



भारतीय विमानपत्तन प्राधिकरण  
AIRPORTS AUTHORITY OF INDIA

# NO COST NO COMMITMENT (NCNC) POLICY

*Version 4.0 – 29<sup>th</sup> August, 2023*

## 1.0 DOCUMENT CONTROL

The document shall be controlled by the Standardisation section of PMQA Directorate, which shall be responsible for its review, currency and availability in public domain.

### 1.1 DOCUMENT CHANGE RECORD

Following table records the complete history of the successive editions of the present document

<b>Edition Number</b>	<b>Date of Issue</b>	<b>Change (Amendment / edition / deletion)</b>	<b>Affected para / pages</b>
Ver 1.0	02.02.2023	draft	
Ver 2.0	02.03.2023	draft	
Ver 3.0	26.06.2023	draft	
Ver 4.0	29.08.2023	Final Policy	

### 1.2 Enquiries:

*Enquiries/Clarifications should be addressed to:*

**Executive Director (Technical),  
Airports Authority of India, Rajiv Gandhi Bhawan,  
Safdarjung Airport, New Delhi – 110003.  
EMAIL: [edtech@AAI.AERO](mailto:edtech@AAI.AERO)**

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## **NO COST NO COMMITMENT POLICY**

### **BACKGROUND**

#### **2.0 Brief**

The "No Cost No Commitment" (NCNC) Policy will provide opportunity to Local Manufacturers/Fabricators to participate and execute development of product at their own cost on trial basis, in compliance of 'Public Procurement (Preference to Make in India), Order 2017' dated 16.09.2020. Various Indian manufacturers, who are either manufacturing or intend to manufacture a product under the trial offer, shall be given an opportunity to develop a product at their own cost. This will promote the development of Local Vendor base. The proposal of NCNC is in similarity to Ministry of Defence (MoD), BRO and other PSUs.

In the NCNC Trial Order, the complete cost of trial evaluation has to be borne by the vendor(s) for the equipment offered by them. In a nutshell, it means that each participating vendor has to develop, demonstrate and prove the performance of his product to the buyer at his own expense.

After completion of the trial period, the developed product will be taken back by the manufacturer.

This is not a start-up policy.

#### **2.1 Cost of Trial**

AAI shall neither bear the cost of the trials nor committed to buy the product after the trial. The total cost of the trials will also include the following: -

- i. Cost of transporting the equipment to various locations for testing in field trials. The trial sites may also be located invariably in remote and distant places. Field trials may also be conducted in plains and high-altitude terrain. For evaluation of maintainability of the offered product, the equipment is required to be transported to the designated Airports.

For technical evaluation, the equipment may also be required to be transported to the third-party test facilities of authorized testing centers and various laboratories.

- ii. Cost of in-situ repairs and minor modification, if required, during the course of the trials.
- iii. Cost of deploying trained and skilled personnel at trial sites to offer clarification on various characteristics of the equipment, and carry out minor repairs and modifications.

- iv. Operator cost, who will operate the equipment during the trial period. User dept. of AAI may operate the product/equipment to validate the test parameters, before issuing the certificate of conformance. The vendor has to submit the indemnity bond for no objection in this regard
- v. All the consumables depending on the nature of product/item under consideration, on case to case basis.
- vi. Cost of various tests which is required to be conducted in third-party test facilities of authorized testing centers and various laboratories.
- vii. The cost of wear and tear of the equipment offered for trials. Though the product is returned to the vendor's post trial, it may be badly worn out. The trials may continue for months (years, on case to case basis), so the time frame also needs to be considered into the cost.

## **2.2 Trial Evaluation**

The developed product shall be deployed at the Airports for trial evaluation viz. testing and validation of operational & performance parameters. The trial evaluation of equipment shall comprise of the following: -

- a. Verification of user specific physical and operational performance parameters carried out at the Airport / Unit by AAI.
- b. This will be carried out by physically operating the equipment in various terrains and operating conditions where it is intended to be deployed for use.
- c. Ascertaining the maintainability of the equipment/vehicle for the period of deployment / trial period.

