Wet Leasing Agent shall enhance the value of B/Gs within 15 days so that the total amount of security shall not at any time be less than the specified amount.

i) The Earnest Money Deposit of Rs 3,00,000/- (Rupees Three lakhs only) furnished by the successful tenderer at the time of tendering will be converted into Security Deposit. The Deposit along with BG will be released to the WLA on termination/expiry of the contract on his production of:-

- No demand certificate from Railways in favour of the Company (to be obtained by the Wet Leasing Agent).
- No pending demands from statutory authorities like Income-tax etc.
- No claims certificate in favour of the Company.

j) Upon any default by the Wet Leasing Agent in the observance or performance of work under the contract, the company may without notice and without prejudice to any other right, recover the amount(s) and appropriate the same from the Security Deposit and/ or the B/G and the Custody and Indemnity Bond towards the settlement of all loss or damage.

7. **Payment of Bills:**

a. Payment to the WLA for the jobs performed shall normally be made on fortnightly basis on the quantity delivered and only after signing of the agreement.

b. For release of payment against Conversion, WLA shall submit documents like the following for verification by dealing officer and finance executive of the Branch in respect of correctness of the quantities billed for, the rates and recoveries in respect of materials released to him and other terms and conditions of the contract :

- i) Bills of wet-leasing Charges,
- ii) Copies of Delivery Challans,
- iii) Copies of Excise Invoices issued under extant excise rules pertaining to (ii) above and
- iv) Test Certificates pertaining to the deliveries at (ii) above.

c. The wet-leasing charges shall be paid on a fortnightly basis.

8. **Metal loss (including arisings, short length, etc.):**

a) For every tonne of semis supplied, WLA shall have to return 0.95 MT of tested finished product.

b) If the WLA is able to deliver higher yield (exceeding 95 % of material handed over) offinished product in standard length (10-13 Metres), then SAIL will pay bonus @ equal to the prevailing selling price of SAIL for the concerned item/minus Rs. 200 per tonne in respect of such excess quantity. The Selling Price of the product will be decided by the concerned Branch Manger, communicated on a monthly basis and shall be final. No claim for such quantity or rate would be referable for adjudication

c) In case WLA fails to supply 95 % of the input as finished products, SAIL shall recover the value of the shortage of finished product. Such recoveries will be undertaken on a 6 (six) monthly basis. The applicable value of shortage to be recovered shall be based on the average retail price (excluding QLI's) for 8 mm size TMT Bars during the 6 (six) months period under consideration. The decision of the BM will be final in this regard.

d) The arisings including the short length may be disposed by the WLA on monthly basis after due inspection by SAIL officials.

9. **Revision of rates:**

The wet leasing charges finalised in the tender shall be kept firm for 1-year w.e.f. the date specified for commencement of work in the work Order. At the end of one year, the leasing charges will be revised based on the following weightage and neutralization for each of the components:

Components	Weight	Neutralization	Basis
Labour	10 %	100 %	Min or statutory Wages as per notification of labour department of the concerned state government.
Fuel (furnace Oil/ Other fuel)	20 %	60 %	IOC / IOC Retail outlet
Electricity	25 %	60 %	Unit electricity rate as per the Electricity provider Co/ SEB in the concerned locality.
Overhead	30 %	50 %	End month/ end year RBI Index on machinery and M/c tools, and transport equipments and parts on a simple average basis.
Profit	15 %	Nil	

The base indices for the above elements will be considered as on a date which is 60 days prior to the date of opening of the tender, except for fuel, which shall be deemed to be a date which is 15 days prior to the date of opening of the tender. The revision of rates will be permitted annually. The End Year indices for the above elements will be considered in a similar fashion. Calculation of escalation will be on prices of Furnace oil irrespective of the fuel used.

10. **Sales tax and Excise duty:**

- a) The WLA shall, in accordance with prevailing procedure prescribed by Sales Tax and Excise Authorities, comply with all necessary formalities such as Registration with Sales Tax, Excise Dept. etc. as also shall undertake the documentation and timely furnishing of return as stipulated by Excise Authority.
- b) The WLA shall ensure that the delivery of converted/finished products is made after payment of the excise duty as applicable. The WLA shall ensure that the applicable excise duty is paid within due date as per Excise law on delivery of converted/finished products.
- c) The WLA shall be reimbursed the differential between Excise Duty deposited on the finished products and credit of Excise duty availed on semis supplied by SAIL, subject to Excise law in force upon submission of proof of payment along with the bills.

11. **Guarantee of work & penalty:**

SAIL shall endeavour to utilise full capacity of the WLA on a monthly basis, but a minimum monthly conversion volume of 75 % of the leased capacity shall be guaranteed by SAIL. While certain dia/ section--wise percentage breakup may be indicated in the tender in order to indicate the extent of output desired in each size/ size range, a consolidated rate will be obtained separately for TMT in the rate schedule. The actual percentage of work in the specific diameter range can vary.

b. If SAIL fails to supply semis for conversion for 75% of leased capacity, (the minimum guarantee), 60 % of the Wet Leasing charges per tonne for the quantities short supplied from the minimum guarantee percentage shall be paid to the WLA as per the example given below.

Example: In case actual semis supplied are to the extent of 70 % of leased capacity, then 5% will be the short supplied quantum in terms of Billets. Assuming the Wet Leasing charges are Rs. A /- per tonne of finished product and 5 % of billets short supplied translates to B tonnes on a quantitative basis, then penalty payable will be Rs. 60 % of A X B tonnes X 0.95.

However, Force Majeure provision shall be invoked if supply of Semis is affected due to breakdown of Plant and Machinery of the company, conditions like strike, lock out, natural calamity etc. or due to any other act beyond its control and no compensation shall be payable in such an eventuality.

c. The Wet-leasing Agent shall have to ensure above minimum monthly guaranteed production (i.e above 75 % of leased capacity) failing which penalty equal to the conversion charges per tonne in respect of the shortfall in the volume with reference to the minimum guaranteed 75% of the leased capacity shall be paid by the WLA, in a manner similar to the example given at para b above. In case force majeure conditions like strike, lockout, natural calamity etc. affects totally the production in the leased plant, penalty commensurate with the period in which production was

suspended due to force majeure conditions, the same can be waived by SAIL. In such an event, Wet-leasing

Charges shall not be payable by the company in respect of the shortfall quantity, if any, than the minimum guaranteed volume.

d. While the above penalties on either side shall be calculated on a monthly basis, there shall be a make-up clause On a 6 monthly basis on either side, for the purpose of actual payment / recovery. In other words, shortfalls during some month(s) during the 6 monthly period under consideration can be made good during the 6 months as a whole.

12. In Case the premises of the WLA, has ingot/billet making facility too, the facility will have to be made inactive prior to commencement of work or a concrete demarcation wall of at least 6 feet height needs to be constructed in between the two facilities and separate entrance to be provided,

13. **Basis for determining Excess/shortage:**

a) The weight of the rerollables/semis as recorded in Stockyard Challan(s) shall be the basis of the quantity received by WLA(s). In respect of supply of rerollables/semis directly from the Steel Plant(s) of SAIL, the quantity as indicated in the Consignment Advice shall be the basis of receipt of the said material by the WLA(s). However, in case of delivery of finished products from WLA's premises the weight recorded in their weigh bridge shall be accepted. For this purpose WLA shall get his /their weight bridge(s) duly certified at regular intervals by the Inspectors of Weights & Measures, Deptt. of the Govt. The WLA shall have AMC to ensure the weigh bridge at their premises is in order.

b) In case of stock transfer of converted products from WLA's premises to any of the SAIL's warehouses/ stockyards the weight as recorded at SAIL's warehouses / stockyards shall be final.

i. In case of delivery from WLAs premises to the customers, the weight recorded in the weigh-bridge of the WLA shall be accepted.

ii. In case of delivery from WLA premises on to the vehicle of the SAIL authorized transporter either for stock transfer or delivery to customers, the weight recorded in the weigh-bridge of the WLA shall be accepted.

Note: This should also be backed up with proper guidelines in the Road Transportation Manual.

iii. In case of stock transfer of converted products from WLA's premises to the SAIL stockyard by the WLA himself, the weight as recorded at SAIL' s warehouses / stockyards shall be final.

