



No. 18(4)/2014/Restructuring of OFB/Director(P&C)/DDP

Government of India
Ministry of Defence
Department of Defence Production

New Delhi, dated 30 July 2020

CLARIFICATIONS

This is with reference to the pre-bid queries received from the prospective bidders and pre-bid meeting held on 20.07.2020 at 1500 hrs. in the context of EOI cum RFP for 'Selection of Consultant for Providing strategic and implementation management consulting services to assist the MoD in the process of corporatisation of the OFB', issued on 06.07.2020.

2. The queries from the bidders and clarification given thereon are as under:

Sr. No.	EOI cum RFP Para No.	Query	Clarification
1.	1.2	Please clarify that the term 'AGENCY/FIRM' used in the invitation for the EOI cum RFP does not exclude national premier management institutes.	The term 'AGENCY/FIRM' does not exclude national premier management institutes.
2.	1.3.3	Please provide more information about OFB and its units to enable to assess the volume of the work involved.	The requisite details are enclosed at Appendix-I . OFB website www.ofbindia.gov.in may be visited for other details. The Nodal officer of the project may be contacted if further information is required.
3.	1.3.5	What would be the location coverage for physical survey of OFB? Would that be	Physical survey will have to be undertaken of all the units of OFB for the

		required for all factories, learning centres, regional and HQ offices?	preparation of the report.
4.	1.3.5	Is item wise physical verification a part of the scope?	Item wise physical verification is not required. No new drawings are to be created.
5.	1.3.5	Given the travel restrictions in different states / districts, please confirm that the necessary approvals or permissions will be made available	DDP will facilitate getting the necessary permissions for travelling among the various States/ sites for the purpose.
6.	1.4	Is as-is analysis of OFB capability & preparedness a part of this scope?	It is a part of the scope.
7.	1.4.2	We understand, given the sensitivity and volume of information sharing, OFB shall take appropriate steps for facilitate the consultants for data collection and coordinate accordingly. Please confirm.	Yes, Single Point of Contact (SPOC) of OFB and its units would be nominated to facilitate data collection and coordination.
8.	1.4.2	Please clarify if the recommendations related to the strategic vision and roadmap, organization & manpower related matters, strategic financing and structuring matters and legal issues is to be provided for each of the 41 Factories, 9 Training Institutes, 3 Regional Marketing Centres and 5 Regional Controller of Safety or for the corporate entities recommended?	The recommendations have to be provided for all the units of OFB.
9.	1.4.2 Phase 1 (A)(iii)	Please confirm that the consultant will not be expected to share confidential data of other countries and their defence entities	The Consultant is expected to share confidential data of other countries and their defence entities

10.	1.4.2 Phase 1 (B)(xiv)	Our understanding is that the review of skill levels of the staff would be done on the basis of an exploratory survey/research, and on the basis of responses by each employee group, developmental areas will be identified. Please confirm if this is correct.	Yes
11.	1.4.2 Phase 1 (B)(xiv)	Is reviewing and providing the principles of staffing /optimum redeployment, reallocation and rationalization of complete manpower, a part of scope?	It is a part of the scope.
12.	1.4.2 Phase 1 (C)(xv)	Since the needs of every factory will be different, is it expected to amalgamate all the needs of the factories/units under the corporate entity create for it?	Yes
13.	1.4.2 Phase 1 (C)(xvii)	Please specify the assets to be covered for valuation, other than land, buildings and plant & machinery	Asset valuation refers to valuation of fixed assets like P&M, land, building, etc. and intangibles such as property rights etc.
14.	1.4.2 Phase 1 (C)(xvii)	What is the purpose of undertaking a physical asset valuation exercise - financial restatement, asset sale, capital raising, etc?	This is the basic requirement to decide the NAV of the proposed corporate entity(ies).
15.	1.4.2 Phase 1 (C)(xviii) (a)	Please clarify if it also includes assistance in advising appropriate accounting implications and treatment of such capital structure(s) advised.	Yes
16.	1.4.2 Phase 1 (C)(xviii) (b)	Please advise if the said scope also includes advice/assistance in preparation and finalisation of opening financial statements.	Yes