The basic aim of trial evaluation of the product is to ascertain its suitability for usage at the Airports and to ascertain that whether the offered product satisfies the performance standards & specifications as per requirement of AAI.

## **2.3 Type of Suppliers under Make in India**

The proposal under the subject item will be applicable for Indian manufacturer, who have set up / adequate tie up with manufacturing unit capable of developing such product.

The product shall be indigenously developed and manufactured by Class-I/Class-II local suppliers only as per Make in India Order-2017 and subsequent revisions thereof.

The vendor(s) may be asked to submit necessary documents under Make in India evaluation in order to ascertain the class of local supplier(s), details of percentage

of local content, location where local content is being added and verification of the local content by statutory auditor/ Cost Auditor / Cost Accountant /Chartered Accountant (as applicable) as a part of Technical Evaluation as per extant MII policy.

### **2.3.1 Participation under Technology Collaboration (TC) /Transfer of Technology (ToT) Agreements.**

With reference to development of product under NCNC trial order as per Para 13- Manufacture under license / Transfer of Technology (ToT) / Technology Collaboration (TC) agreement of MII Order 2017, Revision dated 16.09.2020; issued by Public Procurement Section, DPIIT, Vendor(s) shall ensure that their foreign partner(s) from whom Transfer of Technology (ToT) /Technology Collaboration (TC) is obtained should be Original Equipment Manufacturers (OEMs) of the product under NCNC trial order. Vendors may be asked to submit necessary documents required to ascertain the development of product by a Class-I/Class-II suppliers.

All the cost involved in making necessary arrangement for Manufacture under license / Transfer of Technology (ToT) / Technology Collaboration (TC) agreement /Joint Venture etc. under MII shall be on vendor's account.

In addition, such foreign partner(s) should not have been suspended or debarred by any Govt. body. In case the foreign partner(s) of the vendor are suspended or debarred, the vendor shall indicate the same and will furnish details of such ban / debarment along with copy of Government letter under which this ban / debarment / suspension was lifted / revoked along with justification for participation of that partner in the trial order.

### **2.4 Trial Period**

Duration of trial period of a product shall be decided by AAI, on case to case basis.

### **2.5 Benefits / Incentives**

Indian manufacturers who are not having past experience of supplying the product being manufactured by them, on successful completion of the trial period shall be given incentives in form of waiving the experience & performance eligibility criteria for participation in future Tender Enquiries of AAI for procurement of the product of similar capacity.

### **3.0 SCOPE:**

- I) All the Concerned Directorates of AAI will identify the products which do not have more than 03 "*Original Equipment Manufacturers (OEMs)*" in India and these will be considered under NCNC Policy.
- II) The list of such products along with the Performance Standards, Specifications and Scope of Work required by AAI shall be uploaded on AAI website projecting 05 years of probable procurement. The intending domestic manufacturer(s) may be sensitized to visit AAI's website regularly and subsequently approach concerned Dte. for further information in this regard. Besides publishing list of products identified by AAI for placement of order under NCNC trial, vendors may also suggest products which are used by AAI for development under NCNC trial.
- III) Considering the dynamic nature of need due to many airports falling under the PPP mode, the list & requirement of the items/products/systems to be procured shall be reviewed periodically and updated accordingly.
- IV) The intending domestic manufacturers seeking NCNC trial order will send their request {categorically indicating the item (s)} to Head of the concerned Deptt. at the e-mail ID, as designated for the purpose on AAI website along with the supporting documents in respect of their existing manufacturing facility, and testing facility, capability to manufacture the items for which they are seeking this order (e.g. details of past supply to AAI/other than AAI, existing manufacturing facility including machinery/equipment, Udyog Aadhaar Certificate/Udyam registration Certificate, PAN, GST Registration Certificate, Manufacturing License, Registration Certificate for ZED Scheme (Zero Defect Zero Effect), etc.
- V) On receipt of requests from intending domestic manufacturers/fabricators, the procuring department may assess their Technical & Financial requirement for development of product under NCNC.
- VI) The Executive Director shall have full powers to ask relevant documents from vendors requesting development of any product under NCNC trial.
- VII) The trial order under NCNC shall be issued to all the participating vendors meeting the requirements of AAI. The vendor shall develop the product as per performance standards and specifications required by AAI and offer testing and field trial at their own cost.
- VIII) The procuring deptt. shall specify service level parameters to access the maintainability / serviceability of the equipment. Monthly Serviceability of 90% or more is to be maintained during the trial period as per service level parameter.