Shortage/excess exercise shall be carried out on 6 monthly basis to be reckoned from the date of Work Order to the WLA and also at the expiry of the contract period. The WLA(s) shall have to compensate SAIL on the shortages found, if any, based on the average retail sale price (excluding QLI's and quarterly incentives) for 8 mm size at that location during the 6 months period under consideration.

(i) In case shortage in found in Semis, recovery will be done on the quantity after discounting the burning loss provided in the contract.

(ii) No conversion charge shall be payable on the shortage quantity.

(iii) While recovering shortage at the prevailing rate of highest priced finished converted product as described above, recovery of ED should be to the extent of actual ED paid on shortage quantity of Semis. No VAT is recoverable for the shortages. However, Branch must obtain confirmation from conversion agent that the excess/shortage is due to goods lost or destroyed in the premises of conversion agent.

Cost of physical verification should be borne by the WLA. WLA shall be required to give a certificate prior to start of stock verification that there is no stock in the furnace

Shortage/excess exercise shall be carried out on 6 monthly basis to be reckoned from the date of Work Order to the WLA and also at the expiry of the contract period.

14. **Monitoring of conversion:**

SAIL may at its sole discretion post its employee(s) in the premises of wet leased plant to oversee the conversion activities. However, this will not dilute the responsibility of the WLA to ensure proper utilisation of semis supplied for conversion, process inspection including sample testing, and quality control of converted materials. Visits and support from SAIL's technical staff shall also exist. Third party inspection agency would also inspect the process activities.

15. **Inspection and Quality control:**

a) To ensure that all materials despatched to customer/other Branches conform to the BIS specification, regular inspection/testing is to be carried out by WLA as per BIS norms. The WLA shall have facility for microstructure study with photographic facility for analysis. They will have to keep regular samples along with the photographs of microstructure on every 100 Mt of rolling. In addition, representatives of SAIL will be visiting WLA's premises for inspection of the following, from time to time;

1. Whether finished materials are produced out of raw material given by SAIL for conversion.
2. Sample analysis for confirmation of mechanical properties.
3. Converted products are despatched to the customers/SAIL's allottees exactly as per description given in the D.O.
4. Verification of stock and calibration of Weigh Bridge by the weight and measure department of the state.
5. To take case of specific requirements of the customers on quality aspects, inspection by outside agencies, like Lloyds, SGS, RITES etc., shall have to be carried out at the Wet leased premises, the cost for which shall be borne by SAIL. The roles and responsibilities of Third Party Inspection Agency will be as per Annexure-XIII.
6. A copy of the agreement between SAIL and WLA shall be provided by the WLA to the BIS unit which has granted license to the re-rollers.
7. With reference to stamping /sampling for testing of material/embossing of rolls, Branch should
8. Sensitise TPIA for full proof supervision of embossing process and its monitoring/safe-guarding of rolls must be brought within their purview.

9. Instruct TPIA to undertake stamping/sampling for testing of the materials just after rolling and inspection instead of just before loading of the material for SAIL customer/stockyard.
10. Instruct TPIA not to certify any material rolling of which they have not witnessed.
11. In addition to regular day-to-day contractual provisions for testing by TPIA, surprise/spot checks needs to be carried out by TPIA. Results of such surprise/spot checks should also be taken into account for acceptance/rejection of the materials rolled by Wet-leasing agents.
12. Test Certificate shall incorporate the following in addition to the regular Information:
 - a) Name, address of the reroller, ISI mark and their BIS license number.
 - b) SAIL logo and the brand name "SAIL TMT".
 - c) The draft of TC is to be provided as per Annexure-XI
13. The draft of TC may be got approved from BIS, as per jurisdiction of the marks area of BIS.
14. After obtaining approval from BIS the final format of TC would be approved by SAIL/CMO Head Quarter, Kolkata for the purpose of uniformity.
15. To inspect as to whether documentation through the SAIL's ITES System is being effectively managed.

- b) In case of defective semis a joint Inspection report along with TPIA has to be filed by WLA to BSO within time limits of 2-3 days from date of receipt of semis and the QC will be dealt as per SAIL policy.

Holding of a valid BIS License covering FE-500 and FE-500D grades of TMT Bars for all sizes required by SAIL is an eligibility criterion. Therefore, whenever it is found that the BIS License has been suspended by the concerned authorities, SAIL will suspend supply of input materials (viz. Semis) and suspend rolling operation until the license is reinstated / revoked. In case there is a delay of more than 30 days in revoking of the suspension, action may be taken for removal/disposal of the inventory of semis and finished products by SAIL, from the premises of the WLA. The cost of transportation will be borne by the WLA. The Conversion Agents would also be liable for any losses on account of non-certified (BIS) finished materials if any. SAIL will review the matter before according approval for resumption of the activities.

Executives of SAIL would have the right to make frequent visits to the premises of WLA, to examine the processing of materials, as also to check the records being maintained by the WLA and oversee deliveries being effected. WLA is to extend necessary help and facilities to the executives of SAIL and also to BIS/any other Inspectors, as and when they visit the premises of the WLA for this purpose.

Based on the feedback on performance from personnel of SAIL contract can be terminated / short closed due to non performance/misutilization on the following grounds:

Wrong usage of raw material.

Non compliance of quality aspects.

Unauthorized utilisation of mill capacity

Mis-utilisation of SAIL name/image for marketing their own/any other brand produced in other mills.

16. **Quality Complaints and its settlement:**

- a) WLA shall be responsible for all the losses/damages and deterioration caused to materials while these are in custody of WLA. The materials shall be deemed to be in the custody of the WLA as soon as the Railway Receipts/Consignment Advice/Stock Transfer Challans are handed over to WLA. Such loss/damage/deterioration and/or pilferage in the WLA's premises/custody will be compensated in full by the WLA. Assessment of loss made by SAIL on damage/deterioration to the materials in the custody of the WLA shall be binding on the WLA.
- b) The WLA shall be informed about the Q C in writing or over phone by SAIL. Any quality complaint received from the customers for converted products supplied by WLAs shall be inspected by SAIL and their decision on the matter will be final and binding on the WLAs.
- c) Converted products returned under quality complaint shall be disposed by SAIL and WLA will be responsible for paying to SAIL the loss in realisation on account of quality complaints.
- d) In case of any rejection of finished products after 3rd party inspection, such materials will be taken back by SAIL for disposal. The loss in realization and transportation cost for taking back such materials shall have to be borne by the WLA.
- e) WLA will have to settle the loss on account of Q C / materials rejected by 3rd party inspection agency within seven days of the intimation by SAIL of such loss. In case of failure, the same shall be recovered from the pending /forthcoming bills of the WLA

17. **Embossing:**

- a. All converted products from Wet Leasing will be 100% embossed as per SAIL specification.i.e 'SAIL TMT' for TMT.
- b. The Wet-leasing Agents shall have to undertake 100% embossing of the converted materials as per design and direction given by SAIL.
- c. To have embossing of TMT for branding purposes the rolls will have to be cut as per SAIL design using electro discharge machining like Sparkonix etc. by the WLA.

18. **Reports & Returns:**

- a) The WLA shall keep proper daily account of the converted or finished products viz. quality, size, quantity, length of semis rolled, actual size, quality, quantity of converted /finished products, actual yield test results, inspection notes etc. and arrange for delivery of material against original delivery orders issued to our customers or their representative against proper letter of authorization, the copy of which are to be properly retained.
- b) The Wet-leasing Agent shall keep delivery order register indicating therein our delivery order(s) number and date, names and addresses of our customers, size, quality and quantity of materials indicated on the delivery orders, as also the size, quality and

quantity of the materials actually delivered to our allottee(s) against specific challan number and date.

c) The WLA shall furnish weekly conversion returns as per our prescribed proforma (Annexure-A)

d) The WLA shall, for every delivery to our customers, raise four copies of invoices meant for following purposes:

- The original being marked as ORIGINAL FOR BUYER shall be handed over to the customer

- The duplicate copy being marked as DUPLICATE FOR TRANSPORTER shall be handed over to the transporter of finished goods

- The triplicate copy being marked as TRIPLICATE FOR ASSESSEE shall be retained by the Wet Leasing Agent.

- The fourth copy being marked as 'NOT FOR CENVAT PURPOSES' shall be sent to the concerned branch.

- Every invoice shall clearly indicate the amount of excise duty paid.

