

# INTEGRATED MANUAL FOR PROCUREMENT AND WORKS

(JUNE, 2024)



Brahmaputra Valley Fertilizer Corporation Limited  
NAMRUP  
(A Govt. of India Undertaking)  
P.O.: PARBATPUR – 786 623  
Dist.: DIBRUGARH, ASSAM

## FOREWORD

Purchase Manual for Brahmaputra Valley Fertilizer Corporation Limited was approved in the year 2006. Also, there was no separate Works Manual for BVFCL.

There have been significant changes in Policies & Guidelines of Government of India over the period together with means of communication. Further, Department of Expenditure in collaboration with CVC updated (up to June, 2022) and released the Manuals on i) Procurement of Goods, ii) Procurement of Works & iii) Procurement of Consultancy & other Services. DPE advised the Ministries, Departments & Public Sector Enterprises to bring their own procurement policies/guidelines in sync with the updated manuals released by DoE on 01/07/2022.

All the above necessitated compilation of Integrated Manual for Procurement & Works.

The Integrated Manual for Procurement & Works will come in force with immediate effect and will serve as supplementary to the respective manuals issued by DoE, Government of India. It is desirable that the approved procedures shall be fully complied with. Any deviation in the procedure shall require approval of the competent authority. Amendment of the Manual, if any, shall be issued by Materials Management department after approval of the competent authority.



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## **1.0 INTRODUCTION**

Brahmaputra Valley Fertilizer Corporation Limited is a wholly owned Government of India Undertaking engaged in the business of production of neem coated urea, bio fertilizer, FME for imported urea and trading of agro & fertilizer products. Procurement of goods and services is of paramount requirement to ensure uninterrupted operational activities in BVFCL.

### **1.1 OBJECTIVE OF THIS MANUAL**

The primary purpose of this Manual is to constitute a reference, provide basic guidance and to outline the general methodology to be considered while exercising procurement functions for timely availability of goods and services in the most transparent and competitive manner. The Manual is designed considering standard strategies, policies, relevant guidelines and best procurement practices in the industry.

The objective of this Manual is to effectively ensure –

- a) Economy and quality procurement of goods, services and works
- b) Uniform practice and methodology/procedures across BVFCL
- c) Transparency and fairness in procurement
- d) Responsibility and accountability
- e) Compliance to statutory regulations

This Manual is to be followed uniformly throughout the company in the manner defined and designated. The laid down principles and procedures detailed in the Manual is not restrictive. Deviation from the Manual shall not tantamount to violation of procedure provided appropriate approval is obtained for such departures which are within the basic philosophy of procurement.

## **2.0 SCOPE OF WORK (SOW) / SPECIFICATIONS**

In order to have proper and competitive offers the specification and scope of work for materials, goods, services /works should be complete and unambiguous. Wherever necessary, the relevant drawings, data sheets, samples in relation to the works involved should be provided.

- 2.1 The specification should be drawn up in general terms without quoting reference to any particular firm or referring the model of a

particular firm.

- 2.2 The indenter should avoid drawing of specification which ends up in procurement of proprietary item except in cases where proprietary procurement is unavoidable. The specification for standard items which are commonly in use should be standardized for uniform use in BVFCL. While raising requirement for such item, no further specification be prepared and the one which is standardized must be used.
- 2.3 The scope of work/services/supply and specification shall be prepared by indenting department and will have the approval of competent authority that approves the PR as per DoP.
- 2.4 The bidder should be given a reasonable time for mobilization of equipment, delivery of goods/materials, completion of jobs by specifying appropriate time period in the tenders. This shall enable bidders to quote competitive price and avoid unnecessarily loading their price for likely compensation for delay (liquidated damages). While raising PR where installation and commissioning is involved, specific time frame towards installation and commissioning period to be indicated which will help in getting competitive offers and no ambiguity during evaluation. Wherever there is requirement of installation and commissioning a separate period shall be defined in the tender document for the same within the overall completion schedule.
- 2.5 In addition to above, in case of LSTK and civil works all necessary information, service detail etc. which are available with BVFCL to be provided in the tender documents.

### **3.0 BID EVALUATION CRITERIA (BEC)**

- 3.1 The Bid Evaluation Criteria (BEC) is to be formulated while seeking the bids on open tender basis. The purpose of BEC is that only the competent bidders who can supply / execute the job and provide the services as per technical and commercial criteria, scope of the tender document, are shortlisted. The BEC shall have technical as well as commercial criteria for examining the bids.

In case of limited tenders where vendor empanelment has not been done, the BEC shall be incorporated in such tenders also and uploaded in the BVFCL / Govt. websites so that any capable

bidder may download and submit the bid.

- 3.2 Utmost care should be taken in formulating BEC so that the ultimate objective of purchasing function, i.e. procuring the required materials / services / works as per required specifications, delivery/completion schedule at most competitive prices, is met.
- 3.3 The capability / eligibility of a bidder is assessed for technical competence based on the similar past experience of execution / manufacturing / service providing and availability of relevant facilities for performing the job as per relevant standard.
- 3.4 The financial strength of the bidder is assessed through a scrutiny of financial document such as profit & loss statement, balance sheet with reference to turnover, net worth and other financial parameters.

While the factors relating to experience and manufacturing / fabrication capability are more relevant and important for orders pertaining to supplies; experience and financial soundness assume relatively higher importance and relevance while assessing capability of contractors for construction works, turnkey jobs and services to be provided by them.

- 3.5 The BEC and other relevant tender condition should be made in such a manner that the competent bidders participate in the tender and there is sufficient participation, the BEC should never be framed keeping in view a particular bidder / bidders. As far as possible the BEC should be general in nature meeting the job requirement ensuring adequate competition without compromising on quality / competence of the bidder.

### **3.6 FINANCIAL CRITERIA:**

The following financial criteria should be included in open tender in order to ascertain financial soundness of the bidders:

Sl. No.	Financial Criteria	(to be considered from the original bid closing date)
1	Annual Turnover	
	Value	(i) 50% (*) of the estimated value for all cases where execution / delivery period is less than one year.  (ii) 50% (*) of the annualized estimated value for all cases where execution/delivery period is more than one year.
	For consortium	At least one member of the consortium
		To meet the above criteria of 50% turnover.  The other members of consortium should meet minimum 25% turnover requirement.
	Period for consideration	In any of preceding 3 financial years
2	Net worth	Positive for preceding financial/accounting year. Also, Net worth should have not eroded by more than 30% in the last three financial accounting years.

\* In case of civil / service contracts up to a ceiling of Rs. 1 Crore, the turnover shall be 30% of the estimate, which are normally executed by local contractors; the socio-economic condition is also under consideration.

### **3.7 TECHNICAL CRITERIA:**

#### **3.7.1 Purchase:**

- i) Experience of manufacturing and supply of similar or with higher specifications of equipment / materials / plant in previous 5 (five) years to be reckoned from the original stipulated bid closing date of the tender.
- ii) Availability of manufacturing / fabrication facility with adequate testing /quality assurance facility as per applicable codes, if required considering the nature of items.



- iii) The bidder should have experience of successfully executing at least 1(one) similar order for 50% of the estimated value in preceding 5 (five) years.
- iv) In case of rate contract for supply of bulk materials / off the shelf items/ consumables etc. the bidder should have executed at least 50% of the annualized value of the estimate under the tender in one year, of the preceding 5(five) years.
- v) If the experience can be specified in terms of technical parameters, the criterion of similar works experience may not be necessary to be specified in terms of value.
- vi) “Similar order” if specified in BEC must be clearly defined in the tender documents.

3.7.2 Works (including LSTK) / Services / Consultancy :

1. The party shall submit documentary evidence with respect to experience of having successfully completed similar works with performance and completion certificate, during the last seven years ending last day of previous month in which NIT has been issued at least one of the following:
  - a) Three similar completed works each of value not less than 40% of the estimated cost (with performance/completion certificate).

OR
  - b) Two similar completed works each of value not less than 50% of the estimated cost (with performance/completion certificate).

OR
  - c) One similar completed works of value not less than 80% of the estimated cost (with performance/completion certificate).
2. “Similar Works” if specified in BEC must be clearly defined in the tender documents.
3. If the experience can be specified in terms of technical parameters, the criterion of similar works experience may not be necessary to be specified in terms of value.

- 3.7.3 In case of tenders for Annual rate contracts / Maintenance and Service contracts, if the prospective bidder is executing rate / maintenance / service contract which is still running and the contract value / quantity executed prior to due date of bid submission is equal to or more than the minimum prescribed value in the BEC such experience will also be taken in to consideration provided that the bidder has submitted satisfactory work / supply / service execution certificate issued by end user.
- 3.7.4 The above regarding the BEC are the general guidelines to be considered while formulating bid evaluation criteria. The indenting department concerned, with due reasoning, may suitably formulate the BEC depending upon the job requirements and the same shall not be treated as deviation to the procedure. While making BEC, the prime objective is that only capable bidders are qualified. At the same time, there should be sufficient participation.
- 3.7.5 A job executed by a bidder for its own organization / subsidiary cannot be considered as experience for the purpose of meeting BEC.

### **3.8 APPROVAL OF BID EVALUATION CRITERIA:**

In case of tender being processed through open advertisement, a suitable BEC needs to be formulated covering technical as well as commercial aspects. Bid Evaluation Criteria will be integral part of a Material Indent/ Contract Proposal and shall be put up for approval of the competent authority as per Delegation of Power (DoP).

### **3.9 MODIFICATION / AMENDMENT TO BEC:**

Modification to BEC is not desirable and shall be avoided. However, as a result of Pre-Bid Conference or any other valid reason, if modification to BEC is inevitable, on recommendation of Tender Committee with full justification the modification can be approved by the competent authority as per DoP.

Modification to BEC is not permitted after the receipt of the bids.

### **3.10 BID REJECTION CRITERIA (BRC):**

It is important to explicitly include all such terms and conditions which are considered absolutely necessary to be accepted by bidder without any deviation. Tender document should have a stipulation that deviation to such criteria shall make the bid liable for rejection. Broadly the following are to be included in the tender as bid rejection criteria:

Deviation to the following provision of the tender document:

- a) Firm price
- b) EMD / Bid Security
- c) Scope of work
- d) Specifications
- e) Price Schedule
- f) Delivery / Completion Schedule
- g) Period of Validity of Bid
- h) Liquidated Damages
- i) Performance Bank Guarantee / Security deposit
- j) Guarantee of material / work
- k) Arbitration / Resolution of Dispute
- l) Force Majeure
- m) Applicable Laws
- n) Integrity Pact, if applicable
- o) Any other condition specifically mentioned in the tender documents elsewhere that non-compliance of the clause lead to rejection of the bid.

### **3.11 LOADING CRITERIA:**

3.11.1 In case there are certain foreseen acceptable deviations which can be loaded financially, the same needs to be indicated in the tender document along with quantum / rate of loading.

3.11.2 In case BVFCL opts to supply cement, steel etc. to the contractor, the bidders are required to quote the consumption and BVFCL is to indicate in the tender upfront the rate for loading of price for such items in case of turnkey packages.

3.11.3 The stipulation in case of BVFCL providing steam, power and other such utilities for consumption by the contractor, the

bidder to quote the consumption and the tender should have the rate for loading such consumption.

- 3.11.4 In addition to above, if there are any other factors which impact the price evaluation, the same needs to be mentioned in the tender document. Further the tender document should contain the method of evaluation for such factors in unambiguous manner while evaluating the price bid.

#### **4.0 RAISING OF PURCHASE REQUISITION**

4.1 For procurement of regular stock items, purchase requisition shall be raised by MM department, being indenter for such items.

4.2 In case of non-stock items, the procurement requisition shall be raised by user department for supply, services, works, LSTK jobs etc.

4.2.1 The indenter will provide along with PR the following :

- i) Scope and specification for supply, services, works involved under the PR in a manner as explained herein before in Para 3.0.
- ii) The estimate for the scope covered under the PR for goods, works and services which shall be used for tendering purpose and decision making process for award while comparing with the actual price received against the tender.
- iii) It is desirable that the indenter who shall frame qualifying criteria (technical & experience) also indicate the numbers and names of the prospective bidders who are likely to qualify under the proposed BEC. However, it may happen that during the actual tendering the response may be more or less as compared to mentioned in the PR. This shall give fair idea about participation.

Further procurement personnel may inform such bidders in advance about the tender as proactive action.

- iv) For stock items last order reference/budgetary quotation

may be used for price comparison purpose.

- v) Budget provision and Expenditure Sanction with fund allocation.
- vi) Schedule of Rates, with full description of items, their quantities, blank price column.
- vii) Detailed technical specification for bidding purposes.
- viii) The date by which the delivery/work to be completed.
- ix) The delivery/completion period should be realistic as the bids become liable for rejection on the same grounds.
- x) The Purchase Requisition must indicate the type of budget with job number.
- xi) If the invitation of bids is to be done on limited tender basis beyond the threshold limit (Rs. 25 lakhs) for limited tender, the Purchase Requisition shall indicate about the approval of competent authority as per DoP duly mentioning the grounds of resorting to limited tendering and the names of the parties whom the indenter considers as capable and competent may be specified in the Purchase Requisition.
- xii) If the invitation of bids is to be done on single source/nomination basis, the indenter should provide full justification as to resorting on nomination basis for the particular item/services/works and selection of a particular source. Approval of the competent authority as per DoP will be required for invitation of the bid on single source/nomination basis.
- xiii) In case an item is to be procured on proprietary basis, the PR shall be approved by the competent authority as per DoP certifying in the PR itself that the item/services is proprietary and there is no other alternative. Further the PR should include the name and address of the party from whom the item is to be procured.

- xiv) In case of emergency as defined at Para no. 6.14 and declared by the Management, the normal procurement procedure may not be applicable. However, the procurement should be done with application of normal prudence and maintaining transparency.
- xv) In the event of breakdown / capital overhaul of an equipment or major facility revamp works & services, where it may not be possible to assess the extent of repair action (at bidding stage) and cost estimates, the expenditure sanction may be obtained post inspection but before start of works. This is applicable only in case of equipment repairs through OEM / their authorized workshop. In case of facility repair / revamp such assessments should be carried out by a committee of representatives from Indenting Department, Finance Department & Production Department. In all the above cases, approval of the competent authority and expenditure sanction for emergency works as per DOP is required.
- xvi) Time schedule for utilization of material/equipment being procured including schedule of readiness of the front/site for erection and commissioning, if any.
- xvii) Bid Evaluation Criteria
- xviii) Special Conditions of Contract.

#### **4.3 COST ESTIMATE:**

- a) The cost estimate is a very important factor in decision making process for procurement. Therefore, the cost estimate should be realistic and real time so as to achieve economy and efficiency in procurement. In cost estimation, important factor inter alia following may be considered:
  1. The established engineering practices for cost estimation.
  2. For frequently purchased items the last purchase price for similar items / works / services (Max. 3 years).
  3. CPWD rates and Delhi Schedule of Rates (DSR).
  4. Costing details and data available from other sources like CPSUs.