If the serviceability falls below this requirement for more than two occasions during the trial period, then the trial period shall be extended on pro-rata basis (but not more than one instance). AAI at its sole discretion may reject the trial offer of product due to Persistent low level of serviceability of the equipment and the supplier shall have no claim whatsoever in this regard.

- IX) **Certificate of Conformance (CoC)**: On successful completion of the trial period, a Certificate of Conformance (CoC) will be issued for successful execution of the NCNC "trial order" to all successful vendor(s).
- X) The successful vendor(s) shall produce 'Certificate of Conformance' in order to claim exemption in Experience & Satisfactory Performance criteria for participation in future tender enquiries in AAI for procurement of the similar product. The turnover criteria and other pre-qualification and technical criteria like Valid Certificate of incorporation, GST, PAN etc. shall not be waived off in lieu of "*Successful execution of the NCNC trial order*".
- XI) Powers to accord approval for issue of order under NCNC trial shall lie with the Technical Sanction Authority, but not below the level of Executive Director.
- XII) For clarity, existing provisions of Delegation of Powers (DoP) for "procurement on nomination basis" shall not apply on development of product under NCNC trial, as this policy is meant for development of vendor, which is different from procurement through nomination tender.
- XIII) The Development of product under NCNC trial Policy shall be adopted for capital product/equipment only.
- XIV) In order to establish domestic manufacturing base and promote vendor development under Make in India, actions like initiating the debarment process or putting the vendor on Holiday for regular tenders will not be taken for failure in execution during the trial period of the development of product under NCNC trial order.

**4.0 Non-Disclosure agreement:** After issuance of trial order under NCNC to the participating vendors, meeting the requirements of AAI, a non-disclosure agreement will be signed between AAI & vendor(s) within 15 days from date of issuance of trial order. This agreement will contain all the required documents submitted by vendor under NCNC, Liability Clause/Defense of suits, indemnity bond, Performance standards, specifications required by AAI, testing parameters & methodology and scope of work, General terms and conditions etc. for execution of field trial by the vendor at its own cost. The agreement shall be signed by the Administrative head of the procuring deptt. Or person authorized by him/her, but not below the rank of DGM.(Copy Attached)

**5.0 Defense of Suits/ Liability Clause :** If any action in court of law is brought against the AAI or an officer or agent of the AAI for the failure or neglect on the part of the vendor to perform any acts, matters, covenants or things under the agreement, or for damage or injury caused by the alleged omission or negligence of the part of the vendor, his agent, representatives or his sub-contractors, workman, suppliers or his employees, the vendor shall in all such cases indemnify and keep the AAI and/or his representative, harmless from all losses damages expenses or decrees arising out of such action. Further, Vendor shall also be liable to pay AAI for any losses/damage caused to the property of AAI by vendor, his agent, representatives or his sub-contractors, workman, suppliers or his employees with in the premises of AAI.