- Every invoice shall invariably bear signature of WLA or his duly authorized representative (for which he will attest the signature) as also the signature of the authorized representative of our customer. The details of the invoices shall be entered on the reverse side of the delivery order immediately on each delivery.

e) The Tax Invoice (Not for CENVAT) shall also be generated by the WLA in three copies on the stationery of SAIL through the SAIL-ITES connectivity provided to it by SAIL. For this purpose the Wet Leasing Agent shall be required to own suitable computers and also make arrangement for Internet connectivity for availing connectivity to SAIL's ITES System. In the Tax Invoice Just below the word "TAX INVOICE", the Words "NOT FOR CENVAT PURPOSES" shall be printed in bold letters.

- The original copy of Tax Invoice being marked as "ORIGINAL - BUYER'S COPY" shall be handed over to the customer

- The next copy being marked as "SELLER'S COPY" shall be sent to the concerned Branch.

- The extra copy being marked as "EXTRA COPY" shall be retained by the Wet Leasing Agent.

f) The WLA shall, on completion of delivery against each delivery order, return executed delivery order(s) along with a copy of the related invoice to the concerned branch.

19. **Liabilities of the WLA:**

a) The WLA shall comply with all the statutory requirements towards fulfilment of all the obligations under all the prevailing labour laws and other applicable laws. The WLA shall indemnify SAIL against any claim that may be made on SAIL arising out of any non-compliance of above statutory requirements by WLA.

b) WLA shall be responsible for any injury/damage caused by him or his agents to any man and material at his premises as well as when materials are in transit. The WLA shall indemnify SAIL against any claim that may be made on SAIL arising out of any negligence or otherwise on the part of WLA and/or his agent.

c) WLA shall not assign any part of this contract to any other WLA without prior clearance and permission from SAIL in writing to this effect.

d) In case of inability on the part of WLA to perform to the full satisfaction of SAIL under this contract, SAIL shall have the right to terminate the contract on serving due notice and appoint another WLA for the same job at the cost and risk of WLA.

e) The Wet Leasing Agent (s) will be held responsible for damage caused to materials, inside the wet leased premises by his/their staff, transport, equipment, etc., employed by him/them or any injury/death caused to the customer(s), visitor(s) and employee(s) in the Wet Leased premise as also to any other third parties. The claim(s) in this regard as assessed by the company shall be final and binding on the Wet Leasing Agent and shall be paid by him/them or deducted from his/their dues/bills.

f) The provisions of above Clause (e) shall also apply to assessment of damage caused to materials due to negligence of the WLA during the performance of various operations covered by the contract. The decision of the company as to the extent of damages and the amount recoverable from the WLA in this regard shall be final and binding upon the WLA. No materials will be allowed to be stacked / kept outside the premises or on the road within the yard or at places where it might impede the free movement of traffic.

g) The company is not obliged to provide the WLA with any equipment for transporting, handling and storage of different types of materials and the WLA should employ his / own / hired equipment and manual labour for the same.

h) In the event of the WLA's failure or default to provide sufficient equipment and timely labour at any time to do any of the jobs entrusted with him / them under the contract or in the event of the WLA, unilaterally terminating the contract, the company shall have the right to get the work done through alternate arrangements, and all the charges and expenses incurred by the company in this behalf shall be recovered from the WLA either from his/their bill(s) or from any other amount(s) payable to the WLA, either under this contract or any other contract with the Company and /or by encashing the Bank guarantees furnished under this Contract.

i) The Wet Leasing Agent shall be solely responsible for any injury/ damage that may be caused to his personnel and should provide full medical treatment to his staff and labour in case of accidents on duty. The company shall in no manner be liable to the WL Agent or any member of his staff or any other person for injuries or death caused as a result of accidents either within or outside the yard premises in the courses of work and / or arising out of work.

j) Whenever the contract expires / is terminated, the Wet Leasing Agent shall be required to submit the following documents failing which his final payment as well as release of EMD /Security Deposit, Bank Guarantee would be withheld till such time the requirement mentioned below are met by him in full:

- No demand Certificate from Railways in favour of SAIL (to be obtained by the Wet Leasing Agent).

- No pending demands from statutory authorities like Labour Deptt. (In respect of PF, Gratuity, compensation to workmen etc.) and the like.

- No dues certificate in favour of SAIL.

In case the WLA fails to submit the above mentioned documents within a reasonable period, the Company would be within its right to forfeit / appropriate any amount of the WLA lying with the Company to his credit either under this contract or any other contract towards settlement of the claims of the above mentioned Agencies.

k) In the event of the WLA's failure to execute the work under the contract to the satisfaction of the company, the company shall put the WLA on notice calling upon him to execute/complete the work strictly in terms of the contract, within the time stipulated in the said notice and upon the WLA's failure to comply with the same within the prescribed time, the company shall be entitled to terminate the contract, and/or offload the work or items of work so defaulted to any other alternate agency at WLA's risk and costs. The WLA shall immediately pay to the company the differential, if any, in the costs and expenses so incurred by the company, within the time prescribed by the company failing which the company shall recover and appropriate from any amount payable to the WLA either under this contract or any other contract without any reference to the WLA and / or by encashing the guarantees furnished under this contract with the Company.

l) On termination of the contract for any reason whatsoever or completion of contract, the WLA will have to handover all company's properties and documents including stocks produced out of SAIL's material and obtain a clearance certificate from SAIL before the Security Deposit can be claimed and / or Bank Guarantee custody cum Indemnity Bond returned / discharged. The refund of Security Deposit, Bank Guarantee and custody cum Indemnity Bond would be subject to his fulfilling the conditions indicated at clause above.

m) Any sum of money due and payable to the WLA including Security Deposit under the contract may be adjusted and appropriated by the company and set off against any claims of the company for the payment of any sum of money arising out of this contract or any other contract.

n) The WLA shall pay his labourers (male or female) not less than the minimum wages prescribed by the Minimum Wages Act, or such minimum wages as may be prescribed from time to time by the Central Government or by the appropriate government in the state where the WLA works.

o) The WLA shall perform and observe all the provisions relating to the Workmen's Compensation Act.

p) The WLA shall be liable for any injury or death arising out of any accident either within or outside the yard in the course of work. The WLA shall be responsible for such contingencies and will make good all claims for compensation claimed by his / their labours / workmen or others as adjudicated by the Tribunal / commissioner of Workmen's compensation and/or any other Authority as the case may be under the provisions of Workmen's Compensation Act and other relevant laws of the land. The WLA shall also indemnify the company and pay all such sums as may be awarded in respect of claims for compensation arising out of or in consequence of any accident of any staff or labour working under him / them as per the provisions of the workmen's compensation act or any subsequent modification or amendment to the said act thereof.

q) The WLA shall also carry out and observe the provisions of all other laws and other applicable Acts and Statutes in respect of the said operations and also indemnify the company of any liability that may be imposed upon the company for non-observance of the WLA of any of the provisions of the various Laws/ Act /Statutes or for the WLA's failure in ensuring the compliance as aforesaid, and shall keep the company indemnified and reimburse and discharge all sums that may be claimed by appropriate authorities in any manner whether as penalty, fine, levy demands or compensation fee, arising out of or consequent upon the breach of the requirements and provisions of any statute(s), Law, Rules and Regulations by the WLA / or his representative.

r) The WLA shall be liable for all complaints and / or claims made by and received from company's customers due to any default or negligence on the part of the WLA or his representative or workmen.

s) The WLA shall provide the representative(s) of the company suitable office accommodation and necessary secretarial assistance in the discharge of his duties.

t) The Wet-leasing Agent shall be further liable for all the losses that might be caused to SAIL on account of any of the breach of contract or misconduct as stated above.

u) Proper security shall have to be made by the Wet-Leasing Agent(s) at their costs for the safe custody of materials supplied by SAIL. Any loss, damage or deterioration whatsoever and/or pilferage in premises/custody of WLA(s) shall be solely to the account of the WLA and they will be bound to compensate SAIL suitably for such loss, damage and/or deterioration.

v) Suitable arrangements for computer and net-workings shall be provided to the TPIA officials by the Wet-leasing Agent for maintaining records including downloading of test result data.

w) The Wet-leasing Agent would be contractually bound to provide separate identified space for storage of both input semis and output finished products to avoid any possibility of mix-up.