5. Market price trend analysis.
  6. While drawing reference to the last purchase price, indices like Wholesale Price Index (WPI), Consumer Price Index (CPI), Metal indices, Foreign exchange fluctuation, oil price movement etc. may also be considered for a realistic estimate.
  7. Budgetary quotation. While estimate based on budgetary quotation is not a preferred method, wherever necessary the budgetary quotation should be obtained after giving complete detail and scope of specification. It is preferred to have minimum 3 (three) budgetary quotations and draw an average out of this.
- b) Both the item wise and total cost estimates are important for taking decision for procurement and are also important for evaluation of bids.
- c) If in-house expertise is not available for estimation, service of the reputed project management consultants who have the facilities for cost estimation can also be availed for complex and major cases.
- d) Review of Estimate  
The variation between cost estimate and the lowest of evaluated bid price shall call for review of the estimate. Such review needs to be done more exhaustively where the variation of the price is more than 10% of the cost estimate. This analysis is required to arrive at proper decision for placing order as well as keeping in view the other aspects like project schedule / operation etc.

#### **4.4 BUDGET & TECHNICAL SANCTION:**

##### **4.4.1 TECHNICAL SANCTION**

A proper detailed cost estimate based on specification, essential drawings and preliminary structural and service designs shall be prepared to accord approval by the competent authority. The Sanction to the estimate must be obtained before the bids are invited. It indicates only to the extent that the proposals are structurally sound and the estimates are accurately calculated and based on adequate data.

#### **4.4.2 BUDGET SANCTION**

Budget Sanction to a project or part thereof shall be accorded by the competent authority according to DoP.

Budget sanction shall be accorded on the basis of cost estimates and the scope of work.

#### **4.5 EXCESS OVER BUDGET SANCTION:**

In case, any excess over the sanctioned amount is known before bidding or during bidding, the bidding process shall not be held up for want of additional Budget sanction. However, LOI /Award of work/ Letter of Award (LOA) shall not be issued without obtaining expenditure sanction inclusive of additional sanction, if any. Parallel action shall be taken by Indenting Department for additional budget sanction.

#### **4.6 BID EVALUATION CRITERIA (BEC):**

The Bid Evaluation Criteria (BEC), wherever applicable, shall be prepared by the user department and forwarded along with the Purchase Requisition.

### **5.0 MODE OF TENDERING FOR PROCUREMENT OF GOODS,WORKS AND SERVICES**

5.1 In Public Procurement the preferred mode is procurement through invitation of open tender. However, same may not be feasible for procurement of goods, works and services in case of, lower values, operational requirement at various sites. Therefore, there are other methods of procurement to cater the necessary requirement.

5.2 Generally the following methods of procurements for goods, works and services are considered:

- a. Procurement through Government e- Marketplace (GeM) portal
- b. Open Domestic Tender
- c. Limited Domestic Tender
- d. Open International Competitive Bidding (ICB)
- e. Limited International Competitive Bidding (LICB)
- f. Procurement on nomination basis
- g. OEM / Proprietary procurement
- h. Petty procurement of goods / works / services
- i. Annual Rate Contract
- j. Purchase by a Board of Officers
- k. Emergency Purchases



### **5.3 PROCUREMENT THROUGH GeM:**

5.3.1 Government e- Marketplace (GeM) is the National Public Procurement Portal for providing procurement of goods & services required by Central & State Government organizations. GeM provides an end to end online marketplace for Government departments/ Undertaking/ Autonomous bodies for procurement in a transparent & efficient manner.

The purchases through GeM by Government users have been authorized and made mandatory by Ministry of Finance vide Rule no. 149 of GFR, 2017.

#### **5.3.2 Purchase Procedure:**

- a. Direct Purchase: When purchase amount is less than Rs. 25,000/- there is no need of doing comparison. Buyer can select any product as per the specification.
- b. L1 Purchase: When the purchase amount is more than Rs. 25,000/- and below than Rs. 5,00,000/-, it is mandatory to do comparison of products first. Buyer needs to select the L1 product.
- c. E-Bidding & Reverse Auction (RA): When the purchase amount is more than Rs. 5,00,000/- the buyer has to go for Bidding/RA process.
- d. Prior to initiating e-Bidding/RA, the Buyer shall judiciously search and shortlist lowest priced item among the items offered on GeM using filters such as quantity, technical parameters, warranty period, consignee location (s) etc. The e- Bidding/RA Invitation/Notice shall be published on GeM stipulating the last date for submission/opening bids giving at least clear 10 days time for submission of bids from the date of publication.

### **5.4 OPEN TENDERS:**

In OTE, an attempt is made to attract the widest possible competition by publishing the NIT simultaneously on the designated websites. This is the default mode of procurement and gives the best value for money but the procedure is relatively complex and prolonged. *The systematic cost of this procedure may be high enough to be unviable for smaller value procurements.* OTE procedures through e-procurement or through traditional tendering should be adopted in the following situations:

- i) Procurements exceeding the threshold of Rs.25 Lakh (Rupees Twenty Five Lakh)
- ii) All common use requirements with clear technical specifications;
- iii) For requirements that are ordinarily available in the open market but it is necessary to evaluate competitive offers to decide the most suitable and economical option available; and
- iv) When requirements are not available from known sources or sources are presently limited and need to be broad based. In such situations, even for procurements below Rs. 25 (Rupees twenty-five) Lakh, OTE mode may be used.

**E-PROCUREMENT PROCESS – WORKFLOW**

**Requisition of Indent**

**Check for value**

**Proposal for Floating  
Online tender through e-  
procurement Portal**

**TC Nomination  
Indentor & Finance**

**Release Tender through e-procurement Portal**

**Online/Offline  
EMD submission**

**Online Bid Submission**

**ONLINE Technical Bid Opening**

**Technical Evaluation using online  
Technical Bid Comparator**

**TC Meeting, note proposal for technical approval  
Off-line short-listing of parties for price BID  
opening**

**Auto opening of Price Bid & auto Generation Of CS  
reports. On-line Price Biding(1) (Dynamic)**

**Reverse Auction (wherever applicable)**

**Control/Registration of Purchase Order**

**Release of PO to supplier**

**To release EMD for Unsuccessful bidders**

**Security Deposit from Successful bidders**

**E-PROCUREMENT WORK FLOW CHART FOR A TENDER**

<b>Sl. No.</b>	<b>Steps</b>	<b><u>Proposed / suggested action</u></b>
1.00	<b>Defining work flow</b>	<b><u>Copy of work flow</u></b> <b>- As per previous table</b> To be configured by the SERVICE PROVIDER and to be followed uniformly by the purchase groups while following electronic tendering e-procurement.
2.00	Appointment of Service provider	Service provider by Corporate Materials Deptt.
3.00	e-tendering as a EVENT	Is broadly defined in following segments a. e-procurement pre-requisites ...includes setting of software and buyer cum supplier Training b. Pre-event... Items identifications, specifications, etc. c. Event ...on-line tendering including Auctions & reports. d. Post-event ..post auction Item rate and the Archive reports.
4.00	<b><u>Features of the process</u></b>	
4.1	<b><u>Hoisting of Tender Documents</u></b>	
	Hoisting of Tender Documents by Materials Deptt. Officials, using digital Certificate	<b><u>On line</u></b>
	Allowing Downloads to Bidders, By providing passwords	<b><u>On line</u></b>
	Submission of EMD	Off line/Online
	Verifying of EMD Details	Off line
	Submission of BIDs	<b><u>On line</u></b>
4.2	<b><u>Tender Opening</u></b>	
	Opening of Technical Bids	<b><u>On line</u></b>

	Bid opening by Material Deptt. Official, Using Digital Certificates & Pass words	<b>Online</b>
	Technical clarification	Online
	Evaluation of tech. Bids.	<b>Off line/Online</b>
	Final TER & Arriving at Technical Loading	Off line
	Approval for short listing of bidders of Technical acceptable Bids for price bid opening &	Off line
4.3	Opening for price Bids ..Incorporation of Loading Logic	<b>Online</b>
	Opening of Price Bids Using Digital Certificates & pass words	<b>Online</b>
4.4	Conducting Reverse Auction (wherever applicable)	<b>Online</b>

**NOTE:** All addenda, Corrigenda, time extension etc. to the tenders will be hosted on above website and e- portal only and no separate notification shall be issued in the press. Bidders should regularly visit above website and e-portal to keep themselves updated.

Amendments to the NIT after its issue will be published on BVFCL's website only.

The following disclaimer to be included in all NITs:

Revision, clarification, addendum, corrigendum, time extension etc. to the tender will be hosted on BVFCL website & hosting portal only. No separate notification shall be issued in the press. Prospective bidders are requested to visit website regularly to keep themselves updated.

If the original tender is substantially modified affecting the important tender condition like scope of work / specification / delivery period / mobilization period / completion period, for better transparency and participation by maximum prospective bidders, it shall be prudent to extend the due date of submission so as to provide required time for bidder to take care of the changes.

Tender document shall be uploaded on BVFCL website, CPPP website.

Sale of document (in case of physical tendering) shall continue up to one day prior to the Bid closing date as advertised in the NIT.

In cases where open tender is not resorted to for any procurement of materials / works / services, even though the value exceeds the limit as stated in para-6.4.1 and it is considered expeditious and appropriate, the limited tender may be resorted to with due approval by the Competent Authority. While seeking approval for resorting to limited tendering instead of open tendering the reasons for same shall be recorded in writing. List of the supplier / contractor to whom the tender is to be issued shall also be provided by indenter.

In processing the limited tendering cases it should be ensured that the parties meet the bid evaluation criteria as the rejection of the bid on technical suitability grounds is not desirable in such cases.

**5.4.1 Quality –cum- cost based Selection (QCBS) for works and Non – Consultancy Services:**

5.4.1.1 QCBS for procurement of works and non – consultancy services can be opted in the following cases:

- a) Where the procurement has been declared to be a Quality Oriented Procurement (QOP) by the competent authority or
- b) For procurement of non consulting services where estimated value of procurement does not exceed Rs. 10 Crore.

5.4.1.2 A procurement should be declared as a QOP only if there is enough justification in terms of value addition or enhancement of delivery or paramount importance of quality.

5.4.1.3 Competent authority for allowing QCBS will be two levels above the officer competent to finalize the particular procurement or the Board of Directors, whichever is lower.

5.4.1.4 Weightage for non financial parameters should not exceed 30%.

**5.4.2 Quality –cum- cost based Selection (QCBS) for Consultancy Services**

5.4.2.1 QCBS may be used for procurement of Consultancy Services where quality of consultancy is of prime concern.

5.4.2.2 In QCBS initially the quality of technical proposals is scored as per criteria announced in the RFP. Only those responsive proposals that have achieved at least minimum specified qualifying score in quality of technical proposal are considered further.

- 5.4.2.3 After opening and scoring, the Financial proposals of responsive technically qualified bidders, a final combined score is arrived at by giving predefined relative weight ages for the score of quality of the technical proposal and the score of financial proposal.
- 5.4.2.4 The RFP shall specify the minimum qualifying score for the quality of technical proposal and also the relative weight ages to be given to the quality and cost (determined for each case depending on the relative importance of quality vis-a-vis cost aspects in the assignment, e.g. 70:30, 60:40, 50:50 etc). The proposal with the highest weighted combined score (quality and cost) shall be selected.
- 5.4.2.5 The weight age of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

## **5.5 LIMITED TENDERING:**

- 5.5.1 All procurement of Materials/Works/Services value of which is less than the threshold value (Rs. 25 Lakh) for open tenders may be done through limited tenders. Limited Tendering shall be resorted to and enquiry be issued to only those vendors/contractors who have been empanelled / prequalified as per the laid down procedure.

However, if number of vendors in such cases is less than 3 (three), the tender should be floated either on open tender basis or should have approval of one level above the competent authority.

- 5.5.2 In case of limited tendering where vendors are empanelled through a transparent laid down procedure giving opportunity to all such empanelled bidders, the tender shall be hosted on website only for information.
- 5.5.3 In case, limited tenders are proposed to be invited (as against open tender based on value of the tender) and the vendors for this specific requirement are not empanelled, then the bidders should be identified and short-listed by the indenter, who should also determine and certify that short-listed bidders meet the pre-qualification criteria.

5.5.4 In case of limited tendering the enquiry shall be issued to all the vendors who are on the empanelled list of BVFCL for the tendered item.

## **5.6 PROCUREMENT ON NOMINATION BASIS:**

5.6.1 Award of any contract without following the norms of competitive bidding, for other than Goods and Services from OEM / Proprietary items / Proprietary spares; shall be considered as award on Nomination basis.

All efforts should be made for timely processing of procurement cases so as to meet the operational requirement and avoid last minute urgency leading to procurement on nomination basis. A justification for nomination award due to urgency created solely on account of delay in processing the normal tender for procurement is not desirable.

5.6.2 Procurement on Nomination Basis is an exception to the normal procurement procedure. However, to tide over the organisational exigencies, procurement on nomination basis may be resorted to. In such situation the user / indenter shall give appropriate justification for procurement on Nomination basis observing the following guidelines.

- a) It must be clarified that the procurement on nomination basis is made only to tide over contingent requirements, meeting quality standards as would be critical from the organizational perspective, technical compatibility and if not proceeded with are likely to jeopardize normal operation and business of the company.
- b) The user / indenting department shall provide a complete proposal fully substantiated / justified for selected vendor / contractor and the proposed methodology for award.
- c) The proposal shall include inter-alia the cost estimate and its basis. If the cost estimate is based on the budgetary quotation from proposed bidder then analysis shall be made by the proposer about the reasonableness of the same.



- d) The proposal shall also include detailed scope of work, specification, deliverables, schedule of activities and payment mechanism.
- e) The concerned department shall carry out the necessary assessment of the vendor / contractor / service provider along with their suitability / credibility for executing the job.
- f) In processing a case on nomination basis the technical and commercial acceptability must be ensured as rejection of the bid is not desirable in such cases.

5.6.3 The concerned user / indenter shall obtain the approval of competent authority before resorting to procurement on nomination basis.

5.6.4 After approval by the Competent Authority a PR/SR will be raised for processing the case. For procurement the PR may be forwarded to MM Department. The MM Department shall issue the request for quotation (RFQ) indicating specification and scope, delivery and completion schedule and other terms and conditions.

5.6.5 Evaluation and Award: The technical evaluation will be done by the user department and the commercial evaluation by MM department.

5.6.6 A tender committee consisting of members from user department, MM and Finance shall deliberate and examine the case and put up final recommendation for award which shall be approved by Competent Authority as per DOP. The tender committee recommendation should contain inter alia the following :

- a) Reasons and justification for award on nomination basis instead of competitive bidding.
- b) Reasons and justification for recommending a particular vendor/service provider for nomination contract.
- c) The price reasonableness of the quoted price.

