

**DTE GEN OF ORD SERVICES**  
**MGO/OS-AMN PROC**

**CORRIGENDUM NO:02**

**RFI ISSUED FOR FOUR TYPES OF AMMUNITION FOR MANUFACTURE OF AMMUNITION**  
**FOR INDIAN ARMY BY INDIAN PRIVATE VENDORS**

1. Please refer RFIs uploaded on [www.indianarmy.nic.in](http://www.indianarmy.nic.in) on 26 Nov 2020 for various ammunition.
2. Based on the Vendors interactions held between 21 Dec 2020 and also various queries received through letters/emails, clarification to all queries are given below:-

S. No	Queries by the Firms	Clarification
(a)	Firms sought clarification that the contract for complete qty will be awarded to L-1 and that it will not be split between two vendors.	Contract for complete duration/quantity will be awarded to one vendor.
(b)	Firms asked whether clause of maximum three contracts being awarded to a single company is applicable for RFI also.	Firms can respond to RFI for maximum numbers of ammunition.
(c)	Firms has submitted that establishing manufacture facilities in the country need a minimum lead time of 12-15 months and supply of amn from the plants be amended to 18 months from date of contract.	The subject of supply timelines will be covered in detail in the RFP.
(d)	Firms sought clarification that whether technical specification mentioned is minimum acceptable criteria or the only criteria.	Technical specification mentioned in RFI is minimum acceptable criteria, however, the final evaluation criteria will be as per RFP.
(e)	Firms sought clarification that amn with added performance parameter be given added advantages.	
(f)	Firms has sought clarification that at what stage do the firm require license for manufacturing. Firm had already applied for the same.	Firm should ideally have license when submitting the bid against the RFP.
(g)	Firms has sought clarification whether the design/drawing in respect of in service amn will be provided to the Indian vendor.	The details of specification will be included in the RFP, the indicative specifications likely to be provided may be procured in the RFP No A/18153/Grenade 30 mm for AGL/MII/OS-Amn Proc & RFP No A/18106/BMCS HZ and LZ/MAPI/OS-Amn Proc available in the open domain.
(h)	Firms has sought if there are any condition on absorption of critical technology and sought advice on critical technology.	The aspect will be covered in detail in the RFP.
(j)	Firms has sought clarification whether any waiver on the financial parameter will be granted to MSME vendors.	Existing Govt rules will be applicable.
(k)	Firms has sought time frame in which submission of trial amn will be desired after issue of RFP	The timelines will be specified clearly in the RFP.

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S.N	Queries by the Firms	Clarification
(l)	Firms has sought confirmation whether Acceptance Test Procedure (ATP)/reference standard shall be provided to vendors for pre assessment/qualification at vendor's end before submission of ammunition sample to the Indian Army as such details will facilitate better understanding of testing procedure.	Yes, details will be specified clearly in the RFP.
(m)	Firms has sought clarification whether 100% absorption of ToT is proposed and not mandatory. Also, details wrt minimum IC reqd has been sought.	100% absorption of critical technologies which will be indicated in the RFP is mandatory. Further, the Manufacturer should develop the infrastructure and absorb the complete ToT for manufacture including QA/QC Checks of ammunition within two years from signing of contract.
(n)	Firms has sought details/specification of steel core/primer and steel sheet which will be used for penetration/testing purpose.	The aspect will be covered in RFP.
(o)	Firms has sought confirmation wrt procedure/methodology for checking accuracy of amn.	The aspect will be covered in RFP.
(p)	Firms has given its proposed model of planned collaboration through its subsidiary with a foreign partner having requisite technological expertise in mfr of amn and other defence product and forming a JV between subsidiary and foreign partner for undertaking manufacture of amn. Firm wants confirmation whether the model proposed fulfills RFP guideness or otherwise and sought alternate model/structure. Firm has also mentioned certain clauses of DAP 2020.	The technology partners can be indigenous or foreign manufacturer as per discretion of vendor. MoD will have no liability in ToT agreements between the participating vendors and the ToT partners. Further, the Procurement under will be governed by DPM and not DAP 2020.
(q)	Firms has sought difference between AK 47/56 AMN AK – 203 ammunition.	Firms query is out of context as the RFP issued only for amn for Rif AK-47.
(r)	Firms has asked whether Igniter and Gun Powder can be outsourced to 3 <sup>rd</sup> Party.	Details with respect to the Critical Technologies required to be indigenized will be given in the RFP.
(s)	Firms has also asked about anticipated time to take manufacturing license.	Firm to liaise with concerned Govt. Ministries.
(t)	<b>Arms License.</b> Manufacture of armament stores involves hardware and explosive components. While the hardware and electrical/electronic items can be made by the industry in India, the explosives handling can be accomplished by Premier Explosive Ltd, Solar Explosive and Economic explosives in the private industry other than the OFB. Therefore, the Ammunition License that would be obtained by the prime contractor will be minus the explosives and prime contractor will be responsible for filling of explosives through the private industry who have the explosive license. Army HQ may consider this limitation and RFP be issued accordingly.	No change is recommended to conditions of RFI.