20) SPECIFIC OBLIGATIONS OF THE CONTRACTOR WITH REFERENCE TO ROLLS MANAGEMENT

20.1 The embossing rolls shall have SAIL approved embossing only. Use of Dual or more embossed rolls shall not be permissible.

20.2 EMBOSSING OF ROLLS:

a) The Wet-leasing Agent must acquire stipulated machines as per contract before commencement of the contract.

b) Embossing shall be carried out by Wet-leasing Agent only with the machines specified in the contract and would be done only in the presence of SAIL / TPIA officials. Embossing shall be strictly in conformity to the design given by SAIL.

c) Wet-leasing Agent would be obliged to make all arrangements to enable monitoring and supervision of the entire process of rolling right from input semis to the finished products including the activity of embossing.

d) In no case, Wet-leasing Agent should roll any material in the absence of TPIA, who in turn must also ensure they are invariably present during the rolling of semis. For the same, rolling plan must be communicated by the Conversion Agent to TPIA in writing in advance for witnessing the rolling. For rolling in the absence of TPIA, prior written permission of SAIL would be required.

20.3 **DEFACING OF ROLLS**

All rolls carrying SAIL embossing shall be defaced not only at the end of the contract but also as soon as the life of the embossing roll is worn out. The defacing shall be such that under no circumstances the roll pass can be utilized at a later date.

20.4 **RETENTION OF ROLLS**

a) Wet-leasing Agent shall make suitable and adequate arrangements for storage of the SAIL embossing rolls under security in a box with sealed lock and key arrangements. Keys of the locking arrangements would be under the responsibility of TPIA/ SAIL officials. Under no circumstances such rolls will be accessed/ used in the absence of TPIA/SAIL official.

b) Management of embossing rolls –The Wet-leasing Agent shall maintain records in a proper format of the number, identity and status of embossing rolls till the end of its life. The record shall indicate tracking of life cycle, usage, re-embossing with Electro discharge machines like Sparkonix, end of useful life etc. This record shall be countersigned by TPIA and shall be checked by CMO officials periodically and also at the end of the contract shall be made available to the TPIA and SAIL.

21. **Banning of Business Dealings**

a) SAIL reserves its rights to ban business dealings if the Wet-leasing Agent is found to have committed misconduct as also to suspend business dealings pending investigations. Further, in case the WLA, his partner, member, servant, labour, agent, representative and/or any person working for and on behalf of the WLA is found involved in any unauthorized, or wrongful removal of materials not sold or in any attempt for such removal using the mill capacity for their own production/marketing need of finished product, using SAIL logo or reputation or brand name for marketing of their own product produced at other mills, this shall amount to breach of contract as well as misconduct caused by the party and Company shall be entitled to forfeit the Security Deposit and any other amount, money or material that may be lying with SAIL at the risk and cost of the WLA in addition to suspension/ banning of the business dealings . No wet-leasing charge will be payable by SAIL for the suspended business period.

b) The decision of the Chief Executive of the Central Marketing Organisation, SAIL will be final and binding on the WLA on all such cases. The expression, the Chief Executive of Central Marketing Organisation, SAIL, means the Director (Commercial) or any other person delegated to

exercise powers in his absence from duty or due to his non-availability for any other reasons, whatsoever.

c) Notwithstanding any thing contained in previous paragraphs, SAIL shall reserve its right to terminate/short-close the contract summarily in case on enquiry it is found that the WLA has committed misconduct /malpractice in connection with present contract. In that event SAIL shall reserve its rights to suspend business dealings in relation to other contracts also.

22. **Responsibilities of WLA upon Completion/Termination of Contract:**

On completion/termination of the contract for any reason whatsoever, the WLA shall have to hand over all properties and documents belonging to SAIL. SAIL would ensure defacing of the rolls by processes like grinding/welding which would make further use of SAIL Logo impossible. Such confirmation must be available as mandatory requirement before settling dues of the Wet Leasing Agent at the end of the contract. The unadjusted portion of Security Deposit shall be released by SAIL to WLA subject to -

- (i) his production of 'No Demand Certificate' from Railways in favour of SAIL (in case of receipt of materials by Railway Wagons),
- (ii) adjustment of claims/dues by SAIL from WLA for unsatisfactory performance/lapses on the part of the WLA, if any, in the particular contract and
- (iii) No pending demands from statutory authorities like Income Tax, Labour Deptt. (In respect of PF, Gratuity, compensation to workmen etc.) And the like.
- (iv) On his obtaining clearance of both SAIL Branch officials as well as TPIA officials relating to defacing of embossing rolls before the closure of the Contract.

23. **Losses / Damages:**

a) The Wet Leasing Agent shall be responsible for all losses/ damages / deterioration's caused to the materials, when the materials are in WLA's custody, including losses if any, caused during transportation and handling by the Wet Leasing Agent. The materials shall be deemed to be in the Wet Leasing Agent's custody as soon as the Railway receipts / Plant Consignment Advises / Stock Transfer Challans are handed over to the Wet Leasing Agent by the Company, irrespective of the fact whether the materials are in transit or are actually received by the Wet Leasing Agent.

b) The receipt of materials shall be accounted for by the Wet Leasing Agent on the basis of the quantities despatched by the Company as per the Consignment Advice(s) / Stock Transfer Challans issued by the Company. The Wet Leasing Agent shall be accountable to the Company for the entire quantity as mentioned in the Conversion Advice(s)/ Stock Transfer Challans and no claims for shortages would be entertained by the Company other than the yield loss of 5 %. The Wet Leasing Agent is to accept the Company's practice of determination of weight for despatch by the plants/ Stockyards and for despatch by the Company's Transport & Shipping Branches and for deliveries / despatch from the Company's stockyards /Consignment Agents premises etc., as prevailing from time to time.

c) The Wet Leasing Agent shall not hypothecate and / or charge and / or encumber in anymanner whatsoever the materials despatched to / stored by him either in full or in part to any bank, a financial institution or association(s) or Company or firm as security or otherwise.

d) The Wet Leasing Agent shall not suffer any injunction and / or attachment and / or appointment of Receiver in respect of the Company's materials despatched to / stored by him.

e) No cognizance will be taken by the Company of the cases where Rlys. refuse to accede to the Wet Leasing Agent's request for open delivery or delivery after reweighment or for issue of shortage certificate or for witnessing inspection, by independent surveyor. It will be Wet Leasing Agent's responsibility to handle such cases.

f) Wet Leasing Agent has to account for total weight charged in the Consignment Advice(s) / Stock Transfer Challan(s) as mentioned above and no claim will be entertained for any shortage whatsoever.

24. Tenure / Termination of the Contract:-

a) The successful tenderer will be appointed as the WLA of SAIL initially for a period of four years, extendable by one year solely at the discretion of SAIL, subject to satisfactory performance, with SAIL's option to terminate the contract by giving suitable notice as indicated separately in the termination clause. Extension, if any beyond four years will be at the same rates, terms and conditions. Escalated rates, as per terms of contract, shall be payable during the extended period. Extension, if any shall be considered after settlement of all dues/claims/penalties etc from the WLA for the earlier contracted period. Actual physical stock verification is mandatory after the initial contract period is over & shortage, if any is to be recovered.

b) The company shall have the option to terminate the contract at any time at its sole discretion due to non-performance/ misutilization by giving 30 days notice in writing and without payment of any compensation. The clauses for non-performance/ misutilization have been stipulated elsewhere in the contract. For termination for reasons other than above, there would be a notice period of 120 days on both side and termination can take place without payment of any compensation. Both the parties to this agreement shall have to settle their account within the notice period.

c) In the event of the Wet Leasing Agent's failure to discharge his duties stipulated in the contract, to the satisfaction of the company, the company may terminate the contract summarily and without notice.

d) Contracts of WLA(s) who are found to be misusing SAIL Brand name / Logo can be summarily terminated without any notice.

e) In the event of the contract being terminated in exercise of the rights under the clauses mentioned above, the Wet Leasing Agent shall not be entitled to claim any special or general damages from the company on account thereof.

25. **Alternative arrangement**

a) If at any time during the continuance of this Contract, the company is of the opinion that in the best interest of its business, it is necessary to take possession of the materials from the Wet Leasing Agent's custody, the company may forthwith issue notice to the Wet Leasing Agent and take possession of the materials by physically removing the materials to such places as the company may decide in this regard.

b) The Wet Leasing Agent however will be entitled to claim the charges as due to him under the provisions of the contract upto the point of final removal of the material from his premises. The Wet Leasing Agent shall extend all cooperation as may be required by the company in exercise of its right to secure its materials.

c) The company may also, if necessary, and if the exigencies of situations so warrant make its own security arrangement over the materials in addition to the arrangement of the Wet Leasing Agent. This however, will not absolve the Wet Leasing Agent from his duties and responsibilities under the contract.

26. **Liabilities / Obligations on Expiry / Terminations:**

Notwithstanding the expiry / termination of the contract the liabilities and obligation of both company and the Wet Leasing Agent as set out herein will continue to be in force, until all the materials supplied / despatched by the company to the Wet Leasing Agent upto the date of the said expiry / termination are delivered by the Wet Leasing Agent. After termination / expiry of the contract, the materials if any, lying in the Wet Leasing Agent's yard shall be lifted by the company within two months from the date of the termination of the contract and the Wet Leasing Agent shall be responsible to arrange delivery of the materials as directed by the company for which the Wet Leasing Agent shall be entitled to claim remuneration as is due to him under the provisions of the contract.

27. **THIRD PARTY INSPECTION AGENCY**

27.1 To take care of specific requirements of the customers on quality aspects, inspection by outside agencies like, Lloyds, SGS, RITES etc., shall have to be carried out mandatorily at the wet leased premises, the cost for which shall be borne by SAIL. The roles and responsibilities of Third Party Inspection Agency will be as per Annexure- XIII.

27.2 Activities related to ensuring traceability of material contained in the roles and responsibilities of the TPIA shall be binding upon the Wet-leasing Agent.

27.3 TPIA will undertake stamping/sampling for testing of the material just after rolling.

27.4 Supervision of embossing process and its monitoring/safeguarding of rolls would be within the purview of the TPIA.

27.5 TPIA should not certify any material, rolling of which they have not witnessed.

27.6 In addition to regular day to day testing by TPIA, surprise/ spot checks needs also to be carried out by the TPIA. Results of such surprise/ spot checks should be taken into account for acceptance / rejection of the materials rolled by Wet-leasing Agents.

28. **Resolution of Disputes:**

28.1 In the event of any dispute/difference whatsoever arising between the parties relating to or arising out of the contract; the parties shall endeavour to resolve such dispute through conciliation as per provisions of the Arbitration and Conciliation Act 1996.

28.2 CONCILIATION : Any dispute or difference whatsoever arising between the parties relating to or arising out of Contract, shall be settled first by conciliation in accordance with the provision of the Arbitration and Conciliation Act — 1996 and the Settlement so rendered between the parties in pursuance thereof shall be final and binding on the parties.

28.3 In case conciliation fails, all questions, claims, disputes or differences of any kind whatsoever arising between the parties relating to or arising out of the contract shall be referred by the parties hereto for the decision by a Sole Arbitrator to be appointed as hereinafter mentioned.

28.4 The notice regarding the invoking of the arbitrator clause shall be served by registered post and addressed to the Chief Executive of Central Marketing Organization, Steel Authority of India Limited, Ispat Bhawan, Lodi Road, New Delhi.

28.5 Matters in question, dispute claim or differences other than the excepted matters shall be referred for decision to a Sole Arbitrator to be appointed by the Chief Executives of Central Marketing Organization, Steel Authority of India Limited, (by whatever name he may be designated at the relevant time). However, before appointing the Sole Arbitrator the Chief Executive of the Central Marketing Organization, Steel Authority of India Limited shall notify the contractor three names out of which one can be appointed as the Sole Arbitrator with the consent of both the parties, failing which after 15 days of the issuance of the letter informing three names the Chief Executive shall have the power to appoint one of the persons out of the three names so notified as the Sole Arbitrator, which will be final and binding on both the parties.

28.6 In this clause, the expression the Chief Executive of Central Marketing Organization, Steel Authority of India Limited means the Director (Commercial) or any other person delegated to exercise the authority and the power of the Director (Commercial) due to his absence on duty or due to his non-availability for any reason whatsoever.

28.7 The Arbitrator, so appointed, shall adjudicate upon all the disputes between the parties hereto.

28.8 The Arbitrator shall hear the cases independently and impartially and shall not represent the interest of any party.

28.9 The question of procedure for conduct of the arbitration proceedings shall be decided by the Arbitrator in consultation with the parties before proceedings with the reference. The Arbitrator may hold preparatory meeting (s) for this purpose. In the preparatory meeting(s) as aforesaid, the Arbitrator in consultation with the parties shall also determine the manner of taking

evidence the summoning of the expert evidence and all such matters for the expeditious disposal of the arbitration proceedings.

28.10 EXCEPTED MATTERS as per the contract shall not be the subject matter of Conciliation/ Arbitration.

28.11 The Court at Hyderabad/Chennai shall have jurisdiction over all matter of dispute.

28.12 The venue of the Arbitration shall be the place where the Contract is concluded, or at Kolkata being the Headquarters of the Central Marketing Organization of SAIL. The venue of Arbitration shall be convenient to the parties to the Arbitration.

28.13 Work/supply under the contract shall be continued by the Service Provider under the contract and pending Conciliation/Arbitration proceedings and recourse to Conciliation/ Arbitration shall not be bar to continue with the work/supply.

28.14 The provision of the Arbitrator and Conciliation Act, 1996 and rules framed thereunder, if any, and all modifications/amendments thereto shall deem to apply and/or to be incorporated in this contract as and when such modifications / amendments to the Act/Rules are carried out.

29. **GENERAL:**

a) Proper security shall have to be made by WLA at their costs for the safe custody of materials supplied by SAIL. Any loss, damage or deterioration whatsoever and/or pilferage in premises /custody of WLA shall be solely to the account of WLA who will be bound to compensate SAIL suitably for such loss, damage and/or deterioration.

b) WLA shall not receive or accept any payment from customers of SAIL.

c) SAIL may post their employee(s) at the premises of WLA who would, over-see the conversion activities. The TCs issued will be counter-signed by the executive concerned.

d) At the end of contract period the rolls are to be disfigured to erase impression of embossing and refund / return of Security deposit and BG/ Custody & indemnity bond shall be dependent on SAIL satisfying itself about such defacement.

e) All matters relating to embossing SAIL Brand / Logo and its misuse will be considered as exceptable matter and SAIL's decision on the same will be final and binding on the Wet-leasing Agent.

f) Wet-leasing Agent will be contractually obliged to provide all infrastructure facilities (suitable office space with office infrastructure, testing equipment, instruments & gauges and any other facilities) to the officials of the TPIA appointed by SAIL that may be required to facilitate the smooth conduct of third party inspection.

g) SAIL may give suitable publicity of any misuse of Brand through notice / insertion in newspaper / media upon termination of the contract.

h) Inspection of embossing machines etc. prior to commencement of work would be mandatory in nature.

DRAFT APPLICATION FOR SUBMISSION OF TENDERS

To,
The Branch Manager
Branch Sales Office
Hyderabad/Chennai
Steel Authority of India Ltd.,
Central Marketing Organisation

Dear Sir,

Sub: Tender for entering into contract as Wet Leasing Agent of Steel Authority of India Limited for Conversion of TMT bars at/ in and around Hyderabad/Chennai.

1. Subject to the instructions and conditions given in the tender document, terms and conditions of contract and draft agreement annexed thereto, I/We hereby tender for the contract for working as Wet Leasing Agent for Steel Authority of India Ltd. I/We hereby certify that I/We have examined and am/are familiar with all the provisions of this tender document and agree to abide by all the terms and conditions laid therein.

2. The following certificates/documents are enclosed:

- Detailed list indicating documents/statement submitted as part of Pre-Qualification Bid including copy of BIS license, process license in case of TMT, declaration of ownership of computers, title deeds/ lease agreements for land as proof of possession, proof of ownership of equipments and facilities with details including weighbridge(s), excise and sales tax registration etc.

- No. of hot hours per month & for the year for the mill is as under:

- Recent experience certificates showing experience in Conversion, IF ANY.

Sample Documents indicating ongoing contracts in hand, if any. Documents like Balance Sheet and PL account on financial standing of the firm/company for last 3 financial years or for the period since commencement of business whichever is lower. Cover sheet indicates my Company's net worth and turnover for past three years.

Documents regarding constitution of the firm/company like partnership deed, memorandum and articles of association, etc.