## **5.7 PROCUREMENT OF PROPRIETARY ITEMS / SERVICES / OEM:**

The procurement of goods / services on proprietary basis should be done only to meet operational exigencies. The proprietary article certificate shall be issued by an authority as defined in the DoP.

The proprietary article certificate shall be provided along with PR / SR.

The concerned HOD (or designated officer) shall declare a service, component, accessories, sub assemblies / assemblies, standby equipment as OEM item related to original equipment and the same to be procured from the OEM or authorized dealer of OEM. However it is to be certified by indenter that no other substitute can be used as replacement.

The equipment, accessories, sub assemblies / assemblies and any other item supplied along with main equipment by OEM, which are supplied by their (OEM) sub vendor; for these items such vendors shall be considered as OEM equipment manufacturers. However it is to be certified by indenter that no other substitute can be used as replacement.

- 5.7.1 The proprietary requirement shall be justified on technical and operational ground and a proprietary article certificate shall be provided as per the format prescribed in GFR 2017.
- 5.7.2 The purchase of proprietary item shall be made from manufacturer or from dealer if nominated by the manufacturer on exclusive basis.
- 5.7.3 The tools, equipment and spare parts for the machineries for which no substitute are available are to be treated as proprietary. However, the indenter has to confirm that no other substitute / spares can be used. These are to be procured from original manufacturer (OEM) or from Dealer or Firm nominated by OEM on exclusive basis.

## **5.8 PROCUREMENT OF SPARE PARTS:**

- 5.8.1 It is desirable to procure spare parts directly from OEM.

- 5.8.2 Spare Parts need to be procured directly from OEM only and not from their dealer / distributor / stockist. In exceptional circumstances, if OEM advises that the spare should be purchased from their authorised distributor / dealer / stockist / supply house and as a principle they do not supply spares directly, then procurement can be done from authorised distributor / dealer / stockist / supply house.
- 5.8.3 In case of overseas supplier, if OEM has a joint venture in India or has opened their own subsidiary then offer from such JV or subsidiary can also be considered for procurement of spare subject to technical suitability.
- 5.8.4 In case of overseas OEM, if supply is made by authorised Indian dealers / distributors / stockists / JVs / subsidiary of OEM, the bidder shall certify that in respect of goods covered under the contract the vendor has paid proper custom and other duties as per Govt. guideline and has complied with all Govt. regulation. The bidder shall further indemnify BVFCL in this respect from any claim in future by any Authority in India or abroad, from where import is sourced.

## **5.9 ANNUAL RATE CONTRACT:**

- 5.9.1 The items and spares which are continuously required throughout the year for operation and maintenance of main equipment by the major manufacturer, BVFCL should enter into the rate contract for supply of such items with these OEMs. Duration of these contracts will not be more than two years.
- 5.9.2 Items for which Rate Contract is existing, no tender is processed and order is placed against PR based on the rate and terms & conditions of the rate contract.

## **5.10 Price Variation Clause**

- 5.10.1 The provision of price variation clause enables the contractors to factor reduced risks and more competitive prices for long duration contracts. This clause is normally applicable for contracts with completion period of more than 18 months.
- 5.10.2 The amount payable to the contractor shall be adjusted in respect of rise or fall in cost of labour, consumables & material

to the work for which appropriate formulae shall be prescribed in the contract and shall form part of the tender document.

- 5.10.3 The formulae may be based on weightages of the material/consumables/labour and cost indices/base prices. Indices shall be appropriate for their purpose and shall relate to the contractor's proposed source of supply of inputs on the basis of which his contract prices shall have been computed.
- 5.10.4 If any statutory regulations or bye –laws come into force after submission of the bids, which cause additional or reduced cost to the contractor in the execution of the contract, such statutory additional or reduced cost shall be added or deducted from the contract price.
- 5.10.5 The variations are to be calculated periodically by using indices published by Governments/Chamber of Commerce /any other neutral & fair source of indices. Suitable weights are to be assigned to the applicable elements.

#### **5.11 PETTY PROCUREMENT:**

- 5.11.1 All petty purchases (as per value limits defined in the delegation of powers) can be made by the concerned Head of Department (HOD) directly with or without financial concurrence as the case may be, subject to non-availability certificate from the Stores, in accordance with the provisions of the Delegation of Power (DoP). However, reasonability of rates for such purchases has to be certified by the concerned HOD.
- 5.11.2 All purchase up to the value of Rs 1,500/- per item shall be considered as petty purchase. These purchases can be effected by purchase section without calling for tenders and without issuing purchase orders. All petty purchase shall preferably be made on cash basis. Hence, must be inspected at suppliers shop thoroughly before acceptance. Indenters help can be taken wherever needed. The purchase representative will maintain the Imprest Account Register wherein all the details of transaction will be inserted and the same with the endorsement of Manger/Sr. Manager/Chief Manager (MM) will be put up to the Finance Department along with the copy of duly filled petty requisition and cash memo in proof of cash purchase for squaring up of the expenditure. To facilitate such petty purchase, the purchase representative will draw the advance and submit the account of expenditure to the Finance Department before seeking the next instalment.

5.11.3 A department wise monthly limit may be fixed towards petty purchases.

**5.12 PURCHASE THROUGH COMMITTEE OF OFFICERS:**

5.12.1 Purchase by Committee of Officers will be resorted to only in exceptional circumstances when the materials /services/ works are either required urgently to overcome an exigency or because the indenter is not able to give firmed up / detailed specifications (necessitating on the spot decision based on the availability in the market)so that procurement cannot be made under the normal purchase procedure, provided further that prior approval of the competent authority is obtained and furnished along with the Purchase Indent, before resorting to purchase through a board of officers. This mode of procurement will be used for procurements valued up to Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand) only on each occasion. Also, it is to be certified that the item is not available on the GeM portal (of required specification or within required delivery period).

5.12.2 The Committee shall be constituted with approval of the competent authority as per DOP consisting of members from MM, Finance and Indenting Department. The Committee shall consist of officers of equivalent level from each department under whose power the procurement falls as per DOP.

5.12.3 If for any reason it is not possible to constitute a Purchase Committee with competent officers in accordance with the DoP, the Committee may be constituted with an officer of the next below rank. However, the reasons should be recorded in writing for such cases.

5.12.4 For carrying out the purchase, the Committee of officers shall explore the local markets as first priority, before seeking offers from outside the city / town. Further, the Committee of officers shall obtain as many quotations as possible (minimum 3) so as to determine the reasonableness of rates. In case the supplier(s) do not agree to give the hand quotations, the same should be recorded by the Committee of officers in their proceedings.

- 5.12.5 In case of purchases through a constituted Committee no EMD/Bid bond is required.
- 5.12.6 The proceeding of purchase committee should be ratified by the same authority by whom such committee was constituted.
- 5.12.7 An annual ceiling value for each department may be laid down for such procurements.

**5.13 EMERGENCY PURCHASE/JOB CONTRACT:**

- 5.13.1 The natural calamity, explosion, fire, flood, civil disturbances, war, cyclones, blow out, and earthquake endangering the plant, property and lives shall be referred to as emergency. Further, emergency may arise in maintenance, commissioning and break downs which would cause interruption in production flow. In case of purchase, such emergency normally occurs when there is no stock in the Stores and chances of getting supplies against pending orders within the stipulated time schedule are remote. Similarly, in case of job contracts, such emergency occurs when breakdown of equipment occurs and internal resources are not adequate to take timely action.
- 5.13.2 In case of emergency normal procurement procedure shall not be applicable. Concerned User Departments shall take all required decisions in respect of procurement of materials / works / services to deal with emergency with normal prudence and transparency.
- 5.13.3 All actions shall be taken in accordance with Delegation of Power (DoP) for emergency procurement.
- 5.13.4 Prior Financial sanction is not necessary in case of emergency procurement.
- 5.13.5 Detailed justification for resorting to such emergency purchases should be recorded at the time of processing the proposal for approval of competent authority as per DoP.
- 5.13.6 Quantity to be purchased shall be restricted to the minimum essential and the procurement shall be accounted for

immediately by submitting Pre-receipted indent along with the Inspection Report, Invoice, Delivery Challan and Purchase Order, to the MM Department for raising SRV.

- 5.13.7 MM department needs to ensure that the items purchased as emergency procurement are issued and certified by user that they have been put in utilization. Delay in consumption of such items, if any, are to be reported by the concerned Department to concerned HOD /Unit Head, with reasons.

#### **5.14 Global Tender Enquiry (GTE)**

- 5.14.1 It is aimed at inviting the participation of inter- alia foreign firms with provision for payment in foreign currencies through Letter of Credit. It should be resorted in case of non availability of goods/services of required technical specifications/quality, non existence of local branch of the global principal, requirement for compliance of specific international standards in technical specifications or absence of a sufficient number of competent domestic bidders.
- 5.14.2 Advertisements in such cases should be given on CPP portal, GeM and the Company website. The complete bidding document in downloadable form should be available on CPP portal and the Company website. The GTE tender documents must be in English and the price should be asked in currencies under the Reserve Bank of India's notified basket of currencies. In such cases e-procurement may not be mandatorily insisted upon.
- 5.14.3 No Global Tender Enquiry up to Rs. 200 crores shall be invited or such limit as may be prescribed by the Department of Expenditure from time to time. However certain exemptions like procurement of specialized equipments for research purpose, procurement of spare parts from the OEM on nomination basis or procurement of services like Annual Maintenance Contract and auxiliary add on components for the existing equipments which are procured from OEM/OES/OPM are permitted.

### **6.0 SYSTEM OF TENDERING**

#### **6.1 SINGLE BID SYSTEM (COMPOSITE - TECHNICAL CUM COMMERCIAL):**

6.1.1 This system of bidding requires that technical and price bids are obtained in single envelope and opened for processing. The system should be adopted in cases where specification, terms and conditions, are firmed up and the bidder is required to strictly comply with the tender conditions. Preferably this method should be adopted for standard items.

6.1.2 The following limit shall be applicable for procurement through composite bid system:

- a) Procurement of Materials up to Rs.5 Lakh
- b) Procurement of Work / Services up to Rs.10 lakh

The above are only guidelines; depending upon the requirement the MM/Executing Department can select any other value limit which suits the particular procurement. In case higher value limit is selected for composite bid system, it should be substantiated with proper justification.

6.1.3 Procurement of OEM / Proprietary / Spare part items and award on Nomination basis may also be through single bid system.

## **6.2 SINGLE STAGE TWO BID SYSTEM:**

6.2.1 Two Bid System generally is used:

- (i) In case of procurement of capital items / works / services of complex and sophisticated nature where it is essential to examine the technical offer for acceptability and compliance to the tender conditions.
- (ii) In procurement of the items where service conditions and other parameters are provided by BVFCL and equipment are designed and manufactured by the bidder which may require examination of the bid for compliance to the tender conditions.
- (iii) Service / work contract where it is necessary to raise technical and commercial query to the bidder for examination of the bid.



6.2.2 As a general guideline the procurement having value more than specified at 7.1.2 shall be processed as per single stage two bid system. However, this is just a guideline, depending upon the requirement any other value limit which suits the particular procurement may be opted.

6.2.3 Under Single Stage Two Bid System the bid should comprise of “Techno Commercial – Unpriced Bid” – Part-I and “Priced Bid” – Part-II separately, sealed in separate envelopes. The first inner sealed cover will contain Techno Commercial – Unpriced bid having all details but with price column blanked out. Part-I shall also contain EMD / Documents in support of exemption from submission of EMD. This cover will clearly be super scribed with “Techno Commercial – Unpriced Bid” along with party’s name, tender number, Bid closing date and brief item description. The second inner sealed cover will contain only the price schedule duly filled in and signed and will be clearly super scribed with “Priced Bid” along with other details as mentioned above. These two covers shall be put into an outer cover and sealed. The outer cover should bear the Tender number and Bid closing / opening date along with the address of the office where tenders are to be submitted.

In case of e-tender techno-commercial bid (without price bid) and price Bid have to be uploaded in separately designated places of the e-portal as per the requirement (design) of the e-portal.

6.2.4 In case of electronic bidding, bidders shall upload the scanned copy of EMD proof/ security deposit while submitting the bid. However, original bid bond must be received within 15 days of the due date and time of bid submission at the designated department office.

6.2.5 The techno-commercial un priced bids will be opened and scrutinized. The user department shall make the technical scrutiny and submit the technical scrutiny report which shall take care of compliance to BEC (technical and experience) and technical suitability / compliance as per specification provided in the tender document.

The commercial evaluation with reference to commercial terms and conditions of the tender document shall be done by MM department which shall submit the commercial scrutiny report.

The bids which are found acceptable as per Technical Scrutiny Report and Commercial Scrutiny Report shall be considered acceptable for price bid opening.

6.2.6 After the short-listing of techno-commercially acceptable bidders and approval by competent authority for price bid opening, all such bidders will be notified of the date of opening of priced bids, allowing period of not exceeding 7 working days, depending upon the urgency of requirement and location of bidders, so as to enable such bidders to participate in tender opening if they so like.

### **6.3 TWO STAGE TWO BID SYSTEM:**

6.3.1 This system is followed for the procurement where:

It is not possible to formulate detailed specification and requirement, without receiving inputs regarding its technical aspects from the bidders.

The bidder is expected to carry out a detailed survey or examination and undertake a comprehensive assessment of risk, cost and obligation associated with the particular procurement.

6.3.2 In two stage bidding following steps may be followed:

- (i) In the first stage bidding process, BVFCL shall invite bid containing technical aspects and contractual terms and conditions of the proposed procurement without price.
- (ii) The tender committee shall examine the technical bid as per the bid condition. If required the committee may hold discussion with bidders giving equal opportunity to all bidders to participate in discussion.
- (iii) Pursuant to examination of bid and discussion with the bidders the committee may, if considered essential, revise the

relevant terms and conditions / specification. However, at this stage the fundamental nature of the procurement should not be changed / modified.

- (iv) In the second stage of bidding process the prospective bidders shall be asked to submit price bid only.
- (v) Any bidder who has been invited to submit the bid at second stage and is not in a position to supply / execute the job due to modification in the specification or terms and condition may withdraw from the bidding process without forfeiting any EMD submitted by him. However, the bidder shall be required to give adequate justification for such withdrawal.

## **7.0 BID INVITATION AND BID RECEIPT**

### **7.1 INVITATION OF TENDER:**

#### 7.1.1 Coordination and clubbing of demands for purpose of inviting tenders:

When dealing with indents, due attention should be paid to the combination and clubbing of demands which will result in economy in purchase. Demands for materials received simultaneously from different indenters should be combined as far as possible while inviting tenders. Due regard should, however, be given to delivery instructions given by the indenters. Demands which cannot be suitably combined with others for this or any other reasons should be dealt with separately.

#### 7.1.2 Enquiry Register (Not applicable for e-procurement and open tender)

- i. An enquiry register for all the physical tenders shall be maintained.
- ii. In case of limited enquiries the name of the firms to whom the enquiries will be addressed will be entered in that register. This will be signed by the concerned officer issuing the enquiry.

