

VENDOR DEVELOPMENT POLICY:-

The Vendor Development Policy is meant for the Bidders:-

- I. who develop new product, which has never been tried by the Company, and if the same is found useful to the Company.
- II. do not have experience for the product, which is being used by the Company.

Such Bidders can enter through this Policy subject to approval from Managing Director of concerned Company with conditions stipulated hereunder. However, approval of the Competent Authority as per Delegation of Power shall be taken. The concerned Company shall inform to the respective Board for approval given to such firm under Vendor Development Policy immediately in the ensuing Board meeting.

- 3.1. The prospective Vendor shall pay the amount of Vendor Registration Fees initially, while expressing the interest to avail the Vendor Development Scheme to obtain Vendor Registration as per clause No. 2 above, if he is not already registered as a Vendor for the material / product. All the guidelines for Vendor Registration shall be followed. The provisional Vendor Registration shall be issued to the Firm under Vendor Development Policy by respective Company. The validity of provisional Vendor Registration Certificate will be till the scheduled delivery period mentioned in the order issued under Vendor Development Policy. On completion of Six Months' performance from the date of successful commissioning of the material / equipment, the Bidder shall be registered as a Vendor for the period of five years and such Bidder can participate in the Tender.
- 3.2. The "Type Test", whenever and wherever applicable, shall be carried out on the proto-type materials / products as per Companies' Technical Specifications at National Accredited Board for Laboratory (NABL) or accredited third party Laboratory approved by the International Forum in case of foreign manufacturer / products. The proto-type materials / products must fulfill all the Technical requirement of the Company like Technical Specifications, specified Drawings, guaranteed Technical parameters, manufacturing quality plan, etc.
- 3.3. The materials / products shall be supplied at the designated location specified by the concerned Companies, at the cost of Vendor. The Vendor has to arrange for loading / unloading, transportation of goods, Insurance coverage from transit-storage to performance monitoring period at no extra cost to the Company.
- 3.4. The price of the materials / products shall be the lowest price at which similar product/material is purchased at the time of delivery of the material (from new Supplier) or the price offered by such Vendor, whichever is lower. If rate of New Bidder / product is not available, then lowest purchase price of regular Supplier at the time of delivery of the material or the price offered by such Vendor, whichever is lower shall be considered. Also if price of product is not available, then reasonable price quoted by the Bidder considering the any existing Order executed by the Bidder, workable material cost for the item or cost of the item of equivalent technology shall be considered.
- 3.5. If performance is not satisfactory, the Supplier will not be entitled for receiving the payment and provisional vendor registration treated as cancelled. The period of the performance and performance parameters shall be informed to the Vendor.

- 3.6. For the purpose of deciding the satisfactory performance, the performance parameters such as success rate / failure rate of the materials / products supplied by regular Suppliers could be considered as Bench Mark. The performance of materials / products supplied under Vendor Development Policy shall be compared with that of similar materials / products supplied by regular Suppliers,
- 3.7. The quantity of materials / products to be supplied by prospective Vendor under Vendor Development Policy shall be as per performance trial needed under the Vendor Development Program and shall be the minimum quantity required for meaningful evaluation of the performance of the materials / products. Such quantity shall be decided by the concerned Company depending upon the type of materials / products. Accordingly, order shall be issued on the above guidelines.
- 3.8. The 50% payment towards materials / products shall be released after successful performance of the materials / products for a period of Six Months against the Bank Guarantee of 100% of Order Value and the balance 50% payment shall be released after one year of satisfactory performance of the first batch of materials / products supplied. The Bank Guarantee should be valid up to and including the guarantee period.
The Company may not insist for performance guarantee towards guarantee/warranty period on successful execution of order. However, the firm has to furnish performance guarantee towards execution period as per Clause No. 4.17 of Purchase Policy before placing of order and the same shall be returned/refunded on submission of Bank Guarantee for 100% order value at the time of releasing 50% payment.
- 3.9. On successful completion of Six Months' performance as on the date of publication of Tender in the Newspaper, the Vendor shall be considered as New-2 for the purpose of evaluation in the subsequent regular tender, if, the firm has developed new product and supplied items under Vendor Development Policy.
However, in case, the firm, do not have experience for the product, which is being used by the Company under Vendor Development Policy, the firm shall be considered as New-1 for the purpose of evaluation.
- 3.10. If the materials / products are supplied and / or installed (wherever applicable) by the Vendor under Vendor Development Policy, he shall be responsible for collection of rejected materials at his cost for safe disposal within the time specified by the Company. If such material is not collected by the Vendor within specified time limit, the Companies shall recover ground rent and safe custody charges from him for the period for which it remains with the Companies. The Company must recover ground rent and custody charges which shall be notified from time to time through separate Circular by the Company.
-