

**INVITATION FOR EXPRESSION OF INTEREST (EoI) FOR
PROCUREMENT OF NIGHT SIGHT (TI) FOR AGS-30 FOR INDIAN ARMY**

The objective of this invitation of Expression of Interest (EoI) is to seek willingness of Indian Vendors to participate in the Make-II project listed below, in accordance with provisions of DPP-2016 (reference Chapters III-A). Indian Vendors meeting the Technical, Commercial & Project Requirements laid out in the EoI will be, as the next step, issued a 'Project Sanction Order' to develop a prototype on NCNC basis.

<u>Reference</u>	:	DPP 2016 (Incorporating all amendments upto 01 Nov 2019).
<u>Appendices</u>	:	
Appendix A	:	Chapter IIIA: Procedure for 'Make-II' Sub - Category of 'Make' Procedure of Defence Procurement Procedure 2016 Capital Procurement (Incorporating all amendments upto 01 Nov 2019)
Appendix B	:	Preliminary Service Qualitative Requirements for Night Sight (TI) for AGS-30.
Appendix C	:	Intellectual Proprietary Rights Agreement.
Appendix D	:	Commercial Evaluation Criteria.
Appendix E	:	Technical Evaluation Criteria.
Appendix F	:	Response to R&D Criteria.
Appendix G	:	Response to Indigenous Content Criteria.
Appendix H	:	Information Performa.
Appendix J	:	Confidentiality Agreement.
Appendix K	:	Correctness Certificate.

Annexure

Annexure to Appendix A. Indicative Evaluation Criteria for Short Listing of DAs.

Annexure I to Appendix E. Technical Evaluation Compliance Matrix.

Annexure II to Appendix E. Prototype Evaluation Methodology.

Introduction

1. AGS-30 is an automatic grenade launcher which fires 30mm anti personnel grenades. Presently engagements with AGS-30 are being carried out with the help of daylight sight unit PAG-17. There is no night sight held for AGS-30. Therefore, due to the restricted inventory, a No of limitations exist in employability of AGS-30. The Firer has to be well versed with the computation chart related to range and corresponding elevation for effective utilization of PAG-17. More so, under obscure and poor visibility conditions, PAG-17 cannot be utilized to engage targets. Range estimation requires separate equipment. At night, effective engagement of the target can be under taken only when related data has been recorded under day light condition. Impromptu target engagement is difficult and has severe limitations at night. The launcher has to be mounted at exactly same location at night from where data was recorded during daytime; else the AGS will be misaligned. All these issues substantially constrain effective utilization of this versatile weapon system and resultantly limit operational effectiveness of the sub unit.

2. To overcome above mentioned limitations, Indian Army is progressing the scheme for procurement of Night Sight (TI) for AGS-30 under 'Make-II' Category of the DPP-2016.

Objective

3. The objective of this invitation of Expression of Interest (Eoi) is to seek responses from eligible Indian Vendors for development of prototype and further procurement of the Night Sight (TI) for AGS-30.

Layout

4. The Eoi has been covered under the following parts:-

- (a) Part I : General Information.
- (b) Part II : Technical Requirements of Project.
- (c) Part III : Assessment Parameters and Evaluation Criteria.
- (d) Part IV : Eligibility Criteria.
- (e) Part V : Information from Eoi Respondents.
- (f) Part VI : Miscellaneous

5. The nodal officer for this project for all queries/ clarifications/ coordination will be Secretary, Project Facilitation Team, Night Sight (TI) for AGS-30 Project. Address and contact details of the nodal officer are given at Paragraph 24 of the Eoi.

PART I : GENERAL INFORMATION

6. **Categorisation.** The project is categorised as under:-
- (a) **Prototype Development Phase.** 'Make-II (Industry Funded)' as per Ch IIIA of DPP 2016 (Incorporating Amendments upto Nov 2019).
 - (b) **Procurement Phase.** 'Buy (Indian - IDDM)' as per DPP 2016.
7. **Quantities.** The quantities sought for the project are:-
- (a) **Prototype Development Phase.** **Two (02)** prototypes alongwith accessories are to be developed by the shortlisted DA(s).
 - (b) **Procurement Phase.** **804** units of Night Sight (TI) for AGS-30 alongwith accessories will be procured.
 - (c) Required technical literature to include user hand book, preservation instructions, complete equipment schedule, repair manual and technical manuals will be provided with the equipment during the procurement phase. Details will be further amplified in the Commercial Request for Proposal (RFP).
8. **Challenges/ Limitations of the In-Service System.** The Night Sight (TI) for AGS-30 is envisioned to address the following mission needs:-
- (a) **Day firing.**
 - (i) Presently, firer has to be well versed with the computation chart related to range and corresponding elevation for effective utilization of PAG-17. The system should be able to carry out requisite computation by itself.
 - (ii) Under obscuration and poor visibility conditions, PAG-17 cannot be utilized to engage targets. All weather and Day/Night capability has to be achieved.
 - (iii) For range estimation, separate equipment is required. The Night Sight (TI) for AGS should have inbuilt LRF for range estimation.
 - (b) **Night firing.**
 - (i) Effective engagement of the target can be under taken only when related data has been recorded under day light condition. Envisaged System should not require any kind of pre recorded data of the target.
 - (ii) Launcher has to be mounted at exactly the same location at night from where data was recorded during daytime; else the AGS will be misaligned. Flexibility of mounting the launcher at desired location should be achieved with the new system.

9. **Security Features.** System is primarily being developed for target acquisition.

10. A copy of the Make-II Procedure promulgated by Department of Defence Production is attached at **Appendix 'A'** for reference. The document is also available on the MoD website at the link <http://www.makeinindiadefence.gov.in/Make%20-II%20Procedure.pdf>.

11. Timelines and Milestones.

12-11. Stages of the development and procurement process are as given in Para-9 of the "Make- II" procedure of Chapter IIIA of DDP – 2016. Major activities in the procurement process with indicative timelines are given below:-

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Ser No.	Activity	Remarks	Timelines
(a)	Issue of Eol.	By PFT	T ₀
(b)	Pre Eol Response meeting.	By PFT with Eol respondents	T ₀ + 3 weeks
(c)	Eol Response Submission.	By Eol respondents (Indian Vendors)	T ₀ + 6 weeks
(d)	Eol Response evaluation.	By PFT	T ₀ + 11 weeks
(e)	Issue of Project Sanction Order for Development of Prototype.	To selected DAs, those meeting evaluation criteria	T ₀ + 13 weeks
(f)	Kick-off meeting with DAs, & PMT.	To discuss testing philosophy, software integration, mechanical & electrical integration and route to certification and production.	T ₀ + (15-17) weeks
(g)	Design & Development of prototype. (Activities mentioned at para 28 (i) – (iv) of Chapter III A of DDP-2016 will be carried out by PFT along with each DA during this phase).	Selected DAs will develop the prototype.	T ₀ + 21 months

Ser No.	Activity	Remarks	Timelines
(h)	1-2 (05) Intermediate meetings to Check the progress & direction of the project should be planned.		As required & mutually accepted. Between $T_0 + 13$ week and $T_0 + 84$ week
(j)	Conduct of User Trials Readiness Review of Prototypes (Refer to para 34 of Chapter III A of DDP-2016).	PFT would carry out User Trial Readiness Review of the prototype before offering it for user trials.	$T_0 + (84-108)$ weeks
(k)	Conversion of PSQRs to SQRs/ Solicitation of Commercial Offer Refer to para 35-38 of Chapter III A of DDP-2016). (Refer to para 28 (v) & (vi) of Chapter III A of DDP-2016).	A commercial Request for Proposal (RFP) for “Buy (Indian-IDDM)” phase will be issued to all DAs for submission of commercial offer prior to commencement of User Trials.	$T_0 + (108-126)$ weeks
(l)	<i>Post solicitation of Commercial Offer, the scheme will follow steps as per ‘Buy (Indian-IDDM)’ category of DPP 2016 (Amended upto Nov 2019).</i>		

13. Development of Prototype and Trials. The design of Night Sight (TI) of AGS-30 to meet PSQRs will be decided by respective DAs. However, unit should be fully compatible with existing mechanical, interface of the AGS. DAs have to ensure this aspect by studying the existing system. Any clarification related to functional or operational aspect of development as sought by the DAs will be provided by the Project Facilitation Team (PFT) through Nodal Officer.

14. After the prototype has been developed as per PSQRs, the PFT would carry out User Trials Readiness Review of the prototype(s) and freeze Technical Specifications before conduct of Field Evaluation Trials (FET). Evaluation will be carried out as per Para 34 of Chapter III A of DDP-2016. FET will validate performance against final technical specifications. Necessary technical literature pertaining to the design & material to be provided by the DAs for the User Trial Readiness Review and conduct of FET.

13:15. Solicitation of Commercial Offers. A commercial Request For Proposal (RFP) for “Buy (Indian-IDDM)” phase would be issued to DAs prior to commencement of Field Evaluation Trials (FET) to solicit their commercial offers and additional technical information/documentation, as may be necessary.

16. Deliverable. The project is envisaged to have 804 Units of Night Sight (TI) for AGS-30 along with accessories as deliverables during the procurement phase. The details will be further amplified in the commercial Request for Proposal (RFP).

PART II : TECHNICAL REQUIREMENTS OF THE PROJECT

21. **Technical Requirements of Project.** PSQR of Night Sight (TI) for AGS-30 is attached at **Appendix 'B'**. The equipment is expected to overcome limitations of present system of target acquisition with AGS-30 and considerably reduce time required for the same. The Night Sight (TI) for AGS-30 should be suitable for employment in various terrains both during day and night.
22. **Critical Technological Areas.** From the technology scan of Indian Defence industry it has been ascertained that similar systems have been delivered by firms for larger platforms like aircrafts and battle tanks. Therefore, the biggest challenges envisaged for the project are miniaturisation of the sub systems and their integration to the AGS 30.
23. **IPR Aspects.** As per provisions of Para 47, Chapter IIIA of DPP-2016. The 'IPR Agreement' will be furnished by each Eol respondent at the time of submission of Eol responses as per format given at **Appendix 'C'**.

PART III : ASSESSMENT PARAMETERS AND EVALUATION CRITERIA

24. **Assessment Parameters.** Four major assessment parameters as per Appendix E of Ch III DPP 2016 (Amendment upto Nov 2019) have been identified. These are:-
- (a) **Commercial Capability.** The parameter covers aspects related to commercial status of Eol respondents and reflects on their financial capability to undertake this project. Response to Commercial Evaluation Criteria has to be furnished as per format attached at **Appendix 'D'**.
 - (b) **Technical Capability.** This parameter seeks details of the Eol respondents' experience in developing similar system and extent of maturity achieved in such projects. Response to Technical Criteria has to be furnished as per format attached at **Appendix 'E'**.
 - (c) **R&D Capability.** This parameter evaluates R&D related infrastructure and expenditure of each Eol respondent. It also includes details regarding IPRs held by the respondent in scheme related technologies and extent to which these technologies will be utilised for the project. Response to R&D Criteria has to be furnished as per format attached at **Appendix 'F'**.
 - (d) **Indigenous Content.** Post successful development of prototype(s), further procurement will be as per the 'Buy (Indian-IDDMM)' procedure with a **minimum of 40% Indigenous Content**. This parameter seeks details regarding respondents' capability in indigenous designing, development and manufacturing in relevant fields. The parameter also evaluates future plans of indigenisation of each respondent. Response to Indigenous Content Criteria has to be furnished as per format attached at **Appendix 'G'**.

(e) **Additional Information.** Additional information required to be furnished as part of the EoI response is given at **Appendix 'H'**.

(f) **Foreign Collaboration.** If the DA is collaborating/ plans to collaborate with a foreign technology provider, the nature of such collaboration and the technology areas being transferred must be stated in the response (please refer Paragraphs 12 & 13 of Appendix 'H'). It is essential to have minimum 40% IC on cost basis of the total contract value. All relevant delivery made under contract shall be accompanied by a "Certificate of IC" issued by the Chief Financial Officer (CFO) of the Prime/Main Contractor. In case of final deliveries, aforesaid certificate should be attested/vetted by Company Auditors.

PART IV : ELIGIBILITY CRITERIA

25. Entities satisfying all of the following criteria shall be considered as an eligible 'Indian Vendor' for issue of Project Sanction Order (PSO) by PFT:-

(a) Public limited company, private limited company, partnership firms, limited liability partnership, one Person Company, sole proprietorship registered as per applicable Indian laws. In addition, such entity shall also possess or be in the process of acquiring a license/development of products if the product under project requires license as per DIPP's licensing policy.

(b) The entity has to be owned and controlled by resident Indian citizens; entity with excess of 49% foreign investment will not be eligible to take part in 'Make' category of acquisition.

(c) **Technical Parameters.**

(i) Vendor shall be a manufacturing entity or a system integrator of optro electronic equipment and not a trading company, except in cases where the OEM participates only through its authorized Vendors.

(ii) Minimum 02 years experience in broad area like manufacturing/fabrication/assembly etc as applicable in the instant procurement case. If not, then cumulative experience of at least 03 years in above areas, resulting in gain of competence for manufacturing the proposed product.

(iii) Where product involves integration, previous experience of not less than one year/one project in integration of systems/equipment shall be required.

(d) **Financial Parameters.**

(i) **Turnover.** Minimum average annual turnover for last three financial years, ending 31 March 2020, should not be less than ₹ 12 Crore.

(ii) **Net Worth.** Net Worth of entities, ending 31st March 2020, should not be less than should be positive.

(iii) **Insolvency**. The entity should not be under insolvency resolution as per Indian Bankruptcy Code at any stage of procurement process from the issuing of RFP to the signing of contract.

(iv) **Credit Rating (Desirable Financial Parameter)**. It would be desirable for the entity to have a minimum long term credit rating equivalent to CRISIL rating on Corporate Credit Scale as CCR-BBB and SME-04 for SMEs issued by credit rating agencies recognized by SEBI. Credit rating should be as on 31st March 2020.

(v) **Industrial License (IL)**. Vendors should be either holding a valid defence industrial license or should have applied for the same before responding to RFP. In any case the vendor must confirm holding of IL before commencement of FET. (Items requiring IL will be as per DIPP Press Note 3 of 2014 as amended from time to time).

(e) **For Start Ups Only.**

(i) Should be recognised by Department of Industrial Policy and Promotion.

(ii) Start Ups need not qualify technical and financial criteria mentioned in Para 16 (c) and (d) above. ONLY COMPLIANCE TO 'INSOLVENCY' CRITERIA IN PARA 16(d) (iii) IS MANDATORY.

(iii) In the production stage, delivery of quantity 804 Night Sight (TI) for AGS-30 alongwith accessories is expected to be completed within 3 years and six months from the date of Advance Payment. Response to the EoI from a Start Up will be taken as confirmation from the respondent to be able to complete delivery within stipulated timeframe.

PART V : INFORMATION REQUIRED FROM EOI RESPONDENTS

26. Following details are to be provided by the Eoi respondents:-

- (a) Outline features of the proposal.
- (b) Recommended stages/ phases of development with priorities and time schedules.
- (c) Milestones that can be demonstrated to facilitate project monitoring.
- (d) Estimated Capital Expenditure.
- (e) Roles, responsibilities and expertise details of consortium members, if any.
- (f) Role of Foreign Technology Provider, if any.
- (g) Requirement of specialised testing assistance where facilities are available only with DRDO/DGQA/DGAQA/DGNAL.
- (j) Cost Sharing Aspects.

- (k) Undertaking to furnish the cost of the final product during evaluation stage itself, once the final configuration of the end product under development is frozen.

PROCEDURE FOR SUBMISSION OF RESPONSE TO THE EoI

27. The response to the EoI shall be submitted as per formats given at **Appendix 'C'** through **Appendix 'K'**.

28. **Guidelines for Submitting EoI Responses.**

(a) The responses should be submitted strictly as per the formats given in respective Appendices. Should a vendor need to mention any other information, a separate column/ row may be added.

(b) All responses and Appendices should be submitted in a single file/ folder. Supporting documents/ additional references should be submitted in a separate folder with proper reference mentioned against each parameter/ sub parameter in respective appendices.

(c) Any supporting document/ evidence without any reference to specific parameter of criteria will not form part of the assessment.

29. **Disqualification.** The following may lead to rejection of EoI response:-

- (a) Failure to meet Commercial Evaluation Criteria given at Appendix 'D'.
- (b) Failure to meet/ comply with the Technical Evaluation Criteria Specifications given at Appendix 'E'.
- (c) Failure to offer compliance to any of the terms and conditions given in the EoI.
- (d) Any other parameter of the response considered inadequate by the MoD, Government of India.

Solicitation of Commercial Offers

30. A commercial Request for Proposal (RFP) for 'Buy (Indian-IDDM)' phase would be issued to DA(s) prior to commencement of FET for soliciting their commercial offers and additional technical information/ documentation, as may be necessary.

31. The EoI respondent shall submit three (03) copies of response to the EoI, clearly marking one copy as '**Original Copy**' and second & third as '**Duplicate Copy and Triplicate Copy**'. In the event of any discrepancy between them, the original copy shall govern/ prevail. Each page of the response will bear the signatures of the authorised signatory of the company. The DA shall also submit a soft copy of the response to this EoI in a CD/ DVD.

32. The envelopes shall be addressed as under:-

Secretary, Project Facilitation Team
 Night Sight (TI) for AGS-30 Project
 Infantry Directorate/ Infantry-8
 Directorate General of Infantry
 Integrated HQ of MoD (Army)
 Room Number 411B, D-I Wing, Sena Bhawan
 DHQ PO, New Delhi -110011
 Telephone/ Fax : 011-23012243
 Email : suresh1234@nic.in

33. The response to this Eol must be submitted by **1430 hrs on 17 Aug 2020** at the address mentioned above.

34. The Company will be required to sign and honour the 'Confidentiality Agreement' with MoD Govt of India. The 'Confidentiality Agreement' will be furnished by each Eol respondent at the time of submission of Eol responses as per format given at **Appendix 'J'**.

PART VI : MISCELLANEOUS

35. **Pre Eol Response Meeting.** Companies may submit written queries/ clarifications/ amplifications on specific issues ***within 10 days of the issue of Eol.*** A pre-response meeting will be held within 3 Weeks (tentative) after the issue of Eol to clarify the issue/ queries raised by the participating firms to facilitate submission of response. Date of pre-response meeting will be promulgated by the PFT.

36. Guidelines for penalties in business dealings with entities as promulgated by Government from time to time will be applicable on procurement process & bidders.

37. The Pre-Contract Integrity Pact (PCIP), listed as detailed in paragraph 92 of Chapter II of DPP 2016, shall apply mutatis mutandis to the 'Buy (Indian-IDDM)' phase of 'Make' project.

38. Respondent would be subject to disqualification if they make false, incorrect, or misleading claims in their response to this Eol. A 'Correctness Certificate' as per the format at **Appendix 'K'** will be furnished as part of the response.

39. Please acknowledge the receipt of this invitation for Eol.

File No: C/31098/Inf-8 (FINSAS)

Dated: Jul 2020

(Amitoz Singh)

Colonel

Secretary, Project Facilitation Team
 Night Sight (TI) for AGS-30 Project

Enclosures: Appendices A to K

Distribution (As per List):-

Comment [A1]: Eol will be published on MoD website to seek responses

Appendix 'A'
(Refer Para 10 of Eol)

CHAPTER III-A
PROCEDURE FOR 'MAKE-II' SUB-CATEGORY OF 'MAKE' PROCEDURE

Background

1. The 'Make' procedure for indigenous design, development and manufacture of defence equipment/ weapon systems, was simplified in 2016 and promulgated as Chapter-III of DPP-2016. A new sub-category 'Make-II (Industry Funded)' was introduced under this procedure with primarily focus upon development of equipment/system/platform or their upgrades or their subsystems/ sub-assembly/assemblies/components with focus on import substitution. In this subcategory, no Government funding is envisaged for prototype development purposes but has assurance of orders on successful development and trials of the prototype. However, there was no separate, exclusive procedure outlined for 'Make-II' sub-category.
2. A need was felt to have a separate, simplified procedure for sub-category 'Make-II' as it does not envisage any funding by the Government for development of prototype.
3. The 'Make-II' procedure, outlined in this chapter, seeks to address the objectives of wider participation of Indian industry, impetus for MSME/start-ups sector, simplified implementation, and timely induction of equipment into Indian Armed Forces.
4. Indian vendors as detailed in **Appendix A** to this chapter are eligible for participation for capital acquisition cases being progressed under 'Make-II' sub-category of 'Make' Projects.
5. Successful development under this scheme would result in acquisition, from successful Development Agency/Agencies (DA/DAs), through the 'Buy (Indian - IDDM)' category with indigenous design and development, and a minimum of 40% IC, by inviting commercial bid which is to be submitted prior to Commencement of User Trials. Thereafter, the procedures detailed in Chapter II of DPP will be followed except for the procedure outlined in subsequent paras.
6. Projects under Make-II category will involve prototype development of equipment/ system/platform or their upgrades or their sub-systems/sub-assembly/assemblies/ components/ **materials**⁵⁰, primarily for import substitution/innovative solutions, for which no Government funding will be provided for prototype development purposes. Cases where innovative solutions have been offered shall be accepted and progressed, even if there is only a single individual or a firm involved.
7. Projects under the Make-II sub-category, with estimated cost of prototype development phase not exceeding Rs. 3 Crore **and cost of subsequent procurement not exceeding Rs. 50 Crore/year based on delivery schedule at the time of seeking AoN, will be earmarked for MSMEs**⁵⁰. If no MSME expresses interest for a Make-II program earmarked for them, the same may be opened up for all.

⁷Amendment issued vide MoD ID No. 1(13)/D(Acq)/13-Pt. II dated 08.05.2018

⁵⁰Amendment issued vide Enclosure B to MoD ID No. 1(13)/D(Acq)/16-Vol.IV dated 01.11.2019

Make - Project Management Unit (PMU)

8. 'Make-PMU' established for Make projects as per provisions given at para 7 of Chapter - III will also oversee the projects categorised as Make-II. The head of 'Make - PMU' may hire domain experts/consultants such as finance, legal and technology, from public and private sectors. Expenses for hiring the services of experts/consultants shall be borne by the SHQ concerned.

Development and Procurement Process under 'Make-II' Category

9. The development & procurement process under Make-II sub-category would involve the following functions:-

- (a) Advance Planning & Consultations, and Feasibility Study.
- (b) Formulation of Preliminary Staff Qualitative Requirements (PSQR).
- (c) Constitution of Project Facilitation Team (PFT).
- (d) Categorisation and Accord of Acceptance of Necessity (AoN).
- (e) Issue of Expression of Interest (Eol).
- (f) Evaluation of Eol responses.
- (g) Award of Project Sanction Order.
- (h) Design and Development of Prototype.
- (i) Conversion of PSQRs into SQRs.
- (j) Solicitation of Commercial Offer.
- (k) User Trials by SHQ.
- (l) Staff Evaluation.
- (m) Commercial negotiations by Contract Negotiation Committee (CNC).
- (n) Award of Contract.

Advance Planning and Consultations

10. On the basis of Long Term Integrated Perspective Plan (LTIPP) or otherwise (including projects suggested by industry or individual), SHQ will initiate internal discussions for all the projects enlisted in LTIPP/suggested by Industry or individual as potential 'Make-II' projects.

11. SHQ will initiate collegiate discussions with various stakeholders such as DRDO, HQ IDS, DDP, DoD, Indian Industry etc, as required. Such potential projects shall be deliberated by a Collegiate Committee headed by Secretary (DP) with members from SHQs, DDP, DoD,

DRDO, HQ IDS, MoD (Fin)/IFA and will be 'Approved in Principle (AIP)', for hosting on MoD/DDP's Website. DRDO is free to tie-up with industry to participate in such projects within established timelines. No projects would be retracted due to technology being developed by DRDO after accord of 'Acceptance in principle' by collegiate headed by Secretary (DP).

12. List of potential 'Make-II' projects along with Project briefs, Questionnaire for Industry and Project Manager Details shall be uploaded on MoD / DDP website inviting their willingness of Industry to participate in the aforesaid potential 'Make-II' projects.

Annual Acquisition Plan (AAP) - Make-II

13. The Make-II project having AoN value less than ₹ 300 Crore⁴⁷ will deem to be automatically included in AAP, after accord of AoN. However, the Make-II project having AoN value more than ₹ 300 Crore⁴⁷, shall be included in Annual Acquisition Plan (AAP) prepared for Make Projects as outlined at para 13 of Chapter III of DPP-2016.

Feasibility Studies

14. SHQ shall carry out the Feasibility study with the involvement of all important stakeholders such as HQ IDS, DRDO and DDP, Advisor (Cost) and MoD (Finance)/IFA as required and look into the following aspects:-

- (a) A preliminary assessment of capability of Indian industry to undertake design and development of the requisite equipment/system/platform or their upgrades and subsequently supply the quantities envisaged for procurement during the 'Buy (Indian-IDDM)' phase and timelines.
- (b) Estimated time period for development.
- (c) Estimated Cost of prototype development phase and for subsequent procurement phase under 'Buy (Indian-IDDM)', category.
- (d) Any other aspect considered important.

15. SHQs may, if required, engage Standing Consultancy firms to provide assistance in Feasibility Study, Industry outreach programmes, preparation of EoI and evaluation of EoI etc. Expenses for engaging Standing Consultancy firm will be borne by SHQ.

Preliminary Services Qualitative Requirements (PSQRs)

16. Based on the feasibility study, the SHQ concerned would formulate the PSQRs, specifying essential and desirable parameters. These PSQRs shall form part of the Statement of Case (SoC) while seeking AoN for 'Make-II' projects.

⁴⁷Amendment issued vide Enclosure B to MoD ID No. 1(13)/D(Acq)/16-Vol.III dated 20.03.2019

Constitution of Project Facilitation Team (PFT)

17. SHQ will constitute a PFT under Head of 'Make-PMU' or suitable officer belonging to the 'Make-PMU' prior to fielding Statement of Case (SoC) before the Categorization Committees. PFT will consist of representatives from SHQ, DDP, DGQA/DGAQA/DGNAl, MoD (Finance)/ IFA as required and other experts if considered necessary. PFT will function under overall control & directions of Chairman of Make-PMU of respective SHQ.

18. The PFT, through Principal Staff Officer (PSO) of the concerned SHQ shall submit six monthly progress reports to the Defence Production Board (DPrB). The DPrB shall provide policy guidance as may be required in 'Make-II' cases. The PFT's responsibilities shall inter-alia, include the following important functions:-

- (a) Preparing EoI, obtaining approval in SHQ and issue of EoI.
- (b) Receipt & evaluation of EoI responses.
- (c) Preparation of draft Project Sanction Order, obtaining requisite approvals and issue of Project Sanction Order.
- (d) Monitoring and reporting of aspects relating to prototype development including generation of Intellectual Property.
- (e) Any other responsibilities as entrusted by the SHQ/Ministry.

Procedure for Low Value Projects⁵⁰

19. Proposals meeting the following criteria will be considered as 'Low Value Projects' under Make-II procedure:

- (a) Technical specifications of the equipment/item and Last Purchase Price (LPP) are known.
- (b) The estimated cost of prototype development phase not exceeding Rs. 3 Crore and cost of subsequent procurement not exceeding Rs. 50 Crore/year based on delivery schedule at the time of seeking AoN.

20. After accord of AIP, SHQ will prepare detailed Questionnaire within 2 weeks and upload the same on the website MoD, seeking necessary inputs required for preparing feasibility study report within a period of four weeks.

21. Feasibility report shall be completed within two weeks from last date for submission of detailed response to Questionnaire.

22. Feasibility report finalized by Project Facilitation Team (PFT) will be construed as concurrence by all stakeholders. PFT will prepare the SoC based on Feasibility report and field the proposal to relevant AoN according authority without circulating the SoC as otherwise required as per Para 16 to 19, Chapter II of DPP –2016.

⁵⁰Amendment issued vide Enclosure B to MoD ID No. 1(13)/D(Acq)/16-Vol.IV dated 01.11.2019

23. The projects other than Low value projects, particularly involving import substitution, where SQRs & LPP are known, will be progressed for obtaining 'Accord of AoN' by circulating the SoC as per Para 16-19, of Ch-II of DPP-2016 without undergoing Questionnaire/ Feasibility stage process as prescribed at 12 & 14 of this Chapter.

Categorisation & Accord of AoN

24. SHQ shall prepare the Statement of Case (SoC) and will refer the cases to SCAPCC/SCAPCHC as per Para 16 to 19, Chapter II of DPP - 16. Cases up to ₹ 300 Crore⁴⁷ will be referred to SCAPCC. After evaluating the recommendations of the SHQs/ initiating departments, the SCAPCC will recommend the SoC for accord of AoN to SCAPCHC. For cases beyond ₹ 300 Crore⁴⁷ the SHQs/ initiating departments will refer cases to the SCAPCHC, which will carry out the task of categorisation, based on the recommendations of SHQs/initiating departments and refer the cases between ₹ 300 Crore⁴⁷ to ₹ 500 Crore⁴⁷ to the DPB and refer cases beyond ₹ 500 Crore⁴⁷ to DAC for accord of AoN. PSQRs and Draft EoI shall be enclosed with SoC. Following would be highlighted by the SHQ in the SoC seeking AoN:-

- (a) Estimated time period.
- (b) Estimated development cost.
- (c) Likely production cost.
- (d) Quantity of order, preferably covering the requirement of five years, post successful development of prototype.
- (e) Acceptability of Multiple Technological Solutions, if any.
- (f) Single vendor situation for cases where an innovative solution has been offered by an individual or a firm.

25. **"While according AoN, it will be ensured that design and development of the system is indigenous.** The AoN shall be sought based on the cost of subsequent procurement under 'Buy (Indian – IDDM)'."

Validity of AoN

26. AoN for 'Make-II' category projects will be valid for six months. For cases where EoI is not issued within six months from accord of AoN, SHQ will revalidate AoN with due justification for not processing the case on time after obtaining approval of CISC/VCOAS/VCNS/DCAS/DG(ICG). For cases where the original EoI has been issued within six months from accord of AoN and later retracted for any reason, the AoN would continue to remain valid, as long as the original decision and categorisation (sub-category) remain unchanged and the subsequent EoI is issued within three months from the date of retraction of original EoI.

Issue of Eol

27. PFT shall publish 'Eol' on MoD/DDP Website inviting Company (ies) to participate into the 'Make-II' project. In addition, Eol shall also be issued to all companies which have shown interest to participate in the project during Feasibility Study. The Eol will contain the following:-

- (a) PSQRs.
- (b) Scope of the project including number of Prototypes required.
- (c) Time frames and critical activities.
- (d) Milestones.
- (e) List of trials/items/facilities/consumables that will be provided free of cost and also specify 'number of times' such free trials will be allowed.
- (f) Quantities in 'Buy (Indian-IDDM)' phase preferably covering requirements of five years.
- (g) Acceptability of Multiple Technological Solutions, if any.
- (h) Details of Evaluation Criteria for assessment of EOI.

Evaluation of Eol Responses

28. Responses to Eol shall be evaluated as per criteria given in Eol and shall be approved by CISC/VCOAS/VCNS/DCAS/DG(ICG). All the shortlisted companies will be called Development Agencies (DAs).

29. Project shall be progressed ahead even if only one Eol respondent is found meeting the eligibility criteria.

30. Sanction for prototype development as detailed in Eol responses, with 'Nil' financial implications for MoD, would be obtained by the PFT from CISC/VCOAS/VCNS/DCAS/DG(ICG).

31. PFT will issue Project Sanction Order with Nil financial implications.

Time Overrun

32. The approval of extension of timelines for any 'Make-II' project may be accorded by CISC/VCOAS/VCNS/DCAS/DG(ICG), based on the recommendations of Head-PMU. In case of only single vendor having offered the prototype within timelines stipulated in the Project Sanction Order, not more than two time extensions will be accorded and thereafter the case is to be progressed as resultant Single Vendor Case (SVC).

Design and Development of Prototype for Make-II Sub-category

33. PFT are to act as the primary interface between the SHQ and the industry during the design and development stage under Make-II subcategory projects and are to facilitate the following:-

- (a) Finalization of trial methodology.
- (b) Provision of requisite professional inputs/documentation to industry.
- (c) Providing clarifications related to functional or operational aspects of the equipment under development, as may be sought by the DAs from time to time, during the design and development of prototype.
- (d) Provision of trial range/test facilities/consumables, etc., as mentioned in the EoI.
- (e) Conversion of PSQRs to SQRs, prior to commencement of Users trials.
- (f) Issue of Commercial Offer in consultation with SHQ.
- (g) Coordinating user trials with the SHQs, based on the trial methodology. SHQ will formulate the Trial Directive and constitute the Trial Team. The Trial Directive must specify the fundamental points that need to be addressed for validating the 'essential' parameters.

34. After the prototype has been developed, the PFT would carry out user trial readiness review of the prototype before offering it for user trials.

Solicitation of Commercial Offers

35. A commercial Request for Proposal (RFP) for 'Buy (Indian-IDDM)', phase, duly vetted by Acquisition Wing/ concerned SHQ, will be issued to all Development Agencies for submission of their commercial offer prior to commencement of User trials.

36. The quantities in the 'Buy (Indian-IDDM)' phase cannot be reduced from the quantities indicated in EoI issued for the prototype development phase.

User Trial

37. User trials would be carried out by the SHQ in close consultation with PFT to validate the performance of the system against the parameters/specifications approved after the development of prototype. SHQ will formulate the trial directives and constitute the Trial Team. The 'trial directive' must specify the fundamental points that need to be addressed for validating the 'essential' parameters.

38. The SQRs of the equipment would therefore be a part of the trial directives, and only the essential parameters as detailed in the SQRs will be tested. The validation of the support system and maintainability trials, integral to and complimenting the trial programme of the defence equipment/upgrades/product/system should be held simultaneously, wherever feasible. Representatives of DRDO, QA agency may also be part of the field evaluation, based on requirement. The user can recommend modification to the system for ease of handling and

its maintainability. At this stage, no changes should be suggested which require re-designing of the system/sub-system or technology upgrade. Such suggestions would only be considered and implemented in subsequent phases of development.

Staff Evaluation

39. The procedure of carrying out the Staff Evaluation, approval and acceptance of Staff Evaluation report for procurement under 'Buy (Indian-IDDM)' category of acquisition, is as detailed in procedure for Make-I sub-category.

40. Projects, where prototype of only a single firm/individual clears the trials shall be progressed as resultant single vendor.

Commercial Negotiations by Contract Negotiation Committee (CNC)

41. The AoN cost will be calculated on the basis of last purchase price of the imported item being substituted. The CNC will carry out all processes from opening of commercial bids till conclusion of contract. Negotiations in case of multivendor projects having procurement cost less than ₹ 150 crore shall be carried out only in special circumstances with reasons to be recorded. However, CNC will carry out negotiations for all single vendor cases, other than resultant single vendor, irrespective of value of the project. For products which are being developed under 'Make-II' as an import substitute and their prices are known, no benchmarking & no negotiation will be carried out, even in single vendor cases, if the offered price is lower than AoN cost by 20% or more. However, in such cases, the CFA will satisfy himself/herself that the price of the selected offer is reasonable with respect to the AoN cost and consistent with the quality required.

42. After CNC, the procedure for procurement would thereafter be same as for 'Buy (Indian-IDDM)' category from the successful DA/DAs, in accordance with Chapter-II of DPP-2016.

43. Consequent to approval of the CFA, the procurement contract(s) would be signed by the Acquisition Manager/Director (Procurement) concerned in the Acquisition Wing or by officer authorized by PSO concerned in SHQ for the cases falling within their delegated powers. The draft contract(s) would be prepared as per the Standard Contract Document at Chapter VI of DPP 2016.

44. The Pre-Contract Integrity Pact (PCIP), listed as detailed in para 92 (Chapter II of DPP 2016), shall apply mutatis mutandis, to 'Buy (Indian - IDDM)' phase of 'Make' project. **Depending upon the sensitivity/secretcy of the information related to the project, participating Vendors may be asked to sign a Non-Disclosure Agreement (NDA) at the time of sharing the QRs/ other sensitive information for certain projects as deemed necessary by SHQs⁵⁰.**

⁵⁰Amendment issued vide Enclosure B to MoD ID No. 1(13)/D(Acq)/16-Vol.IV dated 01.11.2019

Multiple Technological Solutions

45. In cases involving large quantities and where multiple technological solutions are acceptable, on approval of SCAPCHC/DPB/DAC, an option may be provided in the EoI during the 'Make' phase and subsequently in the Commercial RFP for the 'Buy (Indian - IDDM)' phase for procurement of specified quantities (in the ratio of 70:30) from other vendors (referred to as L2 herein) who have successfully developed the prototype/product, on the condition that this second vendor accepts the price and terms & conditions quoted by the L 1 vendor.

46. In case, multiple technological solutions are not acceptable, the successful other vendors will be issued a certificate by the DDP indicating that the product has been successfully trial evaluated, to facilitate other vendors to explore other markets and remain in the production of the product.

Intellectual Property Rights (IPRs)

47. DA shall retain title or ownership and all other rights in intellectual property generated during the development of project. However, the Government shall have March-in rights under which the Government can require the contractor to grant, or may itself grant license for, inter alia, the following reasons:-

- (a) Where health and safety requirements so require the Government to act in public interest;
- (b) For National Security Reasons;
- (c) To meet requirements for public use not reasonably satisfied by the contractor;
- (d) For failure of the contractor to substantially manufacture the products embodying the subject invention in India; or
- (e) For failure of the contractor to comply with any of the requirements laid down under these guidelines.

Project Management, Review and Monitoring

48. The progress of the 'Make-II' project would be monitored by the PFT under overall guidance of respective PMU as defined in EoI responses. The Government may engage services of independent consultants/experts for assessing the physical and/or financial progress of the Make project. PFT, through respective 'Make-PMU' will also periodically apprise the progress of the project to PSO concerned at SHQ or to DPrB through PSO concerned at SHQ, as the case may be.

Foreclosure

49. No Foreclosure of the Project will be done after issue of Project Sanction Order, other than for reasons of default/ non-adherence to Project Sanction Order by Vendors.

50. All deviations on matters concerned with 'Make-II' cases not covered under this chapter, as well as all cases of deviations, shall require prior approval of the DPrB.

51. Any DA developing an item under 'Make-I' procedure, if desires, would be allowed to migrate to Make-II procedure, after due consultations and if it is found to be in the interest of the project and if no payment/reimbursement has been made to the DA against the development cost.

52. "Typical expected timelines for undertaking 'Make-II' Projects are contained in **Appendix B. Based on the complexity of the equipment, AoN according authority may approve extended timelines at the time of according AoN⁵⁰.**

53. Any clarification or difficulty arising during execution of prototype development phase shall be referred to Secretary (Defence Production) who may refer it to DPrB, for final decision, if required.

⁵⁰Amendment issued vide Enclosure B to MoD ID No. 1(13)/D(Acq)/16-Vol.IV dated 01.11.2019

INDICATIVE EVALUATION CRITERIA FOR SHORT LISTING OF DEVELOPMENT AGENCIES

1. All the entities satisfying all of the following criteria shall be considered as an eligible 'Indian Vendor' for evaluation of EoI by PFT: -

(a) Public limited company, private limited company, partnership firms, limited liability partnership, one Person Company, sole proprietorship registered as per applicable Indian laws. In addition, such entity shall also possess or be in the process of acquiring a license/development of products if the product under project requires license as per DIPP's licencing policy.

(b) The entity has to be owned and controlled by resident Indian citizens; entity with excess of 49% foreign investment will not be eligible to take part in Make category of acquisition.

(c) For projects having cost of development phase \leq Rs. 3 Cr and cost of procurement phase $<$ Rs. 50 Cr/year based on delivery schedule at the time of seeking AoN, there will be no commercial and financial criteria.

(d) For all cases having cost of prototype development phase $>$ Rs. 3 Cr and/or procurement cost $>$ Rs. 50 Cr/ year based on delivery schedule at the time of seeking AoN, the entity should have: -

(i) Average annual turnover of the applicant company for the last three financial years ending 31st March of the previous financial year, should not be less than 5% of the estimated cost of the project.

(ii) Net worth of the entities ending 31st March of the previous financial year should be "Positive".

(e) Other Technical criteria will be spelt out by concerned SHQ based on the project requirement.

2. The 'Start-up' recognized by Department for Promotion of Industry and Internal Trade (DPIIT) from time to time, shall be eligible to participate under 'Make-II' procedure.

Note: Guidelines for penalties in business dealings with entities as promulgated by Government from time to time will be applicable on procurement process & bidders.

Appendix 'B'
(Refer Para 21 of Eol)

**PRELIMINARY STAFF QUALITATIVE REQUIREMENT OF
NIGHT SIGHT (TI) FOR AGS-30**

Firms/ Entities interested in responding to Eol may obtain this Appendix by contacting Secretary, PFT, through following methods:-

1. Telephone : 2301-2243
2. Email : suresh1234@nic.in

Copy No 14 (Fourteen)

Appendix 'C'
(Refer Para 23 of EoI)

INTELLECTUAL PROPERTY RIGHTS AGREEMENT

It is certified that 100% Intellectual Property Rights (IPR) for the design of the Night Sight (TI) for AGS-30 is the property of M/s _____. It is acknowledged that the company will be disqualified from further participation if any information provided is found to be incorrect.

Signature with Company Seal

Appendix 'D'

(Refer Para 24 (a) of EoI)

COMMERCIAL EVALUATION CRITERIA

1. **Name of the Vendor:** _____
2. **Evaluation Criteria.**

<u>S No</u>	<u>Criteria</u>	<u>Vendor Submission</u>	<u>Reference</u> (Reference against vendor claim/ response must be flagged and mentioned in this column)	<u>Remarks (if Any)</u>
(a)	Nature of the Company [refer Para 1 (i) of Annexure I of Appendix A].			
(b)	Ownership Status [refer Para 1 (ii) of Annexure I of Appendix A].			
(c)	Category of Industry (Large/ Medium/ Small/ Micro).			
(d)	Registration Details.			
(e)	Credit Rating.			
(f)	Present Net Worth.			
(g)	Annual Turnover for last three years upto 31 Mar 2020			

Station:

Signature

Company Seal

Date:

Note:-

1. Refer Paragraph 21 of EoI and Annexure I of Make-II Procedure.
2. All submissions must be supported by referenced documents duly authenticated.
3. Any input with incorrect or missing reference will not be assessed.

Appendix 'E'

(Refer Para 24 (b) of EoI)

TECHNICAL EVALUATION CRITERIA

1. **Name of the Vendor:** _____
2. **Evaluation Criteria.**

<u>S No</u>	<u>Criteria and Sub Criteria</u>	<u>Vendor Submission</u>	<u>Reference</u> (Reference against vendor claim/ response must be flagged and mentioned in this column)	<u>Remarks (if Any)</u>
(a)	Execution of similar/other projects for military users in India and abroad.			
(b)	Execution of similar projects for other users in India and abroad.			
(c)	Details regarding major successful projects/ products/ technologies developed/ under development involving critical technologies similar to those required for this project in the field of Optro Electronic Weapon Sight Systems.			
(d)	Proposed indigenous content in percentage of total cost.			

