

STANDARD DOCUMENT FOR CASES PROCURED THROUGH REVERSE AUCTION:

The following document highlights the salient features of the online Reverse Auction process for cases to be processed through. The bidders are advised to read the document carefully before submitting the offer.

Bidders are required to quote Part I, Part-II and Price Bid (Part-III) . However, the Price bid (Part-III) will be finalized through online Reverse Auction to be conducted among the techno-commercially suitable bidders. In case, RA is not conducted, SAIL, RSP reserves the right to open Sealed Price Bid submitted by bidders. All the terms and conditions including technical specifications, commercial points, special terms and conditions as mentioned in the respective tender document(s) are to be strictly followed. Only techno-commercially suitable bidders will be allowed to participate in the Reverse Auction. During the RA process, only the price discovery will be done through competitive bidding. Our Service Provider, M/s Mjunction Services Ltd. will intimate the eligible bidders before conducting the RA.

1.0 Brief description of the price bidding through Reverse Auction:

1.1 Tenderers must submit their Part I, II & III Bids along with all the required details as per the terms of tender before the last date of submitting the tender.

1.2 All the tenderers whose offers are found techno-commercially acceptable by SAIL RSP become eligible for participating in price bidding through On-line Reverse Auction over Internet.

1.3 Non-placement of bid by an eligible Tenderer during the Reverse auction event may adversely affect consideration of the Tenderer for the subsequent tenders.

1.4 The Service Provider, M/s Mjunction Services Limited would intimate Date & Time for Start of Procurement & duration of auction to the tenderers in advance. Login ID & Password specific to each tenderer is given and demonstration of bidding (On-line) process would also be provided to enable each tenderer to fully understand the process of bidding On-line.

1.5 Thereafter, at scheduled time the screen for On-line bidding is launched wherein the supplier would put in their best offers through On-line bids by which the Start Bid Price can be reduced by the tenderers to secure orders for the supply of items/services.

1.6 All eligible tenderers having password can view the bidding on the computer screen and also enter their prices any number of times during the duration of bidding.

1.7 The Tenderer quoting the lowest price at the close of auction time/ extended auction time becomes eligible for getting the order for tendered item/ quantity if it has been decided at the Techno Commercial evaluation at Tender stage to place order on only one party. SAIL RSP may distribute order on more than one source as pre-decided by SAIL RSP, before conduct of Online Reverse Auction. However, the lowest evaluated Tenderer (L1) shall get the maximum share of the order if not constrained by capacity.

1.8 In case the order is required to be distributed to more than one party the item wise cost breakup indicated by the L1 Tenderer shall be offered to other Tenderers for item wise matching on LCNC basis. The volume of the order to be distributed on the suppliers, who have matched the lowest price for the item, shall be in the descending order as per their ranking and number of sources as decided by SAIL RSP.

1.9 All Tenderers have to confirm through a letter/ fax (033 - 66011720 / 22820702), their last quoted prices for each market immediately after the Reverse Auction (format enclosed as Annexure - 4). They also need to mention in the same letter, if they have matched L1 prices On-line for any of the Lots/ Markets, if offered to match.

1.10 After the RA event, item wise cost breakup (as per Annexure-5) is to be submitted by the L1 Tenderer within 2 hours which shall be offered to other Tenderers who have matched Lot/ Market wise L1 prices On-line at the conclusion of event.

1.11 All Tenderers are advised to quote from a reliable Internet facility, as neither SAIL nor MJ would be responsible for any failure in the Internet connectivity during the bidding.

2.0 Service Provider and the Issuance of RFQ

2.1 Steel Authority of India Limited has engaged the services of its Joint Venture Company M/s Mjunction Services Limited (MJ) for conducting the Procurements. MJ is fully authorised to give clarifications/ coordinate with the suppliers on behalf of SAIL RSP with respect to the conduct of Procurement for the items/ services mentioned in this RFQ. The contact details of the Service Provider are as follows:

Corporate Office Rourkela Office

Mjunction services limited

Godrej Waterside

Tower-I, 3rd floor, Plot No. 5, Block-DP

Sector-V, Salt Lake City,

Kolkata - 700091

Phone: +91 33 66106299, +91

9163348103

Mjunction Services Limited

Room No. 630, 6th Floor, Admin. Bldg.

RSP, SAIL, Rourkela - 769011

Ph: 0661-6511412

Contact Person:

Mr. Anshu Verma

email: anshu.verma@mjunction.in

mobile :+91 9937122809

2.2 Suppliers who are acceptable to SAIL RSP and who accept all the Terms and Conditions shall be intimated by M/s Mjunction to participate in the On Line Procurement.

2.3 Vendor Enablement - The Service Provider shall have the responsibility of familiarizing the Tenderers with the Procurement Process. (Including training to the vendors).

ANNEXURE - 1

(To be submitted on Supplier's Letter Head)

Format for Acceptance of Commercial Terms, General Terms and Conditions and all other Terms of the RFQ We having registered

Office at (Supplier Name) (Address)

agree to all the Commercial, General & other Terms & Conditions listed in the Tender Enquiry No..... for procurement of through On Line Reverse Auction.

We confirm that we are in a position to supply material as per the specification given in RFQ. We have also understood the Procurement Process and the Procurement rules and special instructions given in the Enquiry. We agree to participate in the Procurement and abide by the rules. We nominate an executive, whose details are given below, to put the bids on our behalf. The details of the Tenderer authorised to bid on our behalf is as follows.

Name & Designation:

E-mail ID:

Contact phone nos. :

Address:

(Signature & Seal)
Place:
Date:

ANNEXURE - 2

Definition of Key Terms - Online Procurement

Procurement: Procurement refers to a forum where the requirement for one/more Markets of an item is stated and the participants are required to bid down the price to be selected to supply the requirement.

On-line Procurements: On-line Procurements refer to those Procurements conducted through the Internet with simultaneous bidding (from one or more locations). In other words, the venue for the auction is on an Internet website/ platform. The Mjunction website (www.buyjunction.in) or any other URL assigned by Mjunction would constitute the venue for the purpose of the On-line auction.

Award at the Procurement: The Tenderer quoting the lowest price is normally allotted the item unless otherwise specified by the Client.

Client: Client is the individual/ business entity who has contracted Mjunction to conduct such Procurement. In case of Procurement, the purpose would be to meet their requirement for item/s from among the sellers desiring to sell the items to the Client.

Tenderer: Tenderer is the individual/ business entity participating in the Procurement, intending to supply the item/s to the Client. To become a Tenderer in the auction, a business entity has to secure client approval for participation and also provide written assent to the General Rules and Regulations.

Auction Engine: Auction Engine refers to the software that encapsulates the entire auction environment, processing logic and information flows. Mjunction is the sole owner of the auction engine and retains exclusive right over the utilization of the same.

Preview Time: Preview Time refers to the period of time that is provided prior to the commencement of bidding. This is to facilitate approved participants to view the auction details such as item specifications, bidding details and bidding rules. The purpose is also to familiarize participants with the functionalities and screens of the auction mechanism. It is not mandatory for Mjunction to provide Preview Time.

Start Time: Start time refers to the time of commencement of the conduct of the On-line auction. It signals the commencement of the Price Discovery process through competitive bidding. Duration of the Reverse Auction (RA)

Process: It refers to the length of time the price discovery process is allowed to continue by accepting bids from competing Tenderers. The duration of the auction would normally be for a pre-specified period of time. However, the bidding rules may state the conditions when the pre-specified duration may be extended/ curtailed. The conditions include:

- Curtailment of auction duration in the event of no bids for a specified period of time (Inactivity Time)
- Automatic extension in the event of bids being entered towards the end of the scheduled duration to facilitate the other Tenderers to view and react to the bid. **Auto Extension of the Auction Timings:** In the event of bids in the last few minutes of the scheduled bid time, the Bid Timings are automatically extended for a specified period from each such bid. Such Auto Extension shall continue until no bids are placed for the specified period (Engine remains inactive for the specified period). The Inactivity Time for Auto Extension purpose is normally 3 minutes. Mjunction however retains the right to change the same. The Inactivity Time applicable for the particular On-line Bid shall be communicated to the Tenderer if it will be set to a value other than 3 minutes.

End of the Procurement: End of the Auction refers to the termination of the auction proceedings signaling an end to the price discovery process.
Auction Report: Mjunction would provide an Auction Report to the Client containing a summary of the auction proceedings and outcome. The Auction Report would constitute the official communication from Mjunction to the client about the outcome of the Procurement. ID and Pass Word - Pass Word and ID shall be given to all the eligible Tenderers by the Service Provider for enabling the Tenderer to participate in the Procurement.

Starts Bid Price - Start Bid Price is the Price of a lot for starting the bidding event. This is the Maximum Price, which will be accepted by the Procurement engine. Supplier have to quote a Price lesser than the Start Bid Price for participating in the Procurement. The computer shall not Accept Price higher than Start Bid Price for a lot. Bidding will start at start Bid Price to be Intimated in advance to the vendors eligible for bidding. This will be put up on the site and will Also be communicated in advance through Fax/ email.
Minimum Decrement- Minimum decrement is the minimum amount a supplier has to reduce in Order to beat a higher bid. For example if a Tenderer bids Rs 10, 00,000/- for a Market, others, in Order to beat this bid, have to quote a lower price with a minimum decrement say of Rs 2,500/-
I.e. in order to be eligible they have to quote Rs. 9,97,500/- (or lower) for the same Market. This Minimum decrement shall be pre-decided by Steel Authority of India Limited and will be in- built in The computer.

ANNEXURE - 3

General Rules and Regulations governing conduct of On-line Procurements on the Mjunction platform and Terms and Conditions of the Buyer (SAIL)
Introduction: The General Rules and Regulations provided herein govern the conduct of On-line Procurements operated by Mjunction Services Ltd. These rules cover the roles and responsibilities of the parties in the On-line Procurements on the MJ platform. Acceptance in - to these General Rules & Regulations is a pre-requisite for securing participation in the Online Procurements on the MJ platform.

Role of Mjunction: Mjunction is the agency (operator) primarily providing the forum for conducting the Procurement. As the agency providing the auction engine, the role of Mjunction would include:

- Input of the details of the auction items and defining of the bidding rules as desired by the client, market making and training of prospective vendors
- Providing access to the approved to participate in the auction.
- Enhancing Tenderer awareness of and comfort with the auction mechanism and bidding rules
- Summarizing of the auction proceedings & communicate the outcome to the Client

The responsibility for fulfillment of the contract rests between the Tenderer and the client, and Mjunction shall have no liability on this account. Role of the Tenderer: The role of the Tenderer is outlined below:

- The Tenderer would participate in the Procurement with the aim of bidding to secure the auctioned item in the auction (being selected for supplying the client's requirement).

- The Tenderer would be provided access to the Auction through a User Id protected by a password. The Tenderer needs to ensure that the User Id and password is not revealed to unauthorized persons.

- Access to the auction mechanism shall be provided to all the approved Tenderer subsequent to obtaining their written consent to the General Rules & Regulations.

- In the event of winning an allotment in the auction mechanism, the Tenderer shall commit to fulfill outlined obligations under the contract. Bidding Rules: The Bidding Rules refer to the information and terms defined specifically for a particular Procurement. The purpose of the Bidding rules is to provide approved Tenderer with the information and terms specific to the auction in which they are bidding. This would include:

- Start Time and duration of the Procurement
- Any extension of the duration of the auction in the event of bids being received towards the end of the pre-specified duration
- Reserve Price (if specified)
- Minimum & Maximum Bidding Quantity (if specified)
- Price Decrements & any reduction in the price decrements in the auction in the event of inactivity
- Other attributes (informational/non-negotiable in nature)

Participation in auction process presumes complete awareness and understanding of the bidding rules.

Conduct of the Procurement: The Procurement shall be communicated on pre-specified date.

Mjunction retains the right to cancel or reschedule the Procurement on any of the followings reasons:

- The number of confirmed Tenderers is deemed to be insufficient to conduct the Procurement
- Some of the confirmed Tenderers are unable to access the module due to infrastructural problems such as sustained power failure or telecommunication breakdown.
- It is determined that one or more Tenderers have submitted bids which are clearly below Cost.

The duration of the auction may also vary from the pre-specified period of time on account of termination of the auction by Mjunction:

a) On the advice of the client or

b) On its own accord in case of situations where it is felt that continuance of the auction proceedings is prejudicial to the smooth conduct and/or the integrity of the auction process. Problems during conduct of Procurement:

In the event of any problems being faced in the smooth conduct of the auction, Mjunction shall have the right to undertake one or more of the following steps:

- Cancellation of a bid
- Locking of a Tenderers account (suspension of operations in the account) etc. Such intervention may also happen without seeking prior concurrence of the client.

ANNEXURE - 4

Format for submitting last quoted prices (To be submitted on Company Letter Head of the Tenderer after Auction)

Ms. Naaz Ansari
Mjunction services limited
Godrej Waterside
Tower-I, 3rd floor
Plot No. 5, Block-DP
Sector-V, Salt Lake City
Kolkata - 700091

Phone: +91 33 66106174, +91 9163348211

FAX: +91 33 66011725

naaz.ansari@mjunction.in_

Re: Procurement for for Rourkela Steel Plant held onReference above, we hereby confirm our Market wise last quoted prices in the Online Procurement held on For For Rourkela Steel Plant. Market No./Item No. Last Quoted Price (Rs.) we also confirm that we will submit item wise price break-up, within one working day from the date of Procurement.

Signature :

Name :

Designation :

Date :

ANNEXURE 5

Format for submitting Price Break-ups

(To be submitted on Company Letter Head of the Tenderer after Auction)

To

Ms. Naaz Ansari

Mjunction services limited

Godrej Waterside

Tower-I, 3rd floor

Plot No. 5, Block-DP

Sector-V, Salt Lake City

Kolkata - 700091

Phone: +91 33 66106174, +91 9163348211

FAX: +91 33 66011725

naaz.ansari@mjunction.in_

Re: Price Break-up of for SAIL, RSP for RA held onI-ITEM-WISE PRICE BREAK-UP FOR THE SUPPLY FOR ITEM NO.....:Sl Description Remarks, if any

For items covered under GST

A. Basic Rate

B. Packing Charge

C. Forwarding Charges

D. Freight Charges

E. Insurance

F. GST on (A+B+C+D+E)

G. Landed Cost [A+B+C+D+E+F]

H. ITC (F)

I. LCNC (G-H)

Signature & Company Seal:

Date:

