

ANNEXURE - I

**STEEL AUTHORITY OF INDIA LTD
CENTRAL MARKETING ORGANISATION
BRANCH SALES OFFICE
F-10, SECTOR 6
ROURKELA-769006
PH:0661-2601471 ,Fax: 0661-2601470**

Sub: Appointment of Conversion Agents for conversion of TMT Bars under the jurisdiction of BSO Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh

A. Sealed tenders in prescribed forms are invited from bonafide and resourceful firms/companies with BIS registration holding valid license for processing any out of Thermex or Tempcore or evcon or Turbo Quenching and with sound financial standing and capable of conversion of steel material under the jurisdiction of BSO Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh.

B. Tender document in duplicate along with all other terms and conditions can be obtained from our Branch Sales Office Rourkela at the above address on payment of Rs 1000/- (Rs One Thousand only) in cash (non refundable) between 10am to 4 pm on any working day up to 07.07.2014. Tender documents can also be downloaded from the website www.sailtenders.co.in

C. The tender document should be submitted with necessary EMD and the cost of downloaded tender documents, if applicable, in the above office on 14.07.2014 by 2.30P.M. The pre-bid will be held on 10.07.2014 at 3.00 P.M.

D. Tenders will be opened on 14.07.2014 at 3.00pm immediately thereafter in the presence of such tenderers as may choose to be present.

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

Branch Manager

ANNEXURE - II

**STEEL AUTHORITY OF INDIA LTD
(A Govt.of India Enterprise)
CENTRAL MARKETING ORGANISATION
BRANCH SALES OFFICE, Rourkela**

INVITATION TO TENDER

Messrs.....
.....
.....

Dear Sirs :

Sub: Tender for appointment of a Conversion Agent under the jurisdiction of BSO Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh for conversion of TMT.

Ref: Your letter no. dated

1. Sealed tenders in prescribed proforma enclosed are invited from bonafide, resourceful and experienced persons/firms / Companies for appointment of a Conversion Agent for conversion of steel materials under the jurisdiction of BSO Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh.

2.1 Financial Standing

The tenderer should be of sound financial standing and should provide a certificate from their Bankers, based on their transactions during the preceding three years.

2.2 Performance Record

Tenderers whose contract(s) were or have been terminated due to non-performance or unsatisfactory performance shall not be considered eligible.

2.3 Eligibility of Tenderers

The Tenderer should have good market reputation and be of sound financial standing and should provide a certificate from their Bankers, based on their

transactions during the previous three years and also submit their Balance Sheet for the previous three years. The requirement of Balance Sheet may be relaxed by SAIL in respect of new units. They should be a valid BIS License holder of TMT bars as per **IS1786:2008 for FE 500,550, FE500D** etc. The sizes 8mm to 32 mm diameter are envisaged for conversion. Re-rollers producing reinforcement bars should have capacity to produce the same through any of the Thermo Mechanical Treatment processes like Thermax, Tempcore and processes like Evcon or Turbo Quenching and should hold Licenses thereof at the time of application. The mill of the CA would preferably need to have ISO 9000 certification. Past dealings with SAIL or any other main producers during the previous 3 years will be preferred. Apart from having necessary plant and equipment for conversion, the tenderers should have embossing facility.

The Conversion Agent shall be required to own suitable computers and also make arrangement for Internet connectivity for availing connectivity to ERP System. The renewal /extension and fresh tenders for Conversion contract shall be subject to ownership of suitable computers and Internet connectivity at the conversion Agents premises. Re-rollers/manufacturers who have been found to have misused the SAIL Brand/Logo any time during the last 5 financial years would be barred from participation in the tender.

3. 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 on 14.07.2014 by 2.30 P.M. Tenders can also be submitted by Post/Courier. Tenders must be submitted in 3 parts in 3 separate sealed covers put inside one master cover superscripting "Tender for appointment of a Conversion Agent for Conversion of TMT Bars under jurisdiction of Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh. Interested tenderers may also download the entire Tender Documents from SAIL website and submit their tender on downloaded copy. In such cases, payment of Rs.1,000/- (Rupees One Thousand Only) towards cost of Tender Documents (non-refundable) is to be made by Pay Order/Demand Draft on a scheduled bank except Catholic Syrian Bank and Gramin /Cooperative Bank in favour "Steel Authority of India Limited" payable at Rourkela. The downloaded documents not accompanied by cost of Tender Documents are liable to be rejected."

4. 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 being handled / expected to be handled, as well as information contained in the enclosed Instructions to Tenderers including the Terms and Conditions of the Conversion 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.

5. The tender shall be kept valid for a period of 90 days from the date of opening of Part I 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.

6. 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.

7. 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
CENTRAL MARKETING ORGANISATION
BRANCH SALES OFFICE, ROURKELA**

Ref.No. Phone :0661-2601471

Fax :0661-2601470

INSTRUCTIONS TO TENDERERS

1. SCOPE OF WORK

The conversion jobs would broadly involve:-

- a) Procurement of Semis from SAIL Plant(s)/Syd(s) or Rly.Goods Shed.
- b) Conversion of semis into finished products viz. TMT Bars as per the specified size/quality in compliance with the terms & condition and guidelines of the company on the same.
- c) Supply these converted products to company specified customers' / allottees .
- d) Complying all the relevant provisions of the statutory authorities like Excise, Sales Tax etc. as applicable.
- e) **SAIL at its own discretion may appoint one number of conversion agent depending on requirement while finalisation of tender.**

2. CONVERSION CHARGES

For the conversion job, CA will be given a conversion charge for supply of 1 tonne of finished goods which will be deemed to include:

- Cost of transportation of semis from SAIL stockyard / Public Booking Point (PBP) to CA's premises, if any.
- Handling cost at PBP / Pvt. Siding of C.A.
- Conversion costs for finished products.
- Storage / Stacking charges.
- Bending, bundling and metal tagging.
- Weighing charges.
- Testing and inspection charges.
- Handling expenses for delivery into customer's trucks.
- Cost of any other services to be rendered to us as well as to our customers.

-Profit margin of CA.

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

3. METAL LOSS

Besides the above conversion charges, CA shall be compensated for metal loss to the extent of 5 % of the quantity for all types of re-rollables supplied for conversion. In other words, for every tonne of re-rollable supplied, C.A. shall return 0.95 tonne of finished goods.

4. E. M. D.

Conversion Agents are required to give an amount of Rs.1.5 lacs in the form of Demand Draft/Pay Order/Banker's Cheque only issued by scheduled bank except from any Gramin/CooperativeBank and from any branch of Catholic Syrian Bank Ltd. favour of Steel Authority of India Limited payable at Rourkela towards EMD at the time of submitting tender documents. No interests will be payable to the tenderers for this EMD amount. Tenders are required to give this EMD in a separate envelope without attaching it with any part of tender/quotation. No request for adjustment of earlier dues in place of EMD shall be entertained. The EMD, provided by unsuccessful Tenderers, shall be refunded after 30 days of issue of work order to the successful tenderers. EMD in respect of successful tenderers 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 Intent (LOI), the EMD shall be liable for forfeiture.