7.1.3 Tender intimation to be sent to prospective bidders (in case of open tender)

As a proactive action tender intimations shall be sent to prospective bidders as soon as the tender is published. This shall enable the bidders to refer to the advertisement and submit their bid.

**7.2 TIME TO BE ALLOWED TO TENDERERS TO QUOTE:**

The bidder should be given reasonable time period for studying the tender document and preparation of bid. Accordingly, depending upon the nature of procurement like supply (indigenous/imported), ICB tenders, LSTK, the different time slab should be given for submission of bid.

The following time period shall be normally allowed to bidder for submitting of bid:

Indigenous:-

Limited Tenders	: minimum 15 days
Open Tenders	: minimum 21 days
(Posting of enquiry on CPP Portal is mandatory)	

Others:-

EPC/LSTK Tenders	: minimum 30 days
ICB Tenders	: minimum 45 days

However, a lesser bidding time of 10 days (in case of e-procurement) may be given, keeping in view the urgency of the requirement, with due approval of Head of Department, provided such time is adequately reasonable for bidders' participation.

In case of proprietary procurement, procurement on nomination and spares, a shorter bidding time can be given. However, the same should be adequate for the bidder to submit bid. Option of sending email enquiries for such tenders may be exercised.

If the due date of the submission and opening happens to be an unscheduled holiday / closure of BVFCL's office, the due date of submission and opening shall be accordingly extended up to next working day.

### **7.3 VALIDITY PERIOD:**

The bidders will be asked to keep their offers valid as under:

Composite Bid System: 60 - 90 days

Two Bid System: 90 - 120 days

The tender should be finalized within the original bid validity. The validity extension should be avoided; only in exceptional circumstances after recording the reasons in writing the validity extension may be sought. In response to a request for validity extension, a bidder may extend the validity on the same terms, conditions and prices. A bidder has option not to extend the bid validity, if he so desires, without forfeiting the bid security.

### **7.4 INVITATION TO BID:**

7.4.1 In regard to Invitation to bid, following points are to be kept in view:-

- a. The Invitation to bid will clearly indicate the place, date and time by which tenders will be received and the place, date and the time at which these will be opened. It will also provide a brief description of the tender along with details of tender number, tender fee.
- b. The date of the pre-bid conference (if any envisaged) also must be clearly specified in the Invitation to Bid. The last date of receipt of queries from prospective bidders for pre-bid conference will also be mentioned.
- c. Invitation should include an instruction that the bid sent by the bidder must reach the place of submission of bid well before the closing date and time.

In case of e-tendering bidders are to submit the documents electronically through BVFCL's designated e-procurement platform service provider only. Where the bidders are required to submit their bid electronically, bids submitted manually shall be rejected. Bidders should upload copies of EMD/Bid

Bond/Bank Guarantee etc. along with technical part and submit the original EMD within 15 days of bid closing date.

- d. All bids received by the notified closing date and time either through post or through the tender box, will be entered in tender opening register (*Not applicable in case of e-tenders*).
- e. Invitation to bid may be transmitted by e-mail also, wherever required.
- f. Invitation to bid will indicate the date and time of the commencement of the sale of the tender.
- g. Invitation to bid will mention that bidders can visit BVFCL's tender website for further details on the tenders.

7.4.2 The Tender Inviting Authority (TIA) shall forward the Invitation to bid both in soft and hard copy to the concerned department. The Invitation to Bid must contain the official e-mail address of the TIA.

7.4.3 The Invitation to bid shall be signed by the dealing officer of the Tender Inviting Authority (TIA) to ensure that the Invitation to Bid is in order and to avoid any corrections after its appearance on the web.

7.4.4 The complete set of bid documents shall be uploaded on BVFCL's website well in advance of the specified date for commencement of tender sale specified in NIT. The TIA will be responsible for ensuring the correctness of the content of the Invitation to Bid uploaded on the site.

7.4.5 Bidders will have to download the tender document before the due date of submission and use the same for participating in the tender. The bidders downloading the tender document from the website should ensure to submit tender fee along with the bids to the tender inviting Sphere / Project before the deadline specified for submission of bids. Bidders, who intend to claim exemption from payment of tender fee, must furnish the documentary evidence along with bids.

7.4.6 *Number of copies of offers to be called from bidders(Not applicable for e- procurement)*

7.4.7 Number of copies of offers / bids to be called from bidders will be as under:

- a. Where in-house evaluation is involved- Copies in duplicate
- b. Where bid evaluation is done by outside agency- Five Copies

#### **7.5 VARIATION IN QUANTITY AFTER INVITATION OF TENDER:**

In case of supply tenders, the tender can have a provision for variation of quantity at the time of placement of order up to +/- 20%. The bids, however, shall be evaluated based on the tendered quantity to decide the inter se ranking of the bidder.

#### **7.6 MODIFICATION TO THE SCOPE OF WORK**

Any change in scope of work shall require the approval of competent authority, whoever approved the PR. Any specific and essential modifications of the scope of the work, subsequent to invitation of bids, may be done only with the approval of Competent Authority, whoever approved the PR. The addendum / amendment shall be notified in writing to all prospective bidders who have received/purchased the Bid Documents. In order to provide reasonable time to the prospective bidders, for taking into account such amendment/ addendum in preparing their bids, reasonable time (Minimum: 14 days) as may be essential shall be allowed to the bidders for submission of bids after issuance of such amendment/addendum. This amendment/addendum shall also be hosted on BVFCL's website.

The following disclaimer to be included in all NITs :  
Revision, clarification, addendum, corrigendum, time extension etc. to the tender will be hosted on BVFCL website/hosting portal only. No separate notification shall be issued. Prospective bidders are requested to visit website regularly to keep themselves updated.

**7.7 SALE OF TENDER DOCUMENTS TO FIRMS WITH WHOM BUSINESS HAS BEEN BANNED / SUSPENDED:**

It may be specified in INVITATION TO BID that firm(s) to whom no further business is to be given or dealings with whom have been banned / suspended are not eligible to participate in the tender and any bid received from such firm(s) shall not be considered and will be returned un-opened to the concerned firm(s) within a period of seven days from the due date of opening of tenders.

In case of physical sale of the tender documents, if inadvertently a tender document is sold to a bidder falling in above category and such bidder submits the bid, his bid shall not be considered and will be returned to the bidder.

**7.8 Delisting and Blacklisting of Suppliers/Vendors:**

- a) **Delisting (Limited Period) of Suppliers:** In case, a supplier repeatedly fails to perform, causes abnormal delays, supplies sub-standard material, fails to rectify / settle discrepancies in the supplies within a reasonable time, the particular supplier should be delisted from the approved list of suppliers for a limited period of one to two years. Delisting should be done on the basis of recommendations of the Indenter / HoD(Materials Management/ Executing Department) with concurrence of Finance Department and approval by G.M. (Unit)/D(P).

In case, the party is delisted for non-execution of order, the same shall be cancelled. However, such a supplier shall be allowed to execute other existing order(s) which was/were issued prior to delisting. In case there are running cases, where offer of such vendors are under consideration, the same shall not be considered. In case of review of Vendor lists, delisted parties shall not be removed from the lists on the grounds that they have been delisted earlier; but clear remarks about a particular party being delisted shall be given in the vendor lists. Also the date when such delistment shall be over shall also be given / recorded in vendor lists.

- b) **2nd time Delistment of Suppliers:** In case a delisted party again fails to perform and is required to be again delisted



within a period of two years from the date of revocation of delistment, such party shall be delisted for a minimum period of 5 years. Such party shall not qualify for enlistment again unless approval of next higher authority (to the authority who approves 2nd time delistment) is obtained after recording valid reasons for again enlisting such party who should also meet the eligibility criteria prevalent at that point of time.

The party delisted 2nd time shall not be retained on the vendor list. Separate records of such parties shall be maintained along with the Black listed parties.

- c) **Black Listing of Suppliers:** In case, a supplier is found guilty of bribery, corruption, dishonesty, mal-practice, submission of forged documents, misrepresentation, spurious supplies, fails to refund the amount due to the Company, fails to return the material issued for reprocessing/manufacturing, such supplier will be blacklisted for a minimum period of 5 years. This shall be on the basis of recommendations of the Indenter/HoD (MM/Executing department), concurrence of the Finance Department and approval of D (P) / C&MD Action taken against such a supplier shall be intimated to all the Units who will also follow the decision to blacklist the supplier in their respective Units. Vigilance Department shall also be informed about this action along with the brief of the case, for informing the other agencies, as required. Revocation of black-listment shall be with the concurrence of F&A Department and with the approval of next higher authority (to the authority who approved black-listing).

However, C&MD can approve revocation for the delistment/black-listment done with his/her approval.

No fresh contract will be awarded to black listed party during period of blacklisting even though the case may be at advanced stage for placement of Contract/PO at the time of blacklisting. However, other contracts under execution may be reviewed by a duly constituted Committee chaired by D(P) w.r.t. criticality of Contract for plant operation or Project schedule, and justifications may be recorded by Committee in case contracts under execution are to be continued.

After the delistment/blacklisting period is over, the party should apply afresh for enlistment with proof of their 'Technical and Financial' capabilities existing at that time and request of party for re-listment will be considered provided that party meets the eligibility criteria prevalent at that point of time. This may also be incorporated while issue of letter to the party intimating their delistment/blacklisting.

- d) The concerned Supplier shall be informed about the action taken regarding Delisting, 2nd time Delisting, Black Listing and also for revocation of such action by BVFCL.
- e) List of Delisted and Blacklisted parties shall also be displayed on Company's web-site by M S Department.

### **7.9 TENDER FEE:**

7.9.1 The tender document fee should be as low as possible considering the cost/effort of preparing documents. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents to be downloaded by the bidders.

There will be no tender fee for procurements of goods.

7.9.2 The tender fee will be acceptable in the form of crossed "Payee Account only "Bank Draft/Bankers' Cheque drawn by Bank / online transfer and valid for 90 days from the date of issue of the same or in the form of Indian Postal Orders payable to the BVFCL.

7.9.3 The IPOs/Bank Drafts/Banker's Cheques will be deposited and accounted for at the designated station provided in the tender document. The Tender Fee can also be paid in online mode.

7.9.4 The following tender fees may be charged from the bidders for works /consultancy contracts in case of OTE/GTE tenders (Normally no cost is charged in STE/PAC/LTE):

Sl. No.	Estimated Value of tender	Procurement of services / works
i)	For tender below Rs. 50 thousand	NIL
ii)	For tender exceeding Rs.50 thousand but not exceeding Rs. 1.00 lakh	100.00
iii)	For tender exceeding Rs.1.00 lakh but not exceeding Rs.25.00 lakh	500.00
iv)	For tender exceeding Rs. 25.00 lakh but not exceeding Rs. 2 Crore	1500.00
v)	For tender exceeding Rs. 2 Crore but not exceeding Rs. 25 Crore	2500.00
vi)	Above Rs. 25 Crore	To be decided on case to case basis

The vendor will have to pay the requisite tender fees till the tender sale end date and time. Exemption from tender fee shall be as per Govt. guidelines.

#### 7.9.5 Refund of tender fee

The tender fee shall be refunded to the concerned bidder in the event, a particular tender is cancelled.

#### 7.9.6 Exemption from payment of tender fee

Micro and Small Enterprises (MSEs) registered under Udyam Registration will be exempted from payment of tender fee provided they furnish evidence that they are registered for the items they intend to quote against BVFCL tenders. Such bidders should provide documentary evidence along with the bid submitted. Their bid will be considered provided the correct and valid documentary evidence is provided. The Central Govt. Departments and Central Public Sector Undertakings will also be exempted from the payment of tender fee.

### 7.9.7 Sale of tender document (in case of physical sale)

A register for sale of tender document will be maintained by concerned section. Every enquiry shall be allotted a separate page in the register. Format of the tender sale register is given below:-

#### TENDER SALE REGISTER

1. Tender No. :
2. Tender For :
3. Date and Time of Opening of Tender :
4. Tender uploaded in BVFCL's website : Yes/No

Sl. No.	Name of Bidder	Mode of Payment	Tender fee value	Name & Signature of authorized representative of bidder	Signature of BVFCL's Authorized representative
1	2	3	4	6	7

### **7.10 PRE-BID-CONFERENCE (WHEREVER APPLICABLE):**

7.10.1 In case of complex jobs/LSTK/works, services and equipment of specialized nature, it is preferred to have pre-bid conference with the prospective bidders so as to have clarity with respect of specification, scope of work, services covered under the tender. This exercise minimizes the instances of raising technical and commercial queries to the bidders after receipt of the bid. The competent authority as per DOP to decide regarding holding the pre-bid conference considering nature of item, work, complex tenders.

7.10.2 The tender document should clearly indicate the city / location & date for the pre-bid conference. The bidder should be given reasonable time for bidding after the pre-bid conference. Accordingly, the pre-bid conference should be scheduled in such a way so as to allow the bidders to get 2/3rd of the total bidding time for submission of their bids after the pre-bid conference.

- 7.10.3 Bidder should be advised to submit their queries in relation to the tender document at least 5 (five) working days before the scheduled date of pre-bid conference. This shall enable BVFCL to analyze their query and to make suitable response during pre-bid conference. However, bidders can also raise the query during the pre-bid conference.
- 7.10.4 The pre-bid conference shall be organized by MM /Executing department. The tender committee members or their authorized representatives should necessarily attend the pre-bid conference.
- 7.10.5 The bidder who does not attend the pre-bid conference is also free to submit the bid.
- 7.10.6 The record note of the pre-bid conference shall be prepared by official from concerned department.
- 7.10.7 As a result of such pre-bid conference, if any corrigendum is to be issued to the tender document, the same shall require the approval of competent authority on recommendation of tender committee. Such clarification/corrigendum to the tender document shall be posted on the website. Also, as a result of pre-bid conference, if the substance of the tender like scope of work/specification/delivery period/mobilization period/completion period, changes then an amendment to the NIT shall be published in BVFCL website. Further suitable time extension shall also be given in such amendment to NIT for due date for bid submission, if considered necessary.

## **8.0 CANCELLATION / RE-INVITATION OF TENDERS**

### **8.1 CANCELLATION OF TENDERS & RE-INVITATION OF BIDS:**

Cancellation of tender for any reason and re-invitation whether on limited or open basis shall require an approval of competent authority as per DoP.

## **9.0 RECEIPT OF TENDERS**

9.1 Quotations are to be submitted by the bidders in triplicate or duplicate as mentioned in the tender. Sealed envelopes; cover should bear Tender No. and Bid Closing date and time. Name of the bidder should also be mentioned on the envelope. In case the bidder is the authorised dealer of the OEM, then the name of the OEM should also be mentioned on the envelope.

9.2 The tenders will be received as under:

- i. Directly put in Tender Box by bidders.
- ii. Received by registered post/courier/Speed post.

9.3 Bids hand carried by the bidder's representatives shall be directly put by them in the Tender Box.

9.4 For the bids received through courier or post, the Despatch Section of MM/Executing Department will maintain a separate register wherein details like tender no., receipt date etc. would be recorded by them. After recording the same in the register, the tenders are put inside the Tender Box.

9.5 The above provision shall not be applicable in case of e-tendering. However, in case of e-tendering, the bid shall be received only in electronic form through e-procurement platform. The under mentioned document, in addition to the uploading of document on portal shall also be submitted in original in physical form:

- i. EMD/Bid Security
- ii. Authorization letter

9.6 In case of quotations received after the bid closing date/time, the same shall be put in the respective Tender Box after recording date and time of receipt on the cover of the quotation. At the time of subsequent opening of the Tender Box, all such late tenders will be taken out and stamped as under:

"LATE OFFER Found in Tender Box on ....."

## **10.0 TENDER BOX AND ITS CUSTODY**

- 10.1 The Tender Box shall have suitable provision at the top for dropping envelopes.
- 10.2 The Tender Box shall be kept at a secured and safe place in the office accessible to the public.
- 10.3 The Tender Box shall always be kept under lock and key.

## **11.0 NOMINATION OF TENDER RECEIVING/OPENING OFFICER(S)**

An officer not below E1 level will be nominated for receipt of tenders each month. In addition, one Officer not below E1 level each from MM/Executing dept. and Finance & Accounts Department will also be nominated for opening of tenders. Arrangements will also be made for nominating Officers not below E1 level as Leave Reserve for above purpose.

## **12.0 ACCOUNTING OF TENDERS**

The tender box shall be opened exactly at the time of bid closing on the specified date, thus there should not be time lag in opening the tender box and that of the closing time. On the day of Tender opening, after the closing hours of the tender, the tender box shall be opened by the Officer from MM/Executive Department in presence of the Officer from the Finance & Accounts Department. All the tenders are taken out from the tender box and kept in a place for sorting. The tenders which are to be opened on that specific day are kept while the tenders whose bid closing dates are at a later date are then again put into the tender box. Late offers, if any, found in the Tender Box shall be taken out and kept separately after due recording on the envelope. All such late tenders shall be kept with the concerned department.

## **13.0 WITHDRAWAL OF BIDS**

The bidder, after submission of bid may withdraw their bid by written request prior to bid closing date & time (only for physical tenders). Such request is to be made to the dealing officer of BVFCL mentioned in the tender document. In case the due date of submission is extended even after receipt of some bids due to some special circumstances, the bidder who has already submitted the

bid has right either to withdraw or revise his bids, without forfeiting the EMD.

#### **14.0 OPENING OF TENDERS**

- 14.1 Tenders are opened on the day and time as specified in the NIT in the presence of a representative of the Accounts Department not below the rank of E1 and a representative of the concerned department not below the rank of E1. Bids for which an acceptable request of withdrawal has been received from the bidder shall not be opened.
- 14.2 Tenders shall be opened on next working day if the opening date specified in NIT turns out to be an unscheduled holiday/ Bandh. Accordingly, bid closing date / time will get extended up to the next working day.
- 14.3 The bidders or their authorised representatives may be present at the time of tender opening. No other person than officials of BVFCL or authorised representatives of bidders shall be present at the time of tender opening. If a bidder desires his authorised representative to be present at the time of opening, he is required to submit a letter of authority which has to be presented by the bidder's representative to the officers opening the tenders. Representatives of bidders whose offers have not been received on the date of tender opening shall not be allowed to attend the tender opening.
- 14.4 While opening the tenders, the names and addresses of all the bidders are recorded in a Statement. The quotations are serially numbered. For example, if four quotations are received, the first quotation opened will be numbered 1/4, the second 2/4 and so on. If any regret letter is received from any bidder, it is also recorded in the Statement. If authorized representatives of the bidders are present at the time of bid opening, their names and names of firms they represent are recorded in another Statement. Signatures of the representatives are also obtained on this Statement against their respective names. Each page of both the above Statements is signed by BVFCL's Tender Opening officers opening the Tenders.



14.5 Following points are to be noted –

- a) Corrections/ Cutting/ overwriting/ additions are to be initialled by tender opening officer.
- b) Number of corrections on each page of the bid (s) will also be recorded by tender opening officers.
- c) Numbering has to be done on each page of the price bid (including attachments but excluding printed general catalogues and booklets) with initials of tender opening officers. For general catalogues and booklets, first and last page to be initialled by Tender opening officers. Total number of pages in the Price Bid should be indicated on top of the Price bid. This is applicable only for original bid.
- d) Any ambiguities in rates quoted by tenderers, in words or figures must be clearly indicated.
- e) Where the Bidders have omitted to quote the rates in figures or in words, the officer opening the tender should record the omissions. Nil correction/omission/insertion are also required to be specified on each page of the price bids.
- f) Discount of any type, if indicated separately shall be initialled by tender opening officers.
- g) The samples received along with the tenders shall also be signed by both the officers. If it is not possible to sign on the samples then those samples should be sealed with the label mentioning the name of the firm. Name of the firm should invariably be recorded on the sample, if not given already. The names of the parties who have submitted sample should also be recorded in Bid Opening statement.
- h) The cases where Bid Security is required as per tender condition, names of Bidders, who have submitted/not submitted Bid Security, shall be recorded in Bid Opening statement.
- i) While reading out the rates in the public opening, only the total prices or group-wise prices, if sought as per tender, should be read out in addition to delivery schedule and major terms and conditions.

**14.6 E-MAIL / FAX / TELEPHONIC OFFERS:**

E-Mail / Fax/Telephonic offers shall not be accepted unless specifically asked for in writing. Email/FAX offers shall be accepted for proprietary/single party tenders.

**14.7 UNSOLICITED AND/OR LATE BIDS:**

Tender documents are not transferable. Unsolicited bids shall be ignored straightway. Such offers shall be returned unopened to the bidder within 1 (one) month of finalization of tender against request by the concerned bidders and proper record of return will be maintained in the Tender File.

**15.0 EXTENSION OF DUE DATE FOR SUBMISSION OF BID**

15.1 Extension of due date for bid submission should be avoided. However, where the corrigendum/modification to the tender document is issued, suitable time extension may be given if required. In other circumstances, a valid reason should be recorded and put up to the Head of the department of MM/Executing department for approval and such extension shall be given.

15.2 If there is insufficient participation (less than three bids), the bid(s) may be opened with approval of Competent Authority as per DoP. For online tenders through e-procurement platform existing auto extension policy shall be followed which provides for 03 auto extensions of 02, 05, & 07 days respectively in case of receipt of less than 03 bids. After completion of auto extension cycle the received bids will be opened irrespective of no. of bids received.

15.3 However, in special circumstances like selection of consultant or procurement of sophisticated packages where technology is limited, with due deliberation and on recommendation, the competent authority may approve minimum required extension. At this stage the bidders who have already submitted the bid have option either to withdraw/revise/resubmit the bid without the forfeiture of bid security.

**16.0 EARNEST MONEY DEPOSIT/BID SECURITY**

16.1 EMD/Bid security is obtained from the bidders as an instrument so that the bidder does not withdraw/modify the bids within the validity period thereby causing inconvenience for BVFCL. The amount of bid security shall be determined in accordance with the cost estimate of the items/works/services procured under the subject tender.

**16.2 EXEMPTION FROM SUBMISSION OF BID SECURITY:**

No earnest money deposit / bid security will be necessary for procurement up to Rs.1,00,000/-, procurement from Central Govt. department, Public Sector Undertaking, proprietary item, procurement from OEM/on nomination basis.

Micro and Small Enterprises (MSEs) registered under Udyam Registration will be exempted from payment of EMD provided they furnish evidence that they are registered for the items they intend to quote against BVFCL tenders. Such bidders should provide documentary evidence along with the bid submitted. Their bid will be considered provided the correct and valid documentary evidence is provided.

**16.3 AMOUNT OF BID SECURITY:**

Amount of Expenditure Sanction	Amount of EMD /Bid Security
<= Rs.1Lakh	Nil
>Rs.1 Lakh, <= Rs. 10 Lakh	@2.50% of total estimated cost put to tender
>Rs.10Lakh, <= Rs. 2 Crore	Rs. 25,000/- + @2% on amount exceeding Rs. 10Lakh
>Rs. 2 Crore, <= Rs. 5Crore	Rs. 4.25 Lakh + @1.5% on amount exceeding Rs. 2 Crore
>Rs. 5 Crore, <= Rs. 10 Crore	Rs. 11.75 Lakhs + 1% on amount exceeding Rs.5 Crore
.>Rs. 10 Crore	Rs. 16.75 Lakhs + 0.5% on amount exceeding Rs. 10 Crore

While working out the EMD, the closing B.C. selling market rates of exchange declared by the State Bank of India as applicable on the date of approval of BEC by competent authority will be taken in to account for conversion of Indian Rupees to foreign currency. In case of stock items or the cases where standard BEC is being used, the exchange rate of date of PR approval shall be taken.

However, the maximum limit of EMD/Bid Security for a tender shall be US\$ one million for foreign bidders and Rs.5 Crores for Indian bidders.

\*Bid Security in case of listed/unlisted labour contracts shall be @1% of the annualized estimated contract value.

**16.4 RETURN OF EMD/BID SECURITY:**

16.4.1 The bid security/EMD submitted by the technically unacceptable bidders will be returned within 10 days of Price bid opening. The bid security/EMD of the unsuccessful bidder shall be returned within 30 days of finalization of the contract / issuance of award. The bid security/EMD of the successful bidder shall be returned only after receipt of Performance Security.

16.4.2 During the process of evaluation, if BVFCL seeks validity extension, bidder has option either to extend the bid validity on the terms and conditions and corresponding extension of bid bond. In case the bidder opts for not extending the validity, his EMD cannot be forfeited and the same shall be returned within 10 days after the expiry of his bid.

**16.5 MODE OF SUBMISSION OF BID SECURITY:**

All the bids must be accompanied by Bid Security for the amount as mentioned in the NIT or an equivalent amount in freely convertible currency and shall be in the BVFCL's prescribed format as Bank Guarantee (BG) enclosed with the NIT or a Bank Draft/Bankers' cheque in favour of BVFCL, Namrup or an irrevocable Letter of Credit (L/C) from any of the following Banks –

- a) Any schedule Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank in case of domestic bidder, or
- b) In case of foreign bidder, the bank guarantee can be accepted from any scheduled bank in India or from International bank who has its branch in India registered with Reserve Bank of India, or
- c) Any foreign Bank which is not a Scheduled Bank in India, provided the Bank Guarantee issued by such Bank is counter-guaranteed by any Branch situated in India of any Scheduled Bank incorporated in India or

EMD/Bid security shall also be acceptable through online payment modes.

## **16.6 EXAMINATION / VERIFICATION OF BID SECURITY:**

All bid security received against a tender, after comparing the tender no., amount of the bid security, validity of bid security and name of the party on whose behalf it has been issued, the executing department shall send a copy of the same to Finance. The Finance department will check the following:

- a) Whether the language of the BG is verbatim as per the format provided by BVFCL.
- b) In case of any discrepancy with regard to the value of non-judicial stamp and change / modification in the language by bank, the bank guarantee shall be examined by Legal department for its acceptance.

In order to know the authenticity of the bid security submitted by the bidder, the Finance department shall take up the matter with the issuing bank for verification of the BG.

## **16.7 INVOKING/FORFEITURE OF BID SECURITY/EMD:**

16.7.1 The bid security can be forfeited in the following condition:

- a) The bidder withdraws the bid within its original/extended validity.
- b) The bidder modifies/revise their bid suo moto.
- c) Bidder does not accept the order/contract.
- d) Bidder does not furnish Performance Security Deposit within the stipulated time as per tender/order/contract.
- e) If it is established that the bidder has submitted fraudulent documents or has indulged into corrupt and fraudulent practice, the bid security shall be forfeited after due process.

16.7.2 In case of Sl. No. a) to d), approval of Departmental Head is required. In case of Sl. No. e) approval of competent authority is required as per DoP.

### **16.7.3 SUBMISSION OF EMD/BID SECURITY IN CASE OF E-TENDERING:**

In case of electronic bidding, bidders shall upload the copy of bid security deposit while submitting the bid. However, original bid security must be received within 10 days time of the due date of bid submission at the designated office.

## **17.0 TENDER COMMITTEE**

### **17.1 FORMATION OF TENDER COMMITTEE:**

17.1.1 No Tender Committee is required for cases valuing up to Rs 2.00 Lakh (exclusive of taxes).

In such cases the bid will be examined technically and commercially by executing/processing dept. Thereafter, a proposal will be prepared and routed through F&A Department for approval by Competent Authority as per DoP.

All cases valuing above Rs. 2.00 Lakhs (exclusive of taxes) for procurement of goods / services / works and rate contracts, shall be processed through tender committee.

17.1.2 The Tender Committee will consist of 3 (three) members one each from MM/executing department, Indenter / User and Finance Department. Wherever there is technical complexity or user and indenter are different the member from User Department can be co-opted for advice to the indenter.

### **17.2 LEVEL OF TENDER COMMITTEE:**

The member of the tender committee from three departments as mentioned above shall be one level below the Competent Approving Authority. However, in the event no officer of requisite level is posted then officer of next lower level available from that department will be included in the tender committee.

- a) There may be cases that regular member of the tender committee is not available due to valid reasons, in such cases the officer next lower level available in that department shall be included in the tender committee so as to avoid delays in holding the committee meeting.
- b) The cases where competent authority to approve the proposal is Director / Board, tender committee shall be held at the level of senior most officer available in the respective departments.

- c) The level of tender committee will be decided considering the estimated value provided in the PR for the tender based on the competent authority corresponding to the estimate.

### **17.3 CONVENING OF TENDER COMMITTEE:**

- 17.3.1 The processing department will convene the tender committee meeting.
- 17.3.2 Tender committee Meetings may be held virtually over video conference whenever possible in order to avoid hassle of convening all members in one location. Also, all briefs and documents will be made available online so that approvals/recommendations of Tender Committee can be done online.
- 17.3.3 Tender Committee meetings will be convened in the office of department responsible for processing of tenders.

### **18.0 TIME SCHEDULE FOR VARIOUS ACTIVITIES FOR EVALUATION AND AWARD**

The time schedule for evaluation and processing of cases after receipt of bids till award for different activities is mentioned hereunder:

#### **18.1 SINGLE ENVELOPE COMPOSITE BID (CONSISTING OF TECHNICAL AS WELL AS PRICE):**

Sl. No.	Activity	Maximum Period Allowed
1	Opening of Bids	0
2	Scrutiny of bids and issuance of Technical / Commercial queries (if any) to L1 bidder.	08 days
3	L1 Vendor response to Technical/Commercial queries	05 days
4	Evaluation of response to Technical / Commercial queries and Finalization of Technical / Commercial Evaluation / Comparative Statement	12 days
5	Preparation of Comparative statement, examination by finance department and tender committee recommendation for award	15 days

6	Approval of Competent Authority and award	2 days
Total Period allowed (maximum)		42 days

### 18.2 SINGLE STAGE TWO BID SYSTEM:

Sl. No.	Activity	Maximum Period Allowed
1	Opening of Un-priced Bids	0
2	Scrutiny of bids and issuance of Technical / Commercial queries (if any)	10 days
3	Vendor response to Technical / Commercial queries	06 days
4	Evaluation of response to Technical / Commercial queries and Finalization of Technical / Commercial Evaluation	12 days
5	Preparation and Finalization of Committee recommendation for price bid opening	07 days
6	Approval of Competent Authority	03 days
7	Price Bid opening	03 days
8	Preparation of Comparative Statement	03 days
9	Vetting of Comparative Statement by F&A Department	03 days
10	Preparation and Finalization of Tender Committee Recommendation for award	07 days
11	Approval of Competent Authority and award	03 days
Total Period allowed (maximum)		57 days

**Note:** i) For Complex Cases/ LSTK / Cases Where PMC is involved / Cases where Reverse Auction is involved additional 10 days may be considered, if necessary.

ii) In case a particular tender is not finalized within the above targeted period for valid reason, it should not be treated as deviation to procedure. However, periodic exception report shall be put up to unit Head for deliberation and analysis to find out the reason for such delay and remedial action for future cases.



## **19.0 EVALUATION OF BIDS**

The responsiveness of the bids shall be ascertained based on the contents of the bid itself without recourse to extrinsic evidence. A substantially responsive bid is one which conforms to the terms and conditions of tender without material deviations. Material deviation is one which makes the bid non-responsive and liable for rejection as per terms and conditions of the tender document. A bid determined as substantially not responsive shall be rejected and may not be subsequently made responsive by correction/new submission as it will change the substance of the bid.

### **19.1 EVALUATION OF SINGLE/COMPOSITE BID:**

As a principle, clarifications from bidders after opening of tenders are to be avoided to the extent possible in single stage composite bid system. However, clarifications on the bids shall be sought from L1 bidder wherever necessary without affecting the quoted prices.

### **19.2 EVALUATION OF BIDS UNDER TWO BID SYSTEM:**

19.2.1 The Techno Commercial-Unpriced Bids shall be opened first and scrutinised by Indenting/ User department for compliance of technical requirement. The Technical scrutiny report shall be prepared in a tabular form with reference to Bid Evaluation Criteria and other technical compliance as per tender condition, clearly indicating that the bidder has met/not met a particular criterion. Technical queries (TQ), if any, shall be prepared by user department and forwarded to MM/taken up with the bidder as the case may be.

The executing department, immediately after opening of the bids, shall arrange commercial scrutiny in consultation with Finance and prepare commercial queries (CQ).

It must be ensured that the queries asked for shall not have any bearing on the price.

- 19.2.2 On receipt of response from the bidders on TQ and CQ, the executing department will prepare the final Technical Scrutiny Report regarding acceptance or rejection of the offers. The technical scrutiny report shall clearly mention the reason of rejection of any bid.  
The executing department shall simultaneously prepare the commercial scrutiny of the bids and prepare the final report vetted by Finance. The rejection of any bid on commercial ground should clearly specify the reason for rejection.
- 19.2.3 Once the technical and commercial evaluation is complete, a tender committee shall put up recommendation for price bid opening of techno-commercially acceptable bidders, by competent authority as per DoP. All techno-commercially acceptable bidders, whose price bids are to be opened shall be notified of the date of price bid opening giving up to 3 (three) working days to attend the price bid opening if they so desire.
- 19.2.4 Price bids of unacceptable bidders, which remain unopened with BVFCL, are to be returned to bidder after finalization of tender and award of contract.
- 19.2.5 For all tenders processed through e-tendering, the rejection of bids, if any, shall be intimated to the concerned bidder (s) through written communication viz e- mail in line with the procedure adopted in GeM portal.
- 19.2.6 In line with GeM policy a cut-off time period of 02 (two) days (non extendable) is to be given for representation (s) by the unsuccessful bidder (s), if any, prior to opening of price bids in case of two bids system and award of contract/P.O. in case of composite bid tenders.
- 19.2.7 Representation (s) received from the rejected bidder (s), if any, shall be reviewed with respect to original scrutiny report to arrive at a judicious conclusion.

## **20.0 CLARIFICATION FROM BIDDERS AFTER TENDER OPENING**

- 20.1 As a principle, the bid should be evaluated and processed based on the information, details, documents etc. submitted by the bidder without resorting to any communication with the bidder.

- 20.2 During the techno-commercial evaluation of the bids, if it is considered necessary to seek clarifications from bidders in relation to their original submission, technical and commercial queries based on the scrutiny of the bids may be addressed to the bidders giving a reasonable time for response. Such clarifications from the bidder should not be in contradiction to their original submission and should never change the substance of their original bid.
- 20.3 While seeking clarification from the bidders, it should not be pick and choose and wherever required against any bidder, the clarification should be sought from all such bidders. Any subsequent query can be issued only after the tender committee deliberates and considers it necessary for taking proper clarification. It is not allowed that bidder should submit new documents which are not mentioned in the original submission.
- 20.4 While seeking clarification from the bidder and giving a reasonable time for response a cut-off date should be indicated with a stipulation that in case no response is received from the bidder, his bid will be evaluated based on the submission.
- 20.5 The shortfall information/ documents should be sought only in case of historical documents which pre existed at the time of the tender opening and which have not undergone change since then. So far as submission of the documents is concerned with regard to qualification criteria, after submission of the bid, only related shortfall documents should be asked for.
- 20.6 During evaluation and comparison of bids in GeM tender, the Purchaser may, at his discretion, ask the bidder for clarification of their bid. The request for clarification will be given asking the bidder to respond by a cut-off date. If the bidder does not comply or does not respond by the date, the bid shall be rejected. No changes in prices or substance of the bid shall be sought, offered, or permitted.
- 20.7 The subsequent document submitted consequent to post –bid clarifications should be dated prior to bid opening for consideration. However, document as per tender like undertaking/affidavit/self certification/OEM authorization certificate/CA certificate with UDIN no. and issuing date etc. required as per tender may be considered post dated.
- 20.8 No post bid clarification at the initiative of the bidder will be entertained.

**20.9 POST TENDER MODIFICATION:**

No unsolicited correspondence after submission of offer shall be taken cognizance of or responded to. Post tender modification of bid is not allowed.

**20.10 WITHDRAWAL OF OFFER BY BIDDER:**

In case bidder withdraws its bid within the bid validity period, Bid Security will be forfeited and the party may be put in holiday list.

**20.11 FURNISHING FRAUDULENT INFORMATION/ DOCUMENT:**

If it is found during the evaluation of the tender that a Bidder has furnished fraudulent document/information, the Bid Security shall be forfeited and the party may be put in holiday list/black listed.

**20.12 PRICE BID EVALUATION:**

Once the prices bids are opened, a comparative statement of the bids shall be prepared. The bids shall be evaluated considering prevailing guidelines regarding applicability of duties and taxes, exemption of duties, purchase preference, the basis of price for the purpose of evaluation for deciding inter se ranking. The price evaluation shall be done strictly in accordance with the conditions mentioned in the tender document which may include certain loading as specified in the tender.

20.13 Conditional and unsolicited discount will not be considered in evaluation. However, if such bidder happens to be the lowest recommended bidder, unsolicited discount without any condition will be considered for computing the contract price.

**20.14 TENDER COMMITTEE RECOMMENDATION:**

The tender committee shall make final recommendation for award of job, clearly deliberating all issues related to the subject tender during the course of processing and evaluation.

The tender committee recommendation shall be unambiguous for consideration and acceptance by Competent Authority.

**20.15 ACCEPTANCE OF RECOMMENDATION OF TENDER COMMITTEE:**

- a) Tender committee recommendations shall be put up for the approval of competent approving authority as per DoP.
- b) Competent authority can either approve the recommendation of tender committee or give written directives to TC for reconsideration of its recommendation with specific observation.
- c) When the recommendation of tender committee is unanimous, and the Competent Approving Authority does not agree with recommendation, he / she will refer the case for a decision to the next higher competent authority along with his / her recommendation and giving reason for not agreeing with TC recommendation.
- d) In case there is dissenting view in the tender committee recommendation, the Competent Approving Authority will be empowered to accept the majority recommendation of the tender committee. If the majority recommendation of the TC is not acceptable, the Competent Approving Authority with his / her views along with his / her recommendations shall refer the matter to next higher Competent Approving Authority, empowered to take decision and approve the majority recommendations with vetting from Finance.
- e) In cases where there is recorded difference of opinion amongst the tender committee members and there is no majority view within the tender committee, the matter shall be put up to the Competent Approving Authority for decision.

**21.0 REASONABILITY OF RATES**

Wherever there are at least 3 (three) acceptable bids, the tender shall be processed for award on L1 bidder. The variation between cost estimate and the lowest of evaluated bid price shall call for review of the estimate. Such review needs to be done more exhaustively where the variation of the price is more than 10% of the cost estimate. This analysis is required to arrive at proper decision for placing order also keeping in view the other aspects like

project schedule / operation etc. Such review of cost estimate shall be done by indenter.

## **22.0 INSUFFICIENT ACCEPTABLE BIDS**

- a) In case after inviting open/limited tenders, a single offer is found techno-commercially acceptable, the order should be placed on the single bidder as per the Delegation of Power provided at least one of the following conditions are met :
- i) The rates are considered reasonable.
  - ii) The requirement is urgent.
  - iii) The sources are really limited.

While making recommendation or proposal for such cases, the applicable situation(s) as per above provisions shall be clearly indicated in the recommendation.

- b) The reasonableness of the rates or urgency of the requirement, as the case maybe, would be certified by the indenter.

## **23.0 NEGOTIATION**

23.1 No negotiations should be carried out even with L1 bidder. However, under exceptional situation the negotiation can be held only with L1 bidder with the approval of competent authority as per DoP.

23.2 Such exceptional situation would include the following:

- i. Procurement of proprietary items;
- ii. Items with limited sources of supply;
- iii. Where there is suspicion of cartel formation.

23.3 Justification and details of such negotiation shall be duly recorded and documented without any loss of time.

23.4 In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the

availability of the item, jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity, subject to acceptance by the bidder. The balance quantity shall, however, be procured expeditiously through a re-tender, following the normal tendering process.

23.5 Negotiations shall not be misused as a tool for bargaining with L-1 with dubious intentions or lead to delays in decision-making. Convincing reasons must be recorded by the authority recommending negotiations. In no case shall the overall timeframe exceed the validity period of the tender and it should be ensured that tenders are invariably finalised within their validity period.

### **23.6 APPROVING AUTHORITY FOR NEGOTIATION:**

The approval for negotiation shall be accorded by the competent authority as per DoP.

### **24.0 SPLITTING OF QUANTITIES**

24.1 The cases where there is a possibility of splitting the order amongst more than one bidder due to capacity constraint, such provision needs to be pre-disclosed in the tender document to the effect that orders on L-2 and L3 may be placed, subject to their matching the price with L-1 bidder and exhausting of the capacity of L1 bidder. This shall not be deemed as negotiation.

24.2 Where for critical services/supply more than one source is required, the same should be pre-disclosed in the tender indicating the ratio on which orders on L2, L3... bidders shall be placed subject to their agreement of matching the prices offered by L-1 bidder. The ratio of distribution shall be stipulated in such a way to offer comparatively larger share to L-1 bidder. The above exercise shall not be considered as negotiations.

24.3 Works / Services: In cases where entire work is divided into more than one part and tender has provision for evaluation and award of the job part wise, the entire work shall be finalized on least cost to BVFCL, if a bidder happens to be the lowest in more than one part and has qualified only for one or more than one of the parts

and not for all parts, as the case may be. Once certain part(s) is/are awarded to such L1 bidder, the bidder ceases to be the lowest bidder for the remaining part(s). The award of remaining part(s) on other bidders shall not be considered as award on L2, L3 ... bidder at differential price as capacity of L1 bidder has already exhausted, resulting in placement of order on L2, L3... bidders.

24.4 Counter offers to L1, in order to arrive at an acceptable price, shall tantamount to negotiations.

24.5 In the event, the lowest bidder against a tender back out, such tender will be refloated.

## **25.0 PLACEMENT OF ORDER**

Once the proposal for award is approved by the Competent Authority, the letter of intent should be issued at the earliest, followed by detailed letter of award.

## **26.0 PERFORMANCE SECURITY**

26.1 The successful bidders are required to furnish performance guarantee through security deposit called performance security. This is for securing the performance of contracts/purchase order. Performance guarantee is to be submitted by the successful contractor within the stipulated time as per contract.

### **26.2 SUBMISSION OF PERFORMANCE SECURITY:**

<b>Type of Contract</b>	<b>Performance Security Amount</b>
Procurement of materials, works and services up to an individual contract/order value of Rs. 1 Lakh	Nil
Procurement of Spares, materials of proprietary nature from original manufacturer, the sole selling agent of OEM, authorized dealer and OEM services	Nil



Service contracts on per diem rates basis	NIL
Procurement of materials, goods, services, works including LSTK contracts exceeding order value of Rs. 1 Lakh	10% of contract/order value

P.S. For the purpose of determining the amount of Security deposit for performance, the contract / order value shall be considered excluding taxes and duties which are paid extra by BVFCL.

26.3 Validity of the performance security/contract performance guarantee shall be valid for 90 days beyond contract period/duration and applicable warranty/guarantee/defect liability period (if any).

#### **26.4 MODE OF SUBMISSION OF PERFORMANCE SECURITY:**

The Performance Security shall be in the form of a Account Payee Demand Draft or Bank Guarantee or irrevocable Letter of Credit (LC) from:

- a) Any schedule Indian Bank or Any Branch of an International bank situated in India and registered with Reserve Bank of India as scheduled foreign bank in case of domestic bidder, or
- b) In case of foreign bidder, the bank guarantee can be accepted from any scheduled bank in India or from International bank who has its branch in India registered with Reserve Bank of India.
- c) Any foreign Bank which is not a Scheduled Bank in India, provided the Bank Guarantee issued by such Bank is counter-guaranteed by any Branch situated in India of any Scheduled Bank incorporated in India

Bank Guarantee issued by a Bank, amongst others, must contain the following particulars of such bank:

- a) Full address.
- b) Branch Code.
- c) Code Nos. of the authorized signatory with full name and designation.
- d) Phone Nos., Fax Nos., E-mail address.

The domestic bidders will have to submit the Bank Guarantee from any of the scheduled banks and on non-judicial stamp paper of requisite value as per the Indian Stamp Act, purchased in the name of the issuing banker.

The foreign bidder will submit the Bank Guarantee from Banks of Indian origin situated in their country. In case no such bank of Indian origin is situated in their country, the Bank Guarantee may be submitted from the bankers as specified above.

Performance Security may also be submitted vide online payment in an acceptable form.

#### **26.5 MANAGEMENT OF PERFORMANCE SECURITY AND CLAIM SETTLEMENT IF ANY :**

Performance Security Deposit shall be released in accordance with the terms of the contract / purchase order.

- i) All concerned authorities shall ensure that details of all claims which are to be recovered from the supplier / contractor are promptly intimated to the respective payment authority, without any loss of time, so that the claim can be recovered before releasing the pending payment(s).
- ii) Details of such claims shall also be forwarded to the authority who has concluded the respective purchase order / contract / rate contract and has obtained the Security Deposit. After completion of the supplies / execution of the contract, the respective authorities as mentioned below shall take prompt actions in respect of the following:
  - (a) In case of purchase of goods, for recovery of any claims other than discrepancies / recoveries indicated in the SRV, the respective consignee(s) [including port consignee / C&F section etc. shall forward the details of claims which are to be recovered from the supplier, to the respective purchase officer, immediately after completion of supplies against the

purchase order, i.e. within 15 days after receipt of last lot of material. Even if there is no claim against a particular purchase order, the consignee(s) should forward a “No Demand Certificate” to the respective purchase officer within the stipulated time as above. Further, in procurement of spares from foreign OEMs and also in cases where payments are made through L/C or Advance, concerned department should be more vigilant to take immediate actions for notifying such discrepancies/short supplies to the MM department, enabling them to take up the matter with the suppliers for making good the same without any loss of time.

- (b) Wherever installation and commissioning is involved along with supply of the equipments, indent or after the commissioning shall forward a copy of satisfactory installation and commissioning report along with details of outstanding claims (if any) or a “No Demand Certificate”, to the authority who has concluded the respective purchase order / contract, within 15 days after completion of installation and commissioning of the equipment satisfactorily.
  - (c) In case of Service Contracts, Indenter shall forward details of outstanding claims (if any, which could not be recovered from the regular payments) or a “No Demand Certificate”, to the authority who has concluded the respective contract, within 15 days after expiry of the contract period.
  - (d) In case of LSTK contracts, equipment, packages, where Contract Security is obtained to cover the warranty period also, Indenter shall forward details of outstanding claims (if any) or a “No Demand Certificate”, to the authority who has concluded the respective contract, within 15 days after expiry of the warranty period.
- iii) In all cases, wherever the claims are to be recovered from the Security Deposit, it should be ensured that the claims with complete details are forwarded to the concerned authority(ies) well before the expiry of the validity of Performance Security.

Under exceptional circumstances, where the above details cannot be furnished within the stipulated time, approval from

Head of Department shall be obtained by the respective authority(ies) giving full reasons necessitating additional time for furnishing “No Demand Certificate”. Such approval shall be forwarded to the concerned purchase officer / contract concluding authority for obtaining suitable extension for the validity of Performance Security.

- iv) On receipt of intimation regarding claims for recovery (if any) / “No Demand Certificate”, the concerned purchase officer / contract concluding authority shall verify whether the claims have already been recovered from the payments. After release of final payments, if any claims are outstanding for recovery, necessary action should be initiated to recover the same from the Security Deposit.

Thereafter, for the release of Contract Security (after recovering the claims if any as mentioned above), the approval shall be obtained as per provisions mentioned for release of Performance Security in the contract.

The Competent Purchase Authority (who has approved award of contract) shall have powers to approve release of Performance Security. However, concerned Head of the department shall have full powers in this regard, irrespective of the type of tender or value of tender / order / contract, including for cases falling within the powers of Directors. Accordingly, necessary advice shall be issued to the concerned Finance section for releasing the Security Deposit / Performance Security.

## **26.6 INVOKING OF BANK GUARANTEE:**

Prior approval of Head of department will be obtained for invoking / forfeiting the PBG. The head of finance will be informed to invoke the bank guarantee.

The original bank guarantee will be forwarded to concerned Finance section retaining a photocopy of the same with executing Department for reference.

The invocation/forfeiture of Performance Security/Security Deposit is to be issued before 10 days of expiry of Bank Guarantee (BG).

**26.7 EXAMINATION / VERIFICATION OF PERFORMANCE SECURITY:**

All performance bank guarantees received against a contract/order, after comparing the order no., amount of the bank guarantee and name of the party on whose behalf it has been issued, the executing department shall send the same to Finance. The F&A Department for checking/vetting the following:

- i) Whether the language of the BG is verbatim as per the format provided by BVFCL.
- ii) In case of any discrepancy with regard to the value of non-judicial stamp and change / modification in the language by bank, the bank guarantee shall be examined by law department for its acceptance.
- iii) In order to know the authenticity of the bank guarantee submitted by the bidder, the Finance department shall take up the matter with the issuing bank for verification of the BG.

**27.0 REPEAT ORDERS FOR SUPPLY OF GOODS/MATERIALS (PURCHASE ORDERS)**

The repeat order cannot be considered as a routine manner and can be exercised in exceptional circumstances. The procurement on repeat order basis is not desirable as it does not meet the basic requirement of competitive bidding for procurement and current market situation.

While seeking approval for resorting to repeat order, adequate justification needs to be furnished to the Approving Authority.

Repeat order can be considered up to 50% of original quantity on the supplier on whom the original order was placed on same terms and conditions within one year of complete execution of original order.

The indenter shall certify that:

- i) There is apparent escalation in prices in the market and no unintended benefit is likely to be passed on to the vendor.
- ii) The normal processing of the case is likely to delay the procurement and adversely affect the work.

- iii) The original order was placed as a result of a regular tender enquiry and on competitive tender basis. The repeat order shall not be placed against those purchase orders which have been placed as an emergency purchase, order on nomination/single tender/proprietary basis and where market shows downward trend in the prices.

## **28.0 EXTENSION OF SERVICE CONTRACTS**

- a) Service Contracts are awarded for a specific period at rate and other terms and conditions. Generally such contracts have a provision for extension of contract period by a specific time (maximum of 100% of the original contract period) beyond the contract period on same terms and conditions.

In case of such service contract, timely action should be taken for initiating the process for signing a new contract so as to avoid exercising the provision of extension beyond original period, which is only an enabling provision.

In exceptional circumstances if the contract period is extended even after exhausting the provision of contract for time extension such exercise shall be treated as contract on nomination basis. This shall require approval of competent authority as per DoP for value of the contract during the extended period.

- b) No contract shall be extended after a contract is closed.

## **29.0 PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSEs)**

29.1 With reference to the Order of the Ministry of MSME , under the Public Procurement Policy March 2012 , Micro and Small Enterprises shall be entitled for benefits, subject to terms and conditions, as under:

### **a) Qualifying Criteria for MSEs , SC/ST vendors ,WOMEN OWNED MSEs:**

- i) MSE bidders must submit registration certificate under Udyam registration for the relevant category.

- ii) SC/ST owned enterprises ( i.e. SC/ST proprietorship, or holding minimum 51% shares in case of Partnership/Private Limited Companies) shall additionally submit relevant SC/ST certificates issued by any of the following:

District/Additional District Magistrate /Collector/Deputy Commissioner/ Additional Deputy Commissioner/Deputy Collector/1st Class Stipendiary Magistrate/Sub-divisional Magistrate / Taluka Magistrate / Executive Magistrate/ Extra Assistant Commissioner/ Chief Presidency magistrate /Additional Chief Presidency magistrate/Presidency magistrate / Revenue Officer not below the rank of Tehsildar / Sub-divisional Officer of the area where the individual and/or his family normally resides

- iii) Women owned MSEs ( i.e. Woman proprietorship, or holding minimum 51% shares in case of Partnership/Private Limited Companies – documentary evidence to be furnished) bidders must additionally submit certificate from any of the following:

- Aadhar Udyog Memorandum
- Certificate /document mentioning women as owner of MSE

- iv) The registration shall be valid as on date of placement of order. A self- attested photocopy of the relevant certificate shall be submitted as a support document.

- v) The registration must be for the items/category of items /services relevant to the tendered items/category of items/services.

**b) Purchase Preference for MSE :**

In tenders, where the L1 (evaluated price) bidder is a non-MSE, up to 25% of the tendered quantity shall be allowed to be supplied by participating MSEs provided that the tendered quantity is divisible into two or more orders and adequate for the purpose; all qualifying bidders have agreed for acceptance of part-order quantity and participating MSE matches the L1 rate. A share of 5% out of this 25% shall be allowed to be supplied by

participating MSEs owned by Scheduled Cast/Scheduled Tribe entrepreneurs. In the case of an SC/ST owned MSE failing to participate in the tender or not meeting the tender requirements, this 5% sub-target shall be met by other participating MSEs.

A share of 3% out of this 25% shall be allowed to be supplied by participating MSEs owned by Women entrepreneurs. In the case of any Women owned MSEs failing to participate in the tender or not meeting the tender requirements, this 3% subtarget shall be met by other participating MSEs.

The above shall be subject to that the participating MSE (including SC/ST and women owned MSEs) bidders shall have quoted a price within +15% of the L1 bid price and further that they shall agree to match their quoted price with the L1 price. In case that two or more MSEs are within the L1 +15% band, all such MSEs will be offered the opportunity to match the L1 rate and 25% of the order will be shared equally by them.

Where the MSE is SC/ST owned, they shall be exclusively awarded a share of 5% of the above 25% and Where the MSE is Women owned, they shall be exclusively awarded a share of 3% of the above 25%, in addition to equally sharing the balance 17% with other non-SC/ST MSEs.

In case of more than one SC/ST MSEs matching the L1 price, they shall equally share 5% of the order, and additionally share the balance 17% with other nonSC/ST, non-Women MSE bidders.

In case of more than one Women MSEs matching the L1 price, they shall equally share 3% of the order, and additionally share the balance 17% with other nonSC/ST, non-Women MSE bidders.

**c) Exemption from Earnest Money Deposit (EMD)/ Tender cost for MSE:**

- i) Tenders shall be provided free of cost.
- ii) MSE units qualifying as at (a) above shall be exempt from paying EMD.
- iii) No exemption shall be allowed for the submission of Security Deposit / Performance Bank Guarantee, if applicable in the particular tender.



**Note:**

- i) The above benefits shall be allowed to only manufacturing Micro and Small Enterprises and not to traders /distributors/ agents for supply of material/stores. This includes the procurement of items from the list of specifically reserved for MSE as per the Policy. Latest list may be seen from the website of MSME Ministry.
- ii) Bidders registered under the “services” category shall not be considered for supply of material/stores.

29.2 In accordance with the provisions of the said policy, the HoD (MM) shall be the Nodal Officer for implementation of the policy and redressing grievances as notified vide Gazette of India no. 502 dated 26.03.2012.

**29.3 PURCHASE PREFERENCE:**

Normally no purchase or price preference is permissible. However as per the extant guidelines of Government of India from time to time, purchase preference may be allowed to the extent permitted. If there is a purchase preference available to a particular category or class of bidders, the same shall be mentioned in the Bid Documents.

To encourage “Make in India” and promote manufacturing and production of goods & services in India with a view to enhancing income and employment, Department of Promotion of Industry and Internal Trade (DPIT), Ministry of Commerce and Industry, Government of India, issued Public Procurement (Preference to Make in India), Order, 2017. The Order is applicable on the procurement of Goods, Works and Services.

**30.0 E-REVERSE AUCTION**

30.1 Unlike in normal auction, where prices are auctioned from seller's point of view & the highest price is awarded the auction, in reverse auction prices are auctioned from purchaser's point of view & the most competitive lowest price is awarded the auction. As a part of e- Procurement tool, through Reverse Auction Process, competitive prices of short listed bidders are auctioned online in fair & transparent manner.

## **30.2 MODALITIES OF E- REVERSE AUCTION PROCESS:**

### **30.2.1 BID INVITATION**

Tender that would be subject to Reverse Auction shall be clearly mentioned in NIT. E-tenders where in Reverse Auction is proposed shall be floated under Two bid system. All tenders generated in the system and documents uploaded by the purchaser must be digitally signed before publication of the tender.

### **30.2.2 BID SUBMISSION**

All bids and bid documents uploaded by the supplier must be digitally signed before submission. Submitted bids cannot be viewed by the purchaser till the tender opening date and time. Bid modification and / or withdrawal after submission is allowed before the due date and time of submission.

### **30.2.3 REVERSE AUCTION**

Reverse auction event is scheduled after the bidder submits his online technical bid. All techno- commercially acceptable bidders participating in the tender get an opportunity to quote/revise their total price within the date and time specified for reverse auction.

### **30.2.4 PRICED OFFER**

Tenders where Reverse Auction will be conducted, price offers will be asked in Simple Price Format where in bidders are to provide the price in single component by taking into consideration of all detailed components. For arriving at single price, bidders will be provided with calculation sheet along with the Tender document.

### **30.2.5 START BID PRICE**

Start bid price would be evaluated L-1 price based on Techno-Commercially Lowest offer. Bidders can quote only lower than the start bid price. A bidder here can revise his bid as per the bid decrement intimated at the start of the bidding process. The reverse price must be lower than the lowest price at the point of time. There will be one bidder at a particular position/rank, the criteria followed here is of price only. So, the bidder who quotes the lowest price is declared as the winner of the auction. To evaluate the L-1 Price, of different kind of tenders, the evaluation criteria shall be as under:

30.2.6 PRICE EVALUATION IN REVERSE AUCTION:

To evaluate the offers on equal footing, the calculation schema shall be prepared and provided with the tender.

The Price for the Reverse Auction would be for the FOR Destination Price, which shall include all the components of Taxes and Levies applicable, Freight, Insurance etc.

30.2.7 PURCHASE PREFERENCE

In case of purchase preference as per Govt. Policy, as may be notified from time to time to any category of bidders, and if any of the short listed bidders are eligible for such purchase preference in terms of policy, such bidders shall get opportunity to match the L-1 price concluded after reverse auction, if their final prices in Reverse Auction fall within the permitted percentage.

30.2.8 CONVERSION RATE

While evaluating the bids, the closing B.C. selling market rates of exchange declared by the State Bank of India on the day prior to the price bid opening will be taken into account for conversion of foreign currency in to Indian Rupees as per present practice.

**30.3 SALIENT BUSINESS RULES:**

30.3.1 Start Bid Price

Start Bid Price is the Techno- Commercial Lowest price fixed for the reverse auction event. Bidders can bid only lower than the start bid Price. Start bid price will be available to the bidders during the start of the auction on the auction site.

30.3.2 Bid Decrement

Bid decrement is the fixed amount by which, or by multiples of which, the next bid value can be decreased. Bid decrement shall be available to the bidders during the start of the auction on the auction site.

30.3.3 Bid Price in reverse auction

The bidder's bid in the reverse auction must represent the total price bid for the items in reverse auction.

### **31.0 EXPRESSION OF INTEREST (EOI)**

31.1 EOI is normally used for exploring the market for new technology, business diversification etc. The EOI is not an activity of tendering as through this method we seek only the interest of the likely agencies available in the market for a particular technology, consultancy and diversification, and there is no commitment of entering into a commercial contract out of this exercise. This method can also be used for identifying the proper sources, suppliers and service providers for new technology, latest equipment and best practices. This can also be used where the owner is not reasonably sure on the specification / scope of work / source of supply and would like to have the input from the prospective agencies in the market.

31.2 Request for EOI should include the following :

- a. Brief description about objective of carrying out assignment, broad scope of work and expected deliverables.
- b. Minimum qualifying criteria for subject job to the extent BVFCL has got the knowledge of the subject.
- c. The place / work site where assignment is to be executed.
- d. Instruction regarding nature of job, submission requirement, last date of submission, place of submission and any other related instruction which is considered necessary.
- e. The formats under which the agencies are required to submit their expression of interest.

### **32.0 EMPANELMENT OF VENDOR / CONTRACTOR / CONSULTANT / SERVICE PROVIDER FOR LIMITED TENDERING**

- a) The empanelment of vendor / contractor /consultant /service provider shall be carried out as per laid down procedure.
- b) The exercise for empanelment of vendor / contractor /consultant /service provider should be continuous process. Requisite format for application shall be available at BVFCL website.
- c) The qualifying criteria shall be same as being used for procurement of such items / services / works in case of normal tendering.

- d) A committee consisting of members from user department, MM and finance shall be constituted. This committee shall formulate qualifying criteria and evaluate the offers and make recommendation for approval by competent authority.
- e) Such panel shall be used for purpose of issuing limited tender. In case of such limited tender no BEC is required.
- f) The limited tenders based on the above empanelled vendor list shall also be posted on the website only for information and not for bidding.

### **33.0 STANDARDIZATION OF BID EVALUATION CRITERIA**

There are certain items, materials, services / works which are repeatedly in use. It is advised that for such items, materials, services / works the bid evaluation criteria should be standardized.

The items, materials, services / works for which there are standard BEC, we need not generate another BEC against each and every tender. The standard BEC should be used.

In case of exceptional situation, due to certain operational requirement, with reasons to be recorded, the standard BEC may be modified to the minimal extent to meet the operational requirement of the particular case. This shall be done with the approval of competent authority on recommendation of the committee.

The standardized BEC in BVFCL needs to be reviewed at least once in 2 (two) years to take care of subsequent development in terms of items, materials, services / works.

### **34.0 CORRESPONDENCE WITH BIDDERS**

All correspondence before award of contract seeking clarification (technical and commercial) must be done by MM/executing department. After the contract is awarded, if considered necessary, indenter can correspond with suppliers. In case of LSTK and other complex contracts, the indenter can correspond regarding day to day execution of the contract and issues arising during the execution of the contract.

**35.0 HANDLING OF COMPLAINT / REPRESENTATION / ARBITRATION**

35.1 In case any complaint / representation in respect of ongoing tender, received in BVFCL, the same shall be handled as under:

- a) Anonymous representation / claim received should be ignored.
- b) If a proper representation is received when the tender is under process of consideration / evaluation, the same should be examined by the complaint handling committee and comments / deliberation / recommendation should appear in the tender committee recommendation.
- c) In case of any complaint on ongoing tender, the complaint should be promptly examined by the dealing officer, whether there is any merit for corrective action, if required. The dealing officer shall then put up the case to the Complaint Handling Committee. If Complaint Handling Committee is of the view that there is no substance to review or action, the procurement process shall continue and such complaint shall not become the reason for keeping the tender on hold.
- d) In case the Complaint Handling Committee takes the view that there is merit in the complaint and feels that BVFCL may be required to take any corrective action, the committee shall make recommendation for putting the tender on hold till a detailed analysis and decision is taken. Such recommendation requires the approval of the Unit Head.
- e) Any complaint or representation received after award of the contract should be examined and dealt with suitably so that corrective action if any can be taken in future.
- f) However, till the time a Complaint Handling Committee is in place, the complaints / representations related to technical issues shall be handled by the technical department and complaints / representations related to commercial issues shall be handled by MM/executing department. In case, required, the matter may be referred to the tender committee for further deliberation / advice.

### **35.2 ARBITRATION**

Arbitration will be as per terms and conditions of general and special conditions of the contract / order.

### **36.0 THE INTEGRITY PACT (IP)**

IP shall be applicable for all tenders valuing more than Rs. 1.00 Crore or as decided by the competent authority from time to time. Bidder shall be required to sign the Integrity Pact as per prescribed format, to be part of the tender document. The proforma duly signed by BVFCL's competent signatory shall be issued along with the tender document. The proforma has to be returned by the bidder along with the bid (along with the "Techno Commercial-Unpriced Bid" in case of two bid/two stage bidding) duly signed by the same signatory who signed the bid.

BVFCL shall appoint competent and credible Independent External Monitor / Monitor (IEMs) for IP as per guidelines/recommendation of the CVC. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

### **37.0 DEVIATION TO THE MANUAL**

In case during processing a procurement case and before floating the tender, there is a necessity for a deviation to the Manual, a recommendation must be made by a Tender Committee, wherein, the Tender Committee shall give complete justification as to why such deviation is unavoidable. If it is merely a procedural deviation, the same shall be approved by the competent authority as per DoP. And such deviation should not be considered as precedence for future tenders.

In case of deviation to the Policy itself, the same shall require the approval of CMD based on the recommendation of the Tender Committee to be routed through concerned Director and Director (Finance).

### **38.0 CIRCULAR, INSTRUCTION, ADVICES ETC. REGARDING PROCUREMENT PROCESS**

During the course of business process there can be a situation warranting issue of certain instruction / advice regarding procurement related matters which may emanate from special requirement, government guideline etc. Such instruction / circular shall always be issued by designated department.

### **39.0 NON-APPLICABILITY OF THIS PROCEDURE**

The procurement which is financed by international financing institution like IMF, World Bank, ADB, etc. the procedure of financing institution shall apply.

### **40.0 POST AWARD ACTIVITIES**

#### **40.1 ACCEPTANCE OF THE ORDER / CONTRACT:**

Once the detailed contract is awarded, the acceptance of the contractor/supplier should be obtained followed by signing of agreement.

The Performance Bank Guarantee shall be obtained within the stipulated period.

After above activities, wherever necessary, the Letter of Credit should be issued as per approved and accepted format of LC so as to give effect to the contract.

#### **40.2 TRANSIT INSURANCE:**

- i) All supplies for equipment / materials are to be insured by BVFCL for transit risk, unless specified otherwise in the contract, to cover damages during the transportation.
- ii) Any damage during the transportation shall be notified to the under- writers as well as transporting agency for further necessary action in order to recover the transit damage.
- iii) In order to cover the insurance of the goods dispatched / shipped, vendor are required to furnish the dispatch / shipping details to the insurance company with complete dispatch details along with policy no. etc.

#### **40.3 INSURANCE CLAIM FOR DAMAGES:**



- i) In case of damage during the shipment for imported consignment which is noticed at the time of inspection after receipt of material, the MM department shall lodge the claim with the insurance company. However, as per provision of the contract, if necessary MM department who have placed the order shall take up the matter with supplier for repair / replacement.
- ii) In case of indigenous supply, if any damage is noticed at the time of inspection after receipt of material, the same shall promptly be notified to the insurance company by respective MM department so as to protect the interest of the company.

#### **40.4 VARIATION IN QUANTITY:**

In case of supply contract, if there is any variation in quantity based on the item rate provided in the purchase order, necessary amendment shall be issued timely to the supplier in respect of price and delivery. If required, the Letter of Credit may be amended accordingly. This will be done with approval of Competent Authority in accordance with the DoP”.

#### **40.5 DEVIATION:**

In case of any deviation, especially technical, which are accepted, the indenter shall work out the financial implication to be recovered from the supplier and adequacy thereof.

In case any modification to the items/equipment ordered is made by BVFCL, the supplier may be asked to work out the financial effects of the same. After certification by the user, change order to the contract may be issued. This will be done with approval of Competent Authority in accordance with the DoP.

#### **40.6 Modification in the scope of work / specification in case of works/ service contracts:**

The engineer in charge, supervising the contract may advise contractor / service provider for any modification which includes technical specification, quantity, scope of work, extra work, substituted item etc. Such instruction to the contractor shall be given in writing. The contractor / service provider is required to submit detailed work plan, estimated cost and time required. Such submission shall be examined and analysed on priority and with

approval of the competent authority in accordance with the DoP; amendment to the contract shall be issued.

The above actions are required on priority as after lapse of considerable time it becomes complex to analyse the case and arrive at a decision.

In case there is a delay in supply of goods and services, except in case of force majeure and reasons attributable to buyer, LD shall be levied as per provision of the contract. In case the supplier does not reduce proportionately the invoice value towards applicable LD as per the provision of the contract, BVFCL has right to recover the same, from payment due to the supplier.

Date of delivery / completion date shall be date of bill of lading, date of RR / LR, date of successful commissioning and handing over as provided in the contract. Under a supply contract, if the portion of supply completed in all respect which can be used for commercial operation shall not be considered for applying LD, if delivered within contractual delivery period.

The LD shall not be leviable in case of force majeure and BVFCL's default in performance of its obligation in terms of contract. It is often experienced that many a times owner accepts its default on its own account for including but not limited to non-supply of issue material, non-availability of front, delay in providing drawing etc. leading to time extension without LD. Since applicability of LD clause is a condition on which bids were invited a detailed analysis shall be made to arrive at default on part of the contractor and at the same time default on part of the owner before arriving at the decision of levying LD or otherwise.

In case of works, where company (BVFCL) takes over certain facilities for the envisaged objectives, which can be commissioned and can function independently irrespective of the availability of balance work of the project, BVFCL may issue part completion certificate by taking over such facilities without imposing LD. Where such facilities cannot be commissioned and cannot function independently, LD in that event shall be levied on full value of the contract.

While working out the LD in case of supply contract, the contract value is to be considered on FOB / CIF / FOR / Ex-works / FOT based on the contract excluding statutory taxes, duties, levies etc.

#### **40.7 PRICE REDUCTION SCHEDULE / LIQUIDATED DAMAGES (LD):**

If the contractor/vendor fails to deliver any or all materials or performance of work or service within the time period specified in the order / contract, BVFCL, without prejudice to any other remedy, deduct LD calculated as under:

- i) Price reduction shall be applicable at the rate @ 0.5% per week or on part thereof of the value of the goods/contract value in respect of which default in delivery/ mobilization time / completion time takes place subject to a maximum of 5 %.
- ii) In supply contract, the portion of supply completed in all respect which can be used for commercial operation shall not be considered for applying LD if delivered within contractual delivery period. The remaining supply, which has been completed beyond the contractual period, shall attract LD @ 0.5% per week or part thereof of the value of the goods/contract value in respect of which default in delivery/mobilization time / completion time takes place subject to a maximum of 5 %.
- iii) LD shall be applicable in the same manner where individual orders have been released against annual rate contract.

#### **40.8 TIME EXTENSION:**

During the execution of the contract, if delivery / work is not likely to be completed as per original schedule, the time of delivery of completion should be suitably extended without prejudice to right of levying price reduction schedule / liquidated damages. This action is necessary so as to keep the contract in continuation till the completion of the delivery.

The final time extension to the contract is to be given after analyzing all aspects of delay, provision of levying LD at this stage, the default on part of contractor as well as on the part of the owner needs to be critically analysed to arrive at the decision.

#### **40.9 APPROVAL OF DRAWING:**

In case contract provides provision for approval of drawing submitted by the manufacturer / contractor, BVFCL has to make arrangement of approval / commenting of such drawing in a time bound manner. Any delay in taking action in relation to approval of drawing shall be

solely attributable to BVFCL and may delay the supply of equipment and completion of the job.

**40.10 POST DELIVERY INSPECTION:**

On receipt of material timely inspection is to be organized so as to know the acceptability of the material or damages if any. In some of the cases, payment is linked with inspection and acceptance of material on receipt by BVFCL. Since this is linked with the payment of the contractor, timely inspection is more essential to maintain transparency for payment to the contractor.

**40.11 REPLACEMENT SUPPLY:**

Once the discrepancy report with respect to short supply, inferior quality of material, defective and damaged material is prepared, immediately the matter should be taken up with the supplier to supply replacement of such items free of cost as per the terms of the contract.

**40.12 MEASUREMENT OF THE WORK:**

The engineer in charge from BVFCL, for a given contract shall be responsible for the measurement of the work done. Such measurement shall be jointly measured and signed along with the representative of the contractor.

This measurement shall be used by the contractor for raising progressive bills for the job already completed.

**40.13 CLOSURE OF CONTRACT:**

Once the supply and work is completed, the purchase order / contract need to be closed as per the provision of the contract. At this stage it is to be settled and declared by both the parties that there is no outstanding issue in relation to the contract.

The following may be ascertained as per the provision of the contract:

- i) The supply has been made as per the specification and scope as prescribed in the purchase order.

- ii) In case of works / supply contract, the job has been performed at work site as per the provision in the contract.
- iii) The supply / work has been completed within the contractual delivery / completion schedule. In case there is a delay due to certain reason, the case has been properly analyzed and provision of the LD has been applied.
- iv) Payments in accordance with the provision of purchase order / contract based on necessary inspections / joint measurements have been made and any or all bank guarantees for performance / security to cover the guarantee / warranty as provided for in the purchase orders / contract have all been obtained from the vendor/ contractor.
- v) In case of free-issue material, all material issued have been reconciled and any excess material issued has been returned to BVFCL. Any excess consumption of the material or scrap generation has been duly accounted for and recovery if any has been made from the contractor.
- vi) In case of shortage and damages observed in the material received, either necessary replacement has been obtained from the contractor or claim has been lodged for replacement as per the provision of the contract. In case of works contract, for any damages or defects noticed in the works executed by the contractor, necessary rectification has been carried out and recovery if any made in that regard from the contractor.
- vii) In relation to any extra work, addition deletion, short supply, necessary analysis has been done and either extra payment or recovery has been affected for as per provision of the contract.

#### **40.14 RECOMMENDATION FOR CLOSURE OF THE CONTRACT:**

In case of purely a supply contract for goods, the purchase order can be closed once the supply is affected and payment released as per the provision of the contract. However, if there are issues related to applicability of LD, claim etc., this may require a recommendation of a committee consisting of MM, Finance and user department for approval by competent authority.

In case of contracts which are little complex considering extra work, delays, extra consumption of material, recoveries, claims etc.

a committee recommendation consisting of members from MM, Finance and user department will be necessary for approval by competent authority.

The competent authority shall generally be the one who approved the award.

**40.15 ACCEPTANCE OF MATERIAL IN DEVIATION TO SPECIFIED SPECIFICATIONS:**

Materials with deviation from order specifications shall not be accepted. However, in case of chemicals, due to urgent requirement of operations, the material below the specified specification may also be accepted with necessary recovery. This requires approval of the Head of the user department. This aspect should be considered while evaluating the performance of the supplier for future tenders.

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