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S.N o	Queries by the Firms	Clarification
(u)	<b>Experience in Amn Manufacturing.</b> The prime contractor is experienced in manufacture of defence equipment without explosive content. The prime contractor has signed MoUs with the manufactures of explosive components and will be responsible for explosive filling, assembly of finished ammunition and proof testing. Therefore, if the partner of the prime contractor has the capability of handling explosives and manufacture of armaments, MoD may consider that the prime contractor has the manufacturing facilities of ammunition.	These aspects may be considered at RFP formulation stage.
(v)	<b>Proof Testing Facilities.</b> Proof testing would involve production proof and finished round proof. The assembled ammunition needs to be tested in short proof and long proof (Dynamic Proof testing). The technology partner responsible for filling does not have the dynamic proof testing facilities. However, the static proof facilities are available to some extent and on award of contract balance facilities for static testing will be established. RFI indicates that Army facilities will be spared on cost basis. Kindly intimate the tentative cost for financial estimation.	Proof testing facilities will be made available to the selected manufactures during trial evaluation of the ammunition, free of cost. However, for undertaking internal trials these facilities shall be provided at a cost of the borne by the vendor.
(w)	<b>Technology for Raw Material/ Manufacture.</b> While majority of the raw material manufacturing facility is available in India, it is always not possible for 100% raw material manufacture in India. Establishing the manufacturing facilities for raw material will be subject the commercial viability. MoD may clarify whether the contract for complete quantity will be awarded to the L-1 and will not be split into two vendors. Also it should not be insisted in the RFP the raw material should be 100% indigenous.	Details with respect to the Critical Technologies required to be indigenized will be given in the RFP.
(x)	<b>100% ToT vs 100% Indigenisation.</b> Technology transfer would involve technology to manufacture the ammunition as per the desired specifications. We have identified the technology partner who is ready to provide the ToT. The design authority is held by the technology partner. While it is possible for absorption of 100% technology to manufacture the product, it is not possible for 100% indigenization as the design authority itself does not own the IPR of certain components. For example, in case of MRSAM, the DRRO is the design authority. BDL the production agency. However, the IPR of propellant, certain critical components of radar system, the seeker of missile are not owned by DRRO. Therefore, MoD may not insist on 100% indigenization. As per DAP 2020, maximum of 60% indigenisation be mentioned in the RFP.	100% absorption of critical technology to be indicated in the RFP is mandatory. Further, the Manufacturer should develop the infrastructure and absorb the complete ToT for manufacture including QA/QC Checks of ammunition within two years from signing of contract. Also, procurement will be covered under DPM and not DAP 2020.





S.No	Queries by the Firms	Clarification
(y)	<b>Supply of Amn in Six Months of Contract.</b> Establishing manufacturing facilities in India and completion of pilot lot production and proof testing will take considerable time. The industry will establish manufacturing, assembly and proof testing facilities only after award of contract. Filling process is to be established by the explosive firm only after award of contract. The assembly process is to be validated through pilot lot production proof. Only after production proof is cleared, serial production would commence. Thereafter, there will be PDI/JRI which will include proof testing (both static and dynamic). Therefore, initial lot can be made available for PDI only after 12 months from the receipt of advance. Therefore, the first lot production with stagewise indigenisation will take time. Subsequent lots will be faster. The delivery timelines may be accordingly be amended.	The timelines will be specified clearly in RFP.
(z)	<b>Delivery Batch Size.</b> The annual requirement has been mentioned in the RFI. However, the batch size of delivery (number of rounds to be delivered per batch) has not been mentioned. Batch size will also determine the storage capacity required at the assembly and stores site of explosive filling firm. Considering the volumes, delivery of 10000 rounds per batch would be preferred option.	May be indicated in the RFP and finalized prior to signing of the contract.
(aa)	<b>Indigenous Road Map.</b> The 125mm HE and HEAT round manufacture is a complicated task. Complete Transfer of Technology and indigenous production within two years of award of contract is considered very ambitious. The first lot with SKD/CKD kits can be proven in 12 months. Considering the number of components, if all items are made indigenously at same time, identification of defects, if any, will be difficult task. Therefore, when ToT is to be absorbed, the indigenisation will have to be gradual. It would take about 4 years to stabilize the production with indigenous components. Therefore, the indigenisation road map needs to be amended accordingly.	Desired Indigenization Road Map in detail will be spelt out in RFP.
(ab)	<b>Sample Display.</b> Considering the COVID situation, kindly provide clear digital photographs of samples to vendors.	Vendors can ask for the same and will be provided.
(ac)	<b>Long Term Contracting.</b> The quantity required was mentioned as 10 years requirement. Will Army HQ award the entire quantity with L-1 on long term contract basis. If so, the pricing escalation being planned may be intimated.	Long term contract will be awarded to L-1 vendor. The detailed pricing & bid evaluation methodology will be provided in the RFP.



(AK Singh)  
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GSO - 1 (OS Amn Proc)

**ADG PI**

**MASTER GENERAL OF SUSTENANCE BRANCH**  
**PROC DTE**

**CORRIGENDUM NO : 04**

**RFIs ISSUED FOR MANUFACTURE OF VARIOUS TYPES OF AMN UNDER**  
**'MANUFACTURES OF AMN FOR INDINAN ARMY BY INDIAN PRIVATE VENDORS'**

1. Refer RFIs uploaded on [www.indianarmy.nic.in](http://www.indianarmy.nic.in) on 03 & 04 Aug 2020 for various ammunition.
2. Based on the Vendors interactions held between 11 Aug to 19 Aug 2020 and also various queries received through letters/emails, clarification to all queries are given below:-.

<b><u>Ser No</u></b>	<b><u>Queries by the Firms</u></b>	<b><u>Clarification</u></b>
(a)	Vendors have asked to provide details wrt methodology of ToT and obtaining license for production	The responsibility to obtain necessary manufacture license and clearances as per existing laws will be that of the manufactures. The prospective manufactures can select their technology partners, negotiate and obtain ToT.
(b)	Some vendors had enquired whether financial parameter as given in RFI wrt credit rating (BBB) and turnover (15 Cr) of company for last 03 years will be mandatory. Firm further informed that as a new establishment they would be unable to fulfill the financial parameter requirements and also many new startups would not be able to apply because of these parameters.	The criteria will be strictly as per the RFP.
(c)	One vendor has intimated that meets all financial criteria for the RFI, except for the credit rating. At present, long term rating is 'ACUITE BBB' and short term rating is 'ACUITE A3'. It is requested that a special dispensation be accorded to participate in the RFI, as WIL has been industry partner of.	The criteria will be strictly as per the RFP.

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<u>Ser No</u>	<u>Queries by the Firms</u>	<u>Clarification</u>
(d)	Vendor has asked that can they apply to the RFI/express or interest by the newly raised company with the details of Turnover of last three years of their holding company. If above is not permitted can they apply with holding company.	Details regarding eligible Indian companies and financial eligibility conditions will be spelt out in RFP.
(e)	When will all the specifications available with DGQA and the drawings be provided to this industry?	The detls of specification will be included in the RFP, the indicative specifications likely to be provided may be perused in the RFP No A/18153/Grenade 30mm for AGL/MII/OS-Amn Proc & RFP No A/18106/BMCS HZ and LZ/MAPI/OS-Amn Proc available in the open domain.
(f)	When can the industry representatives see the ammunition samples in the depots? Will it be organized centrally? Our recom is to allow individually so that much logistics are not required.	Can be make available based on the vendor's requisition.
(g)	Timelines for the RFP was sought	No firm timelines can be specified.
(h)	Will be procurement take place through Capital or Revenue route	Procurement will be through the Revenue route.
(j)	Firm asked the timelines of indigenization content and timelines under which it has to be achieved.	100% absorption of critical technology as indicated in the RFP is mandatory within 04 years from date of award of contract. Further, the Manufacturer should develop the infrastructure and absorb the complete ToT for manufacture including QA/QC checks of ammunition within two years from signing of contract.
(k)	Applicability of 7.62mm caliber amn for new assault rifles being procured was sought.	Instant procurement is limited to weapon as specified in RFI.
(l)	Firm submitted that any firm providing advance technology/ammunition with better parameters vis-à-vis RFP parameters should be given advantage in procurement otherwise user will still be using ammunition of old technology	Firms will be subjected to Evaluation Criteria as given out in the RFP.
(m)	Can Ministry of Defence (MoD) expedite with Ministry of Home Affairs (MHA) for quick decision in case of issue of license.	Responsibility of obtaining all requisite licenses is that of the Vendors.
(n)	The technology advancement in the field of ammunition manufacturing should be taken into consideration towards decision making in terms of trial.	Firms will be subjected to Evaluation Criteria as given out in the RFP.

<u>Ser No</u>	<u>Queries by the Firms</u>	<u>Clarification</u>
(o)	Is there a likely revision of quantities specified in the RFI.	Final Quantities will be indicated in the RFP.
(p)	Vendor rep suggested having greater industry interaction so as to mutually understand the practical aspect of ammunition manufacturing in the country. It was also suggested that for effective interaction, the top five to six private sector player could be invited. It will help in setting practical clauses in the RFP.	Adequate vendor interaction opportunities are available during various stages of procurement.
(q)	It has been indicated that the procurement shall follow provisions of DPM 2009. However, DPM -2009 does not elaborate on the indigenous content (IC) percentage expected from vendors. Therefore, IC details may please be shared.	Details with respect to the Critical Technologies required to be indigenised will be given in the RFP. 100% absorption of critical technology as indicated in the RFP is mandatory within 04 years from date of award of contract.
(r)	For NCNC trails the ammunition may be manufactured by participating vendor or by ToT partner. Hence will Indian army provide the necessary documentation viz End-user Certificate DSP 88 etc to facilitate import of the ammunition from ToT partner?	Indian Army will provide necessary documentation based on requisition.
(s)	As ToT for ammunition manufacturing is a time consuming process it would entail that the requirement for initial quantities of ammunition may be ex-import followed by manufacture at Indian factory (through SKD/CKD) with Increasing percentage of indigenous content (IC) to meet the Make In India criteria. Therefore will initial supply of ammunition on 100% ex-import basis be acceptable.	100% absorption of critical technology as indicated in the RFP is mandatory within 04 years from date of award of contract. It is mandatory for vendors to absorb complete ToT for manufacture within two years from signing of contract. Details on the issue of deliveries will be covered in detail in RFP



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