Evidence of the authority of person signing this proposal and to a Contract resulting there from and the requisite Powers of Attorney (if required).

Details of experienced staff on hand and organization structure to be made available at _____ for this work.

Details of Equipment owned and proposed to be deployed alongwith proof of owning/leasing in form of letters from actual owners regarding their leasing it to me/us for duration of contract (if required).

Certificate from _____ (Name of Bank) who are my bankers and are a schedule bank about my sound financial standing.

My self declaration stating that I have the resources to undertake the Wet Leasing job envisaged in the tender.

My Self Declaration as to whether I have any relative within the meaning of Section 6 read with Schedule 1A of the Companies Act 1956, employed in any capacity in SAIL.

This tender document with all pages intact and duly signed by the authorised person.

3. A sum of Rs. 3,00,000/- only is forwarded herewith as Earnest Money in the form of demand draft / PO / Banker's Cheque No. _____ drawn on in favour of Steel Authority of India Ltd., payable at _____

4. I/We agree to keep this tender open for a period of 90 (Ninety) days from the date fixed for opening and the same cannot be withdrawn from the said period of 90 (Ninety) days or until a contract for the said work is fully executed, with a third party, whichever is earlier.

5. I/We do hereby declare that the entries made in the tender document and the annexures /appendices attached there are true.

Yours faithfully,

Signature of authorised representative of Tenderer

(Name of the authorised signatory)

Tenderer's address:

Telegraphic Address: Telephone Numbers: E-Mail Address:

Signature of Witnesses

Address of Witnesses 1.

2.

LETTER OF INTENT (LOI)

To
M/s.

Dear Sir,

Sub: Our Tender Notice No _____ dtd _____ for conversion of TMT bars
under Wet Leasing arrangement at Hyderabad/Chennai

Ref: Your Tender Quotation dt _____ in response to the subject Tender Notice

1. Please refer to your above Tender Quotations opened on _____ as also
(strike out whatever is not applicable) the subsequent negotiation held on _____ and/ or
your correspondence dated _____
and _____

2. We have the pleasure to inform you that your above tender has been accepted by
us. You are, therefore, requested to submit to us on or before _____, the
following documents, amongst others, as already stipulated in the Tender Terms:

a. Security Deposit, Bank Guarantee as per the Proforma at Annexure-VII from a
scheduled Bank, Custody-cum-Indemnity Bond for due performance of all the
obligations under the contract.

b. Original BIS Certificate and process license.

c. Proof of having acquired stipulated machines for embossing as per contract

Any other documents necessary as per the local conditions **

3. In the event you fail to submit the above document(s) within the prescribed time,
the
acceptance of your tender shall be withdrawn and you will be held responsible for all
consequences.

4. On your compliance of the above within the time and prescribed herein, we shall
issue you a Work Order enabling you to commence Conversion work envisaged under the
contract awarded to you.

5. On non compliance/ non submission of any of the documents indicated above by
the date indicated at para 2 above, the EMD deposited by you shall be liable to be

forfeited by the Company and you may be debarred from participating in future tenders for Conversion.

Please acknowledge receipt.

Thanking you,

Yours faithfully,
For STEEL AUTHORITY OF INDIA LTD.

BRANCH MANAGER

** to be deleted wherever required. ANNEXURE —VII

PROFORMA OF BANK GUARANTEE FOR WET-LEASING CONTRACT

(On non judicial stamp paper of appropriate value from a Scheduled Bank)

To
Steel authority of India Limited
Branch Sales Office
Hyderabad/ Chennai

1. In consideration of Steel Authority of India Limited, a government Company incorporated under the Companies Act, 1956 having its registered Office at Ispat Bhavan, Lodi Road, New Delhi — 110 003 and also having inter alia, one of its Branch Sales office at (hereinafter called 'the Company') having agreed to accept this Guarantee for due security and safe custody of the materials

despatched to M/s. (hereinafter called 'the said Wet Leasing Agent') for handling and storage of the iron and steel materials under the Agreement dated (hereinafter called 'the said Agreement' which expression shall include any formal agreement entered into subsequent thereto or in suppression thereof and all modifications to and amendments in the said Agreement) made between the Company and the said Wet Leasing Agent for handling and storage of the Iron and Steel materials covered under the said Agreement on furnishing a Bank Guarantee for Rs (Rupees) only, we (Name of the Bank) ... (hereinafter referred to as 'the Bank') do hereby undertake to pay to the Company an amount not exceeding Rs (Rupees) only against any shortage, loss or damage or deterioration caused to or suffered by or would be caused to or suffered by the company in respect of the said materials by reason of any breach(es) of any of the terms and conditions contained in the said Agreement, or for any reason whatsoever.

2. We do hereby undertake to pay (name of the Bank) the amount or amounts due and payable under this Guarantee from time to time up to the extent of Rs (Rupees) only without any demur / protest / question, merely on receipt of a demand from the Company stating that the amount (s) claimed is / are by way of loss or damage caused to / suffered by or would be caused to or suffered by the Company in respect of the said materials by reason of any breach of any of the terms and conditions contained in the said agreement by reason of the Wet Leasing Agent's failure to perform the said agreement or for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards the amount or amounts due and payable by the Bank after this Bank Guarantee.

3. It is hereby expressly agreed and declared that the Company shall have the fullest liberty to claim payment of the amount or amounts from time to time under this Guarantee subject to the ceiling limit of Rs. (Rupees) only, as referred to above and this guarantee shall not become invalid or in fructuous because of the partial demand(s) made by the company upon us for payment under the circumstances stipulated herein above and it is further declared that this Guarantee shall hold good in favour of the Company to the extent of the balance amount covered under this guarantee. It is further agreed and declared that the Company shall be the sole judge of and as to whether the said Wet Leasing Agent has committed any breach or

breaches of any of the terms and conditions of the said agreement the extent of loss and damage, caused to or suffered by or that may be caused to or suffered by the Company on account thereof and the decision of the Company that the said Wet Leasing Agent has committed such breach or breaches and as to the amount or amounts of loss and damages shall be final and binding on us. Any such demand or demands made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount, not exceeding Rs.(Rupees) only.

4. We, the said Bank, further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till the Company certifies that the terms and conditions of the said agreement have been fully and properly carried out by the said Wet Leasing Agent and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the (i.e. six months after the date of expiry of the said Agreement) and payment is made by us, we shall be discharged from our liability under this guarantee thereafter.

5. We, the said Bank, further agree that the Company shall have the fullest liberty, without our consent and without affecting in any manner our obligations hereunder contained to vary / modify any of the terms and conditions of the said agreement or to extend time of performance from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Wet Leasing Agent and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved of our liability by reason of any such variation / modification or extension being granted to the said Wet Leasing Agent or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Wet Leasing Agent or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

6. We (name of the Bank) agree and declare that this Guarantee will be valid and effective for a period of 4 years from the date of its issue and we further agree that the Guarantee herein contained shall not be affected by any change in the constitution of the said WLA.

7. We, the said Bank, lastly undertake not to revoke this Guarantee during its currency except without the previous consent of the Company in writing.

Dated _____ day of _____ 200

For

(name of the bank) Accepted

For & on behalf of

STEEL AUTHORITY OF INDIA LIMITED

PROFORMA FOR CUSTODY AND INDEMNITY BOND FOR WETLEASING

CONTRACT (To be executed on Stamp Paper of appropriate value)

To
Steel Authority of India Limited

WHEREAS We have agreed to act as your Wet Leasing Agent at for conversion of Steel to be handed over to us at railhead/your Steel Plants / Stockyards for proper transportation, storage, handling, offering full capacity of the mill exclusively for SAIL, safe custody and delivery to your various customers against valid delivery orders issued by your BSO at pursuant to the Agreement dated (hereinafter referred to as the said Agreement')

AND WHEREAS we have agreed to execute a Custody and Indemnity Bond in terms of the said Agreement for and in respect of the Steel materials delivered to us, we hereby declare and state as under:

NOW by this Custody and Indemnity Bond we hereby agree and undertake that we shall keep and hold the Steel materials meant for conversion as well as converted steel materials under the said agreement and keep the same under safe custody at our premises located at on your behalf and as your property in trust for you.

