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RFQ No.: D/IMM/COM3/5461/03/2151/1/2022

Date: 08th Nov 2022

CLOSING DATE OF TENDER: 22nd Dec 2022, 13.30 hrs (IST).

TECHNICAL BID OPENING DATE: 23rd Dec 2022, 09.30 hrs (IST).

Dear Sir / Madam,

Sub: Request for Quotation (RFQ) for "SUPPLY OF LIGHT DUTY PNEUMATIC EJECTOR RELEASE UNIT (LDERU) AND HEAVY DUTY PNEUMATIC EJECTOR RELEASE UNIT (HDERU)" For LIGHT COMBAT AIRCRAFT (LCA) AIRFORCE MK2 Programme.

Important Note:

Bidders are requested to submit their proposal as per two bid system (Technical and Price bid) online at HAL's e-procurement portal (<https://eproc.hal-india.co.in> or link to e-Procurement portal through www.hal-india.co.in). Bids not submitted through HAL e-procurement portal will not be considered and will be rejected. Hard copies of Technical and Price bid should not be submitted. Vendors to ensure that the pricing aspects either in PDF form or any other form is not mentioned in the technical bid zone, else such offers will not be considered for evaluation.

Only signed Omnibus Integrity Pact or Standalone Integrity Pact in duplicate should be forwarded / submitted to HAL, ARDC in a sealed cover super scribing tender no. & due date and the same should reach HAL ARDC on or before the due date & time.

Refer attached e-Tender Terms at Annexure-2 for submission of Bids.

1. Hindustan Aeronautics Limited (HAL), a "Navaratna" Public Sector Enterprise under Government of India is engaged over the past 80 years in Research, Design, Development, Manufacture and Repair & Overhaul of Aircraft, Helicopter, Aero-engines, UAVs, Avionics and Accessories. The company has 20 production facilities at 8 different locations & 11 R & D Centres spread across the country. HAL has designed and developed various fixed wing aircraft which are currently being used by Indian Defence Services and also Helicopters used for both defence and civilian applications.

2. HAL is a principal partner in design, development, manufacturing, integration and flight testing of Light Combat Aircraft (LCA). We are taking up development and Qualification of certain LRUs / Role equipments required for LCA Airforce Mk2 version.

3. In this connection we are considering for procurement of LIGHT DUTY PNEUMATIC EJECTOR RELEASE UNIT (LDERU) AND HEAVY DUTY PNEUMATIC EJECTOR RELEASE UNIT (HDERU) for equipping in LCA Airforce Mk2 version.

4. This Request for Quotation (RFQ) envisages for selection of an appropriate vendor for supply of LIGHT DUTY PNEUMATIC EJECTOR RELEASE UNIT (LDERU) AND HEAVY DUTY PNEUMATIC EJECTOR RELEASE UNIT (HDERU) as a package. The detailed technical requirement specification of this item is elucidated at **Annexure-A**.

5.1. Offers/ Bids are invited in two-bid system from the manufacturers meeting the following criteria.

- a) Vendor shall have a well-established organization in aerospace domain in design/manufacture, supply of airborne weapon carriage and release units. (ERUs)
- b) ERUs developed by the supplier shall have been proven on combat aircraft platforms.
- c) The Vendor should have supplied similar items for use in any contemporary combat aircraft and documentary evidence to be furnished in support of the same.

5.2. Indian Industry / Company authorised to manufacture under License from the Foreign Manufacturer **having prior experience in design, development, and certification of ERUs**, can participate in the Tender on behalf of Foreign Manufacturer and may submit the bid along with Manufacturer's authorization letter. Further, the Indian Industry shall comply to the following;

5.2.1. The bid should accompany a formal letter from Manufacturer, stating that Manufacturer will ensure that Manufacturer's name is included in the Product label, Manufacturer shall take full responsibility for quality and performance of the product as well as full product support, for life time of the Aircraft, in compliance with the Terms and Conditions of the RFQ. Further, Manufacturer would also provide detailed roles & responsibility of both i.e. Manufacturer (themselves) as well as Indian Industry / Company in execution of supplies.

5.2.2. Indian Industry/Company shall not act as trader/distributor/reseller/agent. It should be ensured that minimum 75% of total projected requirement as per tender shall be met out of production facility of Indian Industry/Company, produced through various phases under TOT from Foreign OEM (SKD/CKD/Raw Material phase etc.).

5.2.3. Minimum value addition by Indian Industry /Indigenized content of **50%** to be ensured under Raw Material phase of production.

5.2.4. In case production facility under ToT from Foreign OEM is yet to be established/under establishment in India, then a clear Road map with timelines (meeting with HAL project requirements) for setting up of required production facilities for tendered item under ToT, for absorbing Technology from OEM, training of its staff, compliance to required quality standards, Qualification /FAI of product in India etc., to be provided in bid.

5.2.5. Purchase Preference as per Public procurement (Preference to Make in India), Order 2017 & its amendments issued by Department for Promotion of Industry and Internal Trade(DPIIT), shall be applicable for such bidders, where the "Local Content" in each of the RFQ phases meets the minimum local content of 50%. Accordingly, the Self certification / Auditor's certification to clearly indicate the percentage of local content in each of the various phases of Production, along with the details of the location(s) at which the local value addition is made.

5.3. Supporting document in connection with the above such as proof of completion/ execution of work/ proof of on-going project or completed project shall be submitted by the vendors along with the technical proposal.

5.4 We would now like to enter into a long term business agreement with your firm covering supply of items for Development Phase against firm order and subsequent supply of 100 aircraft sets for series production against anticipated orders. HAL is also required to undertake the following during the series production phase:

- a) Repair/overhaul/servicing of ERUs by HAL at its facilities under a Transfer of Technology (TOT) agreement. – TOT ROH will be signed with the selected vendor at the appropriate stage.
- b) Phased manufacture of ERUs under a Transfer of Technology (TOT) agreement.- TOT Manufacturing will be signed with the selected vendor at the appropriate stage.

5.5. During series production programme, Purchase orders are planned to be placed for annual requirement depending upon the number of aircraft to be produced in each year based on customer orders. Issuance of this RFQ does not create any obligation whatsoever on HAL to place orders for series production

5.6. Broad elements and requirement of Transfer of technology is placed at **Annexure B.**

6. Vendor shall provide a comprehensive proposal for Transfer of Technology (TOT) for setting up of Repair / Overhaul facility of ERUs by HAL. Vendor to submit commercial proposal as per **Format II of Annexure-D.**

7. Vendor shall provide a comprehensive proposal for TOT-MFG for setting up of facility at HAL for manufacturing of ERUs. Vendor should provide the commercial proposal for TOT-MFG as per **Format III & IV of Annexure-D.** Vendor may note that the manufacturing of ERUs under TOT-MFG will be done either at HAL or at any other nominee of HAL. Although for commercial evaluation purpose manufacturing of 20 nos. under SKD, 20 nos. under CKD & 50 nos. under Raw material phase is being considered, there shall not be any restrictions imposed on the actual no. of sets to be manufactured at later stages using the facilities that are been established under the TOT -MFG.

During SKD phase, vendor to supply Semi Knocked Down (SKD) Kits in the form of assemblies, modules & associated hardware for assembling. Final Assembly, Calibration and Testing to be carried out by HAL.

During CKD phase, vendor to supply Completely Knocked Down (CKD) Kits in the form of sub-assemblies, sub-modules & associated hardware for assembling. Sub-assembly build up, Sub-assembly testing, Final Assembly and Testing to be carried out by HAL.

During Raw material phase, HAL will manufacture the ERUs based on the combination of kits supplied by the vendor and the balance items being purchased / manufactured by HAL. The work share of HAL should include significant portion of core technology items. During this phase, vendor shall ensure that HAL work content shall be more than or equal to 50% by value of the unit price of each ERU.

HAL may opt to procure Raw Material/ BOIs/ Forging & Casting/ Consumables for the first few aircraft sets from the vendor. A comprehensive list with contact details/ correspondence addresses of all primary/ approved manufacturers/ suppliers of raw materials/ Bought-Out-Items (BOIs)/ Casting & forgings, if any/ Consumables etc. must be provided to facilitate their future procurement directly from their approved sources as per HAL requirements.

HAL at its sole discretion may decide to do away with the TOT-MFG plan in part or in full. In this case, HAL shall have the option to place order for outright purchase at prices to be negotiated afresh but not exceeding the price quoted for Phase-0 (Outright Purchase) with applicable escalation.

OEM needs to indicate the delivery lead time for all ToT deliverables like Test Rig supply with installation and commissioning, Special Tools, Technical documents, Training, Kits ,i.e. Phase-0, Phase-1, Phase -2 and Phase-3 kits, in the proposal for HAL to estimate the timelines for setting up of Manufacturing and ROH facilities.

8. **LTRA prices:** Vendor to indicate the repair / overhaul prices for utilization of HAL till establishment of ROH facilities in HAL as per **Format-VI of Annexure-D**. These prices shall be utilized by HAL for placement of repair orders on case to case basis. Optionally an agreement for repair can be entered into for this purpose.

9. **Pricing:**

a) Vendor should fill in the **Annexure-D** Excel file downloaded from e-procurement portal covering the RFQ requirement. Prices should not be indicated in any other places. It should be complete in all respects. No subsequent addition/ alteration/ claim will be entertained over and above the quote. Offers without complete information and pricing will be treated as incomplete and will not be considered for further evaluation.

10 **Guidelines for submission of bids**

10.1 **Un-priced / Technical Bid: Following documents must be submitted as part of the technical bid:**

10.1.1 Technical Proposal (also referred as Technical Bid) should also include the following information as at 10.1.2 to 10.1.4.

10.1.2 **Compliance Statements:**

- a) Compliance matrix against technical specifications at **Annexure-F** and
- b) Compliance matrix against Commercial terms and conditions at **Annexure-C**.

Note : In case of any non-compliance to any of the clauses, it should be provided in compliance matrix and a separate table should be provided giving all the necessary factual and comprehensive details covering the variance/ non-compliance. Insufficient or incomplete details may lead to rejection of the offer. **In respect of Technical specifications, indication of “compliance” needs to be substantiated with details wherever required as per Technical Specification.**

10.1.3. Integrity Pact:

As per Government regulation, bidders are required to sign an integrity pact with HAL for this tender. It is mandatory to submit the signed Integrity Pact along with the bids. Bids will not be considered for evaluation without the receipt of signed Integrity Pact. Further, bidders have the option of selecting either Omnibus IP or Standalone IP, formats of such IPs are enclosed with this RFQ. Accordingly, bidders are requested to sign the Integrity Pact (select any one of the IP) in duplicate and forward/ submit the same to reach HAL, ARDC on or before the due date & time of this tender. In case, if bidders had already submitted an Omnibus IP which is valid and accepted by HAL, they shall forward copy of the same as part of their offer. In respect of IP and its monitoring Independent External Monitors (IEMs) who has been appointed by the Central Vigilance Commission, a statutory body. The present IEMs are:

1. Shri RAJIV, IPS(Retd.)
Email id: shreerajiv1975@gmail.com
2. Shri Gangaram Aloria, IAS (Retd.)
Email id: aloriag@yahoo.co.uk

Further, it may be noted that only integrity Pact related issues should be forwarded to IEM. For all other clarifications on specific tender related queries the undersigned officer of HAL need to be contacted.

10.1.4 Price formats without figures in Technical Bid

Vendor should also attach price formats filled-in with all details without prices. The price figures **should not** be filled-in in the format. Vendor should only indicate **'Quoted'/'Not Quoted'/'Not Applicable'** in price column in the price format and enclose the same along with the Technical bid of the tender.

10.2. Commercial Bid

10.2.1 Prices as per schedule

It should be ensured that all prices/ values payable are specified in the relevant Price Formats. No subsequent addition/ alteration/ claim will be entertained over and above the quoted prices. Offers without complete information and pricing will be treated as incomplete and may not be considered for further evaluation.

Note: All prices should be provided in the Annexure-D and same should be enclosed in the price bid. Prices should not be indicated in the technical bid documents.

10.2.2. Applicability of Taxes, duties.

For details in this regard please refer to sl.no.24 of Annexure-C.

11. Evaluation process and Acceptance Criteria

11.1 Technical bid opening:

Technical bid against this RFQ would be opened after the closing date of RFQ. Interested bidders may witness the tender opening online by logging into HAL e-Procurement portal.

11.2 Technical Evaluation:

All the technical bids submitted by the vendors would be opened and examined for adherence/ compliance to the requirements as specified in this RFQ. In case of ambiguity in statements given by the vendors, HAL may seek information/ clarification from any or all the vendors. Only such offers that meet HAL technical requirements shall be short listed for further commercial evaluation. HAL's discretion in this regard is absolute.

11.3. Commercial Bid Opening:

Commercial bids of short listed vendors whose technical bids have been accepted by HAL only would be opened. The information regarding date and time of opening, would be intimated to only successful vendors. Technically qualified bidders may witness the tender opening online by logging into HAL e-Procurement portal.

11.4 Commercial Evaluation:

11.4.1 The commercial evaluation shall be carried out based on the total price as indicated at **Format-V of Annexure-D**. For comparison purpose the prices quoted by the overseas vendors would be loaded with applicable Indian custom duty and Indian taxes and duties, etc. as applicable at the time of technical bid opening to arrive the total landed cost to HAL. The quotes indicated therein might be adjusted for non-compliances or partial compliances of commercial terms and conditions as mentioned at appropriate places in this RFQ.

11.4.2. Purchase preference:

Purchase preference will be given to Micro and Small Enterprises (MSEs) as defined in public procurement policy for Micro and Small Enterprises (MSEs) Order, 2012 dated 23.03.2012 issued by Ministry of Micro, Small and Medium Enterprises and its subsequent Orders/Notifications issued by concerned Ministry.

Purchase Preference will be given as defined in Public procurement (Preference to Make in India), Order 2017 & its amendments issued by Department for Promotion of Industry and Internal Trade(DPIIT).

Refer Annexure C for details.

12. Costs related to this RFQ:

This RFQ does not oblige HAL to pay any cost incurred by bidders in the preparation or submission of any response including technical / commercial proposals. HAL reserves the right to reject any and /or all responses received to this RFQ without assigning any reasons or to cancel this tender at any stage.

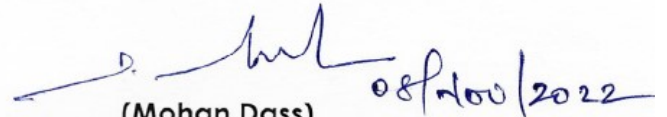
13. Miscellaneous:

- i. Bids (In English Language only) should be submitted through HAL's e-procurement portal on or before due date and time.
- ii. Any clarifications on the tender should be addressed to imm.ardc@hal-india.co.in or can be sent to the following address

Additional General Manager (IMM),
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Thanking You,

**Yours faithfully,
For Hindustan Aeronautics Ltd.,**


(Mohan Dass) 08/10/2022
Senior Manager (IMM), ARDC

Encl : As stated above.