## **6.0 GENERAL TERMS AND CONDITIONS FOR DEVELOPMENT OF PRODUCT UNDER NCNC TRIAL ORDER**

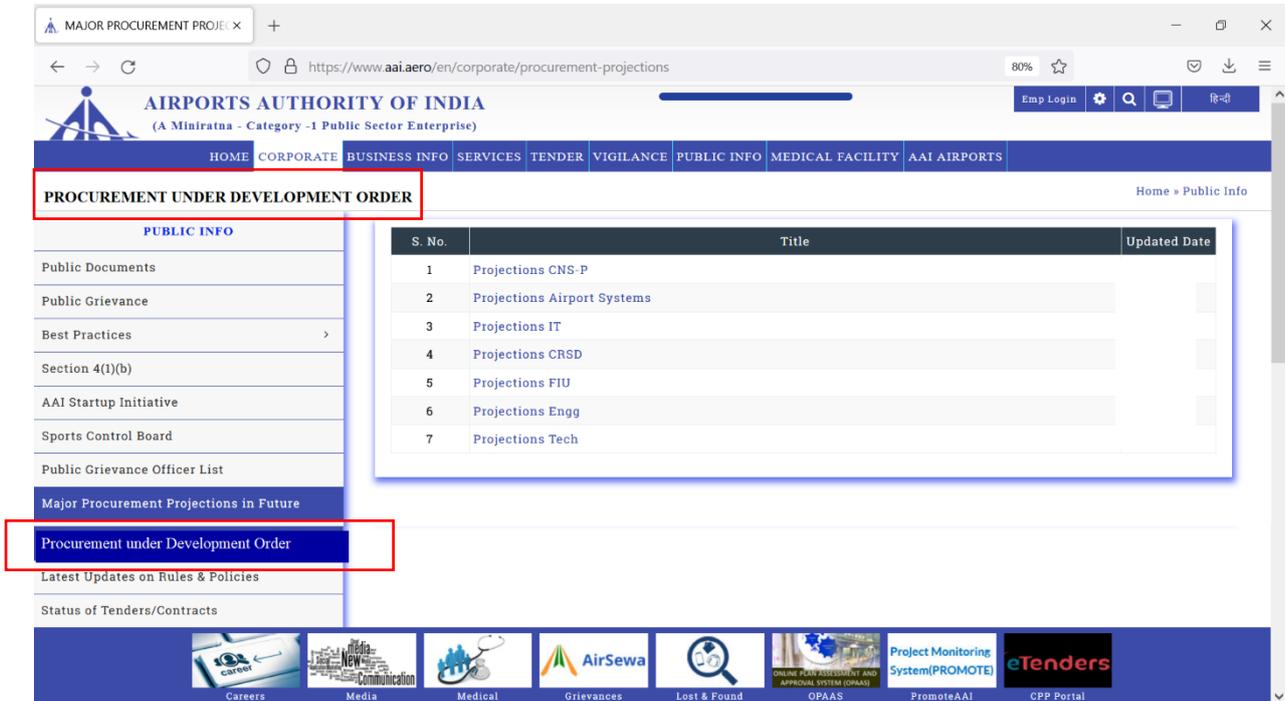
- I) **Quantity:** 1 Unit, as per AAI's Technical Specifications of the product.
- II) **Eligibility Criteria for NCNC Trial Order:**
  - a) No prior experience of similar work is required. The relaxation waiver for prior experience shall only be available for bidders participating under special provisions for NCNC trial order.
  - b) The financial criteria in turnover will be minimum 15% (Fifteen percent) of the estimated cost of the unit product.
  - c) The product so developed should be technically compliant with the AAI's performance standards and specifications.
  - d) The participant firm whose product(s) are compliant with the required performance standards, technical Specifications, scope of work, including General terms and Conditions will be eligible for consideration under NCNC trial order.
- III) **Payment:** Since placement of trial order under this policy shall be on No Cost No Commitment (NCNC) basis, no payment whatsoever shall be made by AAI to any supplier for supply of product/equipment and carrying out services of any kind in nature. Rather incentive in form of waiver in eligibility criteria as mentioned above shall be provided to the supplier on successful completion of trial period.
- IV) AAI shall have right to inspect factory/manufacturing facility to ascertain the capability of the vendor.
- V) The vendor shall have to comply all the conditions of this document. No relaxation shall be granted to bidders except mentioned herein.
- VI) **Other Terms and Conditions:** Except otherwise mentioned above, AAI standard terms and conditions shall apply.
- VII) The participant firm shall produce Certification of the testing agencies / laboratories authorized by Govt. of India complying requirements of AAI.
- VIII) Manufacture of product under NCNC trial order shall be considered as executed and the respective supplier shall be considered as developed/proven source only after satisfactory inspection, testing, certification and issuance of a

certificate of conformance by Administrative head of the procuring deptt. Or person authorized by him/her, but not below the rank of DGM.

- IX) CoC shall be valid for 7 (Seven) yrs. from the date of issue.
- X) In case the bidder has satisfactorily executed development under NCNC trial order (i.e. including satisfactory inspection and Field trial testing), for similar product in the past in AAI, then the bidder does not have to satisfy experience & performance criteria of Tender Enquiries of the product issued by AAI. However, AAI will reserve the right to change this provision suitable to subject tender.
- XI) Vendors may be informed that mere applying for development of product under NCNC trial, does not qualify any vendor for any assured order(s) from AAI in future.
- XII) Notwithstanding the above provisions, successful development and or supply of product to AAI under NCNC trial basis, thereof does not guarantee the vendor any assured orders from AAI.
- XIII) The order so placed under special provisions for development under NCNC trial order, the performance of the product shall be monitored as decided by AAI.
- XIV) Time allowed for development of product under NCNC trial order shall normally be 01 year. However, the same may be decided by TS Authority, not below the level of Executive Director, on case to case basis.
- XV) Any false representation/ submission of documents shall disqualify and debar the vendor for future participation in AAI's tender.
- XVI) Any PE/ subsidiary/ agent firm of foreign OEM are barred to participate under these special provisions for development under NCNC trial order. However, Indian firm can form Joint Venture with foreign OEM under the provisions of Make in India Policy to participate under NCNC trial order subject to meeting the local content stipulated in the MII policy for a Class-I/Class-II local supplier.

**7.0 Uploading of List products under NCNC Trial order policy, on AAI website.**

1. Separate URL link shall be placed on AAI website:  
***https://www.aai.aero/en/corporate/NCNC\_order***



Each Department shall also upload other details as specified in "Scope".

Financial Year: 20...-.20..

Department Name:

Contact details: Telephone no. and email ID

Sl. No.	Item Description	Tentative Quantity	Performance Standards/ Technical Specifications and Scope of work.

Any other detail, if required, may also be uploaded.

Approved NCNC Trial Order Policy shall also be uploaded on AAI website.

## **NON DISCLOSURE AGREEMENT**

This Confidentiality and Non-Disclosure Agreement ("Agreement") dated Date, Month, Year ("**Effective Date**") is entered into by and between

..... a company incorporated under the provisions of Companies Act, 2013 and having its principal place of business at ....., (hereinafter referred to as "....." which expression shall mean and include its parent, affiliates, sister concerns, subsidiaries and assigns),

**And**

..... a company incorporated under the provisions of Companies Act, 2013 and having its principal place of business at ..... (hereinafter referred to as "**Company**" which expression shall mean and include its parent, affiliates, sister concerns, subsidiaries and assigns)

### **Purpose**

Parties have to disclose certain confidential, technical and business information to each other in furtherance of business. To protect the said confidential information both the parties desire to sign this Non- Disclosure agreement.

### **Disclosure of Confidential Information**

Either party may disclose to the other party either orally or in any recorded medium, information comprising or relating to its / or its affiliates, parent, sister concerns group companies: techniques; schematics; designs; contracts; financial information; sales and marketing plans; business plans; clients; client data; business affairs; operations; strategies; inventions; methodologies; technologies; employees; subcontractors; pricing; service proposals; methods of operations; procedures; products and/or services ("Confidential Information"). Confidential Information shall include all non-public information furnished, disclosed or transmitted regardless of form.

### **Confidentiality**

Either Party shall use the Confidential Information solely in furtherance of the actual or potential business relationship between the parties. The parties shall not use the Confidential Information in any way that is directly or indirectly detrimental to the other party or its subsidiaries or affiliates, and shall not disclose the Confidential Information to any unauthorized third party.

Parties shall ensure that access to Confidential Information is granted only to those of its employees or agents ("Representatives") who have a demonstrated need to know such information in order to carry out the business purpose of this Agreement. Prior to disclosing any Confidential Information to such Representatives, party shall inform them of the confidential nature of the information and their obligation to refrain from disclosure of the Confidential Information. Each party and its Representatives will take all reasonable measures to maintain the confidentiality of the Confidential Information, but in no event less than the measures it uses for its own information of similar type. Parties and its Representatives shall not disclose to any person including, without limitation, any corporation, sovereign, partnership, limited liability company, entity or individual (i) the fact that any investigations, discussions or negotiations are taking place concerning the actual or potential business relationship between the parties, (ii) that it has requested or received Confidential Information, or (iii) any of the terms, conditions or any other fact about the actual or potential business relationship.

