



KUDREMUKH

KIOCL Limited

(Formerly Kudremukh Iron Ore Company Limited)
(A Government of India Enterprise)

Registered Office:

II Block, Koramangala, BANGALORE-560 034

AN ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 COMPANY

Tel : (080)-25531461-70

Fax : (080)-25630984 / 25532153

Website : www.kioclltd.in

e-mail :bfa@kioclltd.com

NOTICE INVITING BIDS

KIOCL/F&A/IntAud/2018/01

DATE 27.12.2018

Due Date: 28/01/2019
at 2.00 PM (IST)

Sub: Appointment of Internal Auditors for FY 2019-2020.

- 1.0 Sealed Tenders are invited in duplicate in TWO-BID system (in three covers) for the subject Internal Audit.
- 2.0 **COLLECTION OF TENDER DOCUMENT:**
 - 2.1 The Tender Document may be obtained from the office of.

JT. GENERAL MANAGER (FINANCE),
KIOCL Limited, II Block, Koramangala,
SARJAPUR ROAD, BANGALORE- 560 034
KARNATAKA STATE, INDIA

3.0 **SUBMISSION OF TENDER DOCUMENTS (TWO BID SYSTEM) :**

The tenders complete in all respects conforming to the Scope of Work and all terms and conditions, should be dropped in the Purchase Tender Box conspicuously located in the Purchase department, II Floor Main Building of **KIOCL Limited, II Block, Koramangala, Bangalore-560 034** latest by 28.01.2019 at 2PM (IST) in sealed covers as under :

- **Cover.1 – Techno-Commercial Bid**

Techno-commercial bid [containing experience profile of the Firm with documentary proof required as per paras 1.0 to 6.0 of Annexure-IV of eligibility criteria, a copy of **Unpriced bid (i.e blanking the price portion repeat blanking the price portion which should be strictly as per page 1 of 2 of Annexure-V) and copy of the present tender terms with all the pages signed and stamp affixed as acceptance of all the tender terms**] in a sealed cover super scribed with our Tender number & Due Date and time of Opening and captioned “**Techno-Commercial Bid**”

- **Cover. 2 – Price Bid**

Price bid only which should be strictly as per price-bid format (Page 2of 2 of Annexure-V) in a separate sealed cover duly superscribed with our Tender number & Due Date and time of Opening and captioned “PRICE BID”.

- **Cover.3 – Common Outer Cover :**

Covers 1 & 2 above shall be kept in a **common outer cover and sealed,** and duly super scribed with our Tender number & Due Date and time of Opening and captioned “**INTERNAL AUDIT FOR FINANCIAL YEAR 2019 – 20 OF KIOCL LIMITED.**”

4.0 ONLINE COMPETITIVE PRICE BIDDING CUM REVERSE AUCTION

- As per current guidelines, KIOCL shall be conducting online competitive price bidding cum Reverse e-Auction prior to opening of sealed price bids. The details regarding online bidding cum reverse auction are mentioned at tender document.
- KIOCL has made arrangement with **M/s. BOB eProcure Solutions Pvt. Ltd, Bangalore** who shall be KIOCL’s authorized service provider for this tender.
- All technically and commercially acceptable bidders those who have accepted business rules provided by our service provider would be required to participate in the online bidding cum reverse e-auction, on a date and time to be intimated later. Bidders are to indicate in the online bidding against price column their most competitive price which sets the reverse auction into motion after the system takes in the first entered price.
- **M/s. BOB e-Procure Solutions Pvt. Ltd, Bangalore,** will train the short listed vendors for this purpose, and they will have to abide by the e-business rules framed by the KIOCL in consultation with M/s. BOB e-Procure Solutions Pvt. Ltd, Bangalore. A copy of

e-business rules is furnished in Annexure-VIII. The date and time of which shall be intimated to all the eligible bidders by the Service Provider in due course.

Note: All Techno-commercially qualified bidders are required to submit the Process Compliance Form duly signed prior to online bidding and Reverse Auction to M/s BOB e-Procure Solutions Pvt. Ltd, Bangalore.

- 5.0** Please note that those quotations received by fax / e-mail / in open condition will not be accepted. Further, if quotation is not received in two parts (two bid system) in separate covers and finally put in a single outer cover as above, the offer will be rejected.
- 6.0** Late / delayed tenders received after the scheduled due date and time of submission shall be rejected.
- 7.0** Bidders should ensure that they should duly sign on all the pages of this NIT and affix seal which will be treated as confirmation of acceptance of all terms and conditions in the NIT without stipulating any conditions. This shall form part of Techno-Commercial bid. (ref: para 3.0-A-Cover-1 above)

8.0 TENDER OPENING

- 8.1 Techno-Commercial Bid (except Price bid) will be opened on 28.01.2019 at 3 PM. The bidder may depute representative with authorization letter, to witness the bid opening, if it is so desired.
- 8.2 If the offer is techno-commercially acceptable, the bidder will be informed about the date and time of opening of the price bid. The bidder may accordingly depute representative with authorization letter, to witness the price bid opening, if it is so desired.

Yours faithfully
for KIOCL Limited

(Saumen Dasgupta)
JGM (Finance)

Tel: 080-25531521
Fax: (080) 25532153
E-mail: bfa@kioclltd.com

Annexure – I	:	Brief on KIOCL Limited
Annexure – II	:	Scope of Work for the Internal Audit.
Annexure--III	:	Techno-Commercial terms and conditions
Annexure--IV	:	Eligibility Criteria (Technical and Financial)
Annexure-V	:	Un-Priced bid format (Page 1of 2) and Price Bid Format (page 2 of 2)
Annexure-VI	:	Particulars for payment through RTGS / e-payment Mode
Annexure-VII	:	Instructions to Bidders for availing payments from KIOCL through e-Banking.
Annexure-VIII	:	Business rule, Terms and conditions of reverse auction

ANNEXURE - I

BRIEF ON KIOCL LIMITED

KIOCL Limited (formerly Kudremukh Iron Ore Company Limited), was incorporated on 2nd April 1976 as country's prestigious 100% Export Oriented Unit (EOU) and was originally engaged in the mining and beneficiation of low grade Magnetite ore into high grade iron ore Concentrate and export of the same. Subsequently, as per the Hon'ble Supreme Court Order, Mining operation and beneficiation at Kudremukh mine site was stopped with effect from 01.01.2006.

At present, Pelletisation and Blast Furnace Units of the Company are in operation at its Mangalore establishment. In view of the Iron Ore being sold in Karnataka only through e-auction mode as per the Hon'ble Supreme Court's Order, the input Hematite iron ore fines as raw material for the manufacture of pellets and iron ore lumps for pig iron is being procured mainly from Bailadila sector of NMDC Limited, Chhattisgarh through Road (Railway Rakes) cum Sea route. Efforts are also on to procure iron ore from other sources including Imported sources.. The Pellets are Exported and also sold in the DTA market. KIOCL has its offices established at New Delhi, Visakhapatnam, NMDC Donimalai, NMDC Kirandul/Bacheli mines (Chhattisgarh State), Bangalore, Kaliapani (Orissa State) and other location across India.

ANNEXURE-II
Scope of Work for the Internal Auditors

The objective of internal auditing is to assist the Audit Committee/ Management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations on the internal control system and pertinent comments concerning the activities reviewed. Besides conducting transaction audit with adherence to legal and regulatory requirements, Internal Audit is to evaluate the adequacy of risk management and internal control system in the Company. While focusing on effective risk management and control in addition to appropriate transaction testing, the Internal Audit shall offer suggestions for mitigating current risks and also anticipate areas of potential risks. Attainment of the objectives involves inter- alia following activities:

- i. Conducting Internal Audit covering all operational areas.
- ii. The frequency of audit of the activities based on the risk assessment and appropriate checklists shall be as under;

Sr. No.	Activity	Frequency
1	High-risk areas.	Every Quarter.
2	Medium-risk areas.	At least once in six months.
3	Low-risk areas.	At least once in a year.

- iii. Review adequacy and application of financial and other operating controls and make suggestions if any for improvements of the same along with annual report on IFCR.
- iv. Ascertaining compliance with established policies and procedures of the Company in accordance with the relevant departmental manuals and also offer suggestions for improvement.
- v. Internal Audit Plan / Programme, Internal Audit Manual and further instructions if any will also be provided by the management.
- vi. Audit shall be performed based on relevant checklists generated by the audit firms; however, sample checklists available with Internal Audit Department of our Company should also be referred.
- vii. The appraisal should be in line with established internal audit practice and the standards issued by the Institute of Chartered Accountants of India from time to time.
- viii. Audit firm has to associate in the process of Quarterly and annual stock taking of finished goods, raw-materials, additives, and Furnace oil.
- ix. Partner of the Audit firm has to attend all the Audit & Risk Management Committee Meetings.

- x. Minimum man days per month to be deployed for conducting the Audit for location wise is as under:

Sl. No.	Particulars	Minimum Man days per month.	Man days Location-wise	
			Mangalore	Bangalore
A	Audit assistants	58	43	15
B	Semi qualified accountants	37	27	10
C	Qualified Accountants	10	8	2

- xi. The Detailed Report of the Internal Auditors should be on Quarterly basis and consisting of Two parts. The First Part of the report should be for the Management containing the micro issues and the Second Part of the Report is for Audit and Risk Management Committee, which should include macro issues consisting

- (a) Actual Financial Performance vis-à-vis Budgeted Financial Performance (financial performance shall be comprehensive study of all financial parameters which shall include movement of inventory, debtors and realization of dues, creditors and their aging).
- (b) Procedural lapses & error and remedial suggestions.
- (c) Statutory compliances (i.e. Compliance to Income Tax, GST, Companies Act, Payment of Statutory dues etc.)
- (d) The Audit Report shall inter-alia bring out the savings/recoveries that the organization has made due to the suggestions of Internal Auditors.
- (e) With regard to perpetual inventory, the inventory audit report should inter-alia brings out the obsolete, slow moving, non-moving items along with their aging.

- xii. The Internal Auditors should provide a 'Flash Report' to Director (Finance) on monthly basis on some specific areas plus any other significant area which they had noticed during the audit process. and on any urgent issues needing attention as and when observed during their audit and not to wait till the submission of report on quarterly basis, which is submitted as a routine. The specific areas are:

- Status on Slow & Non-moving Stores & Spares;
- *Contract Labour*; &
- Details of various Advances.

- xiii. *Stock verification of stores & spares on quarterly basis in the presence of Finance and Stores representative on the basis of ABC classification as under:*

Category A items - 100%,

*Category B items - 25%, &
Category C items – 12.5%.*

Note: The above-mentioned Scope of Work is illustrative and not exhaustive.