2 We shall be entirely responsible for the safe custody and protection of the said Steel materials at our risk till the same are duly delivered to your various customers OR as may be directed by you from time to time or at any time and shall indemnify you against any loss, damage or deterioration suffered by you or against shortages whatsoever in respect of said Steel materials delivered to us from time to time under said Agreement while the same remain in our custody. We further agree that the said Steel materials shall at all time be open to inspection by any person authorised by you.

3. SHOULD any loss or damage or deterioration or shortage occur or refund becomes due and receivable by you, on demand we undertake to compensate or to pay or to refund the amount forthwith and without any deduction whatsoever. You shall be entitled to recover from us compensation for such loss or damage or deterioration or shortage without prejudice to any other remedies available to you by deduction from any sum which at any time hereinafter may become due to us either under aforesaid Agreement or under any other Agreement (s). The amount so claimed by you shall be final and binding upon us.

4. WE further agree and affirm that you shall have the fullest liberty to vary any of the terms and conditions of the said Agreement without affecting in any manner whatsoever our

obligation under this Bond and we shall not be released from our liabilities under this Bond by the exercise of your liberty to vary and / or modify the terms of the said Agreement or by reason of any time being given to us or any other forbearance or indulgence given to us or any other act or omission on your part.

5. WE further agree and undertake that we shall not hypothecate and / or change and / or encumber in any manner whatsoever the materials, despatched to us, either in full or in part to any Bank or Financial Institution or any Association or any company or firm as a security or otherwise.

6. WE further agree and undertake that we shall not suffer any injunction and/or attachment and/or appointment of Receiver in respect of materials either in full or in part, delivered to us.

7. AND we further agree that this Bond shall remain in force till all the obligations under the said Agreement are fulfilled and the accounts relating thereto are finally settled by and between ourselves and yourselves and unless you expressly discharge this Bond in writing the same shall remain valid and in full force.

8. THIS Bond with all its provisions herein contained are in addition to and not by way of limitation of or substitution for any other Bond or Indemnity / Undertaking here before given to you by us, whether jointly with others or alone and now existing uncanceled and that this Bond is not intended to nor shall revoke or limit such Bond or guarantee / undertaking.

9. THIS Bond shall not be affected to any change in our constitution not shall it be affected by any change in your constitution or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and enforceable by the absorbing or amalgamated company or concern

IN Witness whereof we put our seal and signature on this
) (day
(month) (year)

Signed sealed and delivered By M/s

For and on behalf of

In the presence of: 1)
2)

WORK ORDER

To,
M/s.

Dear Sir,

Sub: Our tender Notice No _____ dtd _____

Ref: i) Your tender No _____ .dtd _____

ii) Our letter no. _____ dtd (Letter accepting tender)

iii) Your letter No _____ dtd _____
(Letter under cover of which documents indicated in letter accepting tender have been produced by the successful tenderer).

This has reference to your letter no _____ dtd _____ under cover of which you have submitted the documents as indicated in our letter no _____ .dtd (Letter of Intent). We are issuing this work order to enable you to commence the work under the Wet Leasing Contract immediately/ on and from _____ (date).

You are to execute the formal Agreement on non judicial stamp paper of appropriate value as per our prescribed proforma within 15 days from the date of this letter and submit the same to us in original for our record as also to enable us to process your bill(s) for payment.

Thanking you,

Yours faithfully,
For and on behalf of

STEEL AUTHORITY OF INDIA LTD.

BRANCH MANAGER

**PROFORMA AGREEMENT FOR WET-LEASING ARRANGEMENT OF STEEL
AUTHORITY OF INDIA LIMITED AT**

Contract No./Ref.No.

dated

THIS AGREEMENT made on this _____ day of _____ between the Steel Authority of India Limited (SAIL) , a Govt. Company incorporated under the Companies Act, 1956 having its registered office at Ispat Bhavan, Lodi Road, New Delhi 110003 and also having inter alia one of its Branch Offices (BSO) of its Central Marketing Organisation (CMO), at Hyderabad/Chennai here in after referred to as 'The Company' (which expression shall wherever the subject or the context so requires shall include its successors and assigns) of the ONE PART AND M/s.

a Company/Partnership Firm or Proprietorship Firm (as the case maybe) having their Registered Office/principal place of business at hereinafter referred to as 'The Wet Leasing Agent' (which expression shall wherever the subject or the context so requires shall include their successors and permitted assigns) of the OTHER PART.

WHEREAS the Company has issued advertisement for appointment of Wet Leasing Agents at on the terms and conditions as specified in the Tender documents as well as in its annexures.

AND WHEREAS the Wet Leasing Agent has submitted the Tender for appointment of Wet Leasing Agent as per the terms and conditions and rates specified in the Tender which has been accepted by the Company and the job of Conversion of steel materials at (place) _____ has been awarded to the Wet Leasing Agent vide its Work Order No. _____ dated _____.

AND WHEREAS it has been considered necessary and expedient to incorporate the terms and conditions as contained in the Tender documents in an instrument in writing.

NOW THESE PRESENT WITNESSETH and it is hereby agreed to and declared by and between parties hereto as follows: -

1. In consideration of the payments to be made by the Company in terms of the contract, the Wet Leasing Agent covenants and agrees with the Company to undertake the job of Conversion of Steel materials at _____ in the manner required and the Wet Leasing Agent agrees to do all such Conversion job strictly as per the terms and conditions as are mentioned in the Tender documents referred to in the various Annexures as under.

2. The various Annexures set out below and hereby annexed and marked as Annexures-I to X and A & B mentioned hereunder shall constitute the contract for the purpose of construction, interpretation and effect thereof.

- (a) Annexure — I Draft Advertisement
- (b) Annexure — II Invitation to Tender
- (c) Annexure — III Instructions to Tenderers
- (d) Annexure — IV Terms & Conditions of Wet-Leasing Contract.

- (e) Annexure — V Letter of Submission of Tenders
- (f) Annexure — VI Letter of Intent
- (g) Annexure — VII Bank Guarantee for Wet-Leasing Contract
- (h) Annexure — VIII Proforma for Custody & Indemnity Bond for Wet-Leasing Contract
- (i) Annexure — X Work Order
- (j) Annexure — A Proforma for Weekly Conversion by Wet Leasing Agent
- (k) Annexure — B Schedule of Wet-leasing Charges

3. In consideration of the due performance, execution and completion of the job strictly interms of this Agreement, the Company covenants and agrees to pay to the Wet Leasing Agent suchsum(s) as may become payable to the Wet Leasing Agent as the agreed rates as borne out by the Schedule of Conversion Charges referred to in the Annexure-B of Clause 2 above.

4. The Agreement shall be effective from (date) and shall remain in force for a periodof three years from the date for commencement of work as mentioned in the Work Order unless terminated earlier by the Company.

5. No modification of this Contract shall be valid and binding upon the parties hereto unless the same are made in writing and are signed by the parties and termed as an amendment to the Contract.

6. Failure to enforce any of the terms and conditions contained in this Contract shall not operate as a waiver of the terms and conditions or be construed as breach thereof

IN WITNESS WHEREOF the parties hereto have executed these present on the day, month and

year above ..(Name of the place)
written at

Name &
Signature of Branch Manager
For and on behalf of
Steel Authority Of India Ltd.

For and on
behalf of WITNESSES

Wet Leasing
Agent 1.
2.

WITNESSES

1.

2.

SCHEDULE DETAILING THE RATES ANNEXED.

ANNEXURE — A

**PROFORMA FOR REPORTING WEEKLY STATUS OF CONVERSION UNDER
WET LEASING**

Position as on

Conversion details and stock

Stock of Semis semis as on beginning of the month (MT)	Semis received during the fortnight (MT)	Size wise Conversion done (MT)	Stock of converted product held (MT)	Stock of in hand (MT)
--------------------------------------------------------------------	---------------------------------------------------	-----------------------------------------	-----------------------------------------------	-----------------------------

B. Supply position

D.O. No. & Balance Date	Size	Quantity (MT) (MT)	Qty delivered during the week	D.O. (MT)
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C) Please remit payment of Rs. (Rupees) towards Wet-leasing charge.

Signature with Seal
(Name & Add of WL Agent)

To
The Branch Manager Branch Sales Office

ANNEXURE– B

PROFORMA FOR SCHEDULE OF WET LEASING CHARGES

RAW MATERIAL: BILLET(90mm– 130 mm)/BLOOM(150 mm– 320 mm)IS 2830 (to be filled depending upon product being converted)

Detail of Finished materials to be converted			Wet Leasing Charges
Material	Size (MM)	Indicative percentage breakup	Charge (Rate) (Rs./MT) (consolidated rate for TMT)
TMT	8	15 %	
	10	15 %	
	12	25 %	
	16	30 %	
	20-32	15 %	

[Other sizes from other Plants may also be supplied as per SAIL's discretion]

- N.B.:
- 1) Rates to be quoted both in figure and words.
 - 2) Rates are to be kept valid at least for one year.
 - 3) The estimated percentage breakup is only indicative and for the purposes a general guideline as to the expected ends products. The actual quantum of work in the specific dia/size range can vary.

SIGNATURE OF THE TENDERER
WITH OFFICIAL SEAL

ANNEXURE-XI
TEST CERTIFICATE

SAIL TMT

(Name of the Wet leasing agent)

Wet Leasing Agent of SAIL for the year (Address of the Reroller)

(BIS License No.)

ANNEXURE-XII

ROLES & RESPONSIBILITIES OF WET-LEASING INCHARGE (SAIL)

PRIMARY ROLE :

RESPONSIBLE FOR OVERSEEING THE CONVERSION PROCESS THROUGH WET-LEASING AT THE LOCATION AND IMPLEMENTATION OF THE WET-LEASING AGREEMENT.

2. REPORTING/RELATIONSHIP :

REPORTING OFFICER: CONCERNED BM

RO (0): RBM (LP) OF THE REGION

3. FUNCTIONS AND RESPONSIBILITIES :

- A IMPLEMENTATION OF TERMS AND CONDITIONS OF WLA CONTRACT
 - B. PLANNING OF INPUT MATERIAL.
 - C ENSURING THROUGH CLOSE SUPERVISION, RECEIPT, APPRAISAL, PROPER STACKING AND IDENTIFICATION OF SEMIS, DOCUMENTATION THEREOF AND LINKAGE WITH TEST CERTIFICATES.
 - D PRODUCTION IN CONSULTATION WITH RBM (LP)/BM AND WLA.
 - E ENSURING SAMPLE TESTING OF FINISHED PRODUCTS, AND RECORD KEEPING THEREOF.
 - F. ENSURING THROUGH CLOSE SUPERVISION, BUNDLING, PAINTING MARKING/ TAGGING OF CONVERTED MATERIAL.
 - G ENSURE PROPER LINKAGE EXISTS BETWEEN FINISHED & INPUT MATERIAL THROUGH PROPER DOCUMENTATION AND RECORDS.
 - H CONDUCT RANDOM TEST CHECKS OF FINISHED PRODUCT SAMPLES
 - I ENSURING REGULAR CALIBRATION OF THE WEIGHT-BRIDGE(S) OF WLA AND MAINTENANCE OF RECORDS OF ZERO ERROR READINGS.
 - J COORDINATION WITH CONCERNED WAREHOUSE MANAGER FOR PLACEMENT OF VEHICLES.
 - K FACILITATING DELIVERY OF FINISHED GOODS, THROUGH SCHEDULING OF VEHICLES.
 - L DRAWING SCHEDULES FOR DELIVERY OF MATERIALS FROM WLA: I.E TO CUSTOMER, WAREHOUSE AND OTHER WAREHOUSE
 - M CALCULATING THE COST ECONOMICS FOR STOCK TRANSFER TO VARIOUS WAREHOUSES.
 - N. FACILITATE THE PROCESS OF THIRD PARTY INSPECTION.
 - O COORDINATION OF ACTIVITY RELATED TO REJECTION OF FINISHED MATERIALS
- 4.. LOCATION FOR POSTING: AT THE WLA PREMISES

ANNEXURE-XIII

ROLES AND RESPONSIBILITIES OF THE TPIA FOR WET LEASING ACTIVITIES.

The TPIA will be required to assume full responsibility on behalf of SAIL in regard to receipt of semis, production, quality and dispatch of finished steel at Wet Leasing Agent (WLA) premises related to SAIL's contract with its Wet Leasing Agent (WLA). This would include inspection of raw materials and finished products through the WLA route as well as of despatch clearance.

Further, they should also ensure that

- (1) The finished products converted with SAIL embossing under the contract are produced only from the rerollables supplied to the WLA by SAIL for the purpose.
- (2) The materials having SAIL's embossing is delivered by the WLA only against delivery orders issued by SAIL.
- (3) No material having SAIL embossing is rolled by WLA out of rerollables not issued under WLA contract

The TPIA will be required to take all actions that are in the interest of SAIL in operation of the contract with WLA.

The TPIA shall be required to carry out following tasks —

1. To certify chemical composition (by witnessing, Testing in Spectrometer/ Stolhor's apparatus), mechanical properties (by witnessing Tensile test in UTM, Bend Test, Hardness Test in Brinel/ Vickers machine and Fracture test through Charpy machine) and microstructure pattern of the products rolled based on sample testing, drawn as per sampling plan detailed below. The inspection will be carried out as per the Quality Assurance Plan drawn and the TPIA should inspect/ supervise testing accordingly.
2. To certify that the material tested meets the requirements of the ordered specification of SAIL on the Wet Leasing agency in all respect as given in the IS/SAIL specification for that grade including tolerances, surface characteristics etc.

3. To certify that proper tracing back of the tested sample has been done up to the raw material stage and they have been rolled from the raw material supplied by SAIL to the Wet Leasing agency.

For the same, the TPIA should witness all operational activities like witnessing receipt of SAIL's rerollables (raw materials) in WLA's yard, ensure appropriate marking and stacking of the rerollables at the designated location, witness cutting (if carried out) and charging of SAIL's rerollables in the furnace and subsequent rolling into finished products.

Further, in order to facilitate the tracing back, the TPIA should ensure proper maintenance of the master log book by the conversion/ Wet Leasing agency, as may be required, detailing the lot number, size, grade, vehicle number, date of receipt, TC number of the plant, Heat No., chemical composition as given in the TC, No. of pieces received, results of visual inspection carried out, check analysis report on chemical composition on the input side and should assign a unique lot No. per vehicle load.

In case of variations beyond prescribed limit of IS/ SAIL specification between heat and product analysis of input material, the chemical composition of input material should be got retested by the third party Inspection Agency and recorded under his signature. Only if the same are established to be within prescribed limit of IS/ SAIL specification the rolling should be undertaken. Any Semis found unsuitable for Rolling will be sent back to the Warehouse under the Joint inspection of TPIA, WLA & Branch Officials.

On the output side, sizes of material rolled, grade, tonnage, date of rolling and results of mechanical and chemical testing should be entered into against the unique lot No. allotted. When the material of that inspected lot is despatched from the premises of the Wet Leasing Agent, the challans No., Test Certificate No. issued, Vehicle No., and date of despatch and destination should be entered into against the unique lot No. allotted. The same unique lot No. should also be assigned to the final product.

In the master log book, the third party Inspection Agency should affix his signature with the date of inspection of the lot. This will enable complete tracing back of the finished material up to the raw material stage.

4. To countersign and certify the test certificate issued by the Wet Leasing agent with their official seal. TPIA should also ensure that the TC's issued for the finished products contain the Heat Number, (available from the Test certificate issued from the plant as corresponding link to the Semis bearing the name of the Plant), along with Lot Nos. allotted before countersigning the TC's.

5. To also affix their seal on the tag of the product bundle.

6. Submission of report to the Branch Manager on daily basis, listing out the lot numbers inspected and certified by them detailing the size, grade, tonnage and date of inspection/certification of both input and output products.

7. The sampling plan will have to be followed by the TPIA: in case of Reinforcement Bars, one sample per 10 Mt or part thereof should be tested.

8. a) Deployment of TPIA personnel at the premises of WLA on 24 hrs basis is the essence of the contract.

b) The TPIA shall deploy their employees at Wet leasing agent's premises (as the case maybe) on the date of commencement of work as stipulated in the Work Order.

c) TPIA shall employ for SAIL's work under this contract only those inspectors who have as a minimum Educational qualification of a Graduate Degree in science/ Engineering Degree/ Diploma, preferably with qualifications & experience in Testing & inspection.

d) SAIL reserves the right to seek replacement of unsuitable inspector. SAIL's decision in this regard shall be final.

e) Successful tenderers' representative(s) shall maintain a daily attendance register which will be kept at the WLA premises at all times.