17.	1.4.2 Phase 1 (C)(xviii) (c)	<p>1. Accounting- Please clarify if it includes preparation of accounting policies for the purpose of financial statements or a detailed accounting manual including guidance on recording all day to day usual and routine accounting transactions.</p> <p>2. Costing- Please clarify if it implies preparation of cost accounting policies for the purpose of financial statements and cost records or a detailed cost accounting manual including guidance on finalisation of costing of products, BOMs etc.</p> <p>3. Financial control systems- Our understanding is detailed control manuals including Standard Operating procedures (SOPs) are required for the above mentioned processes.</p>	Yes
18.	1.4.2 Phase 1 (C)(xviii) (d)	Please clarify if tax implications in relation to the operating/ business model also needs to be provided, in case multiple Defense PSUs are created.	Yes
19.	1.4.2 Phase 1 (D)(xxi)	Please clarify whether statutory amendments would need to be analysed for only Central laws or even State and Municipal laws	All the applicable laws.
20.	1.4.2 Phase 1(D)(xxiv)	We understand that the role of the Consultant is to identify and list various approvals required for Corporatisation at various levels, but DDP would take clearances from applicable bodies.	Yes. However, Consultant is required to facilitate and provide all necessary documentation support.

21.	1.4.2 Phase 1 (D)(xxiv)	Is OFB expected to be going for public listing as part of this Project? If so proposed / decided during the execution of this Project, we understand all activities related to such IPO will be separately carried out outside the scope of this Project. Please confirm.	This is beyond the scope of this project.
22.	1.4.2 Phase 1(D)(xxvi)	Please clarify that review of labour laws would be required from the perspective whether staff can be migrated to the Corporate structure and suggest amendments thereunder.	Yes
23.	1.4.2 Phase 1(D)(xxvi)	Please clarify the number of employment contracts to be reviewed – whether all exhaustive or sample agreements need to be reviewed.	All exhaustive agreements need to be reviewed.
24.	1.4.2 Phase 2 (A)(ii)	We understand that manufacturing strategy means strategy on in-house or outsourcing some of the non-core assembly parts. In this aspect, we assume that we only review the existing outsourcing strategy and recommend changes. Please confirm if our understanding is correct.	Yes
25.	1.4.2 Phase 2 (A)(iv)	Process reengineering is usually a mammoth exercise (especially for 61 entities). It should form a separate project and not be made part of the corporatisation exercise. Ideally, this exercise should be initiated by the boards of newly formed corporate entities. So, we request to omit	High level approach to be suggested.

		this scope element from the current requirements	
26.	1.4.2 Phase 2 (A)(v)	Is the measurement of outcome/impact of suggestions based on parameters limited to the 12 parameters mentioned under the Goals of the Corporate Entity(ies)' in 1.3.4?	Yes, Broadly it covers the entire scope.
27.	1.4.2 Phase 2 (A)(vi)	Please confirm we need to study only from OFB's perspective and not from other entities as suggested (such as PCFA, DGQA, DSC etc).	The scope of work is clear in this regard.
28.	1.4.2 Phase 2 (A)(vii)	Does the risk analysis have to be exhaustive or on a "best-effort basis"?	The risk analysis has to be exhaustive.
29.	1.4.2 Phase 2 (B)(viii)	Does the mandate of transformation encompass fitment of individual employees into the new organization structure and the manpower plan? Would the recommendations on motivating employees for maximum productivity include recommendations on changes in HR processes, recommendations on aligning compensation & rewards and upskilling employees?	Yes
30.	1.4.2 Phase 2 (B)(ix)	Does this mean identifying and suggesting trainings for the staff or conducting trainings?	Suggesting comprehensive training plan.
31.	1.4.2 Phase 2 (C)(xi)	What is the proposed locations for establishment of Project Management Office (PMO) and for what duration is the PMO support expected?	It would be an in-person PMO to be set up at a place designated by DDP, for Phase 2.
32.	1.4.2 Phase 2 (D) (xxvii)	Please clarify the meaning of Grandfathering of orders already being executed by	The existing orders on OFB have to be honoured.