I hereby confirm acceptance of above

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ANNEXURE – III

TECHNO-COMMERCIAL TERMS AND CONDITIONS

1.0 QUALIFYING REQUIREMENT:

Qualifying requirement will be as per the conditions laid down in the Eligibility Criteria at Annexure – IV

2.0 SCOPE OF WORK:

Scope of work will be as detailed at Annexure – II

3.0 PRICES:

- 3.1 The Firm shall quote the price as per the price bid format furnished at P #2 of Annexure-V
- 3.2 Please furnish your lowest rate for providing Internal Audit services to KIOCL.
- 3.3 The quoted fee should be inclusive of all out-of-pocket expenses, incidental expenses, duties etc. (other than GST).
- 3.4 Company will provide transport to the Partner to attend Audit and Risk Management Committee meeting, if held at a place other than Bangalore / Mangalore.

4.0 BID EVALUATION

- **First stage: Techno-Commercial evaluation**

A duly constituted Tender Committee will evaluate the Techno-Commercial bid on the basis of technical parameters and features offered in the technical bid. The Tender Committee may call the bidder's representative for detailed techno-commercial discussions, clarifications, presentation if required. The names of Techno-Commercially evaluated vendors will be allowed to participate in the online bidding cum reverse auction process to be held by the service provider appointed by KIOCL.

- **Second stage: Online bidding cum Reverse auction and Collection of online final price bid history from Service Provider**

All techno-commercially acceptable bidders those who have accepted business rules provided by our service provider would be required to participate in the online bidding cum e-reverse auction, on a date and time to be intimated by service provider. After the online bidding cum reverse auction, KIOCL will collect final price bid comparative statement from service provider.

- **Third stage: Composite price comparative statement:**

After the receipt of the price comparative statement from the service provider, the sealed price bids of all the techno-commercially acceptable bidders received along with the techno-commercial offers will be opened and a composite price comparative statement shall be made (i.e. price bid submitted in a sealed cover & online bid cum e-reverse auction prices comparative statement received through service provider) of all the bidders. Placement of order shall be considered on the L-1 price so arrived.

In case of L-1 price discovered through e-reverse auction and L-1 price found on opening of sealed price bid, being same, between two different parties, KIOCL Limited shall place the order on the bidder whose L-1 price has been discovered through e-reverse auction.

If no bid is received within the specified time & duration of the online bidding cum reverse auction, then KIOCL at its discretion may scrap the online bidding cum reverse auction process and open only sealed price bids of the techno-commercially qualified bids. Accordingly Contract will be finalized on L-1 basis.

- Price bid will be evaluated based lowest rate quoted, excluding GST.

5.0 VALIDITY OF OFFER:

The offers shall be kept valid for 90 days from the date of opening of the offers.

6.0 PAYMENT:

6.1 Payment on quarterly basis will be released on submission of Bills. KIOCL shall make all the efforts to release the payment within seven working days from receipt of Bills.

6.2 Payment would be processed as per payment terms on satisfactory rendering of services after submission of invoice by the firm.

7.0 PRICE ESCALATION:

The price quoted by the Firm/s shall remain firm during the period of contract and no claim for price adjustment for changes in costs shall be entertained.

8.0 INCOME TAX DEDUCTION AT SOURCE:

Income Tax as applicable shall be deducted towards Income Tax as per the prevailing Income Tax Rules and any amendments thereto.

9.0 CONTRACT PERIOD:

The Contract will be for a period of one year (FY 2019-20), from the date of Contract, which can be extended as per the discretion of the KIOCL.

10.0 OPTION CLAUSE:

KIOCL reserves the option to extend the validity of the Contract for a further period of One year period at the same rate of service charges, terms and conditions.

Thereafter based on performance the contract may be extended up to a further maximum period of three years with mutually agreed rates, terms & conditions.

11.0 PERFORMANCE OF Internal Auditors:

The performance of the Expert will be monitored by KIOCL and in case of unsatisfactory performance; KIOCL reserves the right to short close/ Terminate the Contract, without any financial implication to KIOCL.

12.0 FORCE MAJEURE:

(a) If any time during the existence of this Contract either party is unable to perform whole or in part any obligations under this Contract or delays the performance under the Contract is obstructed and/ or delayed owing to or resulting from cause or causes beyond the control of either party such as acts of God, Strikes, go-slow, loading plant breakdown, Government edicts or rulings, war, blockade, revolution, civil commotion, riots, destruction of goods by fire or floods, or other causes, either of the party shall be relieved of the responsibility for performance of this Contract as per Para (c) of this clause to the extent to which such performance has not been achieved or has been obstructed.

(b) In the event that such force majeure condition as specified in sub clause (a) above of this clause occurs, the party shall give prompt notice to the other party as soon as possible and then shall within 1 (one) week after occurrence of such event, furnish the other party in writing with the particulars of the relevant event and documents explaining that its performance is prevented or delayed due to cause or causes as set forth in sub clause (a) of this clause and further shall furnish at the same time at least within 2 (two) weeks after occurrence of such event the documentary evidence duly proving such force majeure condition. The party declaring a force majeure shall during the duration of such force majeure

conditions use its best efforts to resume the performance of its obligations under this Contract with the least possible delay and such party shall always advise the other party of detailed progress of the event of force majeure and the prospect of settlement of such event and of the resumption of the performance of its obligations under this Contract.

- (c) Either of the party shall be relieved of the responsibility for performance of this agreement to the extent to which such performance has been obstructed and if approved by the other party, the time of delivery or performance may be postponed for the duration of time, but not longer, in which delivery or performance is prevented by any such causes or causes herein above mentioned.
- (d) In the event that the duration of the postponement of this Contract mentioned herein exceeds 1 (one) month, the other party shall have the option to cancel this agreement in respect of the undelivered portion of the performance or extend the period of delivery by mutual agreement.

13.0 TERMINATION OF CONTRACT:

13.1 KIOCL may terminate the Contract to which these terms apply if:

- (i) The Internal Auditor commits any material or persistent breach of his/her obligations under the Contract; or
- (ii) The Internal Auditor becomes insolvent; or
- (iii) KIOCL exercises its discretion to terminate the services under Force Majeure clause 12.0 hereof.

13.2 Termination shall be effected by written Notice served on the Internal Auditor and will take effect on any date as far as possible not less than thirty days from the date of delivery of such Notice. The Termination will be without prejudice to either party's rights accrued before Termination.

13.3 In case the Internal Auditor seeks for termination of the contract, a three months notice period to be given.

14.0 CLARIFICATION ON TECHNO-COMMERCIAL BIDS:

Before opening of the Price Bids, KIOCL reserves the right to obtain clarifications from the Bidders on their techno-commercial bids and also obtain requisite documents in support of their techno-commercial bids and the same shall not have any implication on their price bids.

15.0 LAWS GOVERNING THE AGREEMENT:

The Agreement shall be subject to Indian Laws, Rules and Regulations, notifications etc. issued under such laws.

16.0 COURT JURISDICTION / ARBITRATION:

- 16.1 If, at any time, any question, dispute or difference of whatsoever nature arises between KIOCL and the firm upon or in relation to or in connection with the Contract, either party may, forthwith give to the other notice in writing of the such existence of question, dispute or difference, and the same shall be referred to arbitration by a sole arbitrator to be appointed by Chairman-cum-Managing Director of KIOCL or any person acting in such capacity.
- 16.2 Where the arbitrator withdraws from his office for any reason or otherwise the arbitrator is substituted, the Arbitral Proceedings shall continue from that stage onwards and either hearing shall not be repeated.
- 16.3 The language to be used in the Arbitral Proceedings shall be English. The award of the Arbitrator shall be final, conclusive and binding on the parties.
- 16.4 The provisions of Arbitration & Conciliation Act 1996 and rules there under in force shall be applicable to the Contract.
- 16.5 The venue of arbitration proceedings shall be only Bangalore, Karnataka State, India.
- 16.6 Only Courts in Bangalore shall have jurisdiction regarding the matters related to the arbitration.

17.0 CONFIDENTIALITY:

The Internal Auditor shall keep all the information shared with him as confidential and shall not disclose the same under any circumstances to any one, without obtaining written consent from KIOCL.

- 18.0** KIOCL reserves the right to accept or to reject any or all the offers received, at its discretion, without assigning any reason thereof.

19.0 FRAUD PREVENTION POLICY OF KIOCL

Every one may take a note that a "Fraud Prevention Policy" is being followed at KIOCL, which provides a system for prevention detection / reporting of any fraud. It also forbid everyone from involvement in any fraudulent activity and that where any fraudulent activity is suspected by anyone, the matter must be reported to the 'Nodal Officer' (Chief Vigilance Officer) as soon as he / she comes to know of any fraud or suspected fraud.

ANNEXURE - IV
A- ELIGIBILITY CRITERIA & TECHNICAL EVALUATION

S.No	Eligibility Criteria	Documents required
1	Bidder should be a firm of Chartered Accountants/firm of Cost Accountants who have continuous experience of 10 years or more in fulltime practice in Bangalore/Mangalore. The cutoff date for ascertaining experience will be 31.03.2018.	Copy of Certificate of firm's Registration.
2	Minimum 6 partners with at least 2 partners having at least 10 years' post qualification experience	Resume of the partners and qualified CAs/CMA's giving the brief details of relevant experience with membership no. along with copy of certificate of practice.
3.	Minimum 6 paid qualified chartered accountants or cost accountants (other than partners) out of which 3 should have at least 5 years' post qualification experience in the field of audit.	Resume of the Paid and qualified CAs/CMA's giving the brief details of relevant experience with membership no. and copy of Certificate issued by the Institute in support of qualification.
4.	The bidder should have an average annual gross receipts / turnover of Rs. 1 Crore during last 3 (three) completed financial years from 2015 to 2018.	Copy of Audited financials for to ascertain the average annual gross receipts / turnover
5.	No. of assignments of Internal Audit of 4 Corporate having minimum turnover of 500 Crores/ Listed PSUs entities except Bank Branch Audit having a turnover of not less than Rs 500 Crores in the last 3 years.	Copy of Appointment letter for Internal Audit assignments.

Note:

- Technical bid of only those bidders will be evaluated whose Eligibility Criteria Documents are found in order.
- During evaluation of the bids, KIOCL may at its discretion ask the Bidders for clarification of their bids, if required.
- Detailed technical evaluation will be carried out based on the Technical Bid along with all documentary evidence as mentioned above.

B- FINANCIAL BID EVALUATION

- The Financial Bid has to be submitted as per Annexure-V only.
- The Financial Bids of the Techno-commercially qualified bidders shall be opened in the presence of their representatives, who choose to be present, on a specified date and time and Venue, to be intimated to the Techno-commercially qualified bidders.
- If there is a discrepancy between words and figures, the figures written in words shall prevail.
- KIOCL reserves all rights to accept or reject any or all bids without assigning any reason thereof.

(UNPRICED BID)

(to be submitted along with the techno-commercial bid, Cover-1)

Sl. No.	Scope	Payment Terms	Amount (in Rs.) in figures*	Amount (in Rs) in words*
1	Internal Audit as mentioned at Scope of Work	Lump sum fee per year (payable in 4 (four) equal installments after end of each quarter)do not indicate price as this is un- priced bid	...do not indicate price as this is un-priced bid
Total		do not indicate price as this is un-priced bid	...do not indicate price as this is un-priced bid

Note:

- The rate quoted above shall be firm throughout the contract period and is not subject to escalation of any kind whatsoever.
- The quoted fee should be inclusive of all out-of-pocket expenses, incidental expenses, duties etc. (other than GST).

I hereby confirm acceptance of above

Date:

Authorized Signatory

ANNEXURE-V**Price Bid Format**

(To be submitted in Separate Sealed Cover-2)

Sl. No.	Scope	Payment Terms	Amount (in Rs.) in figures*	Amount (in Rs) in words*
1	Internal Audit as mentioned at Scope of Work	Lump sum fee per year (payable in 4 (four) equal installments after end of each quarter)		
Total				

Note:

- The rate quoted above shall be firm throughout the Contract period and is not subject to escalation of any kind whatsoever.
- The quoted fee should be inclusive of all out-of-pocket expenses, incidental expenses, duties etc. (other than GST). The GST % and amount to be mentioned separately.

I hereby confirm acceptance of above

Date:**Authorized Signatory**

ANNEXURE-VI

PARTICULARS FOR PAYMENT THROUGH RTGS / E- PAYMENT MODE.

NAME OF THE FIRM :

GSTN :

NAME OF THE BANK :

NAME OF THE BRANCH :

CITY :

ACCOUNT NUMBER :

ACCOUNT TYPE :

IFS CODE OF THE BANK BRANCH :

NAME, DESIGNATION & SIGNATURE OF THE AUTHORISED REPRESENTATIVE OF THE BIDDER:

ANNEXURE- VII

INSTRUCTIONS TO BIDDERS FOR AVAILING PAYMENTS FROM KIOCL THROUGH E-BANKING.

1. As per the CVC Office Order No. 20/4/04, e-payments should be the preferred mode of payments to bidders. As such, KIOCL would prefer to make payments to its successful bidders through e- mode.
2. Bidders should approach their local branch of Bank regarding the availability of e-banking, mainly e-receipt.
3. In case if the local branch of the Bank is not e- banking enabled, account may be maintained by the bidder with KIOCL banker- State Bank of India, Commercial Branch, Hudson Circle, Bangalore-560 001 or the Union Bank of India, Sarjapur Road, Koramangala, Bangalore - 560 034.
4. As per the RBI's instructions, the branches connected with electronic platform cannot refuse the receipts through e- mode.
5. Bidders are required to submit the necessary details, namely, MICR code, IFSC Code, Branch Name, Branch Code, and Account No. etc to KIOCL, The bidders should get the said details counter signed by the bank branch of the bidder to ensure the correctness of the details. The format for furnishing this details information is as per annexure-VI, enclosed.

ANNEXURE- VIII

BUSINESS RULE, TERMS & CONDITIONS OF REVERSE AUCTION

Tender No : KIOCL/F&A/INTAUD/2018/01 Dated 27/12/2018

Tender Description : Internal Audit for Financial Year 2019-20.

ORGANISATION NAME	KIOCL LIMITED, (Formerly M/s KUDREMUKH IRON ORE COMPANY LTD) Bangalore – 560 034.
AUCTION TO BE CONDUCTED BY	M/s. BOB eProcure Solutions Pvt Ltd. Enzyme Tech Park, No-1604, 3rd floor, 25th Main Road, 22nd cross Road, Sector 2, HSR LAYOUT, Next to KLM Mall, Bengaluru, Karnataka -560102 Mobile: +91-9739490066 Phone Nos +91-80-40016000 Fax no +91-80 – 49000211/42001251
DATE OF AUCTION	Online Price Bid cum Reverse Auction Date: Dynamic Sealed Bid Time: Reverse Auction Time: (will be specified at later) (** Auto extension as applicable)
DOCUMENTS ATTACHED	Business rule for Online bidding cum Reverse auction (Annexure-VIII (A)) Terms & conditions of Online bidding cum reverse auction (Annexure-VIII (B)) Process Compliance Statement (Annexure-VIII (C)) Price Confirmation (Annexure-VIII (D)) Final online price format (Annexure – VIII (E)) Contact Information

Note:

The bidders are requested to note that they should have a valid digital Certificate issued by any of the valid certifying authorities to participate in the online bidding. Those vendors who are not in possession of a valid digital certificate are requested to apply for the same well in advance to avoid any last minute hassles. The bidders may contact the service provider if they are not in possession of a valid digital certificate at the above mentioned address.

ANNEXURE – VIII (A)

BUSINESS RULES FOR ONLINE BIDDING CUM REVERSE AUCTION

GENERAL TERMS AND CONDITIONS

- 1) Against this Enquiry for the subject item/system with detailed scope of supply as per our specification, KIOCL Limited, hereinafter referred to as KIOCL, may resort to “REVERSE AUCTION PROCEDURE” i.e. ON LINE BIDDING CUM REVERSE AUCTION on INTERNET.
- 2) For the proposed reverse auction, technically and commercially acceptable bidders only shall be eligible to participate.
- 3) KIOCL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line bidding on Internet.
- 4) Business rules like event date, time, bid decrement etc. also will be communicated through service provider.
- 5) Vendors have to fax the process compliance form in the prescribed format provide by KIOCL, before start of online bidding cum Reverse auction. Without this the vendor will not be eligible to participate in the event.
- 6) Online bidding cum Reverse auction will be conducted on schedule date & time.
- 7) At the end of reverse auction event, the lowest bidder value will be known on the network.
- 8) The lowest bidder has to fax the duly signed filled-in offered price in the prescribed format as provided on case-to-case basis to KIOCL through service provider within 24 hours of action without fail.

BUSINESS RULE FOR FINALIZATION OF THE PROCUREMENT:

KIOCL shall finalize this Tender through reverse auction mode. KIOCL has made arrangement with M/s BOB eProcure Solutions Pvt Ltd, Bangalore (hereinafter referred to as M/s BOB eProcure Solutions Pvt Ltd, Bangalore) who shall be KIOCL’s authorized service provider for the same. Please go through the guidelines given below and submit your acceptance to the same along with your Techno Commercial Bid.

- 1) Computerized Online bidding cum e-reverse auction shall be conducted by KIOCL, on pre-specified date, while the vendors shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by vendors themselves. In extreme case of failure of Internet connectivity, (due to any reason whatsoever may be) it is the bidders’ responsibility / decision to send fax communication immediately to

M/s. BOB eProcure Solutions Pvt Ltd, Bangalore. Furnishing the price the bidder wants to bid online with a request to the service provider to upload the faxed price on line so that the service provider will up load that price on line on behalf of the Bidder. It shall be noted clearly that the concerned bidder communicating this price to service provider has to solely ensure that the fax message is received by the service provider in a readable / legible form and also the Bidder should simultaneously check up with service provider about the clear receipt of the price faxed. It shall also be clearly understood that the bidder shall be at liberty to send such fax communications of prices to be up loaded by the service provider only within the closure of Bid time and under no circumstance it shall be allowed beyond the closure of Bid time / reverse auction. It shall also be noted that the service provider should be given a reasonable required time by the bidders, to upload such prices online and if such required time is not available at the disposal of the Service provider at the time of receipt of the fax message from the bidders, the service provider will not be uploading the prices and either KIOCL or the service provider are not responsible for this unforeseen circumstances. In order to ward-off such contingent situation bidders are requested to make all the necessary arrangements/ alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the reverse auction successfully. Failure of power at the premises of vendors during the Reverse auction cannot be the cause for not participating in the reverse auction. On account of this, the time for the auction cannot be extended and neither KIOCL nor M/s BOB eProcure Solutions Pvt Ltd is responsible for such eventualities.

- 2) M/s BOB eProcure Solutions Pvt Ltd shall arrange to train your nominated person(s), without any cost to you. They shall also explain you, all the Rules related to the online bidding cum e-reverse auction to be adopted along with tender. You are required to give your compliance on it before start of bid process.
- 3) BIDDING CURRENCY in **Indian Rupees**. UNIT OF MEASUREMENT in **Lump-sum**.
- 4) BID PRICE: On Door Service basis to KIOCL.
- 5) The technical & commercial terms are as per KIOCL Tender No. KIOCL/F&A/INTAUD/2018/01
- 6) VALIDITY OF BIDS: The Bid price shall be firm specified in the tender document and shall not be subjected any change whatsoever.
- 7) **The detailed process for online bidding cum reverse auction is explained below:**
The online bidding cum e-reverse auction event will be conducted in three stages
STAGE -I : Online Bidding
At scheduled time, the screen for On-line bidding will be launched wherein the techno-commercially qualified bidders will be allowed to submit their price through online.

The bidders would be required to quote price only on the basis of price terms indicated in their sealed price bid submitted along with techno-commercial bid.

STAGE –II : Start Bid Price for Reverse auction

After the expiry of the time for submission of Online bidding, the lowest Price will be frozen by the system as the Start Bid Price (SBP) for Stage – III on line bidding.

STAGE – III : e-Reverse Auction

a. In Stage III, computer screen will display Start Bid Price and which shall be visible to the all vendors participated in the initial online bidding. You will be required to start bidding after announcement of Start Bid Price and decrement amount. Also, please note that the start price of an item in reverse auction is open to all the participating bidders. Any bidder can start bidding, in the reverse auction, from the start bid price itself. If the start bid price is your own price, you still need to bid in the e- reverse auction. Also, please note that the first online bid that comes in the system during the e-reverse auction should be lesser than the auction's start bid price by one decrement or should be lesser than the auction's start bid price by multiples of decrement and so on.

Those vendors who have participated in the Stage –I Online Bidding will only be eligible to participate in the subsequent Reverse Auction.

- b. Stage –I online bidding will be for 30 minutes and Online Reverse (no ties) Auction shall be for a period of one hour. If a bidder places a bid in the last 10 minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for 10 minutes, for the particular Event/Lot. Please note that the auto-extension will take place only if a bid comes in those last 10 minutes and if that bid gets accepted. If the bid does not get accepted, the auto-extension will not take place even if that bid might have come in the last 10 minutes. In case, there is no bid in the last 10 minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, the bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.
- c. The weightage factor (multiplication factor), bid decrement amount shall be specified by KIOCL before start of online bidding. The bidder can bid lower than the start bid price in e-reverse auction by a bid decrement or multiple of Bid decrement.
- d. Any commercial loading shall be intimated to bidders in advance and it shall be added to price during Stage–I online bidding. Only for price evaluation & Comparison of bids purpose, commercial loading if any, shall be added to the quoted price of

respective bidder. However, while ordering these commercial loadings will not be considered.

- e. Bidder will be able to view the following on your screen along with the necessary fields in the English Reverse (no ties) {Reverse Auction}:
 - i). Leading Bid in the Auction (only total price)
 - ii). Bid Placed by you
 - iii). Your Own Rank
 - iv). Start Bid Price & Bid Decrement value.
- f. After the completion of Reverse (no ties), the Closing Price (CP) shall be available.
- g. At the end of the Reverse Auction, Service Provider will evaluate all the bids (final price) submitted and final price comparative statement will be forwarded to KIOCL for further processing.
- h. The bidders, who have participated in the event, shall be required to submit the final prices, quoted during the e-Reverse (no ties) in **Annexure VIII (D) & VIII (E) Format** after the completion of Auction to Service Provider / KIOCL duly signed and stamped as token of acceptance without any new condition other than those already agreed to before start of auction.
- i. Final price received from bidder will be taken as an offer to supply as per terms and conditions of tender document. Bids once made by the bidders, cannot be cancelled / withdrawn.
- j. During the Online bidding cum e-reverse auction, if no bid is received in the auction system/website within the specified time duration, then KIOCL, at its discretion, may scrap the online price bidding cum e-reverse auction process and open only sealed price bids of all technically and commercially acceptable bidders submitted earlier along with techno-commercial bids.
- k. KIOCL shall be at liberty to cancel the reverse auction process / tender at any time, before ordering, without assigning any reason.

KIOCL's decision on award of Contract shall be final and binding on all the Bidders. KIOCL shall be at liberty to cancel the reverse auction process / tender at any time, before ordering, without assigning any reason. KIOCL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause. Other terms and conditions shall be as per your techno-commercial offers and other correspondences till date.

Bidders are required to submit their acceptance to the terms/ conditions/ modality given above before participating in the reverse auction.

ANNEXURE- VIII (B)

TERMS & CONDITIONS OF ONLINE BIDDING CUM REVERSE AUCTION

- 1) LOGIN NAME & PASSWORD: Each Bidder is assigned a Unique User Name & Password by M/s BOB eProcure Solutions Pvt Ltd. The Bidders are requested to change the Password after the receipt of initial Password from M/s BOB eProcure Solutions Pvt Ltd. All bids made from the Login ID given to the bidder will be deemed to have been made by the bidder.
- 2) BIDS PLACED BY BIDDER: The bid of the bidder will be taken to be an offer to execute the work. Bids once made by the bidder cannot be cancelled. The bidder is bound to execute the work as mentioned above at the price that they bid. Should any bidder back out and not make the supplies at per the rates quoted, KIOCL and / or M/s. BOB eProcure Solutions Pvt Ltd shall take action as appropriate.
- 3) LOWEST BID OF A BIDDER: In case the bidder submits more than one bid, the lowest bid will be considered as the bidder's final offer to execute the work
- 4) AUCTION TYPE: 1). English Reverse No Ties
- 5) DURATION OF AUCTION: The duration of Reverse Auction will be for one hour. If a bidder places a bid in the last 10 minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction's duration shall get extended automatically for 10 minutes, for the particular Event/Lot. Please note that the auto-extension will take place only if a bid comes in those last 10 minutes and if that bid gets accepted. If the bid does not get accepted, the auto-extension will not take place even if that bid might have come in the last 10 minutes. In case, there is no bid in the last 10 minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, the bidders are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc. (THIS SCHEDULE IS TENTATIVE. IF ANY CHANGE IN SCHEDULE, THE SAME SHALL BE COMMUNICATED TO YOU)
- 6) BID DECREMENT: The minimum Bid decrement shall be available to the Bidders at the start of the auction. The bidder can view the same by clicking on the Item details at the start of the auction. The bidder can bid lower than the Lowest Bid in the auction by a decrement or multiple of the Bid decrement.

7) VISIBILITY TO BIDDER: The Bidder shall be able to view the following on his screen along with the necessary fields during English Reverse – No ties Auction:

Leading Bid in the Auction

Bid Placed by him

Your rank

8) PROXY BIDS: Proxy bidding feature is a pro-supplier feature to safe guard the supplier's interest of any Internet failure or to avoid last minute rush. The Proxy feature allows Bidders to place an automated bid against other Bidders in an auction and bid without having to enter a new amount each time a competing Bidder submits a new offer.

The bid amount that a Bidder enters is the minimum that the Bidder is willing to offer. Here the software bids on behalf of the supplier.

The proxy amount is the minimum amount that the Bidder is willing to offer. During the course of bidding, the Bidder cannot delete or change the amount of a Proxy Bid.

Bids are submitted in decrements (decreasing bid amounts). The application automates proxy bidding by processing proxy bids automatically, according to the decrement that the auction originator originally established when creating the auction, submitting offers to the next bid decrement each time a competing Bidder bids, regardless if competing bids are submitted as proxy or standard bids.

This feature can be used only once during a particular Reverse Auction and only after the L1 rate is equal to or less than the minimum bid amount that the bidder has put in the system will he get the option to manually bid for the same. In no case during the bidding till the L1 rate or less is not reached as equivalent to the minimum bid amount offered by the bidder, will the bidder get the option to manually bid for the same.

GENERAL TERMS & CONDITIONS: Bidders are required to read the "Terms and Conditions" section of the auction website (<https://kiocl.-----com>) using the Login IDs and passwords given to them.

