

**Tender No - 110290/WGI/GAIL GAS/29-R0**

**Dated – 04.11.2010**

<b>Sr. No.</b>	<b>Section / Clause No.</b>	<b>Tender Doc. Page No.</b>	<b>Clause Description</b>	<b>Added / Modified / Deleted</b>
1.	IFB Annexure - 1	6 to 9 of 117	BEC	Refer Annexure – 1 for revised BEC
2.	IFB 4.0	4 of 117	EMD/BID SECURITY	Refer Annexure -2 for revised EMD/BID SECURITY

**Corrigendum-1 is to be treated as part of the original Tender document and while submitting your offer; Corrigendum-1 shall also be signed, stamped and submitted along with Tender Document.**

## ANNEXURE – 1

### BID EVALUATION CRITERIA

#### 3.1 TECHNICAL CRITERIA

##### 3.1.1 OPTION-1 – Qualification Criteria for Bare Pipe:

The bidder shall be a Line pipe manufacturer.

##### 3.1.1.1 For Pipe Manufacturer:

01. The bidder's proposed mill (s) shall have experience in manufacturing API 5L PSL-2 quality line pipe.
02. The bidder should have manufactured and supplied from proposed pipe mill at least 1 km of line pipes of type as quoted in one single order as per API 5L (PSL-2) that are of equal or higher in terms of diameter & thickness and grade as quoted for, in any of the last five years as on the due date of submission of bid. The bidder who meets the requirement as specified above with Wall Thickness of 6.4 mm, shall be considered qualified for all Wall Thickness of that particular dia as well as for lower diameters of the same type.
03. In addition, the bidder should have manufactured and supplied at least 10% of the quoted quantity of Line pipes of type as quoted, as per API 5L (PSL-2) that are of one grade lower or same or higher than the specified grade and equal or higher in terms of diameter, as quoted with minimum thickness of 6.4 mm or higher for proposed pipe mill in one single order in any of the last five years reckoned from the due date of submission of bid.
04. The Bidder should have API 5L certificate and a valid license to use API 5L monogram on Line pipe with product specification level PSL-2 quality for the proposed pipe mill(s).
05. Mill Qualification : The bidder shall furnish a certificate for proposed pipe mills along with their bid, which have not been audited by GAIL/GAIL Gas or its authorized representatives or, have not supplied pipes to GAIL/GAIL Gas of same or higher size and material Grade as quoted for or higher grade during last five years as on the due date of submission of bid, as per Format A provided in the bid document, from a reputed International inspection agency (i.e. CEIL/ LLOYDS/ BV/DNV/ TUV/ ABS/ MOODY ), certifying that the mill has capability to produce line pipes complying with technical requirements specified in the bid documents. Non-compliance to the above requirement will make the mill liable for rejection.
06. The Bidder shall also meet the qualification requirement of steel plate / coils manufacturers as stipulated in the bid document.

##### 3.1.2 OPTION-2 – Qualification Criteria for Coating Work

01. The bidder shall be a coating applicator and should have completed at least one line pipe coating contract using Three – Layer (3LPE) External Coating of at least 10 Kms or 50% of quoted length (whichever is lower) of bare line pipe of quoted diameter or higher using three layers side extruded PE coating, under a single contract during any of the last five years as on the due date for bid submission.
02. Coating Plant Qualification: The Bidder shall furnish a certificate for proposed coating plant along with their bid, which have not been audited by GAIL / GAIL Gas or its authorized representatives or, have not carried out Coating application for GAIL/GAIL Gas of same or higher size during last five years as on the Due date for Bid Submission, as per Format provided in the bid documents, from a reputed International inspection agency (i.e. CEIL, LLOYDS, BV, DNV, TUV, ABS, MOODY ) certifying that the plant has capability to coat line pipes (external/internal, as applicable ) complying with technical requirements specified in bid document. Non-compliance to the above requirement will make the plant liable for rejection.

**3.1.3 OPTION-3 – Qualification Criteria for Coated Pipe**

Bidder offering coated line pipes shall meet all the qualification requirements of bare line pipes and of coating, as indicated at clause 3.1.1 and 3.1.2 above. Bare line pipe manufacturer, have the option to form a consortium with a firm for coating work to offer coated pipes at storage yard/dumpsite/warehouse. Accordingly, bids are also acceptable from Consortium for Option - 3 subject to following:

- (i) Total number of consortium members including leader should not exceed two.
- (ii) A member who is a line pipe manufacturer and meets the requirement for supply of line pipe as per BQC only shall be nominated as leader of the Consortium and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of both members.
- (iii) In case of Consortium bid, the experience of each consortium member will be considered for their respective areas. Documentary evidence regarding consortium arrangement as specified in the bid document shall be furnished
- (iv) The bid security, the bid, and in case of a successful bid, the Agreement, shall be signed by the leader and member of consortium so as to legally bind both members of Consortium.
- (vi) The leader shall be authorized to incur liabilities and receive instructions for and on behalf of any and all members of the Consortium and for entire execution of the Contract, including payment. All payments shall be released in favour of Consortium.
- (vii) Both members of Consortium shall be liable jointly and severally for the execution of the Contract in accordance with the contract terms, and a statement to this effect shall be included in the authorization mentioned under para (ii) above, as well as in the bid and in the Agreement (in case of a successful bid) and
- (viii) A copy of the Consortium Agreement / MOU entered into by both members shall be submitted along with the bid.

3.1.4 Bidder’s capacity for bare pipes shall be considered separately for different manufacturing processes of pipes, as quoted for. Accordingly, annual production / other details of quoted type of pipes should be given separately. Further, the capacity so assessed shall be considered for respective type of pipes only.

3.1.5 The order will be limited to the lowest of the capacity assessed of pipe manufacturing, Coating and Financial Criteria.

**FINANCIAL CRITERIA**

**3.1.6.1 Turnover**

The minimum annual turnover achieved by the Bidder / leader of Consortium as per their audited financial results during any one of the three preceding financial years 2007-08, 2008-09, 2009-10, shall be as under:

Sl. No.	OD.( Inch)	Thickness (mm)	Minimum Turnover requirement (Rs in Lakhs)		
			Option-1	Option-2	Option-3
1.	8 <sup>5</sup> / <sub>8</sub>	6.4	<b>269.50</b>	<b>73.12</b>	<b>342.62</b>
2.	6 <sup>5</sup> / <sub>8</sub>	6.4	<b>208.88</b>	<b>56.12</b>	<b>265.00</b>

**3.1.6.2 Net worth**

Net worth of the Bidder / each member of the Consortium should be positive as per the audited financial statement of FY 2009-10

3.1.6.3 Working capital

3.1.6.3.1 The minimum working capital of the Bidder / leader of Consortium as per the audited financial results of FY 2009-10 shall be as under:

Sl. No.	OD.( Inch)	Thickness (mm)	Minimum Working Capital requirement (Rs in Lakhs)		
			Option-1	Option-2	Option-3
1.	8 <sup>5</sup> / <sub>8</sub>	6.4	<b>53.90</b>	<b>14.62</b>	<b>68.52</b>
2.	6 <sup>5</sup> / <sub>8</sub>	6.4	<b>41.78</b>	<b>11.22</b>	<b>53.00</b>

3.1.6.3.2 If the bidder's working capital is inadequate, the bidder should supplement this with a letter from the bidder's bank, having net worth not less than Rs.100 Crores / US\$ 22.72 million, confirming the availability of the line of credit to cover the inadequacy of working capital in the previous year to meet the working capital requirement.

3.1.7 In case bidder quotes for more than one item, the requirement of annual turnover and Working Capital shall be on cumulative basis, for the quoted items.

3.1.8 The bidder has to submit the audited financial results of the last three years that i.e. 2007-08 , 2008-09 and 2009-10, for Annual Turnover Criteria specified under clause 3.1.6.1.

3.1.9 Consortium bids can be submitted for Option-3 only. In case of consortium bid, the leader of the consortium shall meet the Turnover and Working Capital criteria stipulated at para 3.1.6.1 and 3.1.6.3 above. The other member of consortium shall meet the turnover equal to 25% of the respective criteria.

**4 DOCUMENTATION:**

Bidder shall meet the technical as well as commercial qualification criteria as stated above. Bidder shall furnish documentary evidence along with the bid, to establish the qualification criteria, such as purchase order/ work order, inspection release note/ completion certificates of relevant previous supplies, third party certificate, API 5L License to use API monogram on API 5L PSL-2 line pipes, production catalogues, reference list of previous supplies, data for establishing production capacity, details of manufacturing, inspection & testing facilities at proposed mill(s), Annual Report, Balance Sheet, etc. In absence of requisite documents, GAIL Gas reserves the right to reject the Bid without making any reference to the bidder.

**ANNEXURE – 2**

**BID SECURITY**

Bid Security for various options shall be as detailed below:

<b>BID SECURITY Rs in Lakhs</b>				
Sl. No.	OD (inch)	Option-1	Option-2	Option-3
1.	8 5/8	10.78	2.92	13.70
2.	6 5/8	8.35	2.25	10.60

In case bidder quotes for items for Option-1 and Option-2, the requirement of bid security shall be on cumulative basis.