		OFB	
33.	1.5.7	Whether the MSME /NSIC registered bidders will get the benefits under Public Procurement Policy for Micro & Small Enterprises (MSEs) Order 2012 as notified by the Ministry of MSME, as amended from time to time?	All the relevant exemptions available to MSMEs would be applicable.
34.	1.5.7	Do government organizations need to submit Earnest Money Deposit (EMD)?	The extant rules/regulations in this regard are applicable.
35.	1.6.2. a	Please clarify that mergers, demergers, amalgamations, and post-merger integration may be considered as similar projects.	Yes
36.	1.6.2 b (ii)	In respect of valuations of assets of similar nature, what does 'similar nature' imply?	Similar nature implies asset valuation of any manufacturing unit.
37.	1.6.2 c	Which Financial years will be considered for the turnover criteria?	The Financial Years 2016-17, 2017-18 and 2018-19 will be considered.
38.	1.6.2 c	Can the turnover amount be the average of the last 3 years?	No
39.	1.6.2 c	Whether turnover of the parent foreign entity registered in India would be taken into account.	No. Turnover of only the Registered office in India would be taken into account.
40.	1.6.2 c	In consortium, can the combined turnover amount equivalent to Rs. 50 crore per annum be considered?	No
41.	1.6.2 c	In case the other entities in consortium do not have office in India right now, can registration be done later or parallelly during the course of the project?	No
42.	1.6.2 d	Are non-Indian citizens allowed to be Experts on this	Yes

		exercise?	
43.	1.6.2 f	In consortium, is it necessary to individually meet the criteria of registration?	Please see corrigendum to EOI cum RFP in this regard
44.	1.6.2 f	Shall Entities registered in India be read also as a foreign company branch office registered in India?	Please see corrigendum to EOI cum RFP in this regard
45.	1.6.4.1 (4)	Please clarify of which entity is the Net Asset Value of Rs 500 crore expected to be, in this para?	The NAV of Rs 500 crore should be of the merged entity, irrespective of whether before demerger or after post-merger.
46.	1.6.4.1 (4,5,6)	Please confirm whether the past experience of network firm/entities will be accepted for past experience of bidders for technical evaluation. Also, please also confirm if experience of a firm's sub-contractors may be considered as well.	No
47.	1.6.4.3	Please clarify any increase in taxes due to changes to the tax regime in India by the Government will be paid at actuals separately.	Yes
48.	1.6.5 a	Please clarify if a sub-contracting arrangement between the bidder and a third-party firm would also be allowed for part of the scope of work.	No
49.	1.6.5 a(i)	Please confirm that a foreign company with registered office in India is eligible to participate in the bidding process.	Please see corrigendum to EOI cum RFP in this regard
50.	1.6.5 b (ii)	Please clarify whether the legally enforceable documents in respect of a consortium are to be submitted during the bid evaluation phase.	Yes

High level information about OFB

1. Organization Structure of OFB



2. Manpower details category-wise in respect of OFB and factories is placed at **Annexure – I**

3. The details of various systems, data and reporting is as below:

Sl. No.	System	Details
1.	Production Planning & Control (PPC)	PPC system implemented in 1990 running at each factory on local servers. The same has been further enhanced by the factories depending upon local capabilities. Major modules running in PPC are Material Requirement Planning, Vendor Analysis, Purchase Order Planning & Control, Inventory Maintenance, Inventory Analysis, Shop Order Release, Work-in-process Control, Maintenance Management & quality Control etc.
	E-Admin	In-house developed package running on local server at each factory. Major modules running in E-Admin are Administration activities, Bill related activities, yard and Estate related activities, Industrial Canteen related activities, etc.
2.	INTRANET:	Organisation-wise communication network (COMNET) on BSNL MPLS IP VPN backbone implemented in 2005 on which in-house developed Centralized applications are running.

	A supply Order has been placed on Railtel in June 2020 for replacement of networking devices. Bandwidth and central services.	
a.	OFB portal and email	All the units access online centralized services like OFB portal, email, Dashboard, letters & circulars published by OFB over COMNET.
b.	Automated Reporting System (ARS)	Automated Reporting System is a form based system where data is being submitted by the factories/units for centralized reporting.
c.	Management Information System (MIS)	Data is being taken from PPC system at factories in form of flat files at OFBHQ in an automated mechanism and presented in the form of Management Information System Reports.
3.	Internet based System	
a.	e-Procurement system	e-Procurement portal being used by all factories/units for publication of all types of tenders in the area of MM (Stores) procurement, Plant & Machinery procurement an Civil Works.
b.	Website	OFB has a corporate website with all the factories having websites under the umbrella website of OFB.
c.	Online Vendor Registration Portal	All the factories of OFB are using Online Vendor Registration Portal for Vendor Registration.

4. Complete address of all 41 factories is attached as **Annexure – II**.
5. Details required regarding land and building are placed at **Annexure – III**.
6. Consolidated stock inventory of all the factories combined together as on 31/03/2020 is approximately Rs 6607 Crore.
7. No. of IPRs granted for Patents/Trademarks/Copyrights/Design - 21.
8. No. of litigations - More than 2000, mainly related to service matters and commercial matters.
9. All the statues/rules/regulations those are applicable to Central Govt. employees are also applicable to the employees of OFB. In addition, being an Industrial Organisation, all Labour Laws including the provisions of Factories act, 1948, Trade Union Act (Abolition & Regulation) Act 1970, Administration Tribunal Act, 1985 etc., as mended from time to time, are also applicable to the employees of OFB. Regarding the system of payment of wages to the industrial employees of OFB, the procedure as indicated in the Defence Accounts Department Office Manual Pt. VI,

published by PCA(Fys) under CGDA are being followed. Besides the rules/regulations/instructions being issued from time to time by DOPT, MOD are also being implemented at OFB.

- 10.** AIDF, INDWF and BPMS are the recognised (recognised by MoD) Federations for OFB level negotiations. These three Federations are being represented in JCM II and III forum as per laid down procedure of Govt. of India.

Most of the unions at the unit levels are affiliated to the above three federations. However, there are many unions, at the factory level, which are not affiliated to the above 3 Federations. As per the available information, there are approximately 150 unions at the factories.

The unit level unions are allowed to be part of various consultative Fora. General Managers/HoDs of various factories/units deal with these unions through their participation in Works Committee, JCM IV and Local Productivity Council on matters of service, welfare, production, safety etc.

The 7 Associations i.e. IOFGOA, NDGBGOA, AIACEOF, AIOFTSA, IOFNTSSA, AIANGOs, NDNGSA are recognised by MoD to represent the Gr-B gazetted and non gazetted officers / officials and Gr- C officials in MoD and OFB as well as their branches in respective factories / units.

The 3 Associations i.e. DGOFEA, OFBEDA & OFBMTSEA are recognised by MoD to represent the Gr-B non gazetted officers/officials, Gr- C officials in MoD and OFB as well as their branches in respective HQ units.

- 11.** Order Book position of OFB as on 01/04/2020 was Rs 52,615 Crore.
- 12.** OFB maintains centralised records of all the vendors of input material. As per the latest record available, OFB has 4006 vendors. Value of Outsourcing varies year to year depending on the financial targets available with OFB. During the last 03 financial years, the value of outsourcing is in the range of Rs 3800 – Rs 5500 Crores
- 13.** OFB has 50.5% shareholding in the Joint Venture Company named Indo-Russian Rifles Private Limited. Initial subscribed capital paid by OFB is Rs 5.05 crore.
- 14.** There is no integrated HRMS program/software in OFB. Every Unit has its own PIS (Personnel Information System). There are few customised management modules developed for specific purpose like Vigilance Clearance etc.