OTHER TERMS & CONDITIONS:

- 1) The Bidder shall not involve himself or any of his representatives in Price manipulation of any kind directly or indirectly by communicating with other suppliers / bidders.
- 2) The Bidder shall not divulge either his Bids or any other exclusive details of KIOCL to any other party.
- 3) KIOCL's decision on award of Contract shall be final and binding on all the Bidders.
- 4) KIOCL along with M/s BOB eProcure Solutions Pvt Ltd can decide to extend, reschedule or cancel any Auction. Any changes made by KIOCL and / or M/s BOB eProcure Solutions Pvt Ltd, after the first posting will have to be accepted if the Bidder continues to access the site after that time.
- 5) M/s BOB eProcure Solutions Pvt Ltd shall not have any liability to Bidders for any interruption or delay in access to the site irrespective of the cause.
- 6) M/s BOB eProcure Solutions Pvt Ltd is not responsible for any damages, including damages that result from, but are not limited to negligence. M/s BOB eProcure Solutions Pvt Ltd will not be held responsible for consequential damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.

Note: All the Bidders are required to submit the Process Compliance Form duly signed to M/s. BOB eProcure Solutions Pvt Ltd before start of online bidding cum e-reverse auction. After the receipt of the Process Compliance form, our authorized service provider will provide the modalities to conduct online bidding cum e-reverse auction and Log in ID & Password.

ANNEXURE – VIII (C)

PROCESS COMPLIANCE FORM

(The bidders are required to print this on their company's letter head and sign, stamp before faxing)

To

M/s. BOB eProcure Solutions Pvt Ltd,
Enzyme Tech Park, No-1604, 3rd floor,
25th Main Road, 22nd cross Road,
Sector 2, HSR LAYOUT, Next to KLM Mall,
Bengaluru, Karnataka -560102

Sub: Agreement to the Process related Terms and Conditions for the online bidding cum Reverse Auction

Dear Sir,

This has reference to the Terms & Conditions for the Online bidding cum Reverse Auction mentioned in the Tender No. KIOCL/F&A/INTAUD/2018/01 Dated 27.12.2018 for Internal Audit for Financial year 2019-20.

This letter is to confirm that:

- 1) The undersigned is authorized representative of the company.
- 2) We have studied the Commercial Terms and the Business rules governing the online bidding cum e-Reverse Auction as mentioned in your letter and confirm our agreement to them.
- 3) We also confirm that we have a valid digital certificate which will be valid for the subject tender whenever we sign on the bid submission or as specified by KIOCL's authorized service provider.
- 4) We also confirm that we have taken the training on the auction tool and have understood the functionality of the same thoroughly.
- 5) We also confirm that we will fax the price confirmation as per Annexure – VIII (D) and VIII (E) format & the price bid format in the tender document.
- 6) We, hereby confirm that we will honour the Bids placed by us during the auction process.
- 7) We hereby confirm that we have neither informed nor mentioned any price in this form and also not attached any price bid along with this form.

With regards

Signature with company seal

Name –

Company / Organization –

Designation within Company / Organization –

Address of Company / Organization –

Scan & email this document to-----.

ANNEXURE – VIII (D)

Date :

To

M/s. BOB eProcure Solutions Pvt Ltd,
Enzyme Tech Park, No-1604, 3rd floor,
25th Main Road, 22nd cross Road,
Sector 2, HSR LAYOUT, Next to KLM Mall,
Bengaluru, Karnataka -560102

Sub: Final price quoted during Online bidding cum Reverse auction for Request for Quotation for Internal Audit.

- Ref: 1. Tender No. KIOCL/F&A/INTAUD/2018/01 Dated 27/12/2018
2. Online bidding cum Reverse Auction dt.
3. Our Offer No. dt.

Dear Sir,

We confirm that we have quoted:

Final Price quoted is as under :

Sl. No.	Scope	Payment Terms	Amount (in Rs.) in figures*	Amount (in Rs) in words*
1	Internal Audit as mentioned at Scope of Work	Lump sum fee per year (payable in 4 (four) equal installments after end of each quarter)		
Total				

Thanking you and looking forward to the valuable order from KIOCL.

With regards

Signature with company seal

Name –

Company / Organization –

Designation within Company / Organization –

Address of Company / Organization –

Scan & email this document to-----.

ANNEXURE-VIII (E)
FINAL LUMP-SUM ONLINE PRICE BREAK-UP

Sl. No.	Scope	Payment Terms	Amount (in Rs.) in figures*	Amount (in Rs) in words*
1	Internal Audit as mentioned at Scope of Work	Lump sum fee per year (payable in 4 (four) equal installments after end of each quarter)		
Total				

CONTACT INFORMATION

M/s. BOB eProcure Solutions Pvt Ltd., Bangalore	M/s. KIOCL Limited, Bangalore
M/s. BOB eProcure Solutions Pvt Ltd. Enzyme Tech Park, No-1604, 3rd floor, 25th Main Road, 22nd cross Road, Sector 2, HSR LAYOUT, Next to KLM Mall, Bengaluru, Karnataka -560102 Contact Person : Mrs Marita Ravi Mobile: 97394 90066 // 90081 49697 E mail: marita.ravi@bobeprocure.com Phone Nos +91-80-40016000 Fax no +91-80 – 49000211/ 42001251	M/s. KIOCL Limited, (Formerly Kudremukh Iron Ore Company Ltd.) II Block, Koramangala, Bangalore – 560 034. Tel: 080 – 2553 1461 (10 Lines) Fax: 080 – 25630984 25532153 Mr. Saumen Das Gupta Mobile : 09108043869 E mail: bfa@kioclltd.com