



DPP FOR SHIP ACQUISITION



UPDEX-2018



OUTLINE



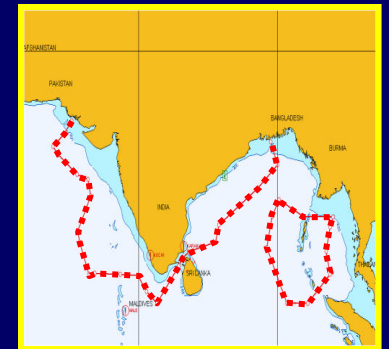
- **Brief on ICG**
- **Procurement Planning**
- **Annual Acquisition Plan**
- **Capacity Assessment/ Selection of Shipyards for Shipbuilding**
- **Categorisation of Capital Acquisition**
- **Procurement Procedure for Capital Acquisition**
- **CFA for Capital Acquisition**
- **Core sectors of interest**



GENESIS - ICG



- Requirement of a Dedicated Maritime Force
 - ✓ Rise in Smuggling and Poaching
 - ✓ Proclamation of EEZ
 - ✓ Identification of Offshore Oil Development Areas
- Rustamji Committee recommended in 1975
- 01 Feb 1977 – Interim Coast Guard
- 09 Feb 1978 – Parliament passed CG Act





ICG FORCE LEVEL IN 1978



- 02 Ships (**Kuthar & Kirpan**) ex Indian Navy
- 05 Patrol Boats (Pamban/Puri/Pulicat/Panaji/Panvel) ex Customs & Excise





STATUS AND STATURE



Fourth largest **Coast Guard** after US, Japan and Korea

Est. 1790



USCG

**Ships – 2094
Aircraft – 204**

Est. 1948



Japan CG

**Ships – 455
Aircraft – 73**

Est. 1953



Korea CG

**Ships – 305
Aircraft – 23**

Est. 1978



Indian CG

**Ships – 136
Aircraft – 62**



ROLES AND FUNCTIONS



“Principal Agency for Enforcing Provisions of all National Enactments in the Maritime Zones of India”



DUTIES & FUNCTIONS



SAFETY AND PROTECTION OF ARTIFICIAL ISLANDS & OFF SHORE OIL TERMINALS



PROTECTION TO FISHERMEN INCLUDING ASSISTANCE AT SEA



PRESERVATION AND PROTECTION OF MARINE ENVIRONMENT



PREVENTION AND CONTROL OF MARINE POLLUTION



DUTIES & FUNCTIONS



**ASSIST CUSTOMS & OTHER AUTHORITIES
IN ANTI-SMUGGLING OPERATIONS**



**SAFETY OF LIFE AND PROPERTY
AT SEA**



**ASSIST IN COLLECTION OF
SCIENTIFIC DATA**



ENFORCEMENT OF MARITIME ENACTMENTS



ADDITIONAL RESPONSIBILITY



- Chairman National Maritime Search and Rescue Board (NMSAR)
- Chairman National Oil Spill Disaster Committee (NOSDCP)
- Chairman Offshore Security Co-ordination Committee (OSCC)
Indian Governor to Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia (ReCAAP)
- Competent National and Op authority under SACEP agreement for response to oil and chemical pollution in South Asian Sea

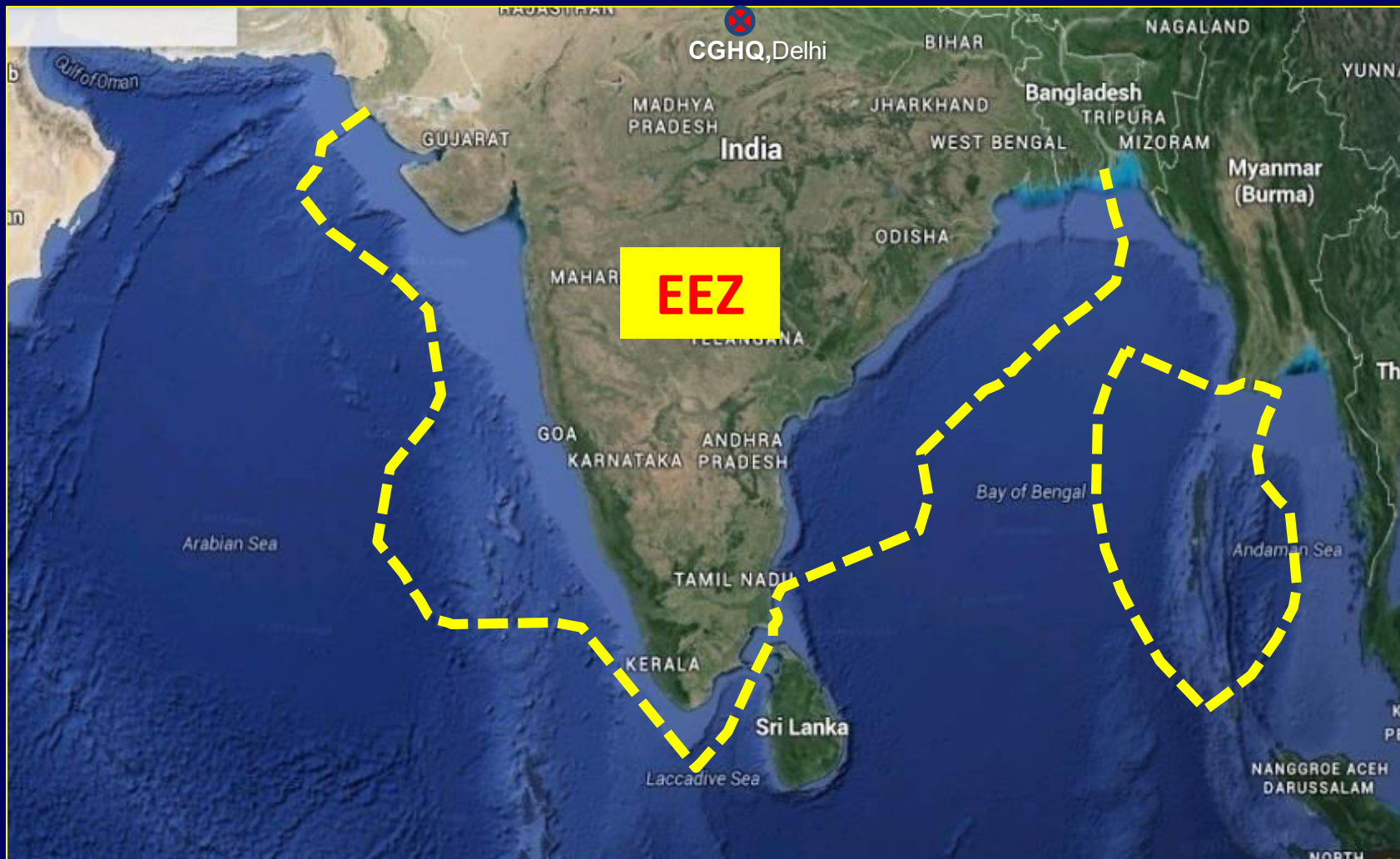


SUPPORT TO OTHER MINISTRIES

- Anti-poaching & implementation of monitoring & surveillance over deep sea fishing vessels - **Ministry of Agriculture**
- Search and Rescue & Pollution Response Operations for Merchant Ships - **Ministry of Shipping**
- Lead Intelligence Agency for maritime Coastal & Sea Borders - **Ministry of Home Affairs**
- Protection of sensitive flora and fauna - **Ministry of Environment & Forest**
- International Cooperation and Defence exercise - **Ministry of External Affairs**



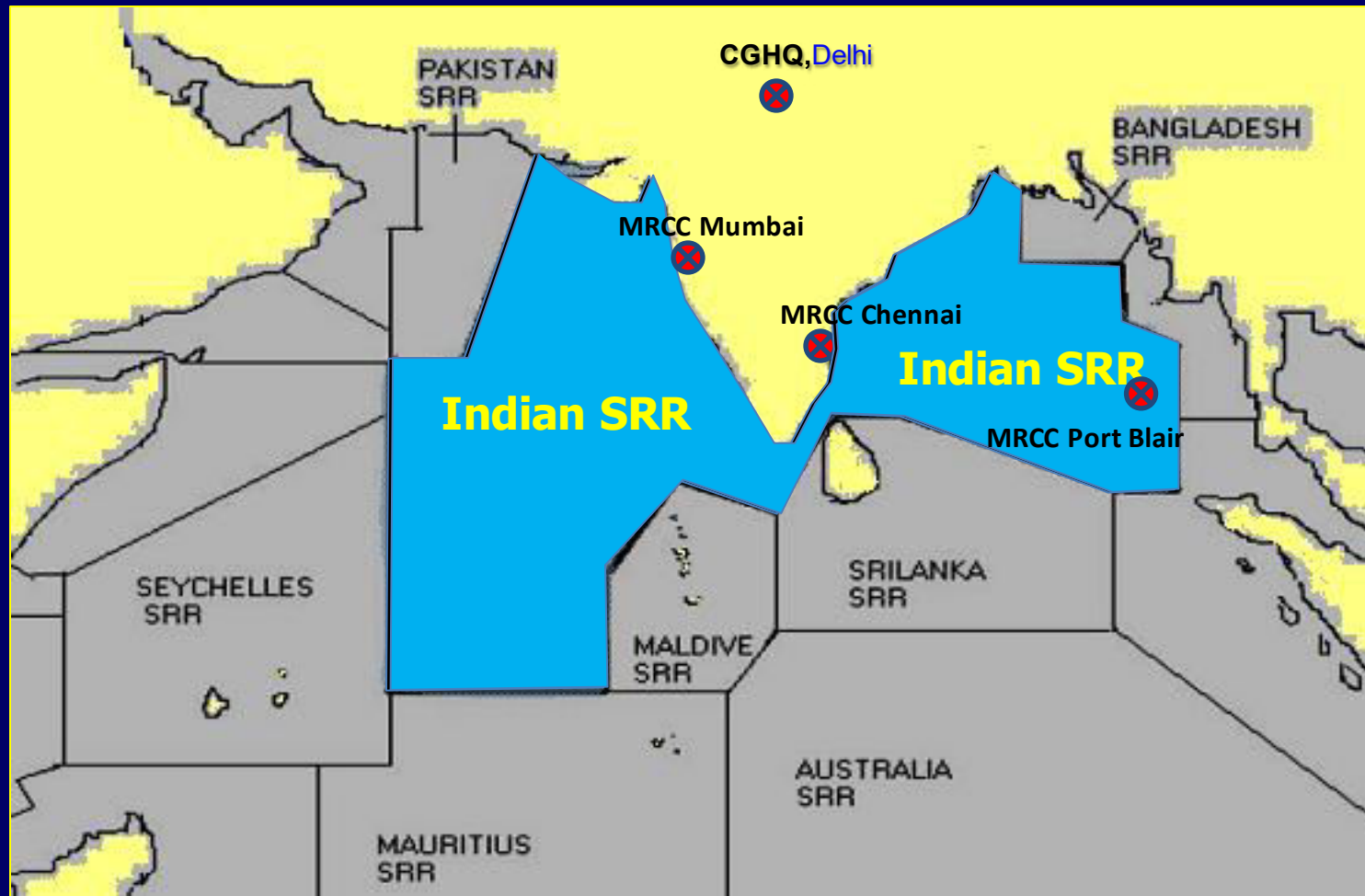
AREA OF RESPONSIBILITY



Exclusive Economic Zone : Approx 20 Lakh Sq Km



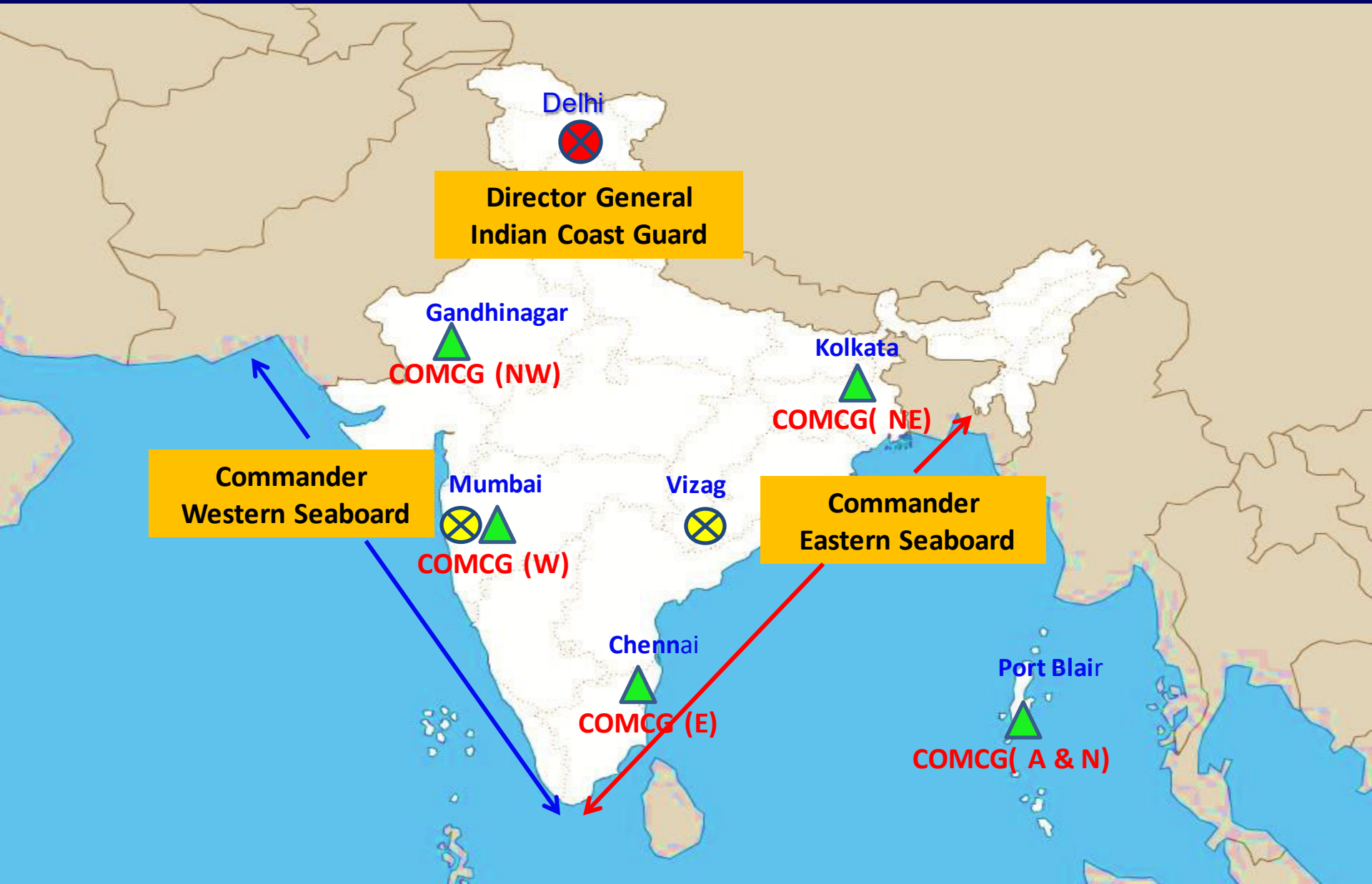
AREA OF RESPONSIBILITY- SAR



Indian Search and Rescue Region : 46 Lakh Sq Km
'Double the Exclusive Economic Zone'

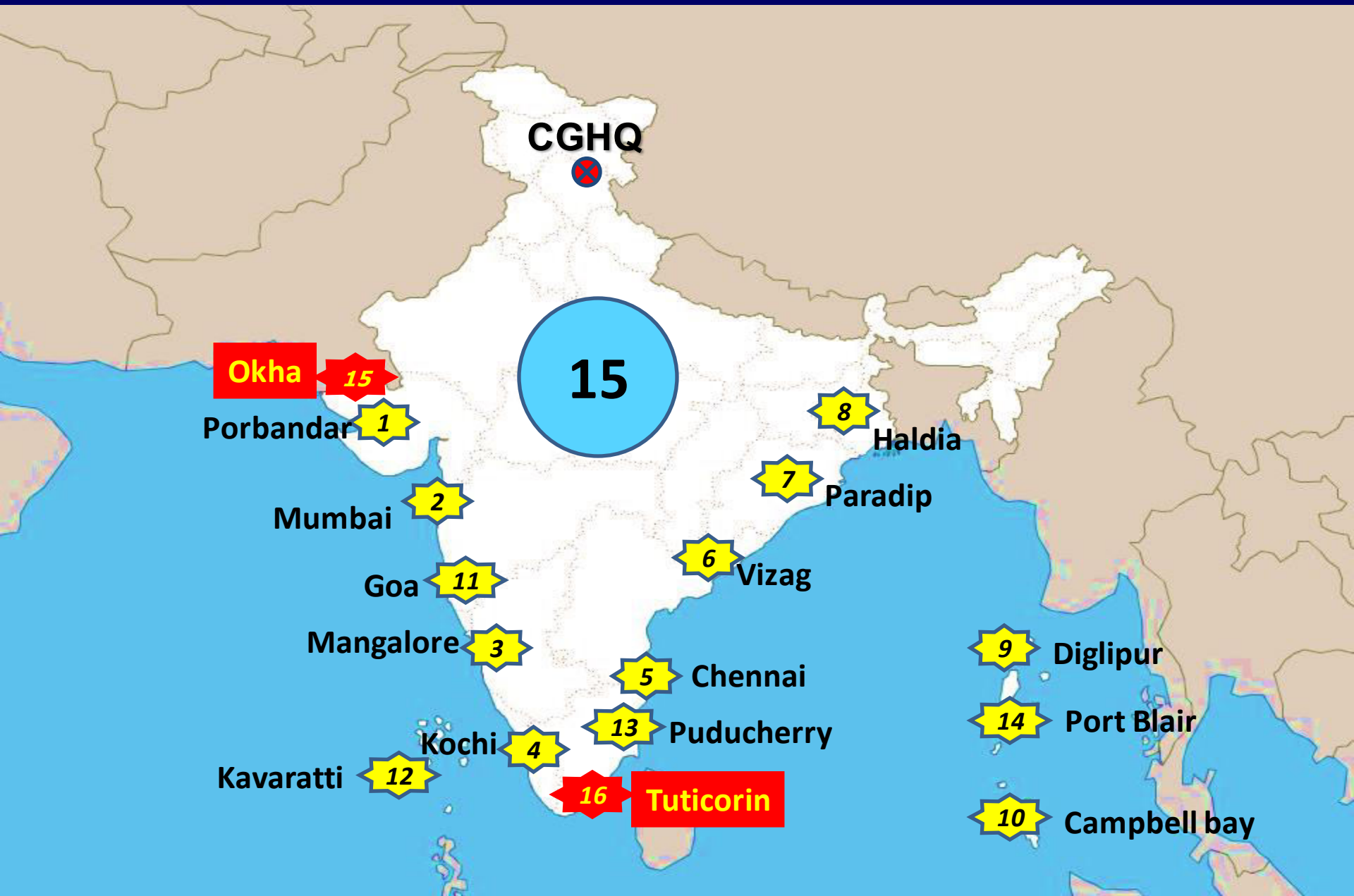


ORGANISATIONAL SET UP



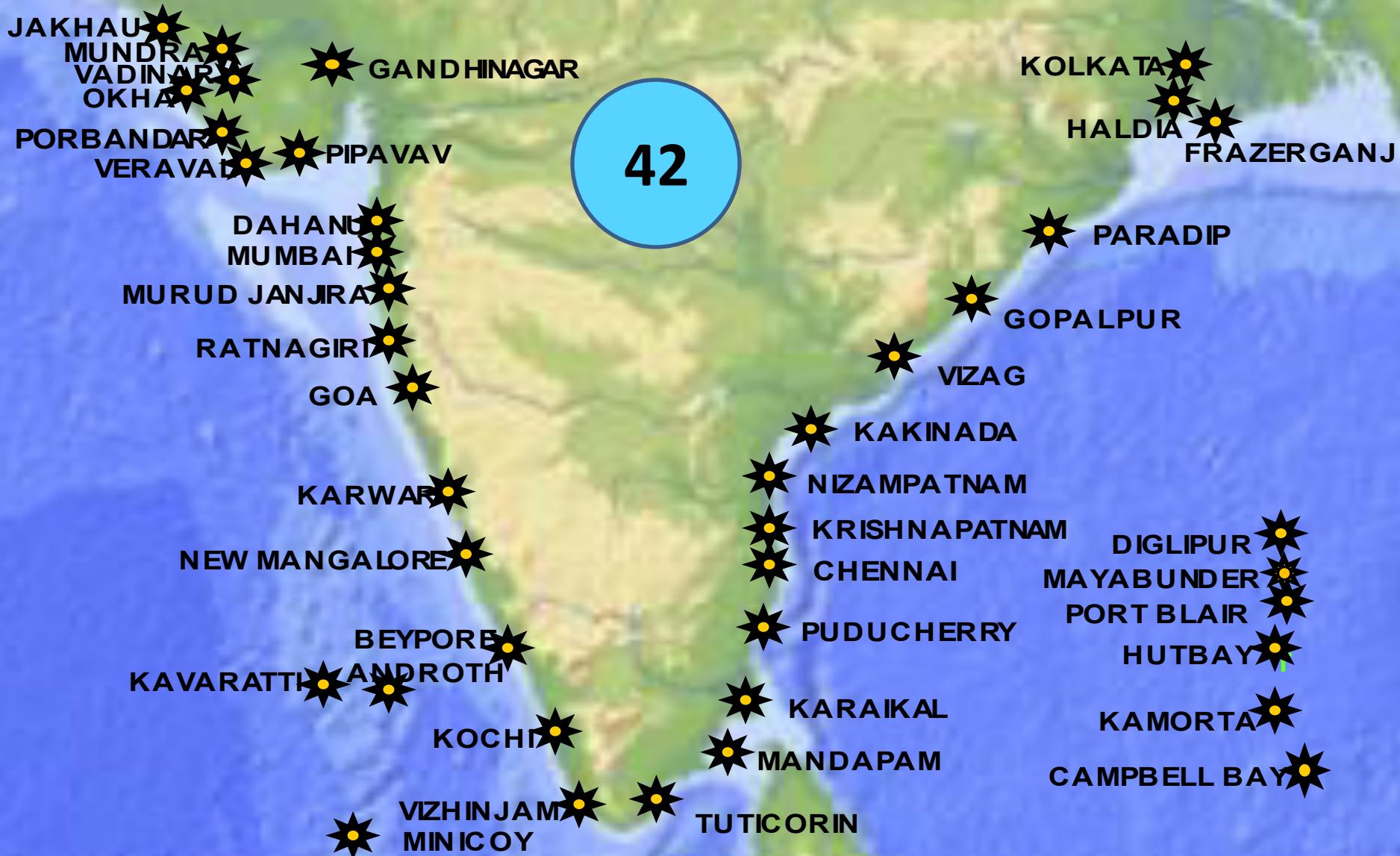


DISTRICT HEADQUARTERS





ICG STATIONS





AIR ESTABLISHMENTS





OPERATIONAL CANVAS

- Surveillance
- Anti Piracy
- SAR
- Pollution Response and Control
- Anti Smuggling
- Coastal Patrol
- Aid to Civil Authorities





FORCE LEVELS



➤ 136 Surface Platforms

✓ 61 Ships

✓ 57 IBs

✓ 18 ACVs

➤ 62 Aircraft

✓ 39 Fixed Wing

✓ 23 Helicopters

▪ 19 Chetak

▪ 04 ALH





OFFSHORE PATROL VESSEL (17)



High Endurance Versatile Platform
Carrying Integral Helo

Length	: 93-105 M
Max Speed	: 26 Kt
Endurance Speed	: 12-14 Kt
Range (Min)	: 4,500 Nm (8,100 Km)
Helicopter	: Chetak



Pollution Control Vessel (3)



High Endurance Pollution Control Vessel
Capable of Other CG Roles

Length	:	94 M
Max Speed	:	26 Kt
Endurance Speed	:	12-14 Kt
Range (Min)	:	6,000 Nm (10,800 Km)
Helicopter	:	Chetak



Fast Patrol Vessel (41)



Medium Segment Platform For Intermediate Security
Work Horses of Coast Guard

Length	:	50 M
Max Speed	:	34 Kt
Endurance Speed	:	16 Kt
Range (Min)	:	1500 Nm (2700 Km)



Interceptor Boats (57)



Small Segment Boats with Water Jet Propulsion
Close Coast Patrol, SAR & MEDEVAC

LOA	:	28 M
Max Speed	:	45 Kt
Endurance Speed	:	25 Kt
Range (Min)	:	500 Nm (900 Km)



Air Cushion Vehicle (18)



Shallow water including creek areas patrolling

LOA	:	21 M
Max Speed	:	50 Kt
Endurance Speed	:	45 Kt
Range (Min)	:	450 Nm (810 Km)



Interceptor Craft (28)



Close Shore Patrolling

LOA	:	10 M
Max Speed	:	32 Kt
Endurance Speed	:	10-15 Kt
Range (Min)	:	75 Nm(135 Km)



Dornier (39)



Medium Range Reconnaissance Aircraft

Max Speed	:	200 Kt
Endurance	:	06 hrs
AUW(Max)	:	6400 Kgs



Chetak (19)



Single Engine Search and Rescue Helicopter

Max Speed	:	90 Kt
Endurance	:	02:20 hrs
AUW(Max)	:	2200 Kgs



Advanced Light Helicopter (4)



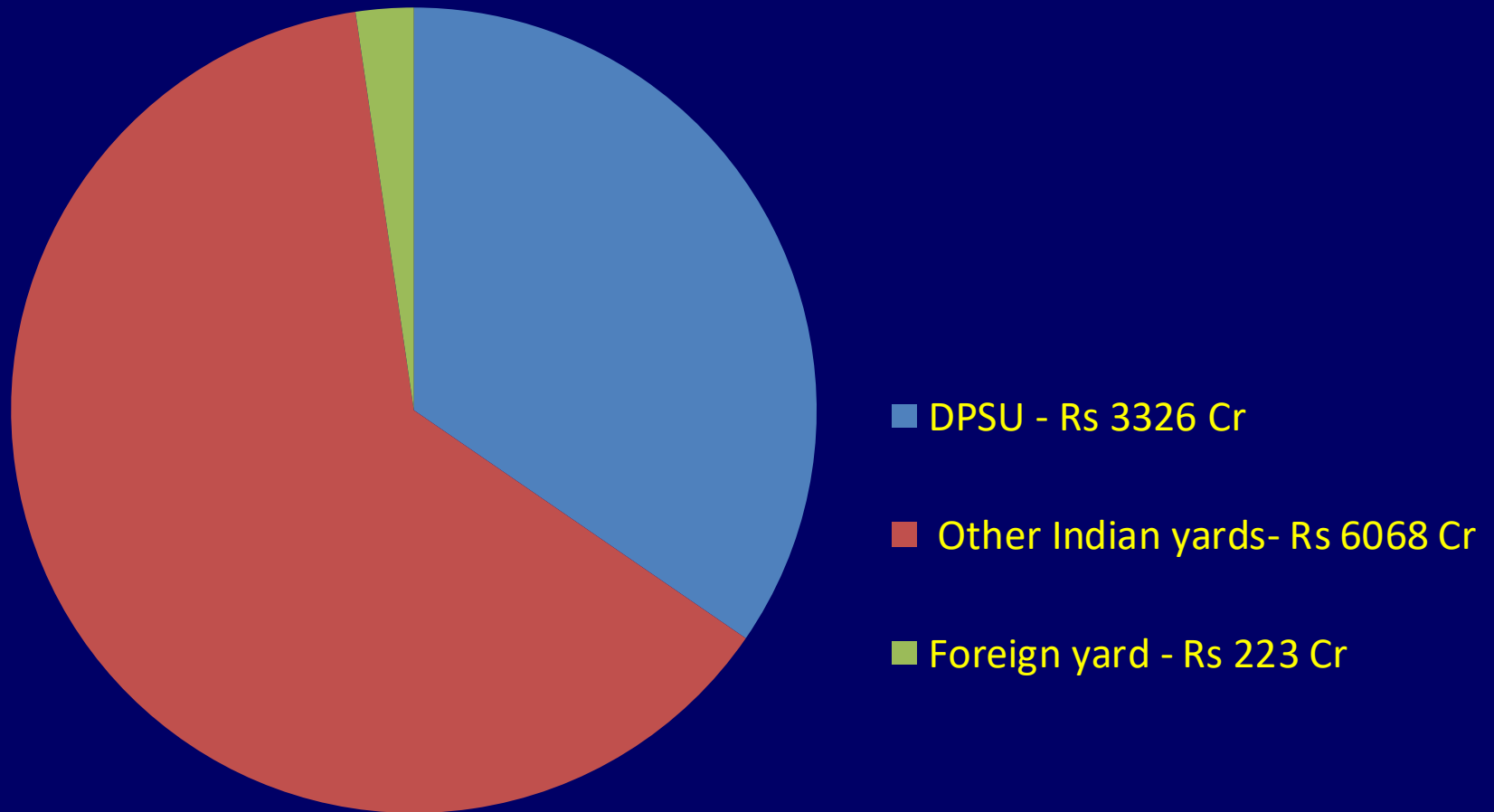
Twin Engine Coastal Reconnaissance Helicopter

Max Speed	:	127 Kt
Endurance	:	03:30 hrs
AUW(Max)	:	5555 Kgs



ICG THRIVES ON 'MAKE IN INDIA'

Procurement of ships : 2009-2018





PROCUREMENT PLANNING



- **The procurement planning in Ministry of Defence (MoD) covers long-term, medium-term and short-term plan:-**
 - ❖ **15 years Long Term Integrated Perspective Plan (LTIPP)**. Based on the Defence Planning Guidelines
 - ❖ **05 years Definitive Action Programme (DAP)**. Indicates list of equipment/surface/Air platforms to be acquired in five years, keeping operational exigencies and likely availability of funds
 - ❖ **AAP**. Annual Acquisition Plan (02 years roll on plan)



ANNUAL ACQUISITION PLAN (AAP)



- **AAP is approved by Defence Procurement Board**
- **AAP consists of two sections :-**
 - ❖ **Section A.** Two year roll on plan for capital acquisitions schemes from approved DAP
 - ❖ **Section B.** Two year roll on plan for schemes under the 'Make' category
- **Each section of the draft AAP is prepared in two parts:-**
 - ❖ **Part A.** Comprises of carry over schemes from AAP of previous year and schemes for which AoN has been accorded during current year
 - ❖ **Part B.** Includes cases likely to be initiated for seeking AoN in the forthcoming year



CATEGORISATION OF CAPITAL ACQUISITION



- **Capital Acquisition schemes are broadly categorized as follows:-**
- ❖ **Buy (Indian –IDDM)**. Procurement of products from an Indian vendor meeting one of the two conditions.
 - IC minimum 40 % on cost basis for equipment Indigenously designed & developed manufactured
 - IC minimum 60 % on cost basis for equipment not Indigenously designed & developed manufactured
 - ❖ **Buy (Indian)**. Procurement of products from an Indian vendor having a minimum 40 % IC or more on cost basis



CATEGORISATION OF CAPITAL ACQUISITION



- ❖ **Buy and Make (Indian)**. An initial procurement of equipment in Fully Formed (FF) state in quantities as considered necessary from an Indian vendor engaged in a tie-up with a foreign OEM, followed by indigenous production in a phased manner involving ToT. A minimum 50% IC of the Make portion of Contract.
- ❖ **Buy and Make**. An initial procurement of equipment in Fully Formed (FF) state from a foreign vendor in quantities as considered necessary, followed by indigenous production through an Indian Production Agency (PA) in a phased manner involving ToT.
- ❖ **Buy (Global)**. An outright purchase of equipment from foreign or Indian vendors. For procurement through foreign vendors, Govt to Govt route may be adopted for strategic / long term requirements



ACQUISITION PROCEDURE - SHIPS



➤ **Ship acquisition is undertaken in accordance with Defence Procurement Procedure (DPP) and the broad activities are :-**

- ❖ Preparation of Preliminary Staff Qualitative Requirements (PSQRs)
- ❖ Hosting of Request for Information (RFI) on MoD/SHQ website
- ❖ Formulation of Staff Qualitative Requirements
- ❖ Obtain Approval of Necessity
- ❖ Capacity assessment of shipyards
- ❖ Issue of RFP to shortlisted shipyards
- ❖ Technical Evaluation of Bids by TEC
- ❖ Commercial Evaluation by Contract Negotiations Committee
- ❖ CFA approval
- ❖ Contract Signature



ACQUISITION PROCEDURE -SHIPS



❖ Preparation of Preliminary Staff Requirements (PSQR)

- Preliminary SQRs formulated based on
 - ✓ Parameters of existing similar class of vessel
 - ✓ Need for introduction of new technology
 - ✓ Feedback and analysis of operations undertaken
 - ✓ Govt directive (if any) having a bearing on SQRs



ACQUISITION PROCEDURE -SHIPS



❖ Request for Information (RFI)

- RFI with PSQRs uploaded on MoD website
- Main objectives of RFI:
 - Formulate/refine/rationalise SQRs
 - Aid in deciding acquisition category
 - Determine indicative budgetary and cost implications
- Interaction with shipyards who respond to the RFI
- Based on inputs & interactions with shipyards, PSQRs fine-tuned to form SQRs



ACQUISITION PROCEDURE - SHIPS



❖ Acceptance of Necessity (AoN)

- For project cost below Rs 150 Cr - *AoN accorded by SCAPCHC*
- For project cost above Rs 150 Cr – AoN accorded by DAC
- Validity of AoN for shipbuilding cases is 18 months



CAPACITY ASSESSMENT OF SHIPYARD



Stage 1 (SHQ)

- Preliminary list of shipyards who responded to RFI
- On-ground assessment of infrastructure /technical capability
- Yards performance in previous Navy/ICG projects
- Financial standing with liquidity status – three years data
- Peruse previous capacity assessment reports (if any)
- Vigilance / Security related inputs
- Recommend list of shipyards for issue of RFP

Stage 2 (MoD)

- Technical clearance by DDP
- Financial clearance by MoD(Fin)



ACQUISITION PROCEDURE - SHIPS



❖ Issue of RFP

- RFP is issued to capacity cleared Shipyards by Acquisition Wing (MoD)
- Pre-bid meeting is held to resolve any queries/clarification on RFP
- Offers are as per 'Single Stage-Two Bid System' soliciting technical and commercial bids together, but in two separate and sealed envelopes



PROCUREMENT PROCEDURE - SHIPS



❖ **Technical Evaluation Committee (TEC)**

- TEC for evaluation of technical bids is constituted by SHQ
- TEC examines extent of variations/differences, if any w.r.t provision of RFP and prepares a Compliance Statement
- Approval of all TEC reports where all vendors are compliant by SHQ
- TEC report where one/more vendors are non compliant approved by DG (Acq)/MoD



PROCUREMENT PROCEDURE - SHIPS



- ❖ **Field Evaluation Trials (FET)**. FET/NCNC is not applicable in respect of acquisition/ construction of Ships, yardcraft and barges
- ❖ **Technical Oversight Committee (TOC)**. DG(Acq)/MoD may constitute a TOC to provide expert oversight over technical evaluation process for acquisition cases in excess of Rs. 300 Crores and for any other case recommended by the Defence Secretary/DPB/DAC. TOC would be resorted to in multivendor cases where a complaint has been received and not for Single Vendor Cases and cases where only DPSU(s) / OFB are participating.



PROCUREMENT PROCEDURE - SHIPS



❖ Contract Negotiation Committee (CNC)

- CNC is constituted after TEC report has been accepted
- CNC is to prepare benchmark price (based on contracts earlier signed, escalation/foreign exchange variation factor) prior opening of commercial bids
- Sealed commercial bids of technically accepted vendors will be opened by the CNC at a predetermined date and time under intimation to vendors
- Bids of competing firms shall be read out to all members present and signed by all members of the CNC
- CNC would prepare a Comparative Statement of Tenders (CST) of technically accepted vendors and determine lowest acceptable offer (L-1 Vendor)



PROCUREMENT PROCEDURE - SHIPS



❖ Approval of Competent Financial Authority (CFA).

- CNC should document selection of vendor using a formal written recommendation report to CFA
- All CNC members should sign the recommendation report
- CNC report along with summary of recommendations processed by AM/SHQ as applicable for obtaining expenditure clearance and CFA approval

❖ Award of Contract Draft contract is prepared as per draft format in the DPP and RFP conditions. Consequent to approval of CFA, contract is signed by Acquisition Manager for MoD cases and SHQ for DFP cases

❖ Contract Administration and Post-Contract Management. Post-contract monitoring is undertaken by SHQ



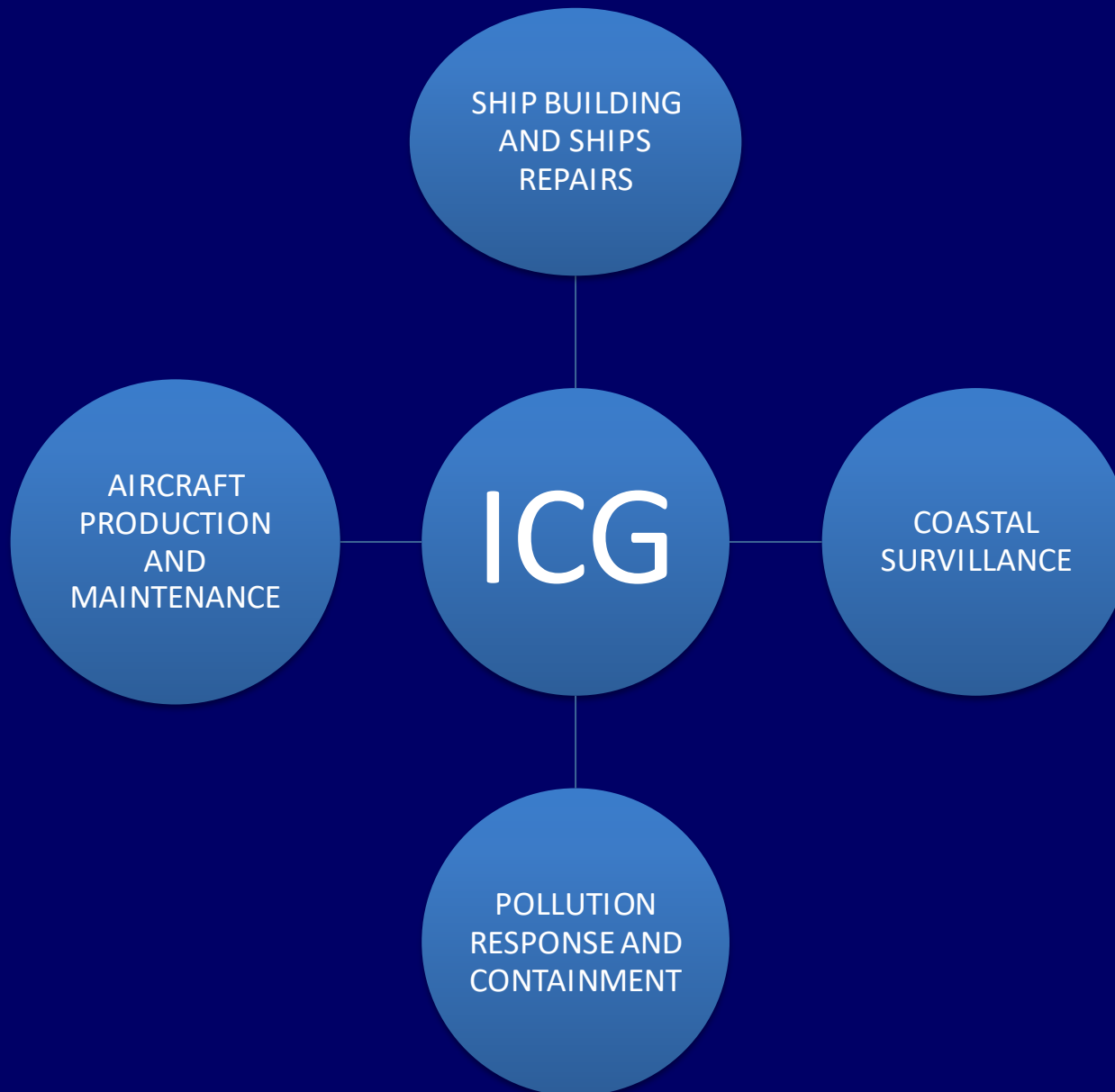
CFA FOR CAPITAL ACQUISITION



Authority	Total Cost of Proposal
SHQ	Upto ` 150 Cr.
Def Secy	Above ` 150 Cr. and upto ` 300 Cr.
Raksha Mantri	Above ` 300 Cr. and upto ` 2000 Cr.
Vitta Mantri	Above ` 2000 Cr. and upto ` 3000 Cr.
CCS	Above ` 3000 Cr.

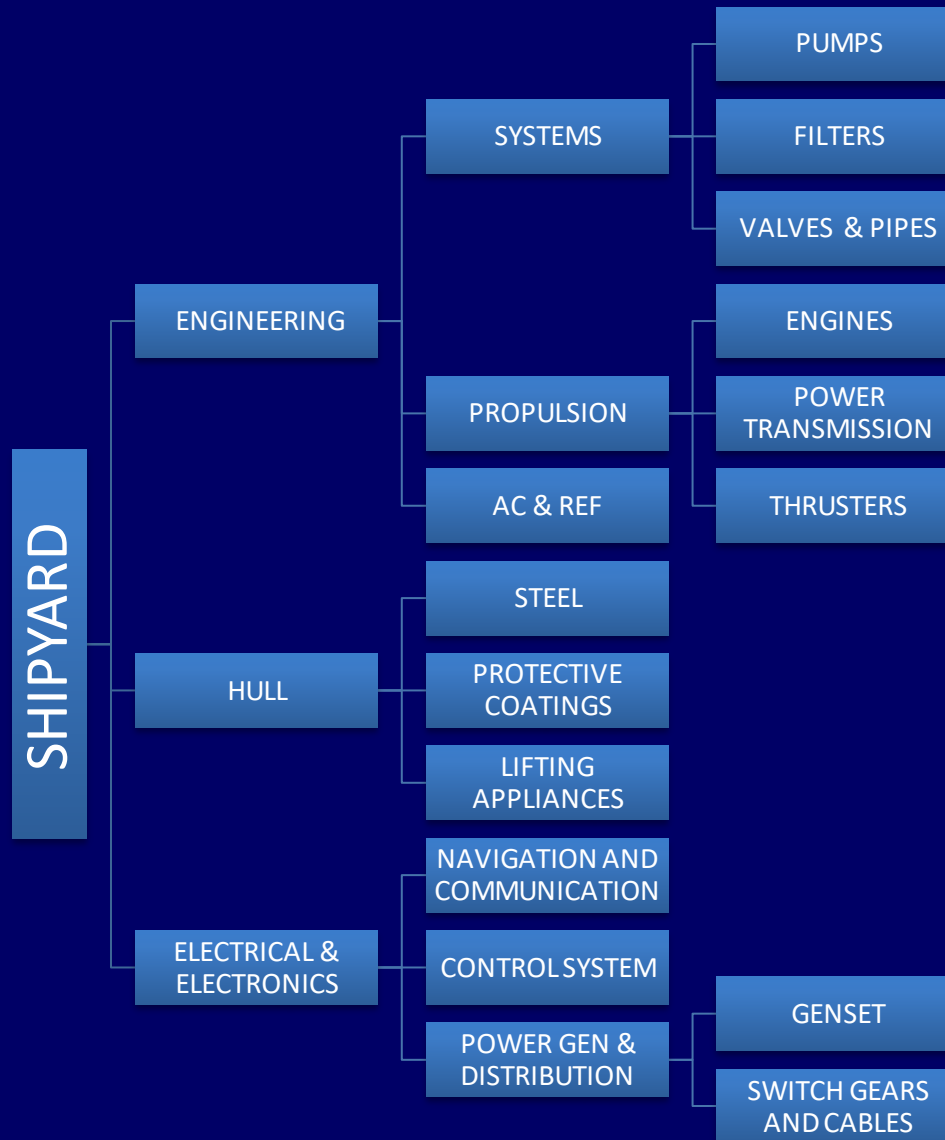


CORE SECTORS OF INTEREST -ICG



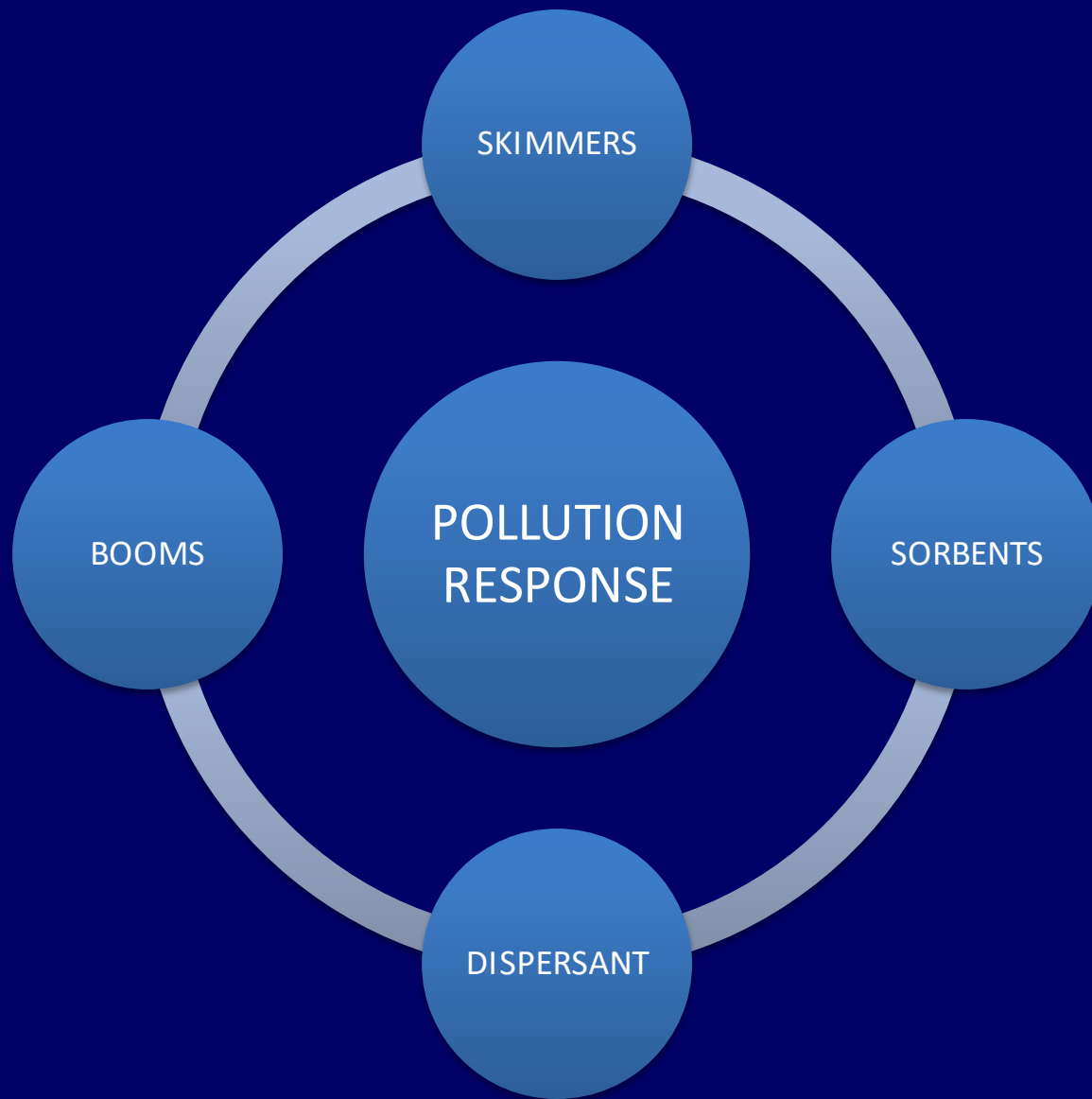


KEY SECTORS SHIP BUILDING





EQUIPMENT FOR POLLUTION RESPONSE





JAI HIND



TEC ACTIVITY



- Peruse Technical Offers, GA Drawings and other documents submitted by shipyards
- Analyse technical parameters being offered (main particulars, class notation, hull material, main propulsion, generators, auxiliary machinery & other systems, OBS , etc)
- Discussions with shipyards for clarifications
- Prepare comparative evaluation of all technical parameters based on details given in the RFP
- Shipyards which are not found technically compliant are rejected by the TEC