Annexure -I

OFB ORGANIZATION			
EXISTING STRENGTH OF EMPLOYEES AS ON 01-7-2020			
GROUP WISE		CATEGORY WISE	
GROUP	IN POSITION	GAZETTED OFFICERS	
A	1848	GR. A	1848
		GR. B	7331
		TOTAL	9179
		NON GAZETTED OFFICER	
B	25412	GR. B	6976
		NON INDUSTRIAL EMPLOYEES	
		GR. B	1641
		GR. C	9576
		GR. D	4
		TOTAL	11221
		INDUSTRIAL EMPLOYEES	
		GR. B	9464
		GR. C	42112
		TOTAL	51576
GRAND TOTAL	78952	GRAND TOTAL	78952

Annexure - II

STATE	NAME OF FACTORY	ADDRESS	e-mail
Maharashtra	Ammunition Factory Kirkee (AFK)	Pune - 411003, Maharashtra	afk.ofb@nic.in
Maharashtra	High Explosive Factory (HEF)	Kirkee, Pune - 411003, Maharashtra	hef.ofb@nic.in
Maharashtra	Ordnance Factory Bhandara (OFBa)	Maharashtra - 441906	ofba.ofb@nic.in
Maharashtra	Machine Tool Prototype Factory (MTPF)	Ambarnath - 421502, Maharashtra	mpf.ofb@nic.in
Maharashtra	Ordnance Factory Ambarnath (OFA)	Ambarnath - Maharashtra - 421502	ofa.ofb@nic.in
Maharashtra	Ordnance Factory Ambajhari (OFAJ)	Nagpur - 440021, Maharashtra	afaj.ofb@nic.in
Maharashtra	Ordnance Factory Bhusawal (OFBh)	Maharashtra - 425203	ofbh.ofb@nic.in
Maharashtra	Ordnance Factory Chandrapur (OFCH)	Maharashtra - 442501	ofch.ofb@nic.in
Maharashtra	Ordnance Factory Dehu Road (OFDR)	Maharashtra - 214113	ofdr.ofb@nic.in
Maharashtra	Ordnance Factory Varangaon (OFV)	Maharashtra - 425308	ofv.ofb@nic.in
Madhya Pradesh	Ordnance Factory Itarsi (OFI)	M.P. - 461122	ofi.ofb@nic.in
Madhya Pradesh	Ordnance Factory Katni (OFKAT)	M.P. - 483503	ofkat_ofb@nic.in
Madhya Pradesh	Gun Carriage Factory (GCF)	Jabalpur - 482001, M.P.	gcf.ofb@nic.in
Madhya Pradesh	Ordnance Factory Khamaria (OFK)	Jabalpur - 482005, M.P.	ofk.ofb@nic.in
Madhya Pradesh	Vehicle Factory Jabalpur (VFJ)	Jabalpur - 482009, M.P.	vfj.ofb@nic.in
Madhya Pradesh	Grey Iron Foundry (GIF)	Jabalpur - 482009, M.P.	gif.ofb@nic.in
Tamil Nadu	Cordite Factory Aruvankadu (CFA)	Tamil Nadu - 643202	cfa.ofb@nic.in
Tamil Nadu	Heavy Alloy Penetrator Proj. (HAPP)	Trichy - 620016, Tamil Nadu	happ.ofb@nic.in
Tamil Nadu	Ordnance Factory Trichy (OFT)	Tamil Nadu - 620016	oft.ofb@nic.in