5. FINANCIAL SECURITY

i) SECURITY DEPOSIT

CA shall submit a total amount of Rs.10 lakhs as a Security Deposit in the form of Pay Order/Demand Draft/Banker's Cheques only issued by scheduled bank except from any Gramin/CooperativeBank and from any branch of Catholic Syrian Bank Ltd. favour of Steel Authority of India Limited payable at Rourkela. No interest will be paid by SAIL on such Security Deposit. The EMD taken from successful bidders would be adjusted as a part of Security

Deposit and balance amount (Rs. 8.5 lacs) shall be taken in addition. However, for the purpose of forfeiture of Security Deposit for unsatisfactory performance, only the amount converted from EMD i.e. Rs. 1.5 lacs will be taken into consideration. The Security Deposit will be refunded at the end of tenure of contract to the extent of balance available.

ii) B. G.

. The CAs will be required to submit a BG for the conversion contract. Since re-rollables would be supplied in phased manner, BG proposed to be taken would generally cover value of re-rollables to meet requirement of re-rollables for conversion for 21 days. Bank Guarantee to be taken from the CA would be as follows:

Monthly Turnover(Qty in MT)	BG Amount(Rs. In Lacs)
>3000-5000	450
>2000-3000	300
>1000-2000	250
<1000	175

In exceptional cases, cash deposit (non. interest bearing) in lieu of Bank Guarantee may be allowed for supply of re-rollables to CAs after obtaining specific approval of RM (LP)/ICWF on case to case basis.

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

6. VALIDITY OF TENDER

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

7. MODE OF SUBMISSION OF THE TENDER

The tenderers shall submit their tenders in 3 parts. The EMD shall be put in a sealed envelope No. 1 super scribed with '**Tender for Conversion of TMT Bars under the jurisdiction of Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh.**' The technical bid shall be put in a separate sealed envelope No. 2 superscribed with '**Tender for Conversion of TMT Bars under the jurisdiction of Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh.**'. The price bid shall be put in a separate sealed envelope No. 3 superscribed with '**Tender for Conversion of TMT under the jurisdiction of Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh. - Price Bid**'. For downloaded tender documents the tenderer must also submitted the cost of tender documents in the form of Pay Order/Demand Draft in Envelop no. 1.

All the envelopes shall indicate the name and address of the tenderer and shall be sealed and put inside another envelope No. 4 which shall be submitted in sealed condition by the tenderer. The envelope No.4 shall have the superscription '**Tender for Conversion of TMT Bars under the**

jurisdiction of Rourkela covering districts of Sundargarh, Sambalpur, Jharsuguda, Kendujhargarh and Deogarh.’ and shall indicate the name and address of the tenderer.

8. TECHNICAL BID

The technical bid shall contain the following documents –

a. The tender papers, i.e. the application for submission of Tenders, Tender Notice, Invitation to Tender, Instruction to Tenderers and Terms & Condition of the Contract along with all the related documents and annexure. All the pages shall be 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.

b. 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. Name & addressed of the Bankers of the tenderer along with certificate from the Bankers on financial soundness of the tenderer indicating the particulars of transactions during last 1 year. Copy of BIS License and process license i.e. Thermax, Tempcore, Evcon or Turbo Quenchduly attested by a Gazetted Officer/Notary Public. Prospective Conversion Agent (CA) for TMT would have to be a license holder of either Thermax, Tempcore, Stelmore or Evcon processes of TMT at the time of application. The mill of the CA would preferably need to have ISO 9000 certification.

i) Proof of possession/ownership of infrastructural facilities like land, equipment, weighbridge etc. through submission xerox copy of the Title Deeds, Lease Deeds etc.

ii) Details of equipment and other facilities, viz :

Annual capacity & daily number of shifts worked.

Size range for the various outputs.

Testing laboratory and the facilities.

Mill size/no. of strands and type of feeding i.e. automatic/manual.

Minimum & maximum size of Billets/other rerollables 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.

Sketch of the area proposed to be earmarked for storing/stacking of SAIL materials.

Process adopted for manufacturing TMT Bars.

Copy of the Excise Registration certificate.

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

Balance Sheet may be relaxed by SAIL in respect of new units.

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

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.

e. Declaration stating that the tenderer owns suitable computers along with Internet connectivity for connecting to ERP System.

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

9. RECEIPT OF TENDERS

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.

Tenders which have been sent by post or through courier shall be received at the Receipt & Despatch Section of the Branch. Particulars regarding receipt of such tenders shall be entered in a register kept for this specific purpose indicating the name of the tenderer along with the date and time of receipt of the tender. 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. In case any deviation is found in the Downloaded tender documents submitted by tenderers than what has been stated in the original tender document such tenders shall be liable for rejection.

10. OPENING OF TENDER

The tenders received by the Company shall be opened at the stipulated date, time and place in presence of the Tenderer(s) and/or their authorised representative(s) who is/are to be present. Tender(s) not fulfilling all the conditions shall be liable to be rejected. The tenders which are not accompanied by EMD shall also be liable to be rejected summarily.

A Tender Opening Committee constituted by the RM(LP) shall first open the envelope No.4 submitted by the tenderers at the appointed time and date .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. In case any individual is representing more than one tenderer, the fact should be noted for future reference to avoid any possibility of cartel formation. Next the envelope No. 1 and envelope for cost of downloaded Tender Documents shall be opened for all the tenderers to see as to whether all the tenderers have submitted the EMDs and the cost of downloaded tender documents, if applicable. In case any tenderer fails to submit the EMD (Excepting the exempted tenderers, if any), and cost of downloaded tender Documents, the tender submitted by such tenderers shall be rejected. The technical bids of eligible tenderers, whose tenders have not been rejected due to non submission of required EMD and the cost of downloaded tender documents, if applicable, as contained in the envelope No. 2, would be taken up next for opening and thereafter for evaluation and verification. The date & time of the opening of the price bid shall be intimated to such tenderers who qualify technically.

11. PRICE BID

The envelope shall contain the schedule of rates duly filled up both in figures and words. In case of any discrepancy between the two, the rates quoted in words shall be accepted. In case of any correction/erasing etc., the same should be countersigned by the authorised signatory of the tenderer and stamped with the office seal of the tenderer. The tenderers shall be required to submit the conversion rates irrespective of the source/mode of supply for the inputs of Billets quality IS 2830. Schedule of conversion charges as contained in Envelope No.3 shall be opened on the due date and time by the Tender Committee in the presence of technically qualified tenderers present and records kept as described at paragraph above .It should be clearly indicated in the tender document that SAIL reserves the right to accept or reject any or all tenders without assigning any reason.

12. TECHNICAL EVALUATION

For technical evaluation of the tenders, the Tender Committee shall undertake thorough inspection of the infrastructure and other facilities offered by the tenderers. The Committee may like to do the technical evaluation of the offers on the basis of the following suggested criteria:

- a) Whether the tenderer is a BIS License holder and also holder of valid process license i.e. Thermax, Tempcore, Evcon or Turbo Quench
- b) The Plant capacity and the range of products.
- c) Financial soundness.
- d) Market reputation.

- e) Past experience, if any, particularly in carrying out jobs for main producers.
- f) Availability of technology for conversion of TMT.
- g) Mill size/no. of strands.
- h) Minimum & maximum sizes of inputs acceptable.
- i) Length of the cooling bed.
- Embossing facility.
- Straightening facility.
- Cold/Hot shearing facilities.
- Type of feeding mill.
- Availability of testing laboratory with required facilities like spectrometer which is mandatory.
- Scope for third party inspection.
- Cranes, handling equipments and weighbridge.
- Area proposed to be earmarked for SAIL.

13. EVALUATION OF PRICE BIDS

The Tender Committee shall open the price bids of those tenderers who had been successful at the technical evaluation stage. The Committee shall prepare comparative statement for participating tenderers in respect of the various input-output combinations as per the schedule of rates. In case the L-1 rate obtained for a specific input-output combination is considered acceptable then the Tender Evaluation Committee may recommend placement of contract to L-1 tenderer for that specific input-output combination. In case the L-1 rate so obtained is considered high the Tender Committee may hold negotiation with the L-1 tenderer for bringing down the rate for the specific input-output combination to the best extent possible. It is to be noted that negotiations can be held only with the L-1 tenderer and also rates cannot be increased after negotiations. In case any tenderer fails / refuses to justify his quoted rates, his tender will be rejected. Since it may be necessary to appoint more than one contractor at a particular location, the same fact should be clearly indicated in the tender papers mentioning the likely number of contractor proposed to be appointed. The tender documents should also indicate that L-2, L-3 tenderers etc. may be asked to match the L-1 rate, failing which they shall not be considered for awarding of the job.

In case the job is to be awarded to more than one contractor for a particular input-output combination, the L-2, L-3 tenderers etc. shall be asked one after another to match the L-1 rates. In case of their agreeing to do so, they shall be awarded a part of the job in respect of the specific input-output combination at the L-1 rates.

In case of appointment of multiple contractors for the same input-output combination, the ratio of splitting the orders would be as follows:

Distribution among	Ratio for original ranking L1, L2, L3, L4, L5, L6, L7, L8
Two Parties	70 : 30
Three Parties	60 : 25 : 15
Four Parties	50 : 25 : 15 : 10
Five Parties	40 : 25 : 15 : 10 : 10
Six Parties	35 : 20 : 15 : 10 : 10 : 10
Seven Parties	30 : 20 : 10 : 10 : 10 : 10 : 10
Eight Parties	25 : 15 : 10 : 10 : 10 : 10 : 10 : 10

Note:

Against orders obtained by SAIL, work to be distributed amongst the various contractors according to the formulae stipulated in the tables. If bulk orders of minimum 1000 tonnes is received from a customer, quantity to be released on Conversion Agents shall be in the ratio as above on order to order basis.

For small orders of less than 1000 tonnes received from customers, the matching of ratios between L-1, L-2 etc. may be done on quarterly basis.

Against orders brought by contractors, work may be given to him for the full quantity without distributing to other contractors.

In case more than tenderer share the same original rank, then their share will be added and distributed equally among them. For example, if distribution is to be made among 4 parties with 2 parties having the same original ranking of L-2, i.e. the rankings are L-1, L-2, L-2 and L-4 then the distribution would be :

L-1	35%	
L-2	17.5% }	i.e. 20 15 2
L-2	17.5% }	
L-3	10%	
L-4	10%	
L-5	10%	

If three parties have the same ranking viz. L-1, L-1, L-1, L-2, L-3, L-4 then the distribution shall be :

L-1	23.33% }	i.e. 35 20 15 3
L-1	23.33% }	
L-1	23.33%	
L-2	10%	
L-3	10%	
L-4	10%	

However, in case of tie among the same ranking parties i.e. in a situation where ranking is L-1,L-1, L-2, L-3, L-3, L-3, L-4, and only four parties are to be considered for placement of order, the distribution shall be :

L-1	37.5%	i.e 50+25
L-1	37.5%	2
L-2	15%	
L-3	10%	

And only one party among the three L-3 parties to be selected through draw of lot in the presence of their representative.

On approval of appointment of specific contractors by SAIL, as proposed by the Tender Evaluation Committee, the Branch Manager shall issue a Letter of Intent to the successful tenderer to complete formalities like submission of BG, submission of Custody and Indemnity Bond with a period of 30 days. SAIL are empowered to extend the period of submission of these documents beyond 30 days, as deemed fit. The work order will be issued to the successful tenderer on completion of all the formalities detailed in the Letter of Intent. Within 30 days of issue of work order, the contractor will be required to sign an agreement with SAIL for the job awarded. The successful tenderer shall execute a formal Agreement on non-judicial stamp paper. 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.

On signing of the agreement, regular payment to the contractor for the jobs performed shall normally be made on the quantity delivered. The issue of LOI and Work Order to the successful tenderer and signing of agreement with the contractor will be the responsibility of the respective Branch Manager.

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.

14. REJECTION OF TENDERS

Tenders are liable to be rejected in case the instructions indicated above on submission of tenders are not followed. In case any deviation is found in the downloaded tender documents submitted by tenderers than what has been stated in the original tender document such tenders shall be liable for rejection.

15. BANNING OF BUSINESS DEALINGS

SAIL reserves its rights to ban business dealings if the conversion agent is found to have committed misconduct as also to suspend business dealings pending investigations. Further, In case the conversion agent , his partner ,

member, servant, labour, agent, representative and /or any person working for and on behalf of the conversion agent is found involved in any unauthorised, or wrongful removal of materials not sold or in any attempt of for such removal, this shall amount to breach of contract as well as misconduct caused by the CA and Company shall be entitled to forfeit the Security Deposit and any other amounts, money or material that may be lying with SAIL at the risk and cost of the Conversion Agent in addition to banning of the business dealings as mentioned above.

The Conversion 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.

The decision of the Chief Executive of the Central Marketing Organisation, SAIL will be final and binding on the contractor 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 the absence on duty or due to his non-availability for any other reasons, whatsoever. Notwithstanding anything contained in previous paragraphs, the Company shall reserve its right to terminate/short-close the contract summarily in case on enquiry it is found that the conversion agent has committed misconduct/malpractice in connection with present contract. In that event the Company shall reserve its rights to suspend business dealings in relation to other contracts also.

16. GENERAL

- a) C.A. shall not receive or accept any payment from customers of SAIL.
- b) No employee of the Company shall handle a case of contract with any of his relations or a firm of which the relation is a partner or a company of which the relation is a Director unless specifically approved by his higher authority on proper disclosure of the fact or relationship.

ANNEXURE – IV

TERMS AND CONDITIONS OF CONVERSION CONTRACT UNDER THE JURISDICTION OF ROURKELA COVERING DISTRICT OF SUNDARGARHM SAMBALPUR, JHARSUGUDA, KENDUJHARGARH AND DEOGARH OF STEEL AUTHORITY OF INDIA LIMITED

1.0 DEFINITIONS

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

1.2 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 Office at Rourkela, F-10, Sector-2, Rourkela-769006.**

1.3 The expression Executive Director (Marketing) shall mean the Executive Director (Marketing) of the Company or any other officer of the Company for the time being in charge of the Company’s Central Marketing Organisation (Home Sales).

1.4 “Regional Manager “shall mean the Head of the Region, or any other Officer of the Company for the time being, in charge of the Region.

1.5 “Branch Manager “ shall mean the Branch Manager of the Concerned Branch under whose jurisdiction the Conversion yard is situated or any other Officer of the Company for the time being in charge of the Branch.

1.6 “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”.

1.7 “Conversion Agent” (CA) shall mean the tenderer whose tender has been accepted by the “Company” and shall include Conversion Agent’s successors and assigns approved by the Company.

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

1.9 “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).

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

1.11 COMPANY'S MATERIALS means Iron and steel materials despatched from the company's Plants at Bhilai, Durgapur, **Rourkela** and ISP and also stock transfer of such materials from any of company' stockyards.

1.12 ``TPIA'' shall mean Third Party Inspection Agency appointed by SAIL for ensuring testing & inspection of raw materials to finished products at CA's premises on behalf of SAIL as per SAIL guideline.