<u>S No</u>	<u>Criteria and Sub Criteria</u>	<u>Vendor Submission</u>	<u>Reference</u>	<u>Remarks (if Any)</u>
(e)	Confirmation of capability to develop and provide equipment to meet user requirements specified in Appendix 'B' (Technical specifications).	Compliance to be given		
(f)	Compliance to Technical Specifications given at Annexure I to Appendix 'E'.	Compliance to be given and details to be provided as per format attached at Annexure to this Appendix		
(g)	Proposed system configuration (broad design details).			
(h)	Timelines for development of prototype after issue of Project Sanction Order.			
	(i) Breakdown of Prototype Development Stage into Quantifiable Phases (First Phase to be of six months with next four phases of three months each)			
	(ii) Timelines (in months) for production and supply of 804 Night Sight (TI) for AGS 30 alongwith accessories by 'Buy (Indian-IDDM)' phase after conclusion of contract.			
(j)	Acceptance to all terms and conditions given in the EoI.	Compliance to be given		

Station:

Signature

Company Seal

Date:

Annexure I to Appendix 'E'**TECHNICAL EVALUATION COMPLIANCE MATRIX FOR NIGHT SIGHT (TI) FOR AGS-30**

Ser No.	Specifications	Requirement as per PSQR	Compliance/Partial Compliance/Non-Compliance	Justifications, If any

Station:

Signature

Company Seal

Date:

Annexure II to Appendix 'E'

(Refer Para 24 (b) of EoI)

PROTOTYPE EVALUATION METHODOLOGY

Firms/ Entities interested in responding to EoI may obtain this Annexure to Appendix 'E' by contacting Secretary, PFT, through following methods:-

1. Telephone : 2301-2243
2. Email : suresh1234@nic.in

Appendix 'F'

(Refer Para 24 (c) of EoI)

RESEARCH & DEVELOPMENT (R&D) EVALUATION CRITERIA

1. **Name of the Vendor:** _____
2. **Evaluation Criteria.**

<u>S No</u>	<u>Criteria and Sub Criteria</u>	<u>Vendor Submission</u>	<u>Reference</u> (Reference against vendor claim/ response must be flagged and mentioned in this column)	<u>Remarks (if Any)</u>
(a)	What is the percentage of your annual turnover spent on R&D for optro electronic systems?			
(b)	What percentage of your firm's net worth is infrastructure for R&D in optro electronic systems?			
(c)	What are the facilities presently being established at your firm for R&D in optro electronics? What percentage of your annual turnover has been spent on acquiring these facilities?			
(d)	What are the facilities planned to be acquired in next two years for R&D in optro electronics? What percentage of your annual turnover has been planned to be spent to acquire these facilities?			

Station:

Signature

Company Seal

Date:

Appendix 'G'

(Refer Para 24 (d) of EoI)

INDIGENOUS CONTENT (IC) EVALUATION CRITERIA

1. **Name of the Vendor:** _____
2. **Evaluation Criteria.**

<u>S No</u>	<u>Criteria and Sub Criteria</u>	<u>Vendor Submission</u>	<u>Reference</u> (Reference against vendor claim/ response must be flagged and mentioned in this column)	<u>Remarks (if Any)</u>
(a)	What percentage of overall design cost is expected to be spent on indigenous development?			
(b)	How many times (in terms of percentage) of the estimated cost of overall project is your indigenous manufacturing facility worth?			
(c)	What is the estimated cost (in terms of percentage of overall project) of ToT absorption required to indigenize production upto 40%?			
(e)	What percentage of overall cost will be ToT with foreign industry?			
(f)	What percentage of overall cost will be propriety items of foreign industry?			
(g)	What percentage of overall cost will be components manufactured in India?			
(h)	What percentage of overall cost will be components developed in India and manufactured abroad?			
(j)	What percentage of overall cost will be components procured from abroad?			

Station:
Date:

Signature

Company Seal

Appendix 'H'
(Refer Para 24 (e) of EoI)

INFORMATION PERFORMA

1. Name of the Company.
2. Name of CEO with Designation.
3. Address of the Registered Office.
4. Address of the Factory/Factories.
5. Company Website(s).
6. Date of Incorporation.
7. Brief History of the Company.
8. Category of Industry (Large/ Medium/ Small/ Micro).
9. Nature of Company (Public Limited/ Private Limited).
10. Nature of Business (Manufacturer/ Trader/ Sole Selling or Authorised Agent/ Dealer/ Assembler/ Processor/ Re packer/ Service Provider). Please give broad product range as applicable.
11. Details of Current Products:-
 - (a) Type/ Description.
 - (b) Licensed/ Installed Capacity.
 - (c) Annual Production for Preceding 3 Years.
12. Details of Foreign Collaborations if any planned for execution of project.
13. Technology Received from abroad and assimilated/ planned for execution of project.
14. Products Already Supplied:-
 - (a) To Indian Army/Air Force/Navy.
 - (b) PSUs.
 - (c) DRDO and its Laboratories.

Appendix 'H' Contd...

- (d) Ordnance Factories.
 - (e) Any other Defense Organisation.
 - (f) To other Principal Customers.
15. Details of Developmental Facilities:-
- (a) R&D Facilities Available.
 - (b) Number of Technical Manpower.
 - (f) Percentage of Total Turn-Over Spent on R&D during the Last Three Years.
16. Turn-Over during the last Three Financial Years.
17. Any other relevant information.
18. Contact Details of the Executive nominated to co-ordinate with the Assessment Team (please provide telephone, mobile and e-mail address).

Appendix 'J'
(Refer Para 34 of Eol)

CONFIDENTIALITY AGREEMENT

The company understands the security sensitivity of operational equipment. No information pertaining to deployment and usage of the equipment including scaling will be discussed with any third party without required permission from the Project Facilitation Team. The company understands that failure to observe this agreement will lead to disqualification from the project.

Signature with Company Seal

Copy No 14 (Fourteen)

Appendix 'K'
(Refer Para 38 of Eol)

CORRECTNESS CERTIFICATE

It is certified that information submitted in the documents as part of the response to Expression of Interest for the project of Night Sight (TI) for AGS-30 is correct and complete in all respects. It is acknowledged that the company will be disqualified from further participation if any information provided is found to be incorrect.

Signature with Company Seal

Copy No 14 (Fourteen)