Tamil Nadu	Heavy Vehicle Factory (HVF)	Avadi - 600054, Tamil Nadu	gmohvf.ofb@ofb.gov.in
Tamil Nadu	Ordnance Clothing Factory Avadi (OCFAV)	Tamil Nadu - 600054	ocfav.ofb@nic.in
Tamil Nadu	Engine Factory Avadi (EFA)	Tamil Nadu - 600054	efa.ofb@nic.in
Andhra Pradesh	Ordnance Factory Medak (OFMK)	A.P. - 502205	gm.ofmk@ofb.gov.in
Orissa	Ordnance Factory Badmal (OFBL)	Orissa - 767770	gm_ofbol@ofb.gov.in
West Bengal	Gun & Shell Factory (GSF)	Cossipore - 700002, West Bengal	gsf.ofb@nic.in
West Bengal	Metal & Steel Factory (MSF)	Ishapore - 743114, West Bengal	msf.ofb@nic.in
West Bengal	Rifle Factory Ishapore (RFI)	West Bengal - 743114	rfi.ofb@nic.in
West Bengal	Ordnance Factory Dum Dum (OFDC)	Dum Dum - 700002, West Bengal	ofdc.ofb@nic.in
Bihar	Ordnance Factory Nalanda (OFN)	Bihar - 803121	gm-ofn-bih@nic.in
Uttar Pradesh	Ordnance Factory Muradnagar (OFM)	U.P. - 201206	ofm.ofb@nic.in
Uttar Pradesh	Ordnance Clothing Factory Shajahanpur (OCFS)	U.P. - 242002	ocfs.ofb@nic.in
Uttar Pradesh	Ordnance Equipment Factory Kanpur (OEFC)	Kanpur - 208001, U.P.	oefc.ofb@nic.in
Uttar Pradesh	Ordnance Factory Kanpur (OFC)	U.P. - 208009	ofc.ofb@nic.in
Uttar Pradesh	Small Arms Factory (SAF)	Kanpur - 208009, U.P.	saf.ofb@nic.in
Uttar Pradesh	Field Gun Factory (FGK)	Kanpur - 208009, U.P.	fgk.ofb@nic.in
Uttar Pradesh	Ordnance Factory Project Korwa (OFPKR)	U.P. - 227412	ofpkr.ofb@nic.in
Uttar Pradesh	Ordnance Parachute Factory (OPF)	Kanpur - 208004, U.P.	opf.ofb@nic.in
Uttar Pradesh	Ordnance Equipment Factory Hazratpur (OEFHz)	U.P. - 283103	oefhz.ofb@nic.in

Uttaranchal	Ordnance Factory Dehradun (OFDUN)	Uttaranchal - 248008	ofdun.ofb@nic.in
Uttaranchal	Opto Electronics Factory (OLF)	Dehradun - 248008, Uttarakhand	olf.ofb@nic.in
Chandigarh	Ordnance Cable Factory Chandigarh (OFCd)	Chandigarh - 160002	ocfc.ofb@nic.in

Annexure - III

Group	SL No.	Name of Factory	Area of land in Acres	No. Of Bldgs
	1	2	3	4
A & E Group	1	AFK	907.87	1330
	2	CFA	1055.39	1199
	3	HEF	307.56	480
	4	OFK	4921.85	3441
	5	OFBA	4739.53	1392
	6	OFV	3499.26	506
	7	OFCH	7478.64	1311
	8	OFI	6626.63	767
	9	OFDR	558.21	291
	10	OFBOL	12202.31	2058
	11	OFN	2965.76	247
W V & E Group	12	GCF	1723.56	933
	13	RFI	55.85	213
	14	GSF	158.64	430
	15	OFC	1899.99	3436
	16	SAF		78
		FGK		118
	19			13
	17	OFDC		44.97
	18	OFT	1728.26	344
	20	VFJ	1087.26	459
21	OFPKR	92.42	52	
M & C Group	22	MSF	528.56	1764
	23	OFA	861.37	272
	24	MPF		98
	25	GIF	54.12	140
	26	OFBH	206.83	238
	27	OFKAT	398.58	276
	28	OFAJ	3491.85	562
	29	HAPP	878.21	189
	O.E.F Group	30	OEFC	237.96
31		OCFS	376.09	2714
32		OPF	20.02	142
33		OCFAV	172.23	144
34		OEFHZ	137.39	438

AV Group	35	OFM	797.66	1870
	36	OCFC	71.91	82
	37	HVF	1337.33	701
	38	OFMK	3025.06	3162
	39	EFA	82.04	80
	40	OLF	491.49	82
	41	OFDUN		355
		Total	65222.65	32962