

**Government of India
Ministry of Shipping
(SBR Section)**

**Transport Bhawan,
Parliament Street
New Delhi - 110001**

No. SY-16023/10/2015 –SBR

New Delhi, the 22nd January, 2019

OFFICE MEMORANDUM

Subject: Amendment of guidelines for revision of domestic eligibility criteria for shipbuilding.

The undersigned is directed to refer to this Ministry's guidelines for evaluating and awarding tenders for new shipbuilding orders floated by government departments or agencies including public sector undertakings available on the website of this Ministry and to say that the same has been amended by this Ministry vide OM of even number dated 06.12.2018.(Copy enclosed.) A copy of the consolidated amended guidelines is enclosed for uploading on the website of this Ministry. The previous guidelines regarding shipbuilding and not shiprepair available on the website may be shifted to Archive section please.

Enclosure: As stated.



(R.K. Sen)
Assistant Director(SBR)
Tel No. 011-23715207
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Director(NIC), Ministry of Shipping

Copy to:

1. PS to JS(S)
2. Director(DP)

File No. SY-16023/10/2015-SBR (317738)
 Government of India
 Ministry of Shipping
 (SBR Division)

Transport Bhawan, Parliament Street
 New Delhi- 110001


Dated the, December 06, 2018

OFFICE MEMORANDUM

Subject: Amendment in guidelines for evaluating and awarding tenders for new shipbuilding orders floated by government departments or agencies including public sector undertakings

The undersigned is directed to refer to this Ministry's D.O. letter of even number dated 19.05.2016 wherein Ministry of Shipping had forwarded guidelines for evaluating and awarding tenders for new shipbuilding orders floated by government departments or agencies including public sector undertakings and to say that the guidelines had also been uploaded on the website of this Ministry on 31.05.2016. In order to broaden the scope of guidelines and facilitate more Indian shipyards to take advantage of guidelines, the competent authority has approved the following amendments in Annexure-I of the guidelines:

- i. **Regarding Quay Length:** Under Part II, Technical Qualification Template, A. Facilities/Capability SL NO 4, Under CAT "D" and CAT "E", length of quay/water front/building berth available for outfitting to be at least 700 M instead of 800 M and 800 M instead of 1000 M, respectively.
 - ii. **Regarding Non-Destructive Testing Facilities:** Under Part-II, Technical Qualification Template, C. OTHER RESOURCES, SL No 1, Item: non destructive testing' Under CAT "D", CAT "E" and CAT "F", the shipyards may be allowed to outsource the Non-destructive testing to a facility which is approved by any of the Recognized Organizations (Classification Society) notified by Government of India or its agency.
2. This issues with the approval of Competent Authority.


 (Dashrath Prasad)

Director

Email id: prasad.dashrath@gov.in

To,

1. Secretary, Ministry of Earth Science, Room No. 108, Prithvi Bhawan, Opp. India Habitat Centre, Lodhi Road, New Delhi-110003, Email id: secretary@moes.gov.in
2. Secretary, Ministry of Defence, Room No-101-A, South Block, New Delhi, Email id: defsecy@nic.in
3. Secretary, Department of Defence Production, Ministry of Defence, Room No-136, South Block, New Delhi, Email id: sdpsn@nic.in
4. Secretary, Ministry of Mines, Room No: 320 - 'A' Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi - 110 001, Email id: secy-mines@nic.in

(Contd/-P-2)

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5. Director General, Geological Survey of India, 27, J.L.Nehru Road, Kolkata-700016, West Bengal, Email id: dg@gsi.gov.in , dg.gsi@gov.in
6. Secretary, Department of Revenue, Ministry of Finance, Room No-128-A North Block, Email id: rsecy@nic.in
7. Secretary, Ministry of Home Affairs, Room No.-113, North Block, Central Secretariat, New Delhi, Delhi, 110001, Email id: hshso@mha.gov.in
8. Director General of Shipping, 9th floor, Beta building, I-Think, Techno Campus, Kanjurmarg (East), Mumbai-400042. E-mail: pradeepsk-dgs@gov.in
9. Chairman, IWAI, Head Office, A-13, Sector -1, Noida, U.P. Email: chairman.iwai@nic.in
10. The Chairman & Managing Director, Cochin Shipyard Ltd., Peramboor, P.O Bag No 1653, Kochi-682016. Email: cmd@cochinshipyard.com
11. CMD, Shipping Corporation of India Limited, Shipping House, 245, Madam Cama Road, Nariman Point, Mumbai – 4400021. Email: cs@sci.co.in ; cmd@sci.co.in
12. Secretary/President, Shipyards Association of India, 7/802, Eastend Apartments, Mayur Vihar, Phase I, Extn., Delhi – 110096, Telefax No.: 011 22742125 / 47092947, Email: saindia2006@yahoo.co.in
13. President, Indian Shipbuilders' Association, Shipyard House A-1/314, Safadarjung Enclave New Delhi-110029, India

**GUIDELINES FOR EVALUATING AND AWARDING TENDERS FOR NEW
SHIPBUILDING ORDERS FLOATED BY GOVERNMENT DEPARTMENTS OR
AGENCIES INCLUDING PUBLIC SECTOR UNDERTAKINGS**

(as amended in December, 2018)

These guidelines shall apply to tenders floated by Government Departments or agencies including PSUs (hereinafter referred to as the "tendering organization") for acquisition of any type of vessel(s) used by them for Governmental purposes or for their own use.

2. Acquisition of vessels through global tendering process.

2.1 Whenever acquisition of a vessel(s) is undertaken through tendering route, the qualified Indian Shipyards will have a "Right of first refusal" to enable them to match the evaluated lowest price offered by the foreign shipyard. The tendering organisation will specify upfront the loading criteria which will be applied to determine the evaluated price.

2.2 The lowest evaluated bidder amongst the qualified Indian bidders (shipyards) will be offered the Right of First Refusal against the foreign shipyard. In case of failure of the lowest evaluated Indian bidder to match the lowest bid of the foreign shipyard, the next higher evaluated Indian bidder will be given the offer and so on.

3. Technical Qualification Criteria.

3.1 Technical qualification of Indian shipyards will be based on the infrastructure availability and capability of the shipyards to execute the shipbuilding contract. The Indian bidders (shipyards) will be qualified based only on the Technical Qualification Template enclosed at Part II of Annexure I for the relevant category of vessels being tendered. Prior experience in construction and delivery of similar ships **will not** be used as qualifying criteria in technical qualification or otherwise.

3.2 However, in case of tender for a specialized vessel, Indian shipyards not having experience in building such vessels should enter into suitable tie up with an experienced shipyard and designer as per the terms of the tender.

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3.3 For the purpose of evaluating shipyards' capability for construction of a specific type/size of vessel, the various vessel types/sizes are classified under five (5) broad categories (A, B, C, D & E) in ascending order namely:-

Categorization of vessels:

Category A - Vessels up to 100 m length such as Offshore Support Vessels, dredgers, Platform Supply Vessels, AHTSVs, Pax vessels up to 400 pax capacity etc. (Lightweight approx. 2,000 T) (L x B approx. 100 x 18) including all those with Aluminium or FRP hulls.

Category B - Passenger vessels (up to 1200 Pax), Specialized / Research Vessels such as Multi support Vessel, Diving Support Vessel, Geotechnical Vessel, dredgers, etc. of up to 10,000 DWT (Light weight 5000 T)(LX B approx. 150 M X 25 M) including all those with Aluminium or FRP hulls.

Category C -Ships under 84,000 Dwt (Handymax Bulk carriers, Kamsarmax Bulk carriers, MR Tankers & LR-I Tankers, Container vessels up to 3,500 TEU) (Light weight about 12,000 T) (L X B approx. 240 X 32.2 M) including all those with Aluminium or FRP hulls.

Category D- Ships having deadweight up to 180,000 DWT (Aframax tankers, Suezmax tankers, Capesize Bulk Carriers, Container vessels up to 5,000 TEU) (Light weight 30000 T), (L X B Approx. 290 X 45 M) including all those with Aluminium or FRP hulls.

Category E- Ships having Deadweight above 180,000 Dwt, VLCC, 5,000 TEU and above Container vessels etc. (light weight 40,000T of LXB of about 333 X 60m) including all those with Aluminium or FRP hulls.

