

INTRODUCTION

The Government of India had issued various rules, regulations, policies and procedures regarding procurement of goods and services required for use in the public service applicable to all Ministries and Departments from time to time. Based on it, Border Security Force had also issued detailed instructions broadly in conformity with the above orders of GOI as and when required. But due to vast expansion of force and to ensure proper adherence of prevailing GOI orders while effecting the purchase of goods and services by BSF, Shri. Arunava Dutt, IDAS, Financial Advisor BSF has felt a necessary to compile all the relevant GOI orders and to present a booklet for BSF users exclusively for **“VARIOUS MODE OF PURCHASES, RECEIPT AND OPENING OF TENDERS”**.

2. Accordingly, Shri. Surjit Singh, Comdt (Fin) and Shri. S. Ravichandran, Asstt Comdt (Fin), Finance wing FHQ BSF New Delhi have carried out an exercise to bring out this booklet. Though every possible care has been taken to ensure that only latest Rules and policies regarding purchase procedures are compiled, still it cannot be ruled out that the new orders which have been introduced by the government may not have been taken into consideration. Since, it is a basic guidelines, all the users are advised to refer the prevailing rules and policies while effecting the purchases of goods and services issued by GOI from time to time.

3. It is expected that if these guidelines is strictly adhered to, it would definitely improve the efficiency of the procurement system and cut out delays caused due to receipt of incomplete proposals and Finance Wing/Directorate(s) at FHQ asking for additional information/documents while processing the proposals for according financial concurrence

3. In the event of any doubt on the subject matter, Finance wing may be approached for clarification.

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Role of Financial Advisor in BSF

Due to introduction of Financial Advisor system in BSF, proper financial control is ensured and reduced delays in decision making in various financial, budgeting and purchase related matters. FA BSF will bring out the need for economy cost effectiveness and effective resource planning . Besides, FA BSF will be associated with various stages of procurement i.e from acceptance of necessity of goods and stores to post contractual matters.

2. Financial Advisor is playing a vital role in the following areas :-

- i) Advising all authorities on budgeting, financial, accounting matters within the delegated financial powers.
- ii) Financial scrutiny of all purchase proposals relating to procurement, disposal of surplus, obsolete, scrap etc emanating from various Directorates of FHQ BSF New Delhi and all Frontier HQs etc.
- iii) Preparation of budget estimates as well as revised estimates and exercise of budgetary control over expenditure.
- iv) Allocation of funds to all DDOs
- v) Monitoring of expenditure of BSF as a whole against allotment and submitting report to MHA
- vi) Circulation of all Govt orders issued by Min of Finance. MHA etc to all the BSF Formations/Units etc.
- vii) Review of delegation of financial powers from time to time.
- viii) Attending TPC meetings for procurement of goods and services
- ix) Monitoring and settlement of audit objections of External and Internal and MHA (Internal) audit objections and preparation of draft replies to audit paras.
- x) Raising of IS Duty claims against State Govt(s)
- xi) Pay fixation of re-employed Force personnel and advice on all matters relating to pay and allowances.
- xii) Redressal of grievances related to financial matters including pension etc.

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Procurement of goods

The term 'goods' used in this booklet includes all articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, etc., purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc for a library.

2. In the beginning of the financial year, all field formations are expected to prepare a tentative Annual Procurement Plan for procurement of stores/Items under direct purchase powers based on the requirements as per scales/as required basis, stock position, dues in, deficiencies/wastages and functional needs etc to be obtained from the field formations/users. The net requirement/calculation of quantities for procurement should be as per the procedures given in succeeding paras.

3. These requirement may be scrutinized/consolidated and annual requirements broken up into Quarterly Procurement Plans be prepared at Ftr HQrs/Sector HQrs/Unit level with probable dates of supply and intimate to Finance Wing of FHQ latest by 15th June through concerned Directorate(s) for allocation of budget and to evaluate requirement of budget requirement at RE stage during the financial year.

4. The Quarterly Purchase Plan may be adhered to so as to ensure timely supply of essential items to the Units as well as avoid surrender of funds/rush of expenditure towards the end of the financial year. However, the procurement plan can be changed/alterd to meet operational urgencies and ground requirement at any stage.

Calculation of quantities for procurement

1. The quantities proposed to be procured should be worked out and established with reference to authorization, holdings, dues in and deficiencies for scaled/authorized items etc.

2. The requirement should be worked out for the entire financial year and procurement made in one go and not in piecemeal for each item both for scaled/un-scaled items to ensure better quality, lower prices, timely supplies and reduction in paper work.

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3. Where the scales/authorization are not prescribed and the stores are projected on 'as required basis' the quantities should be worked out with reference to normal needs/ops needs as per the general guidelines given below.
4. For defense stores required for operational needs, a Board of Officers should be constituted at user level to assess the quantities of stores such as Sand bags, Ballies, CGI Sheets, Barbed Wire, Pickets long and short etc. The Board should take into account the quantitative requirements on the ground. For example, for assessing the requirement of sand bags, the number of new bunkers/sentry posts etc., number of sand bags required for one bunker/sentry post should be used to arrive at the total quantities required. Similar calculations should be done for replacement requirement for bunkers/sentry post with justification for replacement. The board proceedings should be approved by the Comdt/H.O.O. and countersigned by Sector DIG and IG. Likewise, quantities/requirement may be consolidated at Ftr HQ level based on approval of Board proceedings and projections for procurement proposed as per availability of funds. The Board proceedings should also be sent to FHQ alongwith the purchase proposal.
5. For spare parts for use in workshops of MT, Communication, Arms and Provisioning etc, the calculation of the quantities should be based on the actual workload/average consumption of last 3 years etc duly supported by calculation sheets.
6. The calculation of requirement for tools for these workshops should be based on approved scales/actual requirement worked out based on the workload and scaled/norms duly supported by calculation sheet.
7. For procurement of raw materials for printing press, fabrication of body building for vehicles and stores for bullet proofing of vehicles etc., the calculation of quantities should also be based on actual work load/average consumption of last 3 years with requisite details of calculation of quantities.
8. For stores such as paints for Cots/Steel boxes, fabrication of stitching materials for uniforms etc, quantities should be calculated as per the scales approved.
9. Likewise the quantities of other stores required should also be worked out based on actual requirements duly supported by calculation sheets.

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10. As stated above, in all above cases the basis of calculations and working sheets prepared at Unit/User levels should invariably be attached with the purchase proposals referred to Finance wing.

After the quantities have been worked out and estimated value arrived at, Administrative approval of Competent Financial Authority be obtained on file and tenders called for as per prescribed procedure giving full justification of each item.

Fundamental principles of public buying

Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

2. The procedure to be followed in making public procurement must conform in the following yardsticks:-

i) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;

ii) Offer should be invited following as fair, transparent and reasonable procedure;

iii) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects

iv) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;

v) at each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

vi) Local/cash purchase shall be reduced to the barest minimum.

vii) The position of surplus stores shall be reviewed every year and proper action be taken to utilize them.

viii) The urge to exhaust the budget by purchasing items which are not of immediate use especially at the close of financial year should be curbed.

ix) Where scale of consumption or limits of stores have been laid down by the Competent authority, the officer ordering a supply shall certify on the purchase order that the prescribed scales or limits are not exceeded.

x) Purchase order shall not be split-up to avoid the necessity for obtaining the sanction of higher authority required with reference to total amount of the order.

xi) All materials received shall be examined, counted, measured or weighed, as the case may be when delivery is taken, and they shall be taken in charge by a responsible Government Officer who shall see that quantities are correct, their quality good, and they are according to approved specifications where prescribed and record a certificate to that effect. The officer receiving the stores shall also be required to give a certificate that he has actually received the material and recorded them in the appropriate stock register.

Authority competent to purchase goods and its financial powers

An authority which is competent to incur contingent expenditure may sanction the purchase of goods required for use in public service in accordance with the financial powers delegated to them by DG BSF from time to time. The updated delegation of financial powers for BSF Officers is appended at **Appendix-A**.

Registration of suppliers

i) With a view to establishing reliable sources for procurement of goods commonly required for Government use, DGS&D will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as "Registered Suppliers" All field formations may utilize these lists as and when necessary. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also exempted from furnishing bid security along with their bids. A Head of department may also register suppliers of goods which are specifically required by that Department or Office

ii) Credentials, manufacturing capabilities, quality control system, past performance, after sales services, financial backs ground, etc.,. of the supplier (s) should be carefully verified before registration.

iii) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions.

iv) Performance and conduct of every registered supplier is to be watched by the concerned field formation. The registered supplier(s) are liable to be removed from the list of approved suppliers if they failed to abide by the terms and conditions of the registration or fail to supply the goods on time or supply sub-standard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government, is not in public interest.

v) They should possess the technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation and the personnel, to perform the procurement contract.

vi) They should have adequate legal status to enter into the procurement contract;

vii) They are not insolvent, in receivership, bankrupt or being wound up, their affairs are not being administered by a court or a judicial officer, their business activities have not been suspended and they are not the subject of legal proceedings for any of the foregoing.

viii) They have fulfilled their obligations to pay taxes and social security contributions;

ix) They have not been convicted of any criminal offence related to their professional conduct or the making of false statement or misrepresentation as to their qualifications to enter into a procurement contract of have not been otherwise disqualified pursuant to administrative suspension or disbarment.

x) The procuring entity shall disqualify the supplier or contractor if it finds at any time that the information submitted concerning the qualifications of the supplier or contractor was false or material inaccurate/incomplete.

Method of Purchase, Preparation, Issue, Receipt and Opening of Tenders

Method of purchase consists the following stages:-

- i) selection of sources
- ii) Mode of tendering
- iii) Vetting of draft tendering inquiry
- iv) Participation in tender opening
- v) Scrutiny of CST
- vi) Participation in TPC
- vii) Financial concurrence
- viii) Vetting of draft supply order
- ix) Post contract management

MODE OF PURCHASE

General

On receipt of an indent in the Purchase Unit concerned, the Purchasing Officer concerned, after satisfying that the indent is complete depending upon the nature of the required goods, the quality and quantity and value involved and period of supply, shall decide appropriate mode of purchase and invite tenders by adopting any one of the following modes of Purchase taking into account the history sheets and such other relevant data as may be available in respect of the items. In deciding the mode of purchase in respect of imported items, the FOB value shall be the criterion for applying the prescribed financial limit.

Demand of goods should not be divided into smaller quantities for making piece meal purchases for the sole purpose of avoiding the necessity of obtaining the sanction higher authority required with reference to estimated value of the total demand.

An invitation to tender should normally be issued only to the suppliers registered with the Purchasing Unit. Directorate General of Supplies and Disposal, National Small Scale Industries Corporation or those listed in the hand book of Indigenous Manufacturers published by the Development Wing of Ministry of Industry, Government of India. Selection of suppliers for sending invitation to tenders will be made on rotation except in the case of a few proven core suppliers who can be invariably contacted to ensure timely supplies. For imported stores, however, the respective foreign manufacturers/Suppliers and/or Indian agents shall be contacted.

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Reserved Items

The Central Government through administrative instructions, has reserved all items of handspun and hand-woven textiles (Khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items handloom textiles required by Central Government Departments for exclusive purchase from KVIC and/or the notified handloom units of ACASH (Association of Corporation and Apex Societies of Handlooms). The Central Government has also reserved some items for purchase from registered Small Scale Industrial Units. The Central Departments or Ministries are to make their purchases for such reserved goods and items from such units as per the instructions issued by the Central Government in this regard.

Purchase of goods without quotations

Purchase of goods costing upto the value of Rs. 15,000 (Rupee4s Fifteen Thousands) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format :-

“I,....., am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price”

The method of purchase of goods without quotation shall be resorted only in an emergent cases and suitable reasons shall be recorded.

Purchase of goods by purchase committee

Purchase of goods costing above Rs. 15,000 (Rupees fifteen thousand) only and up to Rs.1,00,000 (Rupees One Lakh) only on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The Committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under :-

“Certified that we....., members of purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question”

Purchase of goods directly under DGS&D rate contract

The Central Purchase Organization (e.g DGS&D) will conclude rate contracts with the registered suppliers, for goods and items of standards types which are identified as common user items and are needed on recurring basis by various Ministries/Departments. The Central Purchase Organization (e.g DGS&D) is to post the specifications, prices and other salient details of different rate contracted items, appropriately updated, on its web site for use by the procuring Ministries/Departments. The Ministries/Departments are to be operated those rate contracts to the maximum extent possible. In case a Ministry/Department directly procures Central Purchase Organization's (e.g DGS&D's) rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract. The Ministry/Department shall make its own arrangement for inspection and testing of such goods where required.

Purchase of goods by obtaining bids/Tenders

Except for the purchase of goods through the methods given in the preceding paragraphs, Wherever tenders are required to be obtained either for purchase of articles required for the public service or for execution of any work, Ministries/Departments shall procure goods within their delegated powers by adhering standard method of obtaining tenders. Invitation to tenders by Advertisement should be used as a general rule, in all cases. This may be dispensed with by the Competent Purchase Officer as an exception to the general rule, for reasons to be recorded and, in its place, any of the other recognized mode of purchase may be adopted as may be warranted by the circumstances of the case. This system calls for inviting tenders in sealed covers to be opened in public by following any of the methods indicated below :-

- a) Advertised Tender Enquiry (Open Tender)
- b) Limited Tender Enquiry (Direct invitation to a limited number of firms)
- c) Single Tender Enquiry (Invitation to one firm only)

Advertised Tender Enquiry (Open Tender)

- b) Subject to exception incorporated under Limited Tender Enquiry and Single Tender Enquiry below, invitation to tenders by advertisement should be used for procurement of goods of estimated value of Rs. 25,00,000 (Rupees Twenty Five Lakh) only and above. Advertisement in

- c) such case should be given in the Indian Trade Journal (ITJ), published
- d) by the Director General of Commercial Intelligence and Statistics, Kolkata and at least in one national daily having wide circulation. Where necessary advertisements may also be inserted in one or more principal news papers in India. Global tenders, whenever practicable and advantageous, should be invited in the case of purchase of plant and machinery and equipment from foreign countries.

ii) An organization having its own website should also publish, all its advertised tender enquiries on the web site and provide a link with NIC website. It should also give its website address in the advertisements in ITJ and newspapers.

iii) The organization should also post the complete bidding document in its website and permit prospective bidders to make use of the document downloaded from the website. If such a downloaded bidding documents is priced, there should be clear instructions for the bidder to pay the amount by demand draft, etc along with the bid.

iv) Where the Ministry/Department feels that the goods of the required quality, specification etc, may not be available in the country and it is necessary to also look for suitable competitive offers from abroad the Ministry or Department may send copies of the tender notice to the Indian embassies abroad as well as to the foreign embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries.

v) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the department also contemplated obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

Exceptions :- Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five lakhs in the following circumstances :-

- a) The competent authority in the Ministry of Department certified that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated.

- b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
- c) The source(s) of supply are definitely known and possibility of fresh source(s) beyond those being tapped, is remote.
- vi) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.
- vii) When tender enquiry is scrapped and a fresh enquiry is issued, such an enquiry/tender notice should also be addressed to the firms who had quoted in response to the scrapped enquiry.
- viii) A copy of advertised tender should also be sent to the registered suppliers for their advance information.

Limited Tender Enquiry (Direct invitation to a limited number of firms)

Limited tendering for supply of stores and works shall be adopted if only a limited number of tenderers are known to possess requisite skills, technology and resources, by reason of their high complex or specialized nature, or for works of a secret nature.

When procuring entity engages in limited tendering, it shall select suppliers or contractors from whom to solicit tenders in a non-discriminatory manner and it shall select a sufficient number of suppliers or contractors to ensure effective competition. When the procuring entity engages in limited tendering, it shall cause a notice for their limited tendering proceedings to be published in official publication, leading newspapers and on web sites, in particular.

This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty Five Lakhs. Copies of bidding document should be sent directly by speed post, registered post/courier/e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under GFR Rule-142. The number of supplier firms in Limited Tender Enquiry should be more than three. Further web based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

The Central Purchase Organization reviews the registration of the firms every three years. The Limited Tender Enquiry should be issued to past successful suppliers plus 15 more firms from the approved list (which could be selected on the basis of rotation) or the actual number of firms on the approved list if the number is less than 15. In order to help development of indigenous production, tender enquiries can also be issued to firms whose names are not borne on the list of suppliers but are suggested by the Development Wing.

For issue of "Limited Tender" or "Single Tender", the Procurement Officers will maintain a list of firms, both Indian and foreign (together with their Indian Agents) of known reliability who have been able to satisfy them that they possess the necessary equipment and facilities for supply of stores which they offer and are registered as approved contractors on the lists maintained by the Directorate General of Supplies and Disposal.

As per the existing instructions, the spare parts, tyres, tubes and batteries of vehicle are purchased from the authorized dealers but in the case of failure of the authorized dealers in supply of the spare parts, these items are purchased through NIT.

Note :-

a)It will also be ensured that the firms whose performance was considered unsatisfactory are not allowed to participate against the Tender Enquiry.

b)Purchase Officer are required to maintain list s of registered firms store-wise as intimated by the Registration Branch from time to time and ensure that the list is kept up to date by removing the names of those firms who have been suspended/banned and including those new suppliers and past suppliers.

c)The concerned Purchase Section will prepare, in duplicate, a list showing the names, address of the firms to whom the enquiries are to be issued. One copy of the list will be returned by the dispatch section duly endorsed as a token of having dispatched the tender sets. Any alteration or addition to the list should be authenticated under the full signature of the dealing hand and the base Purchase Officer concerned.

iv)In the case of items in short supply, a copy of the Limited Tender should be sent to SHQrs, Ftr HQrs and Procurement Wing, FHQ to ascertain if any of the firms have started new lines of production for which DGS&D may be looking out for sources.

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A notice drawing the attention of the registered suppliers should also be published in the Indian Trade Journal in such cases. Where this is not possible due to short time available on account of the emergent nature of the demand, the officer concerned should record the reason in writing. The proforma given below may be adopted for the notices to be published in the ITJ drawing the attention of the registered suppliers to the limited tender enquiries issued.

No. _____

Government of India

Ministry of Home Affairs

Director General Border Security Force

Notice for the attention of suppliers registered with the Dte General of Supplies and Disposals. Limited Tender Enquiry No. _____ dated _____ has been issued for supply of _____ (details of stores to be given)

Signature

Late Bids:- In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

Postponement of opening of tender :- Some times, situation may arise necessitating modification of the tender documents already issued (LTI Case) or already put on sale (ATI Case). Also after receiving the documents, a tenderer may point out some genuine mistakes necessitating amendment in the tender documents. In such situations, it is necessary to amend/modify the tender documents suitably prior to the date of submission of bids. When a decision regarding postponement of the date of opening of a tender is taken, it should be communicated to all concerned well in advance of the originally stipulated date of opening in order to avoid complaints. Thus, wherever, it is considered necessary to postpone the opening date of a tender, quick decision must be taken and next date of opening be communicated to the tenderers who have purchased the tender sets and this should be at least 10 days before the ORIGINAL due date of opening . Copies of such amendment/modification should be simultaneously sent to all the selected suppliers by Registered/Speed Post/Courier/E-Mail in case of LTI. In case of ATI, the copies of such amendment/Modification are to be simultaneously dispatched, free of cost, by Registered/Speed post, Courier/E-mail to all the parties who have already purchased the tender documents and copies of such amendments are also to be prominently attached in the unsold sets of the tender documents (Which are available for sale), including the tender documents put in the website.

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Such notice of extension of date of opening should be put on Notice board and also published in the Indian Trade Journal without delay, if warranted.

Single Tender Enquiry (Invitation to one firm only) :- Obtaining quotation by issuing single tender enquiry to a selected source amounts to purchase without generating competition. Therefore the Procurement from a single source may be resorted to in the following circumstances :-

i) in case of stores where it is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods and has the exclusive rights in respect of the goods or construction and no reasonable alternative or substitute exists.

ii) In a case of emergency and there is an urgent need for the goods or constructions and engaging in competitive tendering process would, therefore, be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by procuring entity nor the result of dilatory conduct on its part. At that stage, the required goods be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained;

iii) For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

The procuring entity, having procured goods, equipments or technology from a supplier or contractor, determines that additional supply must be procured from that supplier or contractor for reasons of standardization or because the need for compatibility with existing goods, equipments or technology. Taking into account the effectiveness of the original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the un-suitability of alternatives to the goods in question, it will be cost effective to resort to single source procurement.

The procurement entity engages in procurement involving national defence or national security and determines that single source procurement is the most appropriate method of procurement

Owing to a natural calamity, there is an urgent need for the goods or constructions, making it impractical to use other methods for procurement because of the time involved in using those methods.

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iv) in case of articles which are specifically certified as of proprietary nature by the Indenting Department or when it is to the knowledge of the procuring agency that only a particular firm is the manufacturer of the stores demanded.

Note :- Proprietary Article Certificate in the following form is to be provided by the Ministry/department before procuring the goods from a single source under the provision of sub Rule 154(i) and 154(iii) of GFR 2005 as applicable.

(i)The intended goods are manufactured by M/s_____

(ii)No other make or model is acceptable for the following reasons :-

(iii)Concurrence of finance wing to the proposal vide _____

(iv)Approval of competent authority vide _____

Signature with date and designation

of the Procuring Officer

Suitable tender document, containing required terms and conditions are to be issued to the selected form for preparing and sending its quotation.

The question of 'Late Tender' as well as elaborate process of receipt and opening of tender, as applicable for ATI and LTI will not apply in case of procurement through single tender enquiry.

Note :- In all such cases, suitable reasons will be recorded in writing before resorting to single source procurement.

Single Tender Enquiry : On PAC Basis

This is adopted in case of procurement of Proprietary articles or where it is definitely known that there is only one source of supply. Proprietary Articles certificates are to be issued by CFA with the concurrence of respective IFAs recording reasons.

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Reasons for issue of PAC are as follows :-

i) Fitness : the requirement of fitting equipment in a certain space and interfacing with other equipment is there.

ii) Availability : No other known manufacturer is available.

iii) Standardization : Where there is a need to minimize spares support problem.

iv) Where many of the OEMs are not permitted to respond to RFP as per Govt rules/laws and it is to be ensured that RFP is issued only to the designated agency.

Single Tender Enquiry : On Non-PAC Basis

Procurement from a single source may be resorted to in the following circumstances :-

i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.

ii) In case of emergency by recording reasons and approval of CFA.

iii) For standardization of machinery or spare parts to be compatible in the existing set of equipment or on the advice of technical expert approved by CFA.

iv) See that the selected vendor is a reputed firm.

v) Special dispensation to NCCF/Kendriya Bandar for procuring on single tender basis is no longer in force vide GFR 2005. However, Govt instructions exist for reserving certain items to KVIC, ACASH, CCIC and SSI's in terms of Rule 144 of GFR 2005. These instructions should be looked in to before clearing case on single tender.

Single Tender Enquiry PAC and Non-PAC and Limited Tender Enquiry are to be issued with the concurrence of IFA and approval of CFA. There is no gainsaying the fact that competition is limited to a few established and registered firms which determines the nature and cost of procurement. Association of finance in approval of sources' and right sourcing in Limited and Single Tender Enquiry is indispensable in IFA system.

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Method of Calling Tenders :- There are two systems of Tender Enquiry followed by the Ministries/Departments as under :-

Single bid system :- In case of store items, COTS (Commercially off the shelf) items and other items, which do not involve technical evaluation, Single Bid system is followed.

Single bid system shall be adopted where it is feasible to work out the schedule of quantities and to formulate detailed specifications for goods or construction.

The procedures shall provide for adequate competition in order to ensure reasonable prices. Methods used in evaluation of tenders and the award of contract shall be made known to all bidders and not be applied arbitrarily

Two bid system :- Two bid system shall be adopted in case it is not feasible to formulate detailed specifications for goods or construction and in order to obtain most satisfactory solution to its procurement needs.

This system is followed particularly for purchase of capital equipment, high value plant, machinery, specialized stores like IT, Communication systems and in projects, etc of complex and technical nature where quantitative requirements and technical specifications cannot be framed up **abinitio**. In all such cases, tender enquiry documents, complete in all respects, may be issued as usual. However, in this system the tenders are invited simultaneously in two parts as under:-

a) **Technical Bid:-** The tender documents shall call upon suppliers or contractors to submit in the first stage, initial tenders containing their proposals without a tender price. The tender documents may solicit proposals relating to the technical, quality or other characteristics of the goods or constructions as well as to contractual terms & conditions of their supply. These bids will be evaluated against pre-determined criteria and those who meet the criteria alone will be considered technically qualified and others rejected. This is the first part which contain the relevant technical specifications and allied commercial details as required in terms of the tender enquiry documents.

b) **Price Bid (or) Financial Bid :-** This is the second part which contain only the price quotation. In the second stage of two bid tendering, the procuring entity shall invite suppliers or contractors whose tenders have not been rejected to submit final tenders with prices with respect to a single set of specifications. In formulating those specifications, procuring entity may delete or modify any aspect originally set-forth in the tender documents, all the technical or quality characteristics of the goods or constructions to be procured and any criterion originally set-forth in those documents for evaluating and comparing tenders and for ascertaining the successful tender and may add new characteristics or criteria. Any such deletion , modification or addition shall be communicated to suppliers or contractors in the invitation to submit final tender. The supplier or contractor not wishing to submit a final tender, may withdraw from tendering without forfeiting earnest money that the supplier or ;contractor may have been required to provide.

The technical bid and the financial/price bid should be sealed by the tenderer in separate covers duly super scribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed as per the following procedures :-

“The tender document is to indicate the total number of tender sets (e.g, in duplicate or in triplicate etc) required to be submitted.

The tender is to seal the original and each copy of the tender in separate envelopes, duly marking the same as “Original”, “Duplicate” and so on and also putting the address of the purchase office and the tender reference number on the envelopes. Further the sentence ”NOT TO BE OPNED” before _____(due date & time of tender opening) are also to be put on these envelopes. The inner envelopes are then to be put in a bigger outer envelope, which will also be duly sealed marked etc, as above. If the outer envelope is not sealed and marked properly as above,. The purchaser will not assume any responsibility for its misplacement. Premature opening, late opening etc.,

All the above instructions are to be suitably incorporated in the tender documents”.

The Technical bids are to be opened in the first instance, at the prescribed time and date and the same will be scrutinized and evaluated by the competent committee/authority with the reference to parameters prescribed in the tender documents and the offers received from the tenderers. Thereafter, in the second stage, the financial/price bid of **only the technically acceptable offers** (as decided in the first stage above) are to be opened for further scrutiny, evaluation, ranking and placement of contract.

Negotiation:- Negotiations should be undertaken only exceptional circumstances. Negotiations, after tender have been opened, should be severely discouraged. However, in exceptional circumstances where price negotiation against an adhoc procurement is necessary due to some, unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.

Where, however, competition is restricted and there are only two or three firms or a group of allied firms producing the stores in demand, **“AB-INITIO” Negotiation** with the industry concerned may be more advantageous than calling for tenders. **“AB-INITIO” Negotiation** should be under-taken only in the following cases :-

- a) Purchase of proprietary articles
- b) Purchase of stores manufactured by only two or at the most three firms, in which case all the firms should be called for negotiations.

“AB-INITIO” Negotiation

The system of “Ab-initio” negotiation may be adopted with the prior approval of the CFA who have been authorized to exercise the powers, in exceptional circumstances, e.g. where there is no competition or where there is shortage of capacity or where it is in the public interest to adopt this system.

Where, “Ab-initio” negotiation is adopted as the mode of purchase, a set of tender form including specifications, drawings and other allied details of the stores shall be forwarded to the supplier(s) concerned with instructions that they should go through the documents thoroughly and return it with an undertaking that they have fully studied and understood the requirements correctly and can meet the requirement. Techno-commercial negotiation (excluding price) shall be conducted with such of those suppliers who have agreed to meet the requirements by a committee consisting of the representative of the Purchase Unit, Internal Finance of the Purchase Unit and the Indenting Officer. After holding the techno-commercial discussion with the supplier(s) concerned, the negotiating committee will draw up minutes of the meeting indicating the techno-commercial agreements reached with the supplier(s) (excluding the price) and get the minutes signed by all the members of the negotiating committee including the supplier’s representatives who are present at the meeting. The representative of the suppliers who are present during the negotiation will be informed that they will be required to quote the price for the item in a sealed envelope super scribed with DPS Reference Number and the due date within the time and date specified by the Purchase Unit which will be fixed and intimated by th4e purchase Unit which will be fixed and intimated by the Purchase Unit to the suppliers concerned and open the price bid on the specified due date and time.

SALE, RECEIPT AND OPENING OF TENDER DOCUMENTS

Cost of Tender Documents

Price of the tender document should take care of the preparation and delivering cost only. If it is too high, it will discourage the prospective bidders to purchase the document and participate in the bidding process

Sale of Tender Documents

On receipt of request from individual firms, Cash Section will issue these tender sets after affixing a coupon on it for the requisite amount as the price of the set. After the closing date of the tender, Cash Section and Purchase Section will reconcile the details of the sale to tenders, prepare a list of firms to which the tender sets have been sold. Un-sold tender sets will be destroyed after collecting the specifications and drawing and returned with the statement of sold sets to the issuing office at the close of each month. The same procedures should also be adopted in the case of advertisement tenders,

Tender documents should preferably be sold up to one day prior to date of opening of tenders and the same should be clearly indicated in the documents. The organization should also post the complete tender document in the web site and permit prospective tenderers to make use of the document downloaded from the web site. If the tender document is a priced one, there should be clear instructions for the tenderers in the document (which has been downloaded) to pay the amount by demand draft etc. along with the tender, prepared in the downloaded document.

The sale of tender documents against ATI should not be restricted and should be available for sale freely.

The purchase organization shall maintain proper records about the number of tender documents sold, list of parties to whom sold, details of the amount received through sale and, also, the number of unsold tender documents, which are to be cancelled after opening of the tenders.

Text of Tender Notice

The tender notice for an Advertised Tender Enquiry should be carefully drafted. It should contain all the salient features of the requirement in brief to give a clear idea to the prospective tenderers about the requirements. Superfluous or irrelevant details should not be incorporated in the tender notice, as it will increase the cost of the advertisement. All Government purchases should be made in a transparent,

competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows :-

- The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language.
- The criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc;
- Eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc, which may required to be met by the successful bidder.
- A brief but clear description of stores, its quality and quantity required should be given with the raw material involved. For an example, where the stores required is “Container”, it should be indicated “Plastic” or “Metal” as the case may be so that only the firm dealing with the stores would buy the tender sets for the stores in which they are interested.
- Terms and conditions for supply of stores
- Cost of the tender/bidding document
- Place(s) and timing of sale of tender documents and amount, if any, to be paid for such forms of tender.
- Place and deadline for receipt of filled tender documents from tenderers.
- Place, date and time of opening of tender.
- Amount and Form of Bid security/Earnest Money Deposit
- With whom, or on what authority, the acceptance of the tender will rest.
- Terms and conditions and Place where the stores are to be supplied
- The quantity to be purchased should normally be indicated, but, where the purchase Officers considers that the disclosure of the full quantity may have adverse effect on the price at which purchase is likely to be made, he should exercise his discretion not to disclose full quantitative details.
- Requirement of document/evidences that must be submitted by the suppliers to demonstrate their eligibility
- Where the authority holding the sealed particulars, desires an advance sample, the clause given below should be incorporated in the “special consideration” of the tender enquiry :-
“The purchaser may, at his discretion, require the prospective contractor to submit an advance sample for approval of the Authority Holding the Sealed Particulars/inspection Authority. Wherever the contracts stipulates submission of an advance sample, the sample will have to be

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submitted within the said time or in the opinion of the purchase authority the sample is unacceptable, the contract is liable to be cancelled at the risk and cost of the contractor”

- Special terms affecting performance , if any
- The means by which suppliers may seek clarifications on the tender documents and a statement as to whether the procuring entity intends at this stage to convene a meeting of suppliers.
- Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/or rejection of its bid.
- Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- These bidder should be given reasonable time to send their bids.
- The period of time during which tender shall be valid.
- The procedures to be followed for opening and examining tenders
- The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.
- Having the right of Procuring agency to out rightly rejecting one or all tenders without assigning any reasons should be stated in the advertisement.
- Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- Any attempt at negotiation direct or indirect on the part of a tenderer with the authority to whom he has submitted the tender or the authority who is competent finally to accept it after he has submitted his tender or any endeavour to secure any interest for an actual or prospective tenderer or to influence by means the acceptance of a particular tender will render the tender liable to exclusion from consideration.

- Whether the supplier is involved in any criminal case etc
- Ever the supplier was debarred/black listed by any Department ,if so details thereof
- Financial capacity and details of past supply to Govt agencies.
- Any other formalities that will be required once a tender has been accepted for supply of stores/services etc.
- where it is feasible to work out the schedule of quantities and to formulate detailed specifications for goods or construction

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- The procedure shall provide for adequate competition in order to ensure reasonable prices. Methods used in evaluation of tenders and the award of contract shall be made known to all bidders and not be applied arbitrarily
- **Buy back offer:-** When it is decided with the approval of the competent authority to replace an existing old items(s) with a new and better version, the department may trade the existing old item while purchasing the new one, For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over and old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

Pre-bid Conference :- In case of turn-key contract or contract of special nature for purchase of sophisticated and costly equipment, a suitable provision is to be kept in the tender enquiry document for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specification and other allied technical details of the plant, equipment and machinery projected in the tender enquiry document. The date, time and place of pre-bid conference should be indicated in the tender enquiry document for information of the interested tenderers. This date should be sufficiently ahead of tender opening date.

Contents of Bidding Documents:- All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below :-

Chapter-1 : Instructions to Bidders

Chapter-2 : Conditions of Contract/Supply of stores

Chapter-3 : Schedule of Requirement

Chapter-4 :” Specifications and allied Technical Details

Chapter-5 : Price Schedule (to be utilized by the bidders for quoting their prices)

Chapter-6 Contract Form

Chapter-7 : Other standard forms, if any, to be utilized by the purchaser and the bidders.

Bid Security :- (i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except those who are registered with the Central Purchase Organization, National Small Industries Corporation (NSIC) or the concerned Ministry or Department. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured. The exact amount of bid security, should be determined accordingly by the Ministry or Department and indicated in the bidding documents. The bid security may be accepted in the form of Accounts Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

Bid Security of the un-successful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.

Performance Security :- (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded to contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status. Etc. Performance Security should be for an amount of five to ten percent of the value of the contract. Performance Security may be furnished in the form of an Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial Bank, Bank Guarantee from a Commercial bank in an acceptable form safeguarding the purchaser's interest in all respect.

ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligation.

iii) Bid Security should be refunded to the successful bidder on receipt of Performance Security.

Advance Payment to Supplier :- Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases :-

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- i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipments etc.
- ii) Advance payment demanded by firms against fabrication contracts, turnkey contracts etc

Such advance payments should not exceed the following limits :-

- i) Thirty percent of the contract value to a Private Firms;
- ii) Forty percent of the contract value to a State or Central Government agency or a Public Sector Undertaking; or
- iii) In case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

Ministries or Department of the Central Government may relax, in consultation with Financial Advisers concerned, the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc. should be obtained from the firm.

Part payment to suppliers :- Depending on the terms of delivery incorporated in a contract , part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

Format of Tender :- The tenderers are to furnish their quotations as per the prescribed format and also as per the instructions incorporated in the tender documents.

Quotations sent by telex, cable or facsimile are to be ignored and rejected.

Sealing and Marking of Tender :- The tender document is to indicate the total number of tender sets (e.g. in duplicate or in triplicate etc) required to be submitted.

The tenderer is to seal the original and each copy of the tender in separate envelopes, duly marking the same as “Original”, “duplicate” and so on and also putting the address of the purchase office and the tender reference number on the envelopes. Further the sentence “Not to be Opened” before(due date and time of tender opening) are also to be put on these envelopes. The inner envelopes are then to be put in a bigger outer envelope, which will also be duly sealed marked etc. as above, the purchaser will not assume any responsibility for its misplacement, premature opening, late opening etc.

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All the above instructions are to be suitably incorporated in the tender documents.

Receipt, Custody and distribution of Tender :- Receipt, Custody and distribution of tender shall be done in a transparent manner.

The tender box should be located in a place, which is easily accessible to the parties for dropping their tenders. The tender box shall have two locks. Key of one lock will be with the head of the office and other key with the official nominated by him. On each occasion of tender opening, the tender box will be opened by at least two Officials at the prescribed date and time (as per the date and time specified for receipt of tenders) and the relevant tenders will be taken out. In the tender box, there may be tenders for other cases due for opening later; such tenders are to remain in the tender box under lock and key. The tenders so taken out are to be entered in a challan in duplicate duly signed with date and time by the two officials and sent to the officials authorized to open the tenders. Signature of the receiving officials will be obtained on the duplicate copy of the challan for record.

There may be cases where the tenders are too bulky to be put in the tender box or the purchase office is yet to install tender box and, therefore, the tenders are to be submitted by hand. In such cases, it should be ensured that names and designations of at least two officers, who will receive the tenders, are prominently mentioned in the tender documents. The information about these officers should also be displayed at the entrance/reception of the premises where tenders are to be deposited. The Officer receiving a tender is to give the bearer of the tender a receipt duly signed by him with date and time of receipt of the tender. A separate register is to be maintained for keeping records of the bids, received by hand. Such bids will be kept in safe custody with the head of the office or his authorized representative till the date & time of bid opening and then such bids will be handed over the bid opening officer through challan, in identical manner as mentioned in the previous paragraph.

Sometimes, tenders are also received by post. Such tenders shall be received and documented in identical manner as applicable for tenders received through hand delivery.

Late Tender :- In case of advertised tender enquiry or limited tender enquiry, late tenders (i.e. tenders received after the specified date and time for receipt of tenders) should not be considered.

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Opening of Tenders:- The tenders shall be opened by the authorized purchase officer, who will be other than the one who has to deal with the purchase subsequently. The latter should under no circumstances open the tenders.

All the tenders received on time shall be opened in the presence of authorized representatives of the tenderers (who have submitted regular tenders) at the prescribed time, date and place. The authorized representatives who intend to attend the tender opening, are to bring with them letters of authority from the corresponding tenderers.

Tenders should be opened immediately after the deadline of receipt of tenders with minimum time gap in between. At least two duly authorized officials of the purchase department should jointly open the tenders.

The officer opening the tenders will read out following particulars only from each tender opened by him for the information of the representatives attending the opening :-

- i) Tender No. and the name of tenderers.
- ii) Articles/nomenclature of the stores
- iii) Quantity offered in the tender
- iv) Unit price (Whether Excise duty, statutory duties, sales tax extra or not)
- v) Whether any rebate/discount offered. If so, quantum and conditions if any
- vi) Delivery period offered
- vii) Terms of delivery
- viii) Any other special conditions like packing charges deviations from standard DGS&D conditions etc.
- ix) EMD furnished or not.

After opening, every tender shall be numbered serially, initialed, and dated on the first page by all the officials authorized to open the tenders. Each page of the price schedule or letter attached to it shall also be initialed by them with date, particularly the prices, delivery period etc., which shall also be circled and initialed with data. Blank tenders, if any, should be marked accordingly by the tender opening officials.

Alterations in tenders, if any, made by the tenderers shall be initialed with date and time by the officials opening the tenders to make it perfectly clear that such alterations were present on the tenders at the time of opening. Wherever any erasing or cutting is observed, the substituted words should also be encircled and initialed with date and time to make clear that such erasing/cutting of the original entry was present on the tender at the time of opening.

Responsibility of the Tender Opening Officials :- In addition to what has been mentioned in preceding para, the tender opening officials will prepare a list of the representatives attending the tender opening and obtain their signatures on the same. The list will also contain the representatives names and the corresponding tenderers names and addresses. The authority letters brought by the representatives will be attached with this list. This list will be signed by both the tender opening officials with date and time.

An on-the-spot report containing the names of the tenderers (serial number wise) salient features of the tenders, as read out during public opening of tenders will be prepared by the tender opening officers duly signed by them with date and time.

The tender which have been opened, the list of the representatives attending the tender opening and the on-the-spot report are to be handed over to the nominated purchase officer and acknowledgement obtained for the same.

Scrapping of Tenders and issue of fresh enquiries :- This contingency should be exception rather than a rule. Re-invitation to Tender can be justified only where there has been material change in the basis specification after receipt of tenders or where the offers received do not conform to specifications in important respects or where prices quoted are unreasonably high or because of a sudden slump.

Note :- i) The case where no offer has been received, should be treated as if purchaser has not gone out for tender at all.

ii) In cases where inquiries against the same demand are sent in the second or subsequent round, the previous one having been scrapped for one reason or the other, it should be made clear to the parties who may have quoted against the previous tender that the fresh invitation to tender is in supersession of the previous one.

iii) Tender Enquiries/Notices should also be sent to those firms who had participated in the Tender Enquiry subsequently scrapped

Return of Tenders received against tender enquiries cancelled/scrapped subsequently :- Such tenders may be returned on request. It is not necessary to authorize automatic refund of cost of tender on scrapping. Claims when received should be finalized with the approval of competent authority. Similarly the un-successful tenderers should, as far as possible, be informed of the reasons for non-acceptance of their tender.

Preservation of the rejected tender/quotation :- The purchase department should preserve the rejected quotation in a separate folder alongwith the relevant purchase file.

E-Procurement :- Purchase of goods through electronic mode of interface with tenderers and IT enable management of the ;entire procurement process (notice inviting tenders, supply of tender documents, receipt of bids, evaluation of bids, award of contract, and execution of contract through systematic enforcement of its various clauses and tracking of claims, counter-claims and payments) is gradually gaining popularity. In order to cut down transaction costs and improve efficiency and transparency, the Government aims to make it mandatory for all the Ministries/Departments including the Central Public Sector Undertakings under their administrative control to conduct all their procurements electronically beyond 31st December, 2006. The Ministries/Departments have been advised to fix appropriate cut-off points in terms of the size of procurement to switch over to e-procurement. The Director General (Supplies & Disposal) has made significant progress in this direction and the National Informatics Centre is engaged in pilot projects to design a secure IT solution addressing concerns like encryption/decryption of bids, digital signatures, secure payment gateways, date/time stamp for activities, access control etc. The Ministries/Departments have already been directed to publicize all their tenders on the websites as the first step towards full-fledged e-procurement. The Ministries/Departments are advised to proactively engage themselves in articulating user needs in the development of IT systems for e-procurement. The system should be secure, capable of maintaining complete confidentiality at appropriate stages of the bidding process, so that the tenderers feel confidence in electronically transmitting their queries and bids.

However, as all the tendering firms may not have the facility of transmitting their quotations through e-mail, the Ministry/Departments should allow the receipt of quotations through hard copies as well as by e-mail. The closing date & time for receipt of tenders should be identical for both types of tenders.

Preparation of Comparative Statement:- After the tender have been opened and on the spot abstract prepared the officer-in-charge will have the comparative statement prepared on the same day or latest within 48 hours on the form prescribed for the purpose. All necessary details concerning the firms, offer such rates, make delivery, quantity offered, discount offered, details of all levies like excise duty, sales tax, surcharge, delivery charge etc, together with any other information relevant to the decision of the tender should be accepted and neatly entered in the comparative statement. The information whether the firms who have quoted are registered or not or ISI unit or not, must also be indicated. The LPP (Last Purchase Price) must be given in the appropriate column of the statement.

It should be checked whether the lowest offer is accepted and in case the lowest offer is not accepted, reasons for the same are recorded in writing by the authority to decide the case and the same is available in file.

Finally, the tender opening officers will submit the comparative statement to the competent authority along with its specific recommendations for approval. The Indenting Officer shall place the supply order after the comparative statement is approved by the competent authority who has been vested with the financial powers to accord sanction for such purchase as per the delegation of financial powers.

Intimation of acceptance of tender :- The contract is brought into existence upon communication of the acceptance which must be within the time prescribed.

A procurement contract in accordance with the terms and conditions of the accepted tender comes into force when the notice of acceptance of tender is dispatched to the supplier or contractor that submitted tender, provided that it is dispatched while the tender is in force. Proper care should be taken to address the letter or telegram of acceptance correctly.

Signing of Purchase order/Supply order :- All purchase order will be signed by the Stores & Purchase Officer or in his absence by the Administrative Officer.

All purchase orders will be issued as per specific format in which the references of terms and conditions offered by the supplier and accepted by the purchaser is to be captioned.

All purchase made on credit basis must be on the basis of the firm supply orders.

Copies of purchase order shall be endorsed to Stores In-charge, Indenter and Finance Officer.

Purchase order or Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract/supply satisfactorily as per the terms and condition incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against adhoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive e bidder at the rates offered by the lowest responsive bidder.

The name of the successful bidder awarded the purchase order/contract should be mentioned in the Department Notice board or website.

Once the supply of stores is received, a Board of Officer has to be detailed to check the quality and quantity of such stores in accordance with the supply order, taken into ledger charge and bills will have to be submitted to Accounts Officer along with necessary sanction order for passing and payment.

Follow up of Purchase Order :- Purchase Section will be responsible to ensure that Purchase Orders are regularly followed up and materials ordered are supplied by parties concerned within the stipulated delivery period.

Orders follow-up letters will be regularly issued to pursue suppliers to supply materials as per delivery schedule. When the delivery date have expired, the firm should be asked to indicate the revised date by which they expect to supply. The extension in deliveries may be granted subject to penalties in the contract, if any.

Escaslation of price :- No escalation of price is normally admissible after opening the tender or after placing the order. For cases, where escalation is apparently justified because of statutory levies after opening of tender or placement order, the matter must be resubmitted to Financial Advisor for scrutiny and decision of the competent authority.

Issue of repeat orders :- Repeat orders may be placed on the following conditions :-

- i) Within six months from the date of original order. This may be extended to one year on discretion of competent authority.
- ii) The items to be ordered again should be of identical specifications.
- iii) The Purchase Officer should be satisfied that there is no downward trend in the market price.
- iv) The quantity to be ordered shall not normally exceed the quantity in the original order. Repeat order for larger quantities can be considered by the competent authority in case of extreme urgency.
- v) The original order should have been placed for proprietary item or on the basis of lowest technically acceptable quotation.
- vi) The original order should not be an 'emergency' order or an order placed on 'Preferred Delivery' basis.
- vii) Efforts should be made to obtain quantity discount from the supplier.
- viii) Repeat Order may also be placed on the basis of the Purchases finalized by a sister organization.
- ix) Several repeat orders may be placed during one year after placing first order, depending on time to time requirement, if such possibility is indicated in the enquiry and the contractors/suppliers have been asked to quote their rates accordingly.
