

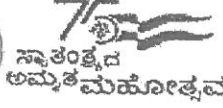
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Office of the
Chief Engineer, Electricity,
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KPTCL
Kaveri Bhavan, 'A' Block,
P.B. No. 9990,
BENGALURU - 560 009

No. CEE/T&P/SEE-2/EE(T2)/2022-23/ *೪೨೨-೨೨*

Date:

13 JUL 2022

OFFICIAL MEMORANDUM

Sub: Guidelines for according vendor Approval to the new manufacturers who do not meet the required stipulations- **Vendor Development policy reg.**

Preamble: The manufacturers who have recently set up factory are seeking the Vendor Registration by paying the prescribed fees and furnished the credentials, type test reports (wherever applicable). But these firms do not meet the required stipulations of manufacturing experience of 5 years and satisfactory performance of 2 years of the product/equipment for which Vendor Approval is sought.

The number of New manufactures seeking vendor approval of KPTCL, have increased day by day and the firms are seeking opportunity to supply to KPTCL projects. Hence the subject was discussed in 79th VAC meeting held on 04.10.2021 wherein the committee members opined to have a vendor development policy in KPTCL to develop vendor base and to bring in competition among the manufacturers for cost effective and quality products.

In addition to the regular vendors of KPTCL, the Committee emphasized the need to widen the supplier base by formulating a vendor development program. With a view to develop and promote new vendors for getting faster deliveries of equipment's/materials at competitive rates, it is considered necessary to give opportunities to the manufacturers of equipments/ materials by way of relaxing the qualifying criteria i.e post supply and performance criteria. The relaxation of qualifying criteria shall only be limited to operating experience of the new vendors without diluting the Technical specifications and standards which will be applicable to all the suppliers/ vendors, as a part of Make in India and ATMANIRBHAR BHARAT initiative promoted by Government of India. The committee proposed that a vendor development policy be framed to encourage new vendors duly safeguarding the interest of the corporation.

Accordingly the proposal was put forth before the Management and it was approved to formulate new Vendor Development policy. The following Terms and Conditions are proposed in addition to the regular Vendor approval procedure followed in KPTCL;

Terms & Conditions stipulated for the new manufacturers for considering them as provisional vendors of KPTCL under VENDER DEVELOPMENT POLICY:

- 1) The general conditions stipulated for Vendor registration vide circular No: CEE (T&P)/EET2/AEET-5/2014-15/5919-31 dated: 19.9.2014, in KPTCL are applicable for these vendors also except for the relaxation in post supply and performance criteria.

- 2) The manufacturer who has established manufacturing and testing facilities for offered equipment in India and not meeting the necessary stipulated requirements is eligible to register as new vendor subject to condition, that the equipment offered must have been manufactured in the Indian works and type tested and supplied as on the date of vendor registration.
- 3) After assessing their production and testing capabilities, provisional vendor approval will be accorded in a phased manner after obtaining additional Bank Guarantee towards performance where ever specified, subject to conditions. In this regard the following separate guidelines item wise are proposed as below:

I) Sub-Station Structures and Transmission Lines Tower Parts with Bolts, Nuts and Washers.

The firm should have set up a manufacturing plant in India. The firm should have a testing lab, angle straightening machine, cutting & punching machine, drilling machine, bending machine and such other basic machinery required for fabrication of structures and tower parts.

The provisional vendor approval to such manufacturer may be considered in phased manner as proposed below:

- i) Initially such vendor will be approved to supply **110kV/66kV class Sub-station structures for 2 projects.**
- ii) Subsequently after assessing the performance, further it will be extended to **one project** of 110kV/66kV for supply of Transmission Line towers along with **five projects** of 110kV/66kV class for supply of Sub-station structures.
- iii) After the satisfactory supply & erection of Transmission Line towers of one project, the firm may be accorded general vendor approval for supply of 110kV/66kV of Sub-station structures and Transmission Line towers for 110/66kV Voltage class.
- iv) Then such vendor will be eligible for upgradation for supply of Sub-station structures and Transmission Line towers for **one project** of 220kV.
- v) If the firm's performance is found to be not satisfactory as per the assessment of KPTCL, then the provisional vendor approval accorded remains cancelled and such firms will not be considered for vendor registration in future.

II) HT Cables, LT Aluminium Power and copper control cables:

The firm should have set up a manufacturing plant in India. The firm should have manufactured and supplied HT Cables, LT aluminum Power and copper control cables in India. The prospective vendors shall furnish the valid type test reports conducted at CPRI/ERDA as per IS 7098 and IS 1554 / KPTCL Specifications for at least one size of cable and furnish an undertaking that it will conduct the type tests/special tests as per KPTCL stipulations in the event of provisional approval before inspection.

The firm has to furnish, initially performance Bank guarantee of Rupees Five Lakhs for one project for a period of **five years** which shall be extended till that project completes satisfactory performance of **three years** since commissioning. The same will be returned after successful completion of **three years** from the date of commissioning.

The Provisional Vendor approval to such manufacturer will be considered in a phased manner as below:

- i) Initially such firms will be considered for supply of HT Cable, LT aluminum Power and copper control cables for **two projects** of KPTCL of 110kV/66kV class Sub-station.
- ii) After the successful completion of **one year** from the date of commissioning of above **two projects** provisional vendor approval will be subsequently extended further for **five projects**.
- iii) After the successful completion of **two years** of satisfactory performance of atleast **two projects** of 110kV/66kV class, such firms may be considered as eligible for supply to **one project** of 220kV class and regular vendor approval for 110kV/66kV class stations.
- iv) If the firm's performance is found to be not satisfactory as per the assessment of KPTCL, then the provisional vendor approval accorded remains cancelled duly forfeiting security deposit furnished towards the performance guarantee and such firms will not be considered for vendor registration in future.

III Miscellaneous items envisaged for inclusion like Batteries, 11 kV UG cable termination and jointing kits, Conductor & Ground wire, Conductor & Ground wire Hardware & accessories, Insulator Hardware & accessories, 11kV Switchgear etc.:

The firm should have set up a manufacturing plant in India. The firm should have manufactured and supplied the products for which vendor approval is sought as on the date of Vendor registration. The prospective vendors shall furnish the valid type test reports conducted at CPRI/ERDA as per relevant IS / KPTCL Specifications.

The firm has to furnish initially performance Bank guarantee of Rupees **Two Lakhs** for a period of **five years** which shall be extended till atleast one projects completes satisfactory performance of **three years** since commissioning. The same will be returned after successful completion of **three years** from the date of commissioning. The Provisional Vendor approval to such manufacturer will be considered in phased manner.

- i) Initially such firms will be considered for supply of products/equipments for two projects of KPTCL to 110kV/66kV class Sub-station.
- ii) After the successful completion of **one year** from the date of commissioning, of above **two projects**, subsequently provisional vendor approval will be extended further for **five projects**.
- iii) After the successful completion of **two years** of satisfactory performance of atleast **two projects** of 110kV/66kV class from the date of commissioning, such firms may be considered as eligible for supply to 220kV class one project and regular vendor approval for 110kV/66kV class projects.
- iv) If the firm's performance is found to be not satisfactory as per the assessment of KPTCL, then the provisional vendor approval accorded remains cancelled duly forfeiting security deposit furnished towards the performance guarantee and such firms will not be considered for vendor registration in future.

IV Guidelines for inclusion of OPGW cable, UG-OFC, ADSS & hardware fittings in the approved list of KPTCL.

A. Experience of manufacturers – Minimum 3 years

B. Period of satisfactory performance – 2 years

C. Recognized laboratories for considering their test reports:

- a) The type test on Indigenous equipment for which testing facility is available in India, should have conducted in any independent laboratories approved by Government or accredited by National accreditation body of the country like CPRI, ERDA, etc.,
- b) If the testing facility is not available in India, it should have been conducted in a laboratory of foreign country by National accreditation body of that country.
- c) The Type test conducted in-house by manufacturers shall also be accepted where the specific test facilities are not available in independent NABL accredited body of the country & the tests have been witnessed by a representative of NABL accredited Independent laboratory/ power utility.

D. Applicable standards:

- i) OPGW cable & accessories: IEEE-1138-1994, 1138-2009, IEC-60304 & any other standards as & when published by IEEE/IEC/IS.
- ii) ADSS: IEC-60304, IEC 60794, ITU-T recommendations G.652D & prevailing standards as & when published by IEEE/IEC/IS.
- iii) UG-OFC: IEC-60304, IEC-60794-1-2, IEC-60811-5-1, ITU-T recommendations G.652D & prevailing standards as & when published by IEEE/IEC/IS.

E. Validity period of Type tests for acceptance:

5 years as per the CEA guidelines-May-2020.

F. Guaranteed period:

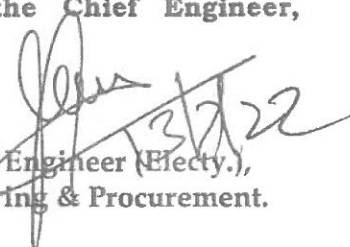
25 years from the date of purchase.

Type test reports:

As per Guidelines for Type tests conducted on Major electrical equipment in Power transmission system' issued by Government of India, Ministry of Power, CEA in May-2020.

Bank Guarantee: Bank Guarantee towards Performance Guarantee from a Public Sector Indian Bank/Scheduled Commercial Bank (in the second schedule of the RBI Act 1934) and the Bank should be covered under the jurisdiction of Indian Laws for the amounts specified against each equipment/materials, shall be furnished for the period specified. The format Annexure-I is enclosed for reference.

The Bank Guarantee shall be in favour of the Chief Engineer, Electricity, Tendering & Procurement, KPTCL, Bengaluru.


Chief Engineer (Electy.),
Tendering & Procurement.

Copy to:

1. All the Chief Engineers, Electy., Transmission Zones, KPTCL.
2. The General Manager(Tech.) KPTCL, Corporate office Kaveri Bhavan, Bangalore.
3. The Chief Engineer, Electy, (P&C), KPTCL, Kaveri Bhavan, Bangalore.
4. The Chief Engineer, Electy., (TA & QC), KPTCL, Kaveri Bhavan, Bangalore.
5. The Chief Engineer, Electy, (RT & R&D), KPTCL, Kaveri Bhavan, Bangalore.

6. The Superintending Engineers (Ele.), 1 & 2 T&P, Kaveri Bhavan, Bangalore.
7. All the Superintending Engineers (Ele.), W&M Circle, KPTCL, SEE (Tech)/P&M/RT Circles KPTCL.
8. All the Executive Engineers, Elec., Major works/TL&SS Divisions, KPTCL.
9. The Executive Engineer, Elec., T1/T2/T3/T4/T6/T7/T12(K)/P, T&P, Kaveri Bhavan, Bangalore.
10. EA to Director (Transmission) with a request to place the same before the Director (Transmission) for kind perusal.
11. All the AEEs (Turnkey/Procurement), T&P, KPTCL, Kaveri Bhavan, Bangalore.
12. MF/OC.

**PROFORMA OF BANK GUARANTEE FOR
VENDOR PERFORMANCE GUARANTEE**

(To be stamped in accordance with stamp Act)

Ref.....

Bank Guarantee No

Date

TO

Dear Sirs,

In consideration of the Karnataka Power Transmission Corporation Limited, (hereinafter referred to as the Owner which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) to treat M/s _____ as a provisional approved vendor for supply of (materials) to the projects of KPTCL under the Vendor Development Policy of KPTCL which has been accepted by the Vendor as per the terms & conditions of Vendor Development Policy OM No..... dtd..... . The provisional Vendor M/s.....with its Registered/Head office at (hereinafter referred to as the 'Vendor' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), by issue of Owner's Letter (as applicable) No.....dated..... and the same having been unequivocally accepted by the Vendor, furnish for Rs..... as performance guarantee for the faithful performance of the supply of materials/equipments (As specified) to the Owner.

We (Name & Address)

having its Head Office at(hereinafter referred to as the 'Bank' which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay, the Owner, merely on demand any and all monies payable by the Vendor to the extent ofas aforesaid at any time up to**..... (days/month/year) without any demur, reservation, contest, recourse or protest and/or without any reference to the Vendor.

Any such demand made by the Owner on the bank shall be conclusive and binding notwithstanding any difference between the Owner and the Vendor or any dispute pending before any Court, Tribunal, Arbitrator or any other Authority. The bank undertakes not to revoke this guarantee during its currency without previous consent of the Owner and further agrees that the guarantee herein contained shall continue to be enforceable till the Owner discharges this guarantee.

The Owner shall have the fullest liberty without affecting in any way the liability of the bank under this guarantee, from time to time to extend the time for performance of the material/equipment by the Vendor. The Owner shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Vendor, and to exercise the same at any time in any manner, and either to enforce or to forebear to

enforce any covenants, contained or implied, in the contract between the Owner and the Vendor or any other course or remedy or security available to the Owner. The bank shall not be released to its obligations under these presents by any exercise by the Owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the Owner or any other indulgences shown by the Owner or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Owner at its option shall be entitled to enforce this guarantee against the bank as a principal debtor, in the first instance, without proceeding against the Vendor and notwithstanding any security or other guarantee the Owner may have in relation to the Vendor's liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is restricted to Rs.....and it shall remain in force up to and includingand shall be extended from time to time for such period (not exceeding one year), as may be desired by M/son whose behalf this guarantee has been given.

Dated thisday of20.....at

WITNESS:

.....

.....

(Signature)

(Signature)

.....

.....

(Name)

(Name)

.....

.....

(Official Address)

(Designation with Bank Stamp)

Attorney as per Power of

Attorney No

Date

NOTE:

****** The date will be ninety (90) days after the end of guarantee period as specified in the Letter.

- 1) The stamp papers of appropriate values shall be purchased in the name of issuing bank.
- 2) If the Bank Guarantees towards Contract Performance Guarantees are issued by Banks through Structured Financial Messaging System (SFMS), in such cases,

The Vendor has to furnish Demand Draft in favour of Financial Advisor (A&R), KPTCL towards Bank Charges for obtaining the SFMS advice from KPTCL Bank as detailed below:

	BGs issued by SBI	BGs issued by other Banks
Advising of Bank Guarantees	Rs.500.00+18% GST per Bank Guarantee	Rs.1000.00+18% GST per Bank Guarantee
Advising of Amendments	Rs.250.00+18% GST per Bank Guarantee	Rs.500.00+18% GST per Bank Guarantee

The SFMS message shall be sent to Bank of Beneficiary (KPTCL) – State Bank of India, St. Marks Road, Overseas Branch, IFSC Code SBIN0006861 by issuing Bank.

Vendor shall furnish the details of SFMS sent from issuing Bank to Beneficiary Bank (KPTCL) along with original Bank Guarantee.

EE712K

ANNEXURE- II

PROFORMA OF EXTENSION OF BANK GUARANTEE

Ref

Date

TO

Dear Sirs,

Sub: Extension of Bank Guarantee Nofor

Rs.....favouring yourselves, expiring on on account of M/s.....in respect of Nodated.....(hereinafter called original Bank Guarantee).

At the request of M/s.,We.....bank, branch office atand having its Head Office atdo hereby extend our liability under the above mentioned guarantee no dated for a further period ofyears/months fromto expire onexcept as provided above, all other Terms and Conditions of the original Bank Guarantee Nodatedshall remain unaltered and binding.

Please treat this as an integral part of the Original Bank Guarantee to which it would be attached.

Yours faithfully,

For

Manager/Agent/Accountant

Power of Attorney No

Dated

SEAL OF BANK

NOTE: The non-judicial stamp paper of appropriate values shall be purchased in the name of the bank who has issued the Bank Guarantee.

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Phone : 91-080-22274744

Fax : 91-080-22212456



5971-88

Office of the
Chief Engineer, Electricity,
Tendering & Procurement, KPTCL
Kaveri Bhavan, 'A' Block, P.B. No.
9990,

BANGALORE - 560 009

No.CEE/T&P/SEE/EE(T2)/AEET-4/2017-18/

14 AUG 2017

AMENDMENT

Sub: Amendment to applicable taxes on application fees for New/Renewal of Vendor approval.

Ref: 1. Corporate office order no: KPTCL/B19/1672/90-91dt26.06.2013
2. CEE/T&P/EE(T2)/AEET-5/2014-15/5919-31dt19.09.2014 updated
vendor approval terms and conditions

The terms and conditions for Vendor approval was issued vide circular dt 19.09.2014 under reference(2). In the said circular, the vendor registration fees was stipulated as Rs.15000/-+5.5% VAT for the vendors whose manufacturing units are established in Karnataka state and Rs.25,000/-+5.5%VAT for the vendors whose manufacturing units which are established outside the state of Karnataka.

Consequent to introduction of GST w.e.f 01.07.2017 the Vendor registration fee is amended to this office circular cited under reference(2) as detailed below:

Sl No	As Existing	As Amended
Ai)	Application fee of Rs.15000/-+ Applicable taxes (Prevailing VAT at 5.5%) for the vendors whose manufacturing units are established in Karnataka state and Rs.25,000/-+Applicable taxes (prevailing VAT at 5.5.%) for the vendors whose manufacturing units are established outside the state of Karnataka	Application fee of Rs.15000/-+ Applicable taxes (GST at 18%) for the vendors whose manufacturing units are established in Karnataka state and Rs.25,000/-+Applicable taxes(GST at 18%) for the vendors whose manufacturing units are established outside the state of Karnataka NOTE: Further the vendors are requested to furnish GSTN registration along with credentials failing which the application will not be considered.

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All other terms and conditions of the vendor approval issued vide circular under ref(2) remains unaltered.


14/8/17
**Chief Engineer, Electy.,
T & P, KPTCL, Bangalore.**

Copy to:

1. All the Chief Engineers Electricity, Transmission Zones, KPTCL
2. The Chief Engineer Electricity (TA&QC), KPTCL, Kaveribhavan, Bangalore
3. The Chief Engineer Electricity (P&C), KPTCL, Kaveribhavan, Bangalore
4. The Chief Engineer Electricity (RT-R&D), KPTCL, Kaveribhavan, Bangalore
5. All Superintending Engineers(EI), W&M Circle, RT circle, SEE(P&M), SEE(Tech)/
Planning
6. The Financial Advisor, A&R, KPTCL, Kaveri Bhavan
7. The Superintending Engineer T-1, T-2, T&P, Kaveri Bhavan, Bangalore
8. The Superintending Engineer (IT&MIS), Kaveri Bhavan, Bangalore
9. The Executive Engineers T1/T2/T3, T&P, Kaveri Bhavan, Bangalore
10. All Asst Executive Engineers(Turnkey) , T&P , Kaveri Bhavan , Bangalore
11. Accounts Officer(Cash&Accounts), Kaveri Bhavan, Bangalore