Each Party and its Representatives will immediately notify the other Party of any use or disclosure of the Confidential Information that is not authorized by this Agreement. Each Party and its Representatives will use its best efforts to assist the other Party in remedying any such unauthorized use or disclosure of the Confidential Information.

Either Party shall implement and follow the rules as laid down in the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 [‘the Rules’].

Either Party shall monitor the security practices, control processes and checks in place in respect of the Confidential Information on a regular basis and disclose any breaches in the security practices, control processes and checks in place to the other Party.

The obligations contained in this Section 2 will not apply to the extent that either Party can demonstrate that the Confidential Information: (a) was part of the public domain at the time of disclosure or properly became part of the public domain, by publication or otherwise; (b) was rightfully acquired by Receiving Party prior to disclosure by Disclosing Party; (c) was independently developed by Receiving Party or its Representatives without reference to the Confidential Information; or (d) is required to be disclosed by a government agency or by a proper court of competent jurisdiction; provided, however, that Receiving Party and its Representatives shall provide Disclosing Party prompt prior written notice of such requirement, shall consult with and assist Disclosing Party in obtaining a protective order prior to such disclosure, and shall only disclose the portion of Confidential Information which it has been advised by written opinion of counsel is legally required to be disclosed and shall use its best efforts to obtain assurance that confidential treatment will be accorded such information if the protective order is not obtained or if Disclosing Party waives disclosure of such information.

## **Ownership of Materials/No Warranty**

Each Party retains all rights, title and interest to its Confidential Information. No license under any trademark, patent or copyright, or application for same which are now or thereafter may be obtained by the other Party is either granted or implied by the disclosure of Confidential Information. Confidential Information is provided “as is” with all faults. In no event shall parties be liable for the accuracy or completeness of the Confidential Information.

## **Term**

This Agreement shall terminate two (2) years from the Effective Date. Receiving Party’s obligations with respect to confidentiality shall expire after two (2) years from the date of disclosure.

## **Return of Confidential Information**

Upon written request of either Party, Parties and its Representatives shall promptly return to the other Party all copies of Confidential Information in its possession including, without limitation, all copies of any analyses, compilations, studies or other documents prepared by Receiving Party or its Representatives containing or reflecting any Confidential Information. Either Party shall certify in writing that it and its Representatives have returned all such information to the other Party.

## **General**

a) This Agreement shall be governed by and construed in accordance with the laws India without regard to its conflicts of law provisions.

b) Either Party agrees that the breach of the provisions of this Agreement by any Party will cause the other Party an irreparable damage for which recovery of money damages would be inadequate. Either Party will, therefore, be entitled to obtain timely injunctive relief to protect its rights under this Agreement in addition to any and all remedies available at law or in equity. Receiving Party and its Representatives hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of Bangalore, Karnataka for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts), and further agree that service of any process, summons, notice or document by registered mail or tracked courier service to the address set forth above shall be effective service of process for any action, suit or proceeding brought against Receiving Party and its Representatives in any such court.

c) Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties permitted successors and assigns.

d) This Agreement may be amended or supplemented only by a writing that is signed by duly authorized representatives of both parties.

e) No term or provision hereof will be considered waived by either party, and no breach excused by it, unless such waiver or consent is in writing signed an authorized representative of the non-breaching party. No consent to, or waiver of, a breach by a party, whether express or implied, will constitute a consent to, waiver of, or excuse of any other, different, or subsequent breach.

f) If any part of this Agreement is found invalid or unenforceable, that part will be amended to achieve as nearly as possible the same economic and legal effect as the original provision and the remainder of this Agreement will remain in full force.

g) This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral.

h) This agreement may be executed in two counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same agreement.

**Accepted and agreed as of the date first above written by the following authorized Party representatives:**

.....	.....
Company Name	Company Name
Signed By:	Signed By:
Designation:	Designation: