Queries and clarifications in r/o tender 2011203.

Issues raised by FOPE:

S.N.	Queries	Clarification
1.	**Clause 5 Earnest money deposit:** FDRs have been asked for as earnest money deposit. The manufacturers are required to deposit 100% payment with their bankers and it does not give any extra benefit to the purchaser. In lieu of the FDR, Bank guarantee should be accepted and it is also an instrument which can be utilized in the event of default by the supplier. It will give some relief to the suppliers.	Not acceptable; the amount of EMD has already been capped at Rs. 5 lac only.
2.	**Clause 6 Security Deposit:** a. Performance security at the rate of 10% is on a very high side. As per GFR, security deposit can be accepted from 5 to 10%. In your previous Tenders/RC there was only 1-2% non supply as per your own record. Therefore please accept security performance at the rate of 5% which will satisfy the GFR also. b. Bank guarantee of performance security should be in 4 parts which can be taken at the beginning of the rate contract. But after confirmation of 1st quarter of supply, one part of performance security should be refunded so that the manufacturer need not wait for one and a half year. It will help in reducing the burden of the manufacturer.	Performance security deposit shall be 10% of the value of the quarterly supply.
3.	**Clause 7 of Terms and conditions:** **Payment:** You might be aware that during the previous rate contract not a single DDO made payment within 30 days in 1st quarter. But the suppliers are penalized for late supply without fail. To make the contract both way effective, you are requested to make provision for penal interest at the rate of 0.5% per day of late payment beyond 30 days so that the payment can be cleared by the concerned authority as per your clause of payment mentioned in the tender documents.	Shall be taken up in the next Special Purchase Committee meeting.

4.	**Quotation of Rates:** The rates are generally valid for more than a year and sometimes that Government come out with new levies in the form of Excise Duty/Vat/Cess/etc. In the last rate contract when the rates were quoted the Excise Duty was 5% but in the new budget proposals the Govt. of India raised the rate of Excise Duty by 1% which is purely a Govt. levy and should be allowed to the supplier for the invoices raised after the notification during the currency of the rate contract because this money is in any case going to the Govt. Coffers. A provision to the effect that any Govt. levy imposed during the rate contract period will be allowed to the suppliers, may kindly be incorporated in the tender being opened on 8.05.2012. Last date of close of the rate contract (award) should be mentioned so that there is no ambiguity about the date of closing of the rate contract and the manufacturers can work out the prices accordingly.	This is a fixed quantity tender and the supply in ordinary circumstances shall be completed within a year of the finalization of the tender.