3.4. A "Shipyard Qualification Template" is to be submitted by the bidders as per the format prescribed at **Annexure-I**, along with the commercial/financial bid, in order to assess the infrastructure and capability of shipyards. The details sought in **Part-I** of **Annexure-I** are for information purposes.

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3.5. The Indian bidders (shipyards) will be qualified based only on the Technical Qualification Template enclosed at **Part-II** of **Annexure-I** for the relevant category of vessels being tendered. While including foreign shipyards for submitting bids for the tender, the tendering organization may stipulate additional technical requirements in the tender for foreign shipyards other than those specified in Part I of Annexure-I.

4. Financial Qualification Criteria.

4.1 The Shipyard should have positive net worth during the immediate preceding financial year. In case an Indian shipyard does not have a positive net worth as required during the immediate preceding financial year, it should provide a Letter of Comfort from Scheduled Banks/ reputed lending institutions indicating to provide necessary financial support (at least 60% of the value of the contract) to execute the project as per the format prescribed in **Annexure-II**.

5. Periodical Review of the guidelines by the Government.

5.1. All the Government Departments or agencies including PSUs shall inform the Ministry of Shipping about the tenders floated with the above provisions and the outcome of the tender. Information on cases where Indian shipyards have not been able to match the lowest foreign bidders may also be furnished to the Ministry of Shipping.

5.2. Ministry of Shipping will conduct periodical review of the guidelines at such frequency as felt necessary.

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ANNEXURE-I

SHIPYARD QUALIFICATION TEMPLATE

PART I: GENERAL INFORMATION ON SHIPYARD AND MANAGEMENT

S.No	Element	Description Required
1	Name of the Organization & address	
2	Details of the Contact Person	
3	Year Established	
4	Type of Organization Proprietary/Partnership /Public Limited company/ Government PSU/Others (please specify)	
5	Product Profile in terms of types of ships built	
6	Details of Collaboration if any	
7	Annual Turnover in the Last Three Years	
8	Bankers	
9	Details of Key Customers Served in the Last 3 years.	Yard to furnish owners' feedback regarding performance/quality/after sales service of recently delivered vessels
10	Details of Firm Orders in Hand To indicate list of vessels on order with details such as type, size, deadweight, construction/delivery schedule etc.	
11	Details of Applicable statutory Taxes Paid in the Last 3 years as well as details of pending claims of the tax/revenue authorities including provisions made for the same.	
12	Nos. of Painting shops/area To indicate nos. and area of enclosed blasting and painting shops/open area available	
13	Warehouse To indicate area and facilities	

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S.No	Element	Description Required
	available for warehousing.	
14	Logistics Accessibility/location of yard with respect to procurement	
15	Permanent Employees (Employees on pay-roll to be indicated) Contract Employees	
16	Dedicated Staff in Quality Control Department To be indicated	
17	Dedicated staff in Safety (HSE) Department To be indicated	
18	After-Sales personnel Dedicated personnel to be indicated	

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PART – II: TECHNICAL QUALIFICATION TEMPLATE

A copy of the template certified/verified by any RO of the Government of India who is an IACS member to be submitted along with the bid.

Sl.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
A. FACILITIES / CAPABILITY							
1	Building Capacity	Annual Capacity – Steel preparation (cutting) capacity 3000 to 6000 tonnes Steel fabrication capacity – 3000 to 6000 tonnes	Annual Capacity – Steel preparation (cutting) capacity atleast 12,000 tonnes Steel fabrication capacity – (Minimum 12,000 T)	Yard should have in-house steel cutting facility with adequate nos. of NC cutting machines. Yard should have adequate nos. of automatic/semi automatic welding machines. Annual Capacity – Steel preparation (cutting) capacity atleast 25,000 tonnes Steel fabrication capacity – (Minimum 25,000 T)	Yard should have in- house steel cutting facility with adequate nos. of NC cutting machines. Yard should have adequate nos. of automatic/semi automatic welding machines. Annual Capacity – Steel preparation (cutting) capacity of at least 35,000 tonnes Steel fabrication capacity – (Minimum 35,000 T)	Yard should have in-house steel cutting facility with adequate nos. of NC cutting machines. Yard should have adequate nos. of automatic/semi automatic welding machines. Annual Capacity – Steel preparation (cutting) capacity of at least 40,000 tonnes Steel fabrication capacity – (Minimum 40,000 T)	For Category A & B yards, it is not mandatory to have in- house NC cutting and automatic welding machines and steel cutting can be outsourced.

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(as amended in December, 2018)

SI.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
	Details to be provided						
2	Erection facility (dry dock/slipway/over the ground	Dimensions (Length up to 105 M Breadth up to 22 M) OR commensurate with ship size	Dimensions (L x B) to be up to (160 x 32 M) OR commensurate with ship size	Dimensions (L x B) to be atleast (250 x 40 M).	Dimensions (L x B) to be atleast (300 x 52 M).	Dimensions (L x B) to be atleast (350 x 64 M).	
	Details to be provided						
3	Capacity of cranes servicing the erection/pre-erection area - specify type	Capacity to be at least 1 x 25 T EOT/Mobile/gantry	Capacity to be at least 1 x 50 T EOT/Mobile/ gantry	Capacity to be at least 1 x 300 T EOT/Mobile/ gantry	Capacity to be at least 1 x 500 T EOT/Mobile/gantry	Capacity to be at least 1 x 600 T EOT/Mobile/ gantry	
	Details to be provided						
4	Quay / Water front / Building Berth	a) Length of quay / Water front / Building berth available for outfitting to be up to 100 m OR commensurate with ship size	a) Length of quay / Water front / Building berth available for outfitting to be between 100 m to 160 m OR commensurate with ship size	a) Length of quay / Water front / Building berth available for outfitting to be at least 600M	a) Length of quay / Water front / Building berth available for outfitting to be at least 700 M	a) Length of quay / Water front / Building berth available for outfitting to be at least 800 M	
	Details to be provided						

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Sl.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
		(b) Nos. of vessels which can be simultaneously berthed for outfitting work to be indicated.	(b) Nos. of vessels which can be simultaneously berthed for outfitting work to be indicated.	(b) Nos. of vessels which can be simultaneously berthed for outfitting work to be indicated.	(b) Nos. of vessels which can be simultaneously berthed for outfitting work to be indicated.	(b) Nos. of vessels which can be simultaneously berthed for outfitting work to be indicated.	
	Details to be provided						
		(c) Cranes available at outfitting quay to be at least 1 x 20 T @ 20 m outreach	(c) Cranes available at outfitting quay to be at least 1 x 25 T @ 25 m outreach	(c) Cranes available at outfitting quay to be at least 2 X suitable capacity and reach	(c) Cranes available at outfitting quay to be at least 2 X suitable capacity and reach	(c) Cranes available at outfitting quay to be at least 2 X suitable capacity and reach	
	Details to be provided						
				(d) Depth at quay	(d) Depth at quay	(d) Depth at quay	
5	Quantum of pre-outfitting used in block stage	-----	-----	To be indicated in percentage terms (To be >50%)	To be indicated in percentage terms (To be >50%)	To be indicated in percentage terms (To be >50%)	
	Details to be provided						

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Sl.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
6	Detailed design and Engineering	Yard to have adequate in-house detailed design and engineering capability.	Yard to have adequate in-house detailed design and engineering capability.	Yard to have adequate in-house detailed design and engineering capability.	Yard to have adequate in-house detailed design and engineering capability.	Yard to have adequate in-house detailed design and engineering capability.	For Category A & B yards, it is not mandatory to have in-house detailed design and engineering capability and this can be outsourced to a reputed design firm.
	Details to be provided						
7	Painting Shop	To be preferably PSPC compliant (i.e. to be fitted with temperature and humidity control) else in-situ painting with humidity controls (i.e. dehumidifiers) and established quality control to be in place. Area to be mentioned	To be preferably PSPC compliant (i.e. to be fitted with temperature and humidity control) else in-situ painting with humidity controls (i.e. dehumidifiers) and established quality control to be in place. Area to be mentioned	To be PSPC compliant (i.e. to be fitted with enclosed painting shop with temperature and humidity control). Area to be mentioned	To be PSPC compliant (i.e. to be fitted with enclosed painting shop with temperature and humidity control). Area to be mentioned	To be PSPC compliant (i.e. to be fitted with enclosed painting shop with temperature and humidity control). Area to be mentioned	

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Sl.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
	Details to be provided						
B. STANDARDS							
1	Quality control / Assurance	To have valid ISO 9001: 2008 Quality Management system Certificate.	To have valid ISO 9001: 2008 Quality Management system Certificate.	To have valid ISO 9001: 2008 Quality Management system Certificate.	To have valid ISO 9001: 2008 Quality Management system Certificate.	To have valid ISO 9001: 2008 Quality Management system Certificate.	
	Details to be provided						
2	Safety Management System	Yard to be registered under factories act. In house safety checks and records thereof to be available for inspection. To have safety policy in force.	Yard to be registered under factories act. In house safety checks and records thereof to be available for inspection. To have safety policy in force.	To have valid OSHAS 18001 Occupational Health and Safety Management System certification.	To have valid OSHAS 18001 Occupational Health and Safety Management System certification.	To have valid OSHAS 18001 Occupational Health and Safety Management System certification.	
	Details to be provided						
3	Environment Management System	Yard to have suitable policy covering pollution mitigation measures.	Yard to have suitable policy covering pollution mitigation measures.	To have valid ISO 14001 : Environment Management Certificate	To have valid ISO 14001 : Environment Management Certificate	To have valid ISO 14001 : Environment Management Certificate	

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(as amended in December, 2018)

Sl.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
	Details to be provided						
C.OTHERRESOURCES							
1	Non-Destructive testing	--	--	In-house facility to be there	The shipyards may outsource the Non-destructive testing to a facility which is approved by any of the Recognized Organizations (Classification Society) notified by Government of India or its agency.	The shipyards may outsource the Non-destructive testing to a facility which is approved by any of the Recognized Organizations (Classification Society) notified by Government of India or its agency.	
	Details to be provided						
2	Steel stock yard capacity	To be indicated in terms of tons which can be stored in the stock yard (at least 500 Tons).	To be indicated in terms of tons which can be stored in the stock yard (at least 1000 Tons).	To be indicated in terms of tons which can be stored in the stock yard (at least 5000 Tons)	To be indicated in terms of tons which can be stored in the stock yard (at least 10000 Tons)	To be indicated in terms of tons which can be stored in the stock yard (at least 15000 Tons)	

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Sl.No	ITEM / PARAMETER	CAT "A"	CAT "B"	CAT "C"	CAT "D"	CAT "E"	Remarks
	Details to be provided						
3	Enterprise Resource Planning (ERP)	--	--	SAP/Equivalent system to be in use	SAP/Equivalent system to be in use	SAP/Equivalent system to be in use	
	Details to be provided						
D. FINANCIAL CRITERIA							
1	The Shipyard should have positive net worth during the immediate preceding financial year. In case an Indian shipyard does not have a positive net worth as required during the immediate preceding financial year, it should provide a Letter of Comfort from its Banks/lending institutions indicating to provide necessary financial support (at least 60% of the value of the contract) to execute the project.	--					
	Details to be provided						

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ANNEXURE-II

(FORMAT FOR COMFORT LETTER FROM BANK)

<Bank Name & Address>

Dear Sirs,

This is to confirm that our Client, _____ <Name of Shipyard> maintains bank accounts with us and is in good standing with our bank.

As informed by our Client, for bidding for the _____ (Name of Project), the Client has to submit a Comfort letter from the bank.

At his instructions, we, (bank name & address), with full authority and mandate hereby confirm that said Client is financially able to mobilise an amount of Rs. _____ being (60%) of the Contract value for which the bank will provide financial assistance as required by the Client

We, (client's bank), confirm to transfer the referenced amount as per instructions of our Client.

We certify that our Client, named above, has credit facilities with our bank to complete the proposed (Name of project) within the time period specified.

Our Client hereby gives authority to the Ship Owner to procure usual banker's references from the authorised officer of the Bank <Full name and designation of the bank officer>.

Yours sincerely,

.....
Signature by a senior level bank officer

Full name of the signatory:

Designation of the signatory:

Clients' Name as written in account:

Account No / IBAN:

Bank Telephone No:

Bank's Fax No:

Bank SWIFT / Sort Code:

Bank stamp / seal: