

वैज्ञानिक तथा औद्योगिक अनुसंधान परिषद् Council of Scientific & Industrial Research अनुसंधान भवन २ रफीमार्ग नई दिल्ली 110001 Anusandhan Bhawan, 2 Rafi Marg, New Delhi-110001



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No.SP-13030/20/2022-S and P-CSIR HQ (E-7185) Date: 19/09/2024

सेवा में / To,

सी.एस.आई.आर. की सभी राष्ट्रीय प्रयोगशालाओं/संस्थानों/एककों के निदेशक/प्रमुख The Directors of all the Labs/Instts. and Heads of Units of CSIR

Kind Attention: Sr.COSP/COSP/SPO

विषय/Sub: Free of Cost Replacement of Existing Asset/Equipment - An SOP for accepting the offer from OEM.

महोदया/ महोदय/Madam/ Sir,

Number of references are being received at CSIR Hqrs regarding acceptability of offer(s) from OEMs for free of cost replacement of existing equipment with brand new advanced version. After detailed discussion and inter-divisional consultations with IFD and Legal Division, a framework of parameters/considerations have been evolved to consider such offers at lab level. The following are the aspects that must be taken into account before reaching any final decision:

The parameters for consideration:

- Feature to feature comparison of both equipment: On the whole, it should be adjudged to be 'SUPERIOR'.
- Life Cycle Cost comparison of both the items keeping in view the consumable cost as well.

- Usefulness for R&D/End Use Research.
- Whether the spares and/or consumables already available with Lab is/are compatible with new system. If not, the stock of spares and/or consumables should also be substituted with equivalent spares and/or consumables compatible with new system with no cost to lab.
- Compatibility of existing accessories/add-on items available with Lab with the new equipment.
- Cost of new essential item(s), if any, required to be purchased for functioning of new system.
- A formal offer should be obtained from the OEM (whether indigenous or imported) with the assurance that OEM shall extend all support services and spares over the estimated life cycle of the equipment.
- The exchange will be by way of a fresh Contract/Purchase Order.
 AMC charges after expiry of warranty, if any, over the estimated life span of the equipment.
- Warranty/Guarantee should be explored so as to ensure trouble free operation of the substituted equipment.
- Labs/Instts. to ascertain and satisfy that the offered version has proven user feedback/efficacy.
- Any other aspect that the Lab/Instts. may find relevant/merit for consideration.
- Proper analysis of any risk and necessary cost of adequate mitigation
- Legal Advice as received from o/o LA, CSIR must also be taken into account:
 - i. "If the proposal for replacement of the old equipment with a new equipment, free of cost is approved; a novated contract (Section 62 of Indian Contract Act 1872) may be applicable/suitable/relevant in this case.
 - ii. Other relevant provisions of the Indian Contract Act 1872 and CSIR guidelines/instructions if any on the subject may also be consulted and followed, wherever relevant.

- iii. Administrative comments from the lab in consultation with the supplier firm & OEM may also be obtained before taking decision on the matter.
- iv. The arbitration clause in the existing Purchase Order may be amended in line with CSIR circular dated 06/05/2019 & 27/10/2021.
- v. Other terms and conditions including the warranty period for the new equipment may be considered in detail before executing the novated/new contract."

Lab/Institute may take a considered decision at their end in terms of Schedule of Procurement Power (SoPP) stipulated in Manual on Procurement of Goods - 2019 as amended time to time with due diligence of cost, risk and appropriate mitigation thereof.

भवदीय/ Yours faithfully,

(डॉ अमिय बिन्दु गुप्ता / Dr. Amiya Bindu Gupta) भंडार एवं क्रय अधिकारी Stores & Purchase Officer CSIR Headquarters