2. SCOPE OF WORK

2.1 SAIL will deliver the re-rollables materials to the CAs directly from the nearest Plants. Occasionally re-rollables may also be supplied from stockyards of SAIL or from public booking points situated near the works of the CAs or even at the private Railway siding of the CA. While loading into the transport provided by the CA will be done free of cost by SAIL at the Steel Plants/Stockyards, the CA shall have to arrange to bring the materials to their own premises under their own arrangement.

In case of direct delivery to the Conversion Agent at the Plant, either transportation cost actually incurred or PPM Freight from the Plant to the nearest stockyard destination, whichever is lower, will be reimbursed to the Conversion Agent. In other words, if the actual freight incurred is less than the PPM Freight, reimbursement will be made for the actual freight only.

In case, the actual freight incurred is more than the PPM Freight, the reimbursement will be restricted to the extent of PPM Freight.

However, if the re-rollables are despatched by wagons to public booking points, the CA shall have to arrange for unloading and transportation of the same to their premises at their own cost. For delivery of re-rollables from stockyards, the transportation cost for carrying the materials to the premises of the CAs would be borne by the CAs themselves. They shall unload the re-rollables inside their premises at their own cost and stack them after ensuring proper identity of the material. They shall have to convert such re-rollable materials into finished items on specific instruction from SAIL.

2.2 It is expected that the CA would complete the conversion job within 7 days from the date of receipt of material at their premises.

2.3 Normally, orders for the finished products will be procured by SAIL. Semis would be allotted to CA when firm orders for finished products are available. The CA shall supply the finished products to the customers of other Branches based on the Delivery Orders issued by the appointing Branch. The finished items shall have to be supplied by C.A. within 15 days from the date of the presentation of D.O against proper authorisation letter from the receiving party or within 15 days from the date of receipt of Semis at their premises whichever is later.

The CA must ensure that the quantity so delivered does not exceed the D.O. quantity. The CA shall have to provide Test Certificates to the receiving party at the time of delivery. If required, the Branch Sales Office shall organise delivery and transportation of material to customers of SAIL/other Branches of SAIL on 'Door delivery' basis from the Conversion Agent's premises.

2.4 Review of performance shall be done at the end of every year.

3. DOOR DELIVERY

The scheme basically envisages that Conversion Agents shall supply converted products to 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 shall provide door delivery for all converted products from the Conversion Agent's premises through the transporters appointed for the purpose.

Converted product may also be brought to the Stockyard by authorized transporter of SAIL for onward delivery to the customer. Conversion Agents 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 CAs premises, to the parent stockyard, will be "Pre-fixed". Escalation will be paid as applicable. However, this will not be taken for evaluation of Price Bid. The quantity to be transported will be as per SAIL's requirement.

4. SUPPLY OF RAW MATERIAL

i) Re-rollables would be supplied to CAs on stock transfer basis from ISP, BSP, DSP, RSP and VISL. Re-rollables from RSP, BSL or any other Plants of SAIL that may subsequently be available can be supplied to any of the CAs, if required.

ii) Normally, Semis from BSP/ VISL would be supplied to CAs located in WR and SR whereas Semis from RSP/DSP/ ISP would be made available to CAs located in ER & NR. However, SAIL reserves the right to supply Semis from any of the Plants or to any of the Regions.

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

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

5. FINANCIAL SECURITY, LOI AND AGREEMENT

5.1 SECURITY DEPOSIT

CA shall submit a total amount of Rs.10 lakhs as a Security Deposit in the form of Pay Order/Demand Draft/Banker's Cheques only issued by scheduled bank except from any Gramin/Cooperative Bank and from any branch of Catholic Syrian Bank Ltd. in favour of Steel Authority of India Limited. No interest will be paid by SAIL on such Security Deposit. The EMD of Rs.1.5 lacs taken from successful bidders would be adjusted as a part of Security Deposit and balance amount (Rs. 8.5 lacs) shall be taken in addition. However, for the purpose of forfeiture of Security Deposit for unsatisfactory performance, only the amount converted from EMD i.e. Rs. 1.5 lacs will be taken into consideration. The Security Deposit will be refunded at the end of tenure of contract to the extent of balance available on successful completion of all the jobs under the Contract.

5.2 B. G./Custody & Indemnity Bond

The CAs will be required to submit a BG for the conversion contract. Since re-rollables would be supplied in phased manner, BG proposed to be taken would generally cover value of re-rollables to meet requirement of re-rollables for conversion for 21 days. Bank Guarantee to be taken from the CA would be as follows :

Monthly Turnover(Qty in MT)	BG Amount(Rs. In Lacs)
>3000-5000	450
>2000-3000	300
>1000-2000	250
<1000	175

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

5.3 The Branch Manager shall issue a Letter of Intent to the successful tenderer to complete formalities like submission of BGs, submission of Custody and Indemnity Bond with a period of 30 days. The work order will be issued to the successful tenderer on completion of all the formalities detailed in the Letter of Intent. Within 30 days of issue of work order, the contractor will be required to sign an agreement with SAIL for the job awarded. The successful tenderer shall execute a formal Agreement on non-judicial stamp paper. 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.

5.4 On signing of the agreement, regular payment to the contractor for the jobs performed shall normally be made on the quantity delivered. The issue of LOI and Work Order to the successful tenderer and signing of agreement with the contractor will be the responsibility of the respective Branch Manager.

5.5 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.

6. CONVERSION CHARGES

For the conversion job, CA will be given a conversion charge for supply of 1 tonne of finished goods which will be deemed to include:

- Cost of transportation of semis from SAIL stockyard / Public Booking Point (PBP) to CA's premises, if any.
- Handling cost at PBP / Pvt. Siding of C.A.
- Conversion costs for finished products.
- Storage / Stacking charges.
- Bending, bundling and metal tagging.
- Weighing charges.
- Testing and inspection charges.
- Handling expenses for delivery into customer's trucks.
- Cost of any other services to be rendered to us as well as to our customers.
- Profit margin of CA.

For release of payment against Conversion, the contractor 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 Conversion Charges,
- b) Copies of Delivery Challans,
- c) Copies of Excise Invoices issued under Rule 11(earlier Rule 52A). etc. pertaining to (b) above
- d) Copies of Tax Invoices(VAT Invoices)
- e) Test Certificates pertaining to the deliveries at (b) above.

7. METAL LOSS

Besides the above conversion charges, CA shall be compensated for metal loss to the extent of 5 % of the quantity for all types of re-rollables supplied for conversion. In other words, for every tonne of re-rollables supplied, C.A. shall return 0.95 tonne of finished goods.

8. ESCALATION OF RATES

The conversion 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 conversion charges will be revised based on the following weightage and neutralization for each of the components:

Components	Weight	Neutralization	Basis
Labour	10 %	100 %	Minimum or statutory Wages as per notification of labour department of the concerned state government.
Fuel (furnace Oil)	20 %	60 %	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.

9. EXCISE DUTY

9.1 The CA shall in accordance with prevailing procedure prescribed by Excise Authorities, comply with all necessary formalities such as Registration with Excise Depts. And the documentation and timely furnishing of return stipulated by Excise Authorities.

9.2 The CA shall ensure that the applicable excise duty is paid within due date as per Excise law on delivery of converted/finished products. The CA shall be reimbursed the differential between Excise Duty deposited on the finished products and credit of Excise duty availed on re-rollables supplied by SAIL, subject to Excise law in force.

10. GUARANTEE OF WORK

No guarantee whatsoever shall be given by SAIL to the contractor or any definite volume of job of for conversion of re-rollables at any given period of time during the entire tenure of contract. However subject to making re-rollables available by SAIL, the CA shall have to supply a minimum quantity of 1500 Tonnes per month. Review of performance shall be done at the end of every year.

11. EXCESS/SHORTAGE

The contractor shall have to accept the receipt quantity of re-rollables as per the quantity indicated in stockyard challan, recorded on the basis of the weighment done at the weighbridge of SAIL. In case of supply of re-rollables directly from plant, the quantity indicated in the Conversion Advice shall have to be accepted as receipt by the contractor. However, in case of delivery from contractor's premises, the weight recorded in the weigh-bridge of the contractor shall be accepted. For this purpose, the contractor shall get his weigh-bridge duly certified at regular intervals by the Inspectors of Weights & Measures Deptt. of the Govt. At the end of the contract period, the contractor shall have to compensate SAIL on the shortages found. However, excess material physically available, if any, shall be returned by the contractor to SAIL, at the prevailing rate of SAIL applicable for highest priced finished Converted product within the production range as contracted between SAIL and the CA. In case of stock transfer of converted products from CA's premises to any of the SAIL's warehouses /stockyards, the weight as recorded at SAIL's warehouse / stockyards shall be final.

(i) In case of delivery from CA's premises to the customers, the weight recorded in the weigh bridge of the CA's shall be accepted.

(ii) In case of delivery from CA's 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 CA's 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 CA's premises to the SAIL stockyard by the CA himself, the weight as recorded at SAIL's warehouses / stockyards shall be final.

12. INSPECTION & QUALITY CONTROL

To ensure that all materials despatched to customer/other Branches conform to the BIS specification, regular inspection/testing is to be carried out by C.A. as per BIS norms. In addition, representative of SAIL will be visiting C.A.'s premises for inspection for the following from time to time :

- i) Finished materials are produced out of raw material given by SAIL for conversion.
- ii) Sample analysis for confirmation of physical & chemical properties.
- iii) Converted products are despatched to the customers/SAIL's allottees exactly as per description given in the Sales order.
- iv) Verification of stock.

To take care of quality aspects, inspection by outside agencies would have to be carried out at the C.A.'s premises cost of which, if any, will be borne by SAIL. In order to facilitate the tracing back, the CA should maintain a master log book detailing the lot number, size, grade, vehicle number, date of receipt, TC number of the plant, 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. On the output side, sizes of material rolled, grade, tonnage, numbers of billets/raw materials consumed for that size, date of rolling and results of mechanical 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 Conversion/ Conversion 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 unique lot No. should be assigned to the final product also. In case of variations beyond prescribed limit of IS specification between heat and product analysis of input material, the chemical composition of input material should be re-tested in the +presence of the third party Inspection Agency and recorded under his signature and then only the rolling should be undertaken. In case of non-conformity to BIS specification the quality complaint of Semis will be settled as per extant guidelines for settlement of quality complaints.

Holding of a valid BIS License is an eligibility criterion. Therefore, whenever it is found that the BIS License has been suspended by the concerned authorities, the Branch Manager of the concerned Branch should take immediate steps to 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 the concerned Branch ,from the premises of the Agent at his cost. The Conversion Agents would also be liable for any losses on account of non-certified (BIS) finished materials if any. Concerned RM would get the matter reviewed before according approval for resumption of the activities.

(v) It is mandatory on the part of the conversion agent to assist and extend full co-operation to the Third Party Inspection Agency appointed by SAIL.

13. SETTLEMENT OF QUALITY COMPLAINTS

- i) SAIL will undertake all the quality complaints received from the customers for the materials supplied by the CA as per extant guidelines.
- ii) The procedure and time schedule for lodging and settlement of quality complaint shall be as per the approved guidelines for this purpose.
- iii) The CA shall be informed about QC in writing or over phone by SAIL. Any quality complaint received from the customers for converted products supplied by the CA shall be inspected as per the procedure of SAIL and the decisions on the matter will be final and binding on the CA.
- iv) The CA shall be advised to associate in the inspection, failing which the inspection would be carried out in their absence.
- v) Materials under quality complaint would be taken back to their nearest warehouse of SAIL.
- vi) Converted products returned under quality complaint shall be disposed by SAIL and CA will be responsible for paying to SAIL the loss in realization on account of quality complaint.
- vii) In case of rejection of finished products after third party inspection, the such materials will also be taken back by SAIL for disposal.
- viii) The losses incurred in realization with respect to prevailing operated prices at the time of sale of material along with transportation costs incurred for taking back the materials and replacement by SAIL, if required, shall have to be borne by the CA.
- ix) The CA will have to settle the loss on account of quality complaints/ materials rejected by third 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 / forth coming bills of the CA.

14. EMBOSSING & BUNDLING

- a. For promotion of the products of SAIL, the CAs, as per need, may have to undertake embossing of the converted materials produced by them on behalf of SAIL.
- b. The CA will be responsible for cutting of rolls for embossing for the purpose of branding 'SAIL TMT' on the TMT Bars & adequate branding for structural's as may be indicated to the CAs by SAIL. The CA will have to ensure that conversion activities are not interrupted due to non-availability of rolls with suitable embossing.
- c. CA shall have to bundle TMT by wire & hologram strips, if the same is supplied by SAIL, in the following suggested bundle sizes:

8mm-18 pcs
 10mm-12pcs
 12mm-8pcs
 16mm-5pcs
 20/32mm - to be specified by SAIL

Tags, as may be decided by SAIL, would also have to be fixed on bundles by the CA. Bundles will also need to be wrapped in polythene sheets or similar materials to minimize rust during storage/transportation. Specific length supplies are to be made without any mix up.

d. Their plant must be equipped for supplying 100% embossed material as per branding to be stipulated/prescribed by SAIL. Rolls from the CA shall have to be cut as SAIL design by machines like SPARKONIX by the CA. While age of the mill will not be a determining criterion for eligibility, unproductive mills may not be considered.

15. INSPECTION

15.1 Executives of SAIL would have the right to make frequent visit to the premises of the contractor to examine the processing of materials as also to check the records being maintained by the contractor and oversee deliveries being affected. SAIL would also have the right to inspect as to whether documentation through the ERP is being effectively managed.

The contractor is to extend necessary help and facilities to the executives of SAIL and also to BIS Inspectors as and when they visit the premises of the contractor for this purpose.

15.2 Based on the feedback on performance from Branch Executive/ regional A.E., contract can be terminated / short closed. Such performances will be mainly on :

1. Non-performance
2. Wrong usage of material.
3. Any other activity which is detrimental to the interests of SAIL and its brand image.
4. Non-compliance of quality aspects.

15.3 The contractor shall be responsible for all the losses/damages and deterioration caused to materials while these are in custody of the contractor, even if they are on transit. The materials shall be deemed to be in the custody of the contractor as soon as the Railway Receipts/Conversion Advice/Stock Transfer Challans are handed over to the contractor. Such Loss/damage/deterioration and/or pilferage in the contractor's premises/custody will be compensated in full by the contractor to SAIL. Assessment of loss made by SAIL on damage/deterioration to the materials in the custody of the contractor shall be binding on the contractor.

16. REPORTS & RETURNS

The CA 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.

The CA 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.

The CA shall furnish weekly conversion returns as per our proforma prescribed at Annex. 'A'.

d. The CA 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 Conversion 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 C.A. 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 CA in Three copies on the stationery of SAIL through the ERP connectivity provided to it by SAIL. For this purpose the Conversion Agent shall be required to own suitable computers and also make arrangement for Internet connectivity for availing connectivity to ERP System under the acronym "ERP." In the Tax Invoice Just below the word "TAX INVOICE", the Words "NOT FOR CENVAT PURPOSES" shall be printed in the 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 Conversion Agent.

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

17. STATUTORY & OTHER LIABILITIES

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

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

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

d) In case of inability on the part of the contractor 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 contractor for the same job at the cost and risk of the contractor.

18. COMPLETION/TERMINATION OF CONTRACT

On completion/termination of the contract for any reason whatsoever, the contractor 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 CA at the end of a contract.** The unadjusted portion of (a) Security Deposit and (b) Bank Guarantee as well as custody -cum- Indemnity Bond shall be released by SAIL to the **Conversion Agent** subject to (i) his production of 'No Demand Certificate' from Railways in favour of SAIL (in case of receipt of materials from Railway Wagons) and (ii) adjustment of claims/dues by SAIL from the Conversion Agent for unsatisfactory performance/lapses on the part of the Conversion Agent if any, in the particular contract **and (iii) 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.** This agreement may be terminated by SAIL at any time at its sole discretion and without assigning any reasons, whatsoever, by giving 30 days notice in

writing. Both the parties to this agreement shall have to settle their account within the notice period.

19. LIABILITIES OF THE CONTRACTOR

19.1 The Conversion Agent will be held responsible for damage caused to materials, inside the CA premises by his staff, transport, equipment, etc., employed by him or any injury / death caused to the customer(s), visitor(s) and employee(s) in the CA Yard 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 Conversion Agent and shall be paid by him or deducted from his dues / bills

19.2 The provisions of above Clause (19.1) shall also apply to assessment of damage caused to materials due to negligence of the Conversion agent 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 consignment agent in this regard shall be final and binding upon the Conversion agent. 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.

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

19.4 In the event of the Conversion Agent's failure or default to provide sufficient equipment and timely labour at any time to do any of the jobs entrusted with under the contract or in the event of the Conversion Agent 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 Conversion Agent either from his bills or from any other amount payable to the Conversion

Agent, either under this contract or any other contract with the Company; and / or by encashing the guarantees furnished under this Contract or any other contract with the Company. In case of shortfall, the Company shall be entitled to recover the balance amount from any amount payable to any sister concern / company, and / or by appropriating from Security Deposit and / or by encashing guarantees furnished by such sister concern / company under any contract with the Company.

19.5 The Conversion 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 Conversion 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.

19.6 Whenever the contract expires / is terminated, the Conversion 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 :

a) No demand Certificate from Railways in favour of SAIL (to be obtained by the Conversion Agent).

b) No pending demands from statutory authorities like Income Tax, Labour Departt.(in respect of PF, Gratuity, compensation to workmen etc.) and the like .In case the Conversion Agent 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 Conversion Agent 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.

19.7 In the event of the Conversion Agent's failure to execute the work under the contract to the satisfaction of the company, the company shall put the Conversion Agent 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 Conversion Agent'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 Conversion Agent's risk and costs. The Conversion Agent 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 Conversion Agent either under this contract or any other contract without any reference to the Conversion Agent : and / or by encashing the guarantees furnished under this contract or any other contract with the Company. In case of shortfall, the Company shall be entitled to recover the balance amount from any amount payable to any sister concern / company and or by appropriating from Security Deposit and / or by encashing guarantees furnished by such sister concern / company under any contract with the company.

19.8 On termination of the contract for any reason whatsoever the Conversion Agent will have to handover all company's properties and documents and obtain a clearance certificate 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 clauses 19.6 and 19.7 above.

19.9 Any sum of money due and payable to the Conversion Agent 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.

19.10 Suitable arrangements for computers and net-workings shall be provided to the TPIA officials by the Conversion Agent for maintaining records including downloading of test result data.

19.11 The Conversion 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 OBLIGATION OF THE CONTRACTOR WITH REFERENCE TO ROLLS MANAGEMENT

20.1 EMBOSSING OF ROLLS:

a) The conversion agent must acquire stipulated machines as per contract before commencement of the contract (consequently a new para c) reading "Proof of having acquired stipulated machines for embossing as per contract" will be introduced in Annexure vi- letter of Intent.

b) Embossing shall be carried out by Conversion 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) Conversion 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, Conversion Agents 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.

20.2 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.

20.3 RETENTION OF ROLLS

a) CA shall make suitable and adequate arrangements for storage of the embossing rolls under security in a box with sealed lock & 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 Conversion Agent shall maintain records of the number, identity and status of embossing rolls till the end of its life and the same shall be made available to the TPIA and SAIL.**

21. STATUTORY COMPLIANCE

21.1 The Conversion Agent 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 Conversion Agent works.

21.2 The Conversion Agent shall perform and observe all the provisions relating to the Workmen's Compensation Act.

21.3 The Conversion Agent 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 Conversion Agent 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 Conversion Agent 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.

21.4 The Conversion Agent shall also carry out and observe the provisions of all other laws and other applicable Acts and Statutes in respect of the said stockyard operations and also indemnify the company of any liability that may be imposed upon the company for non observance of the Conversion Agent of any of the provisions of the various Laws/ Act /Statutes or for the Conversion Agent'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 Conversion Agent / or his representative.

21.5 The Conversion Agent 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 Conversion Agent or his representative or workmen.

21.6 The Conversion Agent shall provide the representative of the company suitable office accommodation and necessary secretarial assistance in the discharge of his duties.

22. SECURITY DEPOSIT AND BONDS

22.1 The Conversion Agent shall furnish the Security Deposit of Rs.10 lakhs, a Bank Guarantee to the value of Rs..... issued by a Scheduled Banks except Catholic Syrian Bank and Gramin / Cooperative Bank, towards the value of materials held in stock, and shall in addition to such security execute a Custody and Indemnity Bond in respect of materials to be despatched to and received in the CA Yard.

22.2 If the company suffers any losses or damages due to any negligence and / or non-performance of the obligations under the contract by the Conversion Agent, the Conversion Agent 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 Conversion 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 Conversion Agent for recovering such losses / damages.

22.3 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 Conversion Agent. 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 Conversion Agent under the contract terms.

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

22.5 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 Conversion Agent under this or any other contract with the company. Should such sum also be not sufficient to cover the full amount recoverable, the contractor, on demand, shall pay to the company the balance due.

22.6 The Earnest Money Deposit of Rs1,50,000/- (Rupees one lakh fifty thousand 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 Contractor 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 Conversion Agent).

No pending demands from statutory authorities like Income-tax etc.
NO CLAIMS CERTIFICATE in favour of the Company.

22.7 Upon any default by the Conversion 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 appropriated 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.

23. LOSSES / DAMAGES

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

23.2 The receipt of materials shall be accounted for by the Conversion Agent on the basis of the quantities despatched by the Company as per the Consignment Advices / Stock Transfer Challans issued by the Company. The Conversion Agent shall be accountable to the Company for the entire quantity as mentioned in the Conversion Advices/ Stock Transfer Challans and no claims for shortages would be entertained by the Company. The Conversion 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

23.3 The Conversion Agent shall not hypothecate and / or charge and / or encumber in any manner 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.

23.4 The Conversion 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.

23.5 No cognizance will be taken by the Company of the cases where Rlys. Refuse to accede to the Conversion Agent's request for open delivery or delivery after re weighment or for issue of shortage certificate or for witnessing inspection, by independent surveyor. It will be Conversion Agent's responsibility to handle such cases.

23.6 Conversion Agent has to account for total weight charged in the Conversion 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

24.1 The contract will be effective from the date of commencement of the work as mentioned in the work order for a period of **One year with a provision for review of performance at the end of one year.**

24.2 The company shall have the option to terminate the contract at any time giving 30 days notice, without assigning any reason whatsoever.

24.3 In the event of the Conversion 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.

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

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

25. ALTERNATIVE ARRANGEMENT

25.1 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 Conversion Agent's custody, the company may forthwith issue notice to the Conversion Agent and take possession of the materials by physically removing the materials to such places as the company may decide in this regard.

25.2 The Conversion 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 Conversion Agent shall extent all cooperation as may be required by the company in exercise of its right to secure its materials.

25.3 The company may also, if necessar , and if the exigencies of situations so warrant make its own security arrangement over the materials in addition to the arrangement of the Conversion Agent. This however, will not absolve the Conversion 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 Conversion Agent as set out herein will continue to be in force, until all the materials supplied / despatched by the company to the Conversion Agent upto the date of the said expiry / termination are delivered by the Conversion Agent. After termination / expiry, of the contract, the materials if any, lying in the Conversion Agent's yard shall be lifted by the company within two months from the date of the termination

of the contract and the Conversion Agent shall be responsible to arrange delivery of the materials as directed by the company for which the Conversion Agent shall be entitled to claim remuneration as is due to him under the provisions of the contract.

27. GENERAL

- a) Proper security shall have to be made by C.A. 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 CA shall be solely to the account of CA who will be bound to compensate SAIL suitably for such loss, damage and/or deterioration.
- b) C.A. shall not receive or accept any payment from customers of SAIL.
- c) No employee of the Company shall handle a case of contract with any of his relations or a firm of which the relation is a partner or a company of which the relation is a Director unless specifically approved by his higher authority on proper disclosure of the fact or relationship.
- d) All matters relating to embossing SAIL Brand/Logo and its misuse will be considered as except-able matter and SAIL's decision on the same will be final and binding on the Conversion Agent.**
- e) Conversion 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.**
- f) SAIL may give suitable publicity of any misuse of Brand through notice/ insertion in newspaper/ media upon termination of the contract.**
- g) Inspection of embossing machines etc. prior to commencement of work would be mandatory in nature.**

28. BANNING OF BUSINESS DEALINGS

28.1 SAIL reserves its rights to ban business dealings if the conversion agent is found to have committed misconduct as also to suspend business dealings pending investigations. Further, in case the conversion agent, his partner, member, servant, labour, agent, representative and /or any person working for and on behalf of the conversion agent is found involved in any unauthorised, or wrongful removal of materials not sold or in any attempt of for such removal, this shall amount to breach of contract as well as misconduct caused by the CA and Company shall be entitled to forfeit the Security Deposit and any other amounts, money or material that may be lying with SAIL at the risk and cost of the Conversion Agent in addition to banning of the business dealings as mentioned above.

28.2 The Conversion 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.

28.3 The decision of the Chief Executive of the Central Marketing Organisation, SAIL will be final and binding on the contractor on all such cases.

28.4 The expression, the Chief Executive of Central Marketing Organisation, SAIL, means the Director(Commercial) or any other person delegated to exercise the absence on duty or due to his non-availability for any other reasons, whatsoever.

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

29. THIRD PARTY INSPECTION AGENCY

29.1 Third party Inspection of material will be mandatory in nature. The general roles and responsibility of the TPIA is enclosed at Annexure-xi

29.2 Activities related to ensuring traceability of material contained in the roles and responsibilities of the TPIA shall be binding upon the Conversion Agent.

29.3 TPIA will undertake stamping of the material just after rolling.

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

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

29.6 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 Conversion Agent.

30. RESOLUTION OF DISPUTES

i) 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.

- ii) 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.
- iii) 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 here in after mentioned.
- iv) 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.
- v) 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.
- vi) 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 what so ever. The Arbitrator, so appointed, shall adjudicate upon all the disputes between the parties hereto.
- vii) The Arbitrator shall hear the cases independently and impartially and shall not represent the interest of any party.
- viii) 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.
- ix) EXCEPTED MATTERS as per the contract shall not be the subject matter of Conciliation/ Arbitration.
- 1x) The Court at **Rourkela** shall have jurisdiction over all matter of dispute

xi) 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.

xii) 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 .The provision of the Arbitrator and Conciliation Act, 1996 and rules framed there under, 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.

ANNEXURE-V

LETTER OF SUBMISSION OF TENDERS

To,
The _____
Steel Authority of India Ltd.,

Dear Sir,

Sub : Tender for contract for working as Conversion Agent for Steel Authority of India Ltd. for a period of **one year**.

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 Conversion 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 :

i. Detailed list indicating documents/statement submitted as part of Pre-Qualification Bid.

ii. Recent experience certificates showing experience in Conversion.

iii. Sample Documents indicating ongoing contracts in hand, if any.]

iv. Documents like Balance Sheet and PL account for last 3 financial years on financial standing of the firm/company. Cover sheet indicates my Company's net worth and turnover for past three years.

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

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

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

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

- ix. Certificate from _____ (Name of Bank) who are my bankers and are a schedule bank about my sound financial standing.
 - x. My self declaration stating that I have the resources to undertake the Conversion envisaged in the tender.
 - xi 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.
 - xii. Declaration stating that the tenderer owns suitable computers along with Internet connectivity for connecting to ERP System.
 - xiii. This tender document with all pages intact and duly signed by the tenderer.
3. A sum of Rs. _____ (Rupees _____) only is forwarded herewith as Earnest Money in the form of demand draft/PO/Banker's Cheque/BG 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.
- 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 THE WITNESSES

TENDERER'S ADDRESS 1. _____
2. _____

ADDRESS OF WITNESSES

TELEGRAPHIC ADDRESS:

1. _____

TELEPHONE NUMBERS:

2. _____

E-MAIL ADDRESS :

ANNEXURE-VI

LETTER OF INTENT

To,

Dear Sir,

Sub; Our Tender Notice No.....dtd.....

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

1. Please refer to your above Tender Quotations opened onas 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.

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

4. Original BIS Certificate.

5. Any other documents necessary as per the local conditions **

6. 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.

7. 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.

8. 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 Road 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 BOND FOR
CONVERSION CONTRACT**

(On non judicial stamp paper of appropriate value)

(From a Scheduled Bank)

To

Steel authority of India Limited
Branch Sales Office

.....
.....

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 – 110 001 and also having interalia, one of its Branch Sales office at

..... (hereinafter called 'the Company') having agreed to accept this GUARANTEE towards security deposit under the terms and conditions of 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 M/s(hereinafter called 'the said Conversion Agent') for conversion of Steel materials covered under the said Agreement, as a guarantee for security of the materials delivered to the said Conversion Agent in terms of the said Agreement as also for the due fulfilment of all the terms and conditions contained in the said Agreement, on furnishing of a Bank Guarantee for Rs..... (Rupees) only, we _____(name of the Bank) hereinafter referred to as 'the said Bank' do hereby undertake to pay to the Company an amount not exceeding Rs.....(Rupees.....) only against

any 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 and/or suffered by or would be caused to or suffered by the company in respect of the said materials and/or for any loss or damage caused to you by reason of any breach of any of the terms and conditions contained in the said Agreement.

2. We(name of the Bank) do hereby undertake to pay 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 or question and without reference to the client, merely on a demand from the Company stating that the amounts claimed is/are by way of loss or damage caused to or would be caused to or suffered by the Company in respect of the said materials and/or for any loss and damages caused to you by reason of any breach of any of the terms and conditions contained in the said agreement or by reason of the said Conversion Agent's failure to perform as per the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount or amounts due and payable by the Bank under this Bank Guarantee .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 hereinabove 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 declaring as to whether the said Conversion Agent has committed any breach or breaches of any of the terms and conditions of the said agreement and 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 Conversion 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.

3. 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 Conversion Agent and accordingly discharges this guarantee. Unless a demand of 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 Agreement) and payment is made by us, we shall be discharged from our liability under this guarantee thereafter.

4. 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 Conversion 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 Conversion Agent or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Conversion 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.

5. Our obligation hereunder shall continue in full force, and effect notwithstanding (a) any change in the Constitution or style of the said Conversion Agent M/s. _____ (Name and address of Conversion Agent) and/or (b) your granting time or any other indulgence to the said M/s. _____ (Name and address of Conversion Agent).

6. We, the said Bank, lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Company in writing.

Dated day of200

Sd/- _____

For

(name of the bank)

Accepted

Sd/- _____

For Steel Authority of India Ltd.

NOTE : 1) While submitting the bank guarantee Zonal Office address of issuing bank should be given separately.

ANNEXURE – VIII

**PROFORMA FOR CUSTODY AND INDEMNITY BOND
FOR CONVERSION CONTRACT**

(To be executed on Stamp Paper of appropriate value)

To

Steel Authority of India Limited

WHEREAS We have agreed to act as your Conversion Agent at
.....for conversion of Steel to be handed over to us
at

railhead/your Steel Plants / Stockyards for proper transportation, storage,
handling, conversion ,safe custody and delivery to your various customers
against valid delivery orders issued by your BSO at pursuant to
the Agreement dated(here in after 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 :

1. 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 what s over 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 you 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 un cancelled 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 there with 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)

ANNEXURE –IX

WORK ORDER

To,

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 Conversion 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 30 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

.

ANNEXURE –X**AGREEMENT FOR CONVERSION OF STEEL MATERIALS OF
STEEL AUTHORITY OF INDIA LIMITED AT**

ContractNo./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 interalia one of its Branch Offices(BSO) of its Central Marketing Organisation (CMO), at..... hereinafter 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 may be) having their Registered Office/principal place of business at..... hereinafter referred to as 'The Conversion 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 Conversion Agents at..... at the terms and conditions as specified in the Tender documents as well as in its annexures,

AND WHEREAS the Conversion Agent has submitted the Tender for appointment of Conversion 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 Conversion 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 Conversion Agent covenants and agrees with the Company

to undertake the job of Conversion of Steel materials at..... in the manner required and the Conversion 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 annexure as under.

2. The various annexures set out below and hereby annexed and marked as Annexure-I

to XI 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 Conversion Contract.

(e) Annexure – V Letter of Submission of Tenders

(f) Annexure – VI Letter of Intent

(g) Annexure – VII Proforma of Bank Guarantee Bond for Conv.Contract

(h) Annexure – VIII Proforma for Custody & Indemnity Bond for Conv.Contract

(i) Annexure – IX Work Order

(k) Annexure – X Agreement for Conversion

(l) Annexure – A Proforma for Weekly Conversion by Conversion Agent

(m) Annexure – B Schedule of Conversion Charges

3. In consideration of the due performance, execution and completion of the job strictly in terms of this Agreement, the Company covenants and agrees to pay to the Conversion Agent such sum(s) as may become payable to the Conversion 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 period of three years from the date of the Work Order unless terminated earlier by the Company.

5. No modification of this Contract shall be valid and binding upon the parties here to 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 written at.....(Name of the place)

CONVERSION AGENT BRANCH MANAGER
FOR AND ON BEHALF OF
STEEL AUTHORITY OF INDIA LTD.
WITNESSES WITNESSES

1. _____ 1. _____

2. _____ 2. _____

SCHEDULE DETAILING THE TERMS OF WORK WITH RATES THEREOF AND THE CONDITIONS OF CONTRACT ARE ANNEXED.

ANNEXURE-XI

ROLES AND RESPONSIBILITIES OF THE TPIA FOR CONVERSION AGENT.

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 Conversion Agent (CA) premises related to SAIL's contract with its Conversion Agent (CA). This would include inspection of raw materials and finished products through the CA 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 re-rollables supplied to the CA by SAIL for the purpose.
- (2) The materials having SAIL's embossing is delivered by the CA only against delivery orders issued by SAIL.
- (3) No material having SAIL embossing is rolled by CA out of re-rollables not issued under CA contract

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

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 Conversion Agent (CA) 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 Conversion Agent (CA)

For the same, the TPIA should witness all operational activities like witnessing receipt of SAIL's re-rollables (raw materials) in CA's yard, ensure appropriate marking and stacking of the re-rollables at the designated location, witness cutting (if carried out) and charging of SAIL's re-rollables 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 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, CA & 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 Conversion 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 Conversion

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 following sampling plan will have to be followed by the TPIA:

a. In case of Reinforcement Bars, Wire Rods, Rounds, Flats, Light and Medium Structurals, one sample per 10 Mt or part thereof should be tested. In case different sizes are rolled, one sample from each size out of 10 Mt of that size should be tested.

b. In case of Heavy Structurals, one sample per 5 Mt on one size should be tested.

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

b) The TPIA shall deploy their employees at Conversion 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 CA premises at all times.

ANNEXURE – A**PROFORMA FOR WEEKLY CONVERSION BY CONVERSION AGENT**

To
Branch Manager,
Branch Sales Office,

(A) we have supplied the following materials:

Details as per Delivery Order					Details of Supplies made	Details of raw material used						Conversion Charges	
Name & Address of SAIL Allottees	Order No. & Date	Size	Quality	Quantity (MT)	Quantity (MT)	Invoice No. & Date	Plant	Semis used	Equivalent Quantity (MT)	Opening Stock	Closing Stock	Conversion Rate	Total Conversion Charge

(B) Please supply the following materials:

Material	Size	Quality	Quantity

Please remit payment of Rs. (Rupees) towards Conversion Charges.
Signature with Seal

(Name & Address of Conversion Agent)

ANNEXURE – B**SCHEDULE OF CONVERSION CHARGES
RAW MATERIAL: BILLETS in IS 2830**

Details of finished material to be converted		Conversion Charges (Rs per MT)	
Material	Size(mm)	Conversion Charges	Conversion charges in words
TMT	8mm to 32mm		

- Freight for transportation of converted products to parent stockyard Rs...../ton (Pre-fixed).
- Rates are to be kept valid for one year.
- Bidder should be a valid BIS License holder of TMT bars as per IS1786:2008 for FE 500, FE500D etc.at SAIL'S discretion subject to their production capability and holding valid BIS License. At the beginning, sizes up to 32 mm diameter is envisaged for conversion, however SAIL at its own option may get other diameter of TMT converted subject to availability of valid BIS License with the conversion agent and their ability to conform to SAILTMT norm for Roof/ Rockbolt etc .

SIGNATURE OF THE TENDERER
WITH OFFICIAL SEAL