

General Rules and Regulations governing conduct of Online Reverse Auction.

1. Brief description of the tender processing for On-line Reverse Auction is given below:

1. Bidders submit their techno commercial bid along with all the required documents as per the terms of enquiry, which are opened on the due date of opening of quotation.
2. All the Bidders whose offers are found techno-commercially acceptable become eligible for participating in price bidding through On-line Reverse Auction over Internet.
3. Non-placement of bid by an eligible bidder during the Reverse Auction event may adversely affect consideration of the bidder for the subsequent RFQ's.
4. The mjunction would intimate Date & Time for Start of Reverse Auction & duration of auction to the Bidders in advance. Login ID & Password specific to each Bidder is given and demonstration of bidding (On-line) process is given to enable each Bidder fully understand the process of bidding On-line.
5. Thereafter, at scheduled time the screen for On-line bidding is launched wherein the Bidder would put in their best offers through On-line bids in which the Start Bid Price can be reduced by the Bidders to secure orders for the supply of items/services.
6. All eligible Bidders having password can view the bidding screen after acceptance of online declaration on the computer screen and also enter their prices any number of times during the duration of bidding.
7. If it has been decided at tendering stage to distribute the Tendered quantity to more than one Bidder then after conclusion of reverse auction a screen for online matching of lowest price by all Bidder who have participated & placed a valid & accepted bid in the immediate previous stage, other than the L1 bidder, would be launched. Bidders other than L1 can confirm matching on L1 price on the screen.

The quantity would be distributed among the bidders based on the ranking of bidders at the conclusion of reverse auction and order would be placed on predetermined no. of parties from among the bidders who have placed their bid in all previous stages and matched L1 price .

2. Service Provider:

For conducting the Reverse Auction, Steel Authority of India Limited (SAIL) has engaged the services of **mjunction services Limited** for conducting the Reverse Auctions. mjunction is fully authorized to give clarifications / coordinate with the Bidder on behalf of SAIL w.r.t. conduct of Reverse Auction. Their address and contact details are as given alongside.

3. Role of Service Provider

Mjunction services limited is the agency (operator) primarily providing the platform for conducting the Reverse Auction. As the agency providing the auction engine, the role of SP would include:

Mjunction services limited

Corporate Office:

Address : 3rd Floor, Tower – 1,
Godrej Waterside, Plot – V,
Block – DP, Sector – V,
Salt Lake, Kolkata – 700091,
West Bengal

Contact Name : Manish Nandwana

Phone : 09163348165

Branch Office :

Address: SAIL-ISP, 1st Floor , New
Materials Building, Order Dept. IISCO
Steel Plant, Burnpur-713325
Contact Name: Mr. Sanchoy Roy
CRM-mjunction, Burnpur.

Mob. No. 08336939951

Email: sanchoy.roy@mjunction.in

- i. Setup the auction based on tendered item details and bidding rules as mentioned in tender document.
- ii. Providing access through user-id protected by password to the approved bidders to participate in the auction.
- iii. Enhancing bidder awareness by providing them the details / steps of auction process to enable them participate in Reverse Auction and comfort with the auction mechanism and bidding rules.
- iv. Summarizing auction proceedings and communicating the outcome to SAIL.

4. Role of the Bidder

The role of the bidder is outlined below:

- i. Give consent to online declaration containing Terms and Conditions pertaining to auction before the participation in online auction. Access to auction mechanism shall be provided only after such consent. Failure to provide any response to online declaration will be considered as rejection of the declaration & participation of vendor for such event will be denied.
- ii. Ensure that user-id and password to access the auction is not revealed to unauthorized persons.
- i. mjunction will explain the Reverse Auction process to all the prospective bidders and clarify issues, if any. It will be the responsibility of the tenderers to get them acquainted to their satisfaction with the On-line bidding process by thoroughly interacting with the mjunction. Only SAIL will be empowered to approve any deviations from the RFQ document asked for by the SupplierParticipate in the Reverse Auction with the aim of bidding to secure the auctioned items in the auction (being selected for supplying SAIL's requirement in a Reverse Auction).
- ii. Convey last quoted price in writing to mjunction immediately after close of Reverse Auction.
- iii. Provide breakup of quoted price (if required) within stipulated time as mentioned in tender document or otherwise communicated.
- iv. In the event of winning an allotment, fulfill all obligations under the contract.

5. Conduct of the Reverse Auction.

The Reverse Auction shall be conducted on pre-specified date & time communicated to all approved & eligible bidders through Auction notice.

In the event of any problems being faced in the smooth conduct of the auction, mjunction shall have the right to undertake one or more of the following steps:

- Cancellation of auction/bid.
- Locking of bidders account (suspension of operations in the account) etc.

Such intervention may even happen without seeking prior concurrence of SAIL. MJ shall notify SAIL, clearly stating reasons, of such cancellation / suspension.

6. Standard Instruction and General Terms & Conditions:

The **Standard Instruction and General Terms & Conditions** provided herein govern the conduct of On-line Reverse Auctions operated by mjunction. These rules cover the roles and responsibilities of the parties in the On-line Reverse Auctions on the mjunction platform. Unconditional **Acceptance to these**

General Terms & Conditions is a prerequisite for securing participation in the On-line Reverse Auctions on the mjunction platform.

1. During the Auction Bidders shall contact the Auction Room nos. (as mentioned in the auction notice) ONLY for any assistance/clarification regarding online bid submission. All calls to the auction room numbers are recorded for future reference and training. Calls made to any other contact numbers or mobiles (hand phones) will not be entertained during the auction period. Bidders are required to keep sufficient time in hand while calling to auction room during auction. Auction room numbers may be engaged and in case of call being made during last minutes their call may not be connected. mjunction would not be responsible for any issue arising out of non-reachability /non – accessibility of auction room numbers.
2. Bidders shall ensure stable connectivity & use a fast and reliable internet connection. It is advisable to keep an alternate internet connectivity option in case of exigencies as mjunction or SAIL will not be responsible for any dis-connectivity or infrastructure failure at bidder's end and / or for reasons not attributable to mjunction. Manual Extensions (forceful extensions) of auctions will not be provided at the request of a bidder.
3. Bidders are required to clarify all their technical/RFQ and/ or training related queries prior to commencement of the auction. No training related support shall be provided to bidders after commencement of online auction. For any training requirement during the run-time of auction, bidders are required to refer the training module sent to them prior to auction.
4. Bidders are required to be agile and alert during bidding. They shall keep their contact numbers free from any other calls so that mjunction's representatives can reach them easily whenever required.
Do not register your number with "National Do not Call" service as you may receive auction intimation related SMS on the mobile number provided to us. Bidders are also requested to keep their email inbox open and accessible to receive any mail, if sent, during the event from mjunction's side.
5. Bidders are required to click on "Sign out" whenever they wish to leave the website. If they do not "sign out" properly and leave the website by closing the window directly they may receive a message at your next login attempt as "You are already logged in .Do you want to close the previous session and continue working". In case of such message please ensure that no other representative of their company is logged in already with their credential before login. In case any bidder has signed out properly from your last session and no other representative of your company is logged in but still receiving the above mentioned message kindly change your password and/or inform mjunction for any required help.
6. The bids placed by any bidder will only be accepted once they are registered in our server. There may be some delay in the same depending upon the speed and traffic of the internet connection used at bidder's end. To ensure registry of bids please bid at least 3 minutes prior to auction closing time. Bidder's submitting their bid in last moments would be doing so at their own risk.

7. Auction will start as per the prefixed time schedule intimated in Annexure-01 of the Auction Notice. The time indicated in notice is fixed and under no circumstance will this time be changed on bidder's request. It is the responsibility of bidders to take part in the auction on scheduled date and time for which mjunction would be providing all the necessary training and technical requirement like creating, scheduling the auctions and providing access to bidders to participate in the auctions. In case you are unavailable/not reachable prior to the auction, mjunction reserves the right to launch and conclude the event on scheduled time without your participation.
8. mjunction services limited retains the right to cancel or reschedule or relaunch of the Online price negotiation on any of the followings reasons:
 - a. On advice of SAIL
 - b. The number of confirmed Bidders is deemed to be insufficient to conduct the online price negotiation.
 - c. Majority of the confirmed Bidders are unable to access the module due to infrastructural problems such as sustained/Planned power failure or telecommunication breakdown.
 - d. If there is infrastructural failure at mjunction's end, resulting in unavailability of auction engine to Bidders for bidding purpose.

The duration of auction may also vary from the pre-specified period of time on account of termination of the auction by M/s mjunction services limited on the advice of the SAIL or on its own accord in case of situations where it is felt that continuance of the auction proceedings is prejudicial to the smooth conduct and/or the integrity of the auction process.

9. Bidders will be eligible for participation in the subsequent /next stage of the online price negotiation only if they have participated (placed an accepted & valid bid) in immediate previous stage.
10. Events which constitute of multiple stages may take more than one day to conclude and/or these stages may be conducted on different days. Please note the completion date-time of the last stage would be considered as completion time of the event.
11. All organization should note that the executive of the participating organization placing bids online shall be treated as an authorized representative of the organization for participating in the auctions.
12. User Id and password are the unique combination to ensure that only bidder or their authorized personnel can login to our auction website and participate in auction procedure. Bidders are requested to change the system generated password provided to them at the time of first login. mjunction or SAIL will not be responsible for any misuse of their Login ID and password. Bidders are responsible for maintaining the confidentiality of their User ID and Password (as also that of "secret question"/ "secret answer" combination, if any) and

for restricting access to their computer, computer system and computer network and they shall be held responsible for all activities that occur using their User ID and Password.

- 13.** Multi log in using the same User ID & Password is not permitted. Please note that you can login with your user id and password from one connection only. In case multiple login happens then second logger will receive a message indicating that someone is already logged in using the login ID. In this scenario, mjunction request you to ensure y whether any authorized representative from your side is logged in to the system or not. In case it is not fact, please intimate any mjunction representative for the same on immediate basis.
- 14.** Bids once placed cannot be cancelled / withdrawn/ reversed and Bidders shall be bound to honour their prices submitted at any/all stage of the auction proceedings. If they back out and not supply the materials/service as per the rates quoted, SAIL may take appropriate action against them as deemed fit.
- 15.** In the event when the stage-2 (online reverse auction / dynamic bidding) is initiated considering the L1 of the previous stage (Stage – 1: Online Sealed Bid event) as the start bid price and the L1 price is accepted by a bidder other than the bidder who placed the L1 bid in the stage-1 and further if there is no more bids, the system shall declare the bidder who has placed / accepted the start bid price in the stage-2 as the L1 bidder of the event.
- 16.** For e.g – Bidder A is the L1 bidder in stage - 1 and in stage-2 the L1 bid is considered as the start bid price. Now in stage - 2, bidder-B accepts the start bid price and there are no further bids in this stage. In such case Bidder- B will be considered as L1 as Bidder-B has accepted the price in stage2.
- 17.** However, in case there is not a single bid in stage-2 where the start bid price considered is the L1 of stage-1, SAIL shall reserve the right to place the order to L1 bidder of the stage 1 (online sealed bid).
- 18.** Mjunction is not liable for the expired instruments in the form of EMD/ DD / BG submitted for participation against any particular tender.
- 19.** Mjunction services limited, does not guarantee continuous, uninterrupted or secure access to its services, and operation of the Website/Portal may be affected by numerous factors beyond its reasonable control. mjunction services limited shall not have any liability to Bidders for any interruption or delay in access to the site irrespective of the cause.
- 20.** Force Majeure : If at any time during the continuance of this Agreement, the performance of any obligation under this Agreement, in whole or in part by mjunction, be prevented or delayed by reason of any war, hostility, act of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strikes, lock-outs, failure of Internet of mjunction, Technical /Connectivity failure etc. or acts of God (hereinafter referred to as “events”) the Bidder shall by reason of such events have no claim for damages, direct and/or indirect, against mjunction in respect of such non-performance and/or delay in performance.

- 21. Confidentiality :** Bidder recognizes that the information on mjunction that it will come across during the course of e-Auction is confidential and accordingly for a period of five (5) years after the date of this Agreement shall treat as confidential any and all information hereafter made available to BIDDER directly or indirectly by mjunction, including verbal explanations as well as any and all documents such as reports, proposals and drawings furnished by mjunction or by third parties having access to information, shall not use information received for any purpose other than the purpose agreed between the parties and shall not disclose any of the said information to any third parties including affiliated companies, either in writing or verbally or by any other means, except to the extent needed for such exercise.
- 22. Arbitration:** Dispute or differences arising out or relating to this undertaking/Agreement shall be resolved amicably by the parties. Failing such amicable resolution of dispute / differences either party may refer the matter to arbitration of a Sole Arbitrator to be appointed by the Managing Director of mjunction services limited. The Arbitration proceedings shall be governed and regulated by the provisions of Indian Arbitration and conciliation Act, 1996 and the rules framed thereunder along with amendment made thereto-up-to-date. The award of the Arbitrator shall be final, binding and conclusive on the parties. The venue for arbitration shall be at Kolkata.
- 23. Jurisdiction:** Bidder consents that Courts at Kolkata shall have exclusive jurisdiction.

7. Limitation of Liability of mjunction

- a. All commercial/ contractual terms are offered by and agreed to between buyers and sellers alone. mjunction does not have any control or does not determine or advise or in any way involve itself in the offering or acceptance of such commercial/ contractual terms between buyers and sellers.
- b. mjunction is not responsible for any non-performance or breach of any contract entered into between users/ Registered Users/Bidders. mjunction cannot and does not guarantee that the concerned users/ Registered Users/Bidders will perform any transaction concluded on the Website/ Portal. mjunction shall not mediate or resolve in any manner whatsoever any dispute or disagreement between users.
- c. mjunction expressly excludes liability for consequential loss or damage or loss of profit, business, revenue, goodwill or anticipated savings, which may arise in respect of the services.
- d. SAIL's decision on award of Contract shall be final and binding on all the Bidders.
- e. mjunction services limited will not be held responsible for consequential damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.
- f. mjunction shall not be liable to the SAIL / bidders in the auction or any other person(s) for any delays in initiating the online auction or postponement / cancellation of the online auction proceedings due to any problem with the hardware / software / infrastructural facilities or any other shortcomings.

8. **Right of SAIL**

SAIL reserves the right to fully / partly accept the bids or completely reject the same at any stage at its sole discretion.

Definition of Key Terms – Reverse Auction

1. Reverse Auction: Reverse Auction refers to a forum where the requirement for one/more Lots of a Tendered items is stated and the participants are required to bid down the price to be selected to supply the requirement.

2. On-line Reverse Auction: On-line Reverse Auctions refer to those Reverse Auctions conducted through the Internet. In other words, the venue for the auction is on an Internet website/ platform. The Mjunction website (<https://auction.buyjunction.in>) or any other URL assigned by Mjunction would constitute the venue for the purpose of the On-line auction.

3. Award at the Reverse Auction: The bidder quoting the lowest price is normally allotted the Tendered items unless otherwise specified by the SAIL.

4. Buyer i.e. SAIL: SAIL is the individual/business entity who has contracted mjunction to conduct such Reverse Auction. In case of Reverse Auction, the purpose would be to meet their requirement for Tendered items from among the sellers desiring to sell the Tendered items to the SAIL.

5. Bidder: Bidder is the individual/business entity participating in the Reverse Auction, intending to supply the Tendered items to the SAIL. To become a Bidder in the auction, a business entity has to secure SAIL's approval for participation and also provide written consent to the General Rules and Regulations.

6. Auction Engine: Auction Engine refers to the software that encapsulates the entire auction environment, processing logic and information flows.

mjunction is the sole owner of the auction engine and retains exclusive right over the utilization of the same.

7. Auction Notice:

The Auction Notice refers to the document provided by Mjunction service ltd prior to the online reverse auction. The purpose of the Auction Notice is to provide approved bidder with the required information and terms specific to the auction as well as general terms & condition pertaining to participation in online reverse auction. Generally an auction notice includes:

- i. Start Time and duration of the Auction stages.
- ii. Item/market description along with bidding quantity.
- iii. Bidding basis for the auction.
- iv. Auto extension time.
- v. General terms & conditions
- vi. Last bid confirmation & Price break up format
- vii. Special instructions (if any)
- viii. Declaration (To be accepted online)

8. Start Time: Start time refers to the time of commencement of the conduct of the On-line auction. It signals the commencement of the Price Discovery process through competitive bidding.

9. Duration of the Reverse Auction: It refers to the length of time the price discovery process is allowed to continue by accepting bids from competing bidders. The duration of the auction would normally be for a pre-specified period of time. However, the bidding rules may state the conditions when the pre-specified duration may be extended/ curtailed. The conditions include:

a. On sole advice of SAIL

b. Automatic extension in the event of bids being entered towards the end of the scheduled duration to facilitate the other bidders to view and react to the bid.

10. Auto Extension of the Auction Timings: In the event of bids in the last few minutes of the scheduled bid time, the Bid Timings are automatically extended for a specified period from each such bid. Such Auto Extension shall continue until no bids are placed for the specified period (Engine remains inactive for the specified period). The Inactivity Time for Auto Extension purpose will be specified in the auction Notice. Auto extension is only applicable for Reverse auction stage.

11. End of the Reverse Auction: End of the Auction refers to the termination/closure of the auction proceedings signaling an end to the price discovery process.

12. ID and Pass Word: Password and ID shall be given to all the eligible Bidders by the mjunction for enabling them to participate in the Reverse Auction.

13 Start Bid Price: Wherever indicated, Start Bid Price, is the Maximum Price, which will be accepted by the Reverse Auction engine. Bidder have to quote a price lesser than the Start Bid Price for participating in the Reverse Auction. The auction system shall not accept price higher than start Bid Price for a lot. Start bid price (Wherever applicable) would be displayed on line during reverse auction stage).

14. Minimum Decrement: Minimum Decrement: Minimum decrement is the minimum amount by which, a Bidder has to reduce his bid value in order to beat the latest lowest bid. For example if a bidder bids Rs 10,00,000/- for a market, others, in order to beat this bid, have to quote a lower price with a minimum decrement say of Rs.2,500/- i.e. in order to be eligible they have to quote Rs. 9,97,500/- (or lower) for the same market. This minimum decrement shall be pre-decided by SAIL.

Depending upon the auction strategy Bidder may be able to provide decrement in multiple of minimum decrement amount or may be able to reduce any value higher than minimum bid decrement.

For Rank bidding event (dynamic price negotiation) Bidder has to reduce his bid from his last quoted bid.

15. Proxy Bid:

In the following circumstances, a bidder may opt for proxy bidding.

1. Where the bidder is not confident of a reliable Internet Connectivity
2. When the speed of Internet Connection is slow and unable to catch-up with the speed of Competitor's bids
3. To remain a leading bidder till the lowest bid value fed in the auction machine.
4. Where the bidder is required to put bids in more than one Market/Lot at a time
5. Bidder is pre-occupied and not in a position to put bids live as the auction is going on. Proxy bid facility safe guard bides from any connectivity issue, infrastructure failure (like: power, link, slow speed, computer etc.) during auction. Proxy bidding also helps when multiple markets/auctions are running at a time.

Proxy facility works in following manner:

You would be able to set a proxy limit with your best bid for the auction. Process to set proxy value:

- a. Place your desired proxy bid amount in 'new bid box'.
- b. Check on the 'Proxy' bid check box.
- c. Check on the 'new bid' Box available at the extreme left hand side of the market.
- d. Click on the submit button available on the bidding screen.

Once a proxy limit is set, system automatically bids on behalf of the bidder by reducing one decrement compared to the L1 bid for the market. Thus it ensures that bidder who has activated proxy will be the leading bidder (L1 bidder) till the proxy limit is reached. Your Proxy bid value is neither known to your competitors nor to mjunction. It remains undisclosed at the back end of the system. System will continue to revise your bid in stipulated decrements; so long it receives a revised bid from your competitor. In case the system does not receive any revised bid and the market ends, you will be the L1 for that market at the market price prevalent at the time of closure. Even in-case(s) of tie bid (i.e. proxy bid activated from your side and normal bid of that same amount is placed by your competitor), your proxy bid will be declared as lead bid for that time being for that particular market since you have activated proxy bid and your competitor will be shown 'outbid' message.

Note: Proxy bid submission facility can be utilized only in standard reverse auctions (i.e. reverse auctions without template/factor/loading or premium discount /Rank Bidding etc).

Warning : Proxy bid once activated cannot be deactivated however it can be revised only on the lower side.

Explanatory Note of Proxy Bid Reverse auction stage has started with the Start Bid Price of 200 INR and Bid decrement of 5 INR. You have activated a proxy of 150 INR at the very beginning of the event. In such scenario whenever competitor places a bid, system will itself automatically place a bid on your behalf which would be one decrement lower than the competitor's bid value & ensure that you would be L1 bidder for the market.

Upon due competition the market price has gone down and presently it is at 165 INR, your competitor places a normal bid of 150 INR. System will display 'outbid:' message to the competitor for their bid of 150 INR and your bid of 150 INR will be declared as lead bid at that instance of time till any other bid lower than your proxy bid gets registered in the system before closure of runtime of auction.

FORM - RA1

(To be submitted on Supplier's Letter Head)

Format for Acceptance of General Terms & Conditions, Commercial Terms and all other Terms of the Reverse Auction

We _____

(Supplier Name)

having registered office at _____

(Address)

agree to all the Commercial, General & other Terms & Conditions listed in the

Enquiry No. _____

dated _____ ११११ _____

for procurement of _____ (item) through Reverse Auction

We confirm that we are in a position to supply material as per the specification given in RFQ. We have also understood the Reverse Auction Process and the Reverse Auction rules and special instructions given in the RFQ. We agree to participate in the Reverse Auction and abide by the rules.

We nominate an executive, whose details are given below, to put the bids on our behalf.

The details of the person authorized to bid on our behalf is as follows.

Name & Designation :

E-mail ID :

Contact phone nos. :

Address :

(Signature & Seal)

Place :

Date :

FORM - RA2

Format for submitting last quoted prices

(To be submitted on Company Letter Head of the Bidder)

(To be sent within 30 mins of conclusion of the Reverse Auction)

Ref: Open Tender Notice No..

To,
mjunction services limited
1st Floor, Tata Centre
43, Jawaharlal Nehru Road
Kolkata - 700 071

Fax: 033 - 2288 3279

Ref: Reverse Auction forfor IISCO Steel Plant held on

Reference above, we hereby confirm our Market wise last quoted prices in the Reverse Auction held on forfor IISCO Steel Plant.

Market No.	Last Quoted Price

We also confirm that we will submit item wise price break-up, within two working days from the date of Reverse Auction.

Signature :

Name :

Designation :

Date :