

**4. Applicability in tenders where contract is to be awarded to multiple bidders (Para 3B of DPIIT order)-**

In tenders where contract is to be awarded to multiple bidders subject to matching of L1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

a) In case there is sufficient local capacity and competition for the items to be procured, as notified by the Nodal Ministry, only 'Class-I local supplier' shall be eligible to bid. As such, the multiple supplier who would be awarded the contract, should be all and only 'Class-I local suppliers'.

b) In other cases, 'Class-II local suppliers' and 'Non-Local suppliers' may also participate in the bidding process along with 'Class-I local supplier' as per provisions of this order.

c) If 'Class-I local supplier' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class-I local supplier' do not qualify for award of the contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class-I local supplier' over 'Class-II local supplier'/'Non-local suppliers' provided that their quoted rate falls within 20% margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class-I local suppliers' taken in totality or considered for award of contract for at least 50% of the tendered quantity.

d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference subject to its meeting the prescribed criteria for award of contract as also the constraints of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier' falling within 20% margin of purchase preference, and so on.

e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulate in sub-paras above.

**5. Exemption of small purchases (Para 4 in DPIIT order):** Procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

**6. Minimum Local Content (Para 5 in DPIIT order):** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the local content requirement is minimum 20%. Nodal Ministry/Department may prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/'Class-II local supplier'. For the item for which Nodal Ministry/Department has not prescribed higher minimum local content notification under the order, it shall be 50% and 20% for 'Class-I local supplier'/'Class-II local supplier' respectively.

7. Vide DPIIT OM No. P-45021/102/2019-BE-IIPart(1) (E-50310) dated 4.03.2021 services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. shall not be considered as local value addition. Bidders offering imported products will fall under the category of Non- local suppliers. They can't claim themselves as Class-I local suppliers/Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.
8. **Margin of Purchase Preference** (*Para 6 of DPIIT order*): The margin of purchase preference shall be 20%.
9. **Specifications in Tenders and other procurement solicitations** (*Para 10 of DPIIT order*):
- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
  - b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
  - c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
  - d. **Reciprocity Clause:**
    - i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc. it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.
    - ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all the items related to that nodal Ministry/Department, except for the list of items published by the Ministry/Department permitting their participation.
    - iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchase on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/Department.
    - iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.
    - v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPIIT as amended from time to time.
  - e. Specifying foreign certification/ unreasonable technical specifications/ brands/ models in the bid document is restrictive and discriminatory practice against local

suppliers. If foreign certification is required to be stipulated because of non-availability of Indian Standards and/ or for any other reason, the same shall be done only after written approval of Secretary of Department concerned or any other authority having been designated such power by the Secretary of the Department concerned.

- f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of PSEs/PSUs, for the next 5 years on their respective website."

**Annexure-I**

<b>Sl. No.</b>	<b>Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition</b>	<b>Class-I Local Supplier (Minimum Local Content (%))</b>
<b>(A) Common items for Transmission, Distribution and Generation Sector</b>		
1	Power Transformers (up to 765 kV, including Generator transformers)	60
2	Instrument Transformer (up to 765 kV)	60
3	Transformer Oil Dry Out System (TODOS)	60
4	Reactors up to 765 kV	60
5	Oil Impregnated Bushing (up to 400 kV)	60
6	Resin Insulated Paper (RIP) bushings (up to 145 kV)	50
7	Circuit Breakers (up to 765 kV AC - Alternating Current)	60
8	Disconnectors/Isolators (up to 765 kV AC)	60
9	Wave trap (up to 765 kV AC)	60
10	Oil Filled Distribution Transformers up to & Including 33 kV [Cold Rolled Grain Oriented (CRGO)/Amorphous, Aluminium/Copper wound]	60
11	Dry Type Distribution Transformer upto and including 33 kV (CRGO/Amorphous, Aluminium/Copper wound )	60
12	Conventional Conductor	60
13	Accessories for Conventional conductors	60
14	High Temperature/High Temperature Low Sag (HTLS) conductors (such as Composite core, GAP, ACSS, INVAR, AL59) and Accessories	60
15	Optical ground wire (OPGW) – all designs	60
16	Fiber Optic Terminal Equipment (FOTE) for OPGW	50
17	OPGW related Hardware and Accessories	60
18	Remote Terminal Unit (RTU)	50
19	Power Cables and accessories up to 33 kV	60
20	Control cables including accessories	60
21	XLPE Cables up to 220 kV	60
22	Substation Structures	60
23	Transmission Line Towers	60
24	Porcelain (Disc/Long Rod) Insulators	60
25	Bus Post Insulators (Porcelain)	60
26	Porcelain Disc Insulators with Room Temperature Vulcanisation (RTV) coating	50
27	Porcelain Longrod Insulators with Room Temperature Vulcanisation (RTV) coating	50
28	Hardware Fittings for Porcelain Insulators	60
29	Composite/Polymeric Long Rod Insulators	60
30	Hardware Fittings for Polymer Insulators	60
31	Bird Flight Diverter (BFD)	60
32	Power Line Carrier Communication (PLCC) System (up to 800 kV)	60
33	Gas Insulated Switchgear (up to 400 kV AC)	60
34	Gas Insulated Switchgear (above 400 kV AC)	50
35	Surge/Lightning Arrester (up to 765 kV AC)	60
36	Power Capacitors	60
37	Packaged Sub-station (6.6 kV to 33 kV)	60
38	Ring Main Unit (RMU) (up to 33 kV)	60
39	Medium Voltage (MV) GIS Panels ( up to 33 kV)	60
40	Automation and Control System/Supervisory Control and data Acquisition (SCADA) System in Power System	50
41	Control and Relay Panel (including Digital/Numerical Relays)	50
42	Electrical Motors 0.37 kW to 1 MW	60
43	Energy Meters excluding smart meters	50
44	Control & power cables and Accessories (up to 1.1 kV)	60
45	Diesel Generating (DG) set	60

Sl. No.	Electrical Equipment for Generation, Transmission and Distribution sectors with sufficient local capacity and competition	Class-I Local Supplier (Minimum Local Content (%))
46	DC system (DC Battery & Battery Charger)	60
47	AC & DC Distribution Board	60
48	Indoor Air Insulated Switchgear (AIS) upto 33 kV	60
49	Poles (PCC, PSCC, Rolled Steel Joist, Rail Pole, Spun, Steel Tubular)	60
50	Material for Grounding/earthing system	60
51	Illumination system	60
52	Overhead Fault Sensing Indicator (FSI)	50
53	Power Quality Meters	50
54	Auxilliary Relays	50
55	Load Break Switch	50
	<b>(B) Hydro Sector</b>	
56	Hydro Turbine & Associated equipment	
	a) Francis Turbine	60
	b) Kaplan Turbine	60
	c) Pelton Turbine	50
57	Main Inlet Valve & Associated Equipment	60
58	Penstock Protection Valve and Associated Equipment	60
59	Governing system & Accessories	60
60	Generator for Hydro Project & Associated Equipment	60
61	Static Excitation System	60
62	Workshop Equipment	60
63	Cooling Water System	60
64	Compressed Air System	60
65	Drainage/Dewatering System	60
66	Fire Protection System	60
67	Heating, Ventilation & Air Conditioning System (HVAC)	60
68	Oil Handling System	60
69	Mechanical Balance of Plant (BOP) Items	60
	<b>(C) Thermal Sector</b>	
	<b>Boiler Auxiliaries</b>	
70	Air Pre-Heater	60
71	Steam Coil Air Pre Heater (SCAPH)	60
72	Steam soot blowers [wall blowers & Long Retractable Soot Blower (LRSB)]	60
73	Auxiliary Steam Pressure Reducing & Desuperheating (PRDS)	60
74	Fuel oil system	60
75	Seal air Fan	60
76	Ducts and dampers	60
77	Duct expansion joints	60
78	Blowdown tanks	60
79	Coal burners and oil burners	60
80	Coal mills	60
81	Gear Box of Coal Mill	50
82	Coal feeders	60
83	Primary Air Fans	60
84	Forced Draft Fans	60
85	Induced Draft Fans	60
86	Forced Draft (FD)/Induced Draft (ID)/ Primary Air (PA) Fan Servo Motor Assembly	50
87	Tubes (Carbon Steel)	50
88	Steam pipes (Carbon Steel)	50
89	Steam drum	50
90	Separator	50
91	Selective Catalytic Reduction (SCR)	50

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	<b>Electro-Static Precipitators (ESPs)</b>	
92	Casing	60
93	Electrodes	60
94	Rapping System	60
95	Hopper Heaters	60
96	Transformer Rectifiers	60
97	Insulators	60
	<b>Turbine &amp; Auxiliaries</b>	
98	Turbine (High Pressure/Intermediate Pressure/Low Pressure)	50
99	Condensate Extraction Pumps	60
100	Condenser On line Tube Cleaning System (COLTC)	60
101	Debris filters	60
102	Deaerator	60
103	Drain Cooler and Flash Tank	60
104	ECW Pump	50
105	Plate Heat Exchanger	50
106	Self- cleaning filters	50
107	Condensate Polishing Units (CPUs)	60
108	Chemical Dosing System	60
109	Oil Filter	60
110	Gland Steam Condenser	60
111	Oil Purifying Centrifuge	50
112	Water Cooled Condenser	50
113	Boiler Feed Pumps (BFPs)	50
	<b>Generator and Auxilleries</b>	
114	Generator (including Seal Oil System, Hydrogen Cooling System, Stator water cooling system)	60
	<b>Electrical Works</b>	
115	Control and metering equipment	60
	<b>Control &amp; Instrumentation System (C&amp;I System)</b>	
116	Thermocouples	50
117	Measuring instruments [Resistance Temperature Detectors (RTDs)], Local gauges	50
118	Actuators (Pneumatic and conventional electric)	50
119	Interplant Communication/ Public Address (PA) system except IP based	50
	<b>Coal Handling Plant</b>	
120	Conveyors	60
121	Wagon Tippler	60
122	Side Arm Charger	60
123	Paddle feeder	60
124	Crushers & Screens	60
125	Dust suppression (dry fog & plain water) system	60
126	Air Compressors	50
127	Magnetic separators & metal detectors	60
128	Coal Sampling System	60
129	Stacker cum reclaimers	60
130	Belt weighing & monitoring system.	60
131	Wheel & axle assembly (without bearings) for Bottom Opening Bottom Release (BOBR) Wagons	60
	<b>Ash Handling System</b>	
132	Clinker grinder	60
133	Water jet ejectors	60
134	Scraper chain conveyor	60
135	Dry fly ash vacuum extraction system	60
136	Pressure pneumatic conveying system	60