PURCHASE MANUAL

OF

SARDAR VALLABHBHAI PATEL

NATIONAL POLICE ACADEMY



Prepared in

2015

A BRIEF NOTE ON SARDAR VALLABHBHAI PATEL NATIONAL POLICE ACADEMY

S.V.P. National Police Academy is the premier Police Training Institution of our country functioning as a 'Centre of Excellence', conducting the basic course for the regular recruits. Apart from the Basic Training Course for IPS officers, the Academy also conducts Compulsory Mid Career Training Programme for officers of SP., DIG. and IG/Addl DG levels of the Indian Police Service; Training of Trainers' Courses for the trainers of various police training institutions in the country; IPS Induction Training Course for State Police Service Officers; and short specialised thematic Courses, Seminars and Workshops on professional subjects for all levels of police officers. Foreign police officers and other officers belonging to Army/IAS/IFS/Judiciary, Public Sector Undertakings, Nationalized Banks, Insurance Companies etc. also attend various specialized courses conducted here from time to time. The Primary purpose of the Academy is to prepare leaders for the Indian Police, who will lead/command the force with courage, uprightness, dedication and a strong sense of service to the people.

The Academy is a focal point for training of the trainers of police training institutions far across the country and provides consultancy services to sister training institutions for improving their management of training. The Academy is a centre for research studies on police subjects and has tie-ups with similar institutions in and outside the country.

The Academy is headed by a Director, an IPS. Officer of the rank of Director General of Police and assisted by two Joint Directors of the rank of Inspector General of Police, 7 Deputy Directors of the rank of DIG of Police, and 13 Assistant Directors. The 13 Assistant Directors include 8 IPS/SPS officers of the rank of Superintendent of Police from state cadres, a Forensic Scientist, a Judicial Service Officer, a specialist each in Training Methodology, Computers and Wireless. The sanctioned strength of the faculty also includes a Professor in Management, a Reader in Behavioural Sciences, a Reader in Teaching Methodology, 4 Medical Officers, a Junior Scientific Officer, a Hindi Instructor, a Photographic Officer and a Chief Drill Instructor.

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CHAPTER – 1

INTRODUCTION

1.0 This manual outlines the procedures to be adopted for the purchase of various kinds of equipment and stores by Academy. As a sizeable amount of the Academy's budget is being spent for purchasing various types of goods to discharge duties and responsibilities assigned to it, it is imperative that uniform, systematic, efficient and cost effective procedures are adopted, in accordance with the relevant rules and regulations of the Central Government. The delegated powers for procurement of Stores have to be exercised in conformity with the orders and guidelines issued by competent authorities. (The rights and obligations of the purchaser and the contractor of goods and works will be governed by the tender documents and by the contracts signed by the purchaser with the contractor and not merely by the guidelines stated in this document.)

2.0 Definitions

Stores : The term "Stores" means all articles and materials (other than cash and books/publications) which come into the possession of a Government servant for use in the Academy. This will also include Annual Maintenance Services / Contract for maintenance of machinery / equipment, computers etc.

Purchaser : The individual who signs as purchaser in the purchase proposal shall be referred to as a purchaser.

Seller : A seller refers to the company / vendor/dealer/agent/individual party from whom Academy may potentially buy goods or services.

Temporary Contingent Advance: It is an advance which can be taken to meet contingent expenses on various miscellaneous items. This should normally be taken from the appropriate budget head.

Rate Contract : A Rate Contract is an agreement between the purchaser and the suppliers for supply of specific goods and allied services, if any, at specified price and terms and conditions during the period covered by the Rate Contract.

3.0 PROCEDURE TO BE FOLLOWED FOR EFFECTING PURCHASE OF STORES REQUIRED BY VARIOUS SECTIONS OF THE ACADEMY

a) The Section Heads of the User Sections concerned, based on their requirement, will initiate a proposal duly indicating the quantity of stores/equipment to be purchased.

b) They would also be indicating the detailed technical specifications of the items to be purchased and the previous purchase details along with cost thereof wherever available.

c) The proposal would be endorsed by the in-charge of the Section concerned and the Administrative Approval for procurement of the subject items would be accorded by the Assistant Director, Deputy Director, Joint Director and Director respectively, based on the cost implication involved in the purchase.

d) Then the purchase proposal would be sent to House-Keeping Section for initiating appropriate method of procurement.

e) The House-Keeping Section on the basis of estimated cost of the stores would be resorting to Limited Tender Enquiry / Open Tender Enquiry, as per the provisions contained under Rule 151 / Rule 150 respectively of General Financial Rules, 2005.

f) In case of LTE, the prospective suppliers identified by the User Section concerned would be sent with enquiry letters apart from hosting the advertisement containing the Academy's requirement on the Website. In case of Open Tender Enquiry, the Academy's requirement would be published in the Indian Trade Journal and in a National Newspaper, apart from hosting the advertisement on the website. H.K.Section will check if any of such suppliers has been blacklisted.

g) On receipt of sufficient quotations/tenders by the last date as notified in the advertisement, the sealed quotations would be got opened and signed by the Members of the appropriate Purchase Committee constituted for the purpose with due approval of the Director. The Committee would also scrutiny the quotes for the correctness/appropriateness of the items offered for supply by the Bidders vis-a-vis the NIT requirements.

h) Then a comparative statement of quotes received would be prepared, for identification of 'L1' bidder and thereafter TPC Proceedings would be prepared indicating the Academy requirements and the outcome of the Tender Enquiry.

i) The TPC Proceedings would then be processed on the purchase file concerned and the approval of the Competent Authority i.e. Joint Director (Admn.) / Director would be sought, based on the cost implication involved in the purchase.

j) After approval of the TPC recommendations, purchase order with relevant terms and conditions would be prepared and after signature by A.O.(Admn.), the same would be sent to the contracted supplier with copy endorsed to the User Section concerned.

k) After receipt of stores by the User Section, the bills received along with the consignment will be committeed by the Section concerned through appropriate committee, duly taking stock of stores received in their respective stock register. The Committee constituted for this purpose, will be physically verifying the stores and shall be ensuring the correctness of the stores received both in quantity and quality.

l) The committeed bills will then be sent by the User Section to the H.K. Section.

m) The H.K. Section will be processing the bills so received on the relevant purchase file. The correctness of the bill received with regard to the supplier, item description, and quantity supplied and the amount of bill will be scrutinized with the purchase order and after ensuring the correctness thereof, the sanction of Assistant Director, Deputy Director, Joint Director or Director will be sought, depending on the total amount of the bill. H.K.Section will also be maintaining a master stock register duly containing the details of every purchase taking place in the Academy.

n) After obtaining of expenditure sanction, an Expenditure Sanction order will be issued with copies endorsed to the Accounts Section and PAO. The file along with the bill will then be sent to Accounts Section, who will be raising pay order on the reverse of the bill, after following their due procedure and after detaching the first two copies of the bill, the file along with the third copy of the bill will be returned to the H.K. Section for record.

3.1 - Role of Purchase Committee

Section-wise Purchase Committees have been constituted in the Academy with due approval of the Head of Department viz. Director, SVPNPA, to facilitate purchase of stores required for the use of the section concerned. The Purchase Committee is solely responsible for ensuring that the stores being purchased on their recommendation meet the quality and specification requirements of the indenting section and that the rates of the stores recommended are reasonable.

While the approval of competent authority for effecting purchase of the required stores, framing of specifications for the required stores and floating of tenders will be taken care of by the Indenting Section and the Admn. Branch respectively, the responsibility of opening of sealed tenders on the due date, processing of offers received, identifying the appropriate supplier and submitting recommendations for effecting purchase of the required stores from the identified supplier on appropriate rates, rests on the Purchase Committee concerned.

The Purchase Committees shall ensure that these purchases are made following a uniform, systematic, efficient and cost effective procedure, in accordance with the relevant rules and regulations of the Government contained in the General Financial Rules, 2005, Manual on Policies and Procedures for Purchase of Goods, Guidelines on purchase of stores issued from time to time by the Central Vigilance Commission, etc.

In this regard, some of the important guidelines that are to be scrupulously observed by the Tender Purchase Committees, are enunciated below:

- All the tenders are to be evaluated strictly on the basis of the terms & conditions incorporated in the tender enquiry document (based on which offers have been received) and the terms, conditions etc. stipulated by the tenderers in their tenders. No new condition should be brought in while evaluating the tenders. Similarly, no tender enquiry condition (special the significant/essential ones) should be over looked while evaluating the tenders. Aim should be to ensure that no tenderer gets undue advantage at the cost of other tenderers and/or at the cost of the purchaser.
- All the tenders so received will be scrutinized to see whether the tenders meet the basic requirements as incorporated in the tender enquiry document. The tenders, who do not meet the basic requirements, are to be treated as unresponsive and ignored.
- The following are the important points, for which a tender may be declared as unresponsive and to be ignored, during the initial scrutiny:
  - The tender is unsigned;
  - The tenderer is not eligible (Example: The tender enquiry condition says that the bidder has to be a registered SSI unit; but the tenderer is a, say, Large Scale Unit);
  - The tender validity is shorter than the required period;
  - Required EMD has not been provided;
  - The tenderer has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer;
  - Tenderer has not agreed to give the required Performance Security;
  - The goods quoted are sub-standard, not meeting the required specification etc.

- Against a schedule in the List of Requirement (incorporated in the tender enquiry), the tenderer has not quoted for the entire requirement as specified in that schedule (For example: In a schedule, it has been stipulated that the tenderer will supply the equipment, install and commission it and also train the purchaser's operators for operating the equipment. The tenderer has however, quoted only for supply of the equipment).
- The tenderer has not agreed to some essential condition (s) incorporated in the tender enquiry. (For example: Some such important essential conditions are – terms of payment, liquidated damages clause, warranty clause, dispute resolution mechanism, applicable law and any other important condition having significant bearing on the cost/utility/performance of the required goods, etc)

- For purchasing capital equipment, high value plant, machinery, etc. of complex and technical nature, bids may be obtained as per two-bid system. The first part is to contain the relevant technical specifications and allied commercial details as required in terms of the tender enquiry documents and the second part should contain only the price quotation. The first part is commonly known as "Technical Bid" and the second part "Financial Bid".

- The technical bids are to be opened in the first instance, at the prescribed time & date and the same will be scrutinized and evaluated by the Purchase Committee concerned with reference to parameters prescribed in the tender documents and the offers received from the tenderers. Thereafter, in the second stage, the financial bids of only the technically acceptable offers (as decided in the first stage above) are to be opened for further scrutiny, evaluation, ranking and placement of contract. For this, **the Purchase Committee can submit its final recommendation in one go, after completing the scrutiny of both technical bids and financial bids**. No separate proceedings need to be submitted for the approval of the Competent Authority after completing scrutiny of technical bids.

- In cases of purchase of capital equipment, high value plant, machinery, etc. which are highly sophisticated and technical in nature, in cases of need, the Purchase Committee can convene a Pre-bid conference with the interested/prospective suppliers and can also seek samples of the product offered by them, to ensure that the supply being recommended meets the basic/special requirements of the Indenting section.

- As per standard procedure, each schedule of requirement incorporated in the tender enquiry document is to be covered on the lowest responsive tenderer for that schedule without dividing the same. However, the Purchase Committee concerned can recommend dividing the requirement under a schedule for placing multiple contracts on more than 2 responsive tenderers, in case such allocation of orders to multiple (responsive) tenderers is clearly brought out in the notice inviting tenders.

- While recording the proceedings, the Purchase Committee is to ensure that all the details are recorded in the proceedings giving the nomenclature of items to be purchased, their make & model, quantity, rates, etc. The purchase committee should prepare a comparative statement of quotations received, which will have information about specifications of the material offered by the tenderer, rates quoted (including taxes or otherwise), discount, if any, delivery schedule, earnest money deposit, validity of the offer, payment schedule, etc. The comparative statement so prepared should be signed by the concerned officers.

- If any of the items is available against DGS&D rate contract, then the rates approved by the DGS&D will be kept in view.

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

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

b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.

c) The source(s) of supply are definitely known and possibility of fresh source(s) beyond those being tapped, is remote.

vii) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

viii) When tender enquiry is scrapped and a fresh enquiry is issued, such an enquiry/tender notice should also be addressed to the firms who had quoted in response to the scrapped enquiry.

ix) A copy of advertised tender should also be sent to the registered suppliers for their advance information.

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

Procurement of goods of estimated value up to Rs.25 lakhs shall be made through Limited Tender Enquiry as per the procedure stipulated in Rule 151 of GFR 2005 and other instructions issued by the Ministry from time to time.

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

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

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

v) The Limited Tender Enquiry should be issued to past successful suppliers not less than four (4) in number from the approved list (which could be selected on the basis of rotation) or the actual number of firms on the approved list if the number is less than four. In order to help development of indigenous production, tender enquiries can also be issued to firms whose names are not borne on the list of suppliers but are available in other sources such as Yellow Pages, etc.

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

Note :-

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

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

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

vii) In the case of items in short supply, details are to be ascertained if any of the firms have started new lines of production for which DGS&D may be looking out for sources.

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

No._____

Government of India

Ministry of Home Affairs

SVP National Police Academy

Notice for the attention of suppliers registered with the SVP National Police Academy, Shivarampally, Hyderabad of Supplies and Disposals. Limited Tender Enquiry No. _____ dated _____ has been issued for supply of (details of stores to be given)

(Signature)

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

x) **Postponement of opening of tender** :- Some times, situation may arise necessitating modification of the tender documents already issued (LTI Case) or already put on sale (ATI Case). Also after receiving the documents, a tenderer may point out some genuine mistakes necessitating amendment in the tender documents. In such situations, it is necessary to amend/modify the tender documents suitably prior to the date of submission of bids. When a decision regarding postponement of the date of opening of a tender is taken, it should be communicated to all concerned well in advance of the originally stipulated date of opening in order to avoid complaints. Thus, wherever, it is considered necessary to postpone the opening date of a tender, quick decision must be taken and next date of opening be communicated to the tenderers who have purchased the tender sets and this should be at least 10 days before the ORIGINAL due date of opening . Copies of such amendment/modification should be simultaneously sent to all the selected suppliers by Registered/Speed Post/Courier/E-Mail in case of LTI. In case of ATI, the copies of such amendment/Modification are to be simultaneously dispatched, free of cost, by Registered/Speed post, Courier/E-mail to all the parties who have already purchased the tender documents and copies of such amendments are also to be prominently attached in the unsold sets of the tender documents (Which are available for sale), including the tender documents put in the website. Such notice of extension of date of opening should be put on Notice board and also published in the Indian Trade Journal without delay, if warranted.

5.5 Two bid system

a) For purchasing high value plant , machinery etc of a complex and technical nature two bid system of procurement may be adopted as stipulated in Rule 152 of GFR-2005. Two bid system shall be adopted in case it is not feasible to formulate detailed specifications for goods or construction and in order to obtain most satisfactory solution to its procurement needs.

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

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

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

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

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

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

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

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

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

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

5.6 Single Tender Enquiry

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

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

ii) In a case of emergency , the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.

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

Note: Proprietary Article Certificate in the following form is to be provided buy the Ministry / Department before procuring the goods from a single source under the provision of (i) and (iii) above as applicable.

i) The indented goods are manufactured by M/S .....
ii) No other make or model is acceptable for the following reasons :-
.....
iii) Concurrence of Finance wing to the proposal vide
iv) Approval of the competent authority vide .....

(Signature with date and designation of the procuring officer)

5.7 Single Tender Enquiry : On PAC (Proprietary Article Certificate) Basis

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

Reasons for issue of PAC are as follows :-

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

ii) Availability : No other known manufacturer is available.

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

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

5.8 Single Tender Enquiry : On Non-PAC Basis

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

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

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

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

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

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

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

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

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

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

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

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

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

The tender box should be located in a place, which is easily accessible to the parties for dropping their tenders. The tender box shall have two locks. Key of one lock will be with the Administrative Officer (Admn) and other key with the official nominated by him. On each occasion of tender opening, the tender box will be opened by at least two Officials at the prescribed date and time (as per the date and time specified for receipt of tenders) and the relevant tenders

will be taken out. In the tender box, there may be tenders for other cases due for opening later; such tenders are to remain in the tender box under lock and key. The tenders so taken out are to be entered in a challan in duplicate duly signed with date and time by the two officials and sent to the officials authorized to open the tenders. Signature of the receiving officials will be obtained on the duplicate copy of the challan for record.

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

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

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

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

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

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

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

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

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

17.0) Signing of Purchase order / Supply order :- All purchase order will be signed by the Administrative Officer (Admn) or any nominated Officer after according approval by the Competent authority.

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

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

d) Copies of purchase order shall be endorsed to Concerned User Section / Indenter.

e) Purchase order or Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract/supply satisfactorily as per the terms and condition incorporated in the corresponding bidding document. However,

where the lowest acceptable bidder against adhoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive e bidder at the rates offered by the lowest responsive bidder.

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

g) Once the supply of stores is received, a Board of Officer has to be detailed to check the quality and quantity of such stores in accordance with the supply order, taken into ledger charge and bills will have to be submitted to House Keeping Section (H.K.Section) for passing and payment.

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

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

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

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

i) Within six months from the date of original order. This may be extended to one year on discretion of competent authority.
ii) The items to be ordered again should be of identical specifications.
iii) The Purchase Officer should be satisfied that there is no downward trend in the market price.
iv) The quantity to be ordered shall not normally exceed the quantity in the original order. Repeat order for larger quantities can be considered by the competent authority in case of extreme urgency.
v) The original order should have been placed for proprietary item or on the basis of lowest technically acceptable quotation.

vi) The original order should not be an 'emergency' order or an order placed on 'Preferred Delivery' basis.

vii) Efforts should be made to obtain quantity discount from the supplier.

viii) Repeat Order may also be placed on the basis of the Purchases finalized by a sister organization.

ix) Several repeat orders may be placed during one year after placing first order, depending on time to time requirement, if such possibility is indicated in the enquiry and the contractors/suppliers have been asked to quote their rates accordingly.

21.0) **Advance payment to supplier**

Ordinarily, payment for the services rendered or supplies made should be released only after the services have been rendered or supplies made. However, in case of making advance payment to the supplier, conditions stipulated in Rule 159(1) of GFR- 2005 may be adhered to.

22.0) **Stores Committee**. The Stores Committee will consist of Three Gazetted Officers or Two Gazetted Officers and one NGO (Technical person). Members will be changed yearly basis or as per the orders of Director when ever need arises and office order issued.

(a) The duties of the Committee will be:-

(i) To inspect all stores purchased locally or received through any other source against indent or supply order of the value of Rs.15,000/- or above and report their opinion.

(ii) Any irregularities will be reported to the Competent authority.

(iii) Open delivery of stores from Railway/Transport Agencies will be obtained by the Stores Committee.

(b) The Stores Committee will compare the stores with the samples if available and note down deficiencies / discrepancies, if any, therein. To the extent it is possible it should be ensured that the stores are in conformity with the specification laid down in Supply Order. They should be taken on charge and inspection note released within 15 days of the receipt of stores provided there is no discrepancy/ deficiency; or the bills after endorsing verification and stock entry certificate sent to House Keeping Section for payment.

23.0) **Black listing**

Black-listing of firm can be done with approval of Competent Authority. The Officer–In-charge of Stores & House Keeping Section shall process all such cases reported by the other Sections. A committee specially constituted by the Joint Director/ Deputy Director shall examine the case and shall submit its recommendations to the competent authority for final action. The information on such firms shall be promptly and widely disseminated by House Keeping Section to all concerned.

24.0) **Payment Terms**:

a) The payment terms shall be as approved by the CFA in the sanction sheet, however normal payment terms for indigenous purchases shall be 90% on delivery of the items and the remaining 10% after satisfactory installation/inspection. Terms of payments may be changed from item to item, for example, liveries, stationery and furniture etc. For such items the payment may be made 100% against delivery subject to the inspection and approval by the competent authority.

b) Payment terms against dispatch documents through bank is not allowed as far as possible keeping in view the risk involved. However, this may be allowed for Government Firms.

c) Any advance payment to the seller (ie private firm) shall normally be made only against a bank guarantee of the requisite amount.

d) If the payment term is against delivery/COD(cash on delivery)/ then after receiving the goods indenter shall inform House Keeping section to release the payment after being satisfied.

e) For balance payment, after receipt of satisfactory inspection report the items must be entered in appropriate stock and asset register.

25.0) **Liquidated Damages (Late Delivery)**

There should be a suitable provision in the terms & conditions of the contract for claiming liquidated damages of appropriate amount from the supplier to take care of delays in supplies and performance, for which the supplier is responsible. Such recovery through liquidated damages should be without prejudice to the other remedies to the purchaser under the terms of the contract.

A penalty clause for a penalty of 0.5% of the delivered price of the delayed goods for each week or part thereof subject to a maximum of 10% of the delivered price is to be incorporated in the contract terms. If the payment term is 100% against delivery and if there is delay in supplying the material then a cheque of penalty amount must be taken from the seller in favour of the Director, SVP National Police Academy, Hyderabad.

26.0) **Annual Maintenance Contract:**

Depending on cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contracts for a suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are specially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the terms of contract may provide for. The paid maintenance should commence only there afterwards. The annual maintenance contract, repair contract, repair work from the manufacturer / manufacturer's authorized supplier, in respect of various equipment in the Academy, may be entered into depending upon the essentiality/cost of the equipment. In all other cases, quotations will be invited and normal purchase rules shall be adhered to. In case of renewal of the Annual Maintenance Contract, the following points may be taken care of while sending the proposal for renewal of Annual Maintenance Contract; AMC should be from a prospective date. In order to ensure this, the Deputy Director / Assistant Director of concerned section shall be required to initiate action for renewal of AMC at least 90 days before the expiry of previous AMC. In case of renewal, the service report / log book (of xerox copier) should be sent along with the proposal. In case of any increase in the AMC cost when compared to previous AMC, necessary justification for increase in price may be obtained from the firm and enclosed along with the indent. Advance should be paid against bank guarantee, if the amount is more than Rs.1, 00 ,000/-

27.0) Purchasing of Import Items:

The following is especially applicable to imports made by SPS (Single Purchase source)

a) Any category of stores can be purchased from foreign suppliers subject to restrictions on imports as imposed by the Government of India from time to time.

b) Provision of exemption in customs duty must be availed.

c) Import should normally be made directly from the foreign principal manufacturers. In the event a purchase is made through an Indian agent of the foreign company, proof that the Indian agent is an authorized agent of the foreign company must be obtained and must be part of the documents pertaining to the purchase. Any commission of the agency which may be payable to the Indian agent can be paid only in Indian Rupees (unless there is a change in Government of India rules which may necessitate payment in foreign currency).

d) If a foreign company has opened an office in India then it can authorize any Indian agent to deal with Academy.

e) All imports shall be done through the import unit of the SPS. The in-charge import unit shall ensure that the item being imported does not fall under the restricted /negative/banned category.

f) Request for quotation for items to be procured through import may be sent through email, in addition to registered post /speed post/courier/fax.

g) Quotations may be accepted by e-mail but it should be duly verified by the indenter.

h) Payment for import shall normally be made through a letter of credit. However, payment can also be made by a draft, subject to the restrictions placed by the Reserve Bank of India.

i) Term of shipment should be on FOB price of that country and not CIF. However CIF price may be accepted as a special case on case to case basis depending on the situation.

j) House Keeping section will be responsible for placing orders, clearance and transportation of goods, processing for short shipped/damaged goods.

k) Wherever required, the Academy shall avail the services of clearing / consolidation agents for foreign consignments arriving by air/sea, such clearing agents shall be hired on the basis agreed terms or single consignment basis; whichever may be advantageous to the Academy.

28.0 Standard Tender proforma,

सरदार वल्लभभाई पटेल राष्ट्रीय पुलिस अकादमी
SARDAR VALLABHBHAI PATEL NATIONAL POLICE ACADEMY

(भारत सरकार :: गृह मंत्रालय)
(Government of India: Ministry of Home Affairs)
हैदराबाद - 500 052
Hyderabad – 500 052

TENDER NOTICE NO.: 31011/8/2015-2016/HS.W
DATED 31st JULY, 2015

SUPPLY / INSTALLATION OF AUDIO VIDEO EQUIPMENTS AND OTHER RELATED ITEMS IN THE VIDEO CONFERENCE ROOM SITUATED IN THE SECOND FLOOR OF NEW INDOOR TRAINING COMPLEX OF S.V.P. NATIONAL POLICE ACADEMY, HYDERABAD

Date of Tender Enquiry : July 31, 2015.
Closing date & time for submitting bids : August 21, 2015 at 1700 hrs

सरदार बल्लभभाई पटेल राष्ट्रीय पुलिस अकादमी
SARDAR VALLABHBHAI PATEL NATIONAL POLICE ACADEMY
(भारत सरकार : गृह मंत्रालय) ***(Government of India : : Ministry of Home Affairs)***
हैदराबाद - 500 052 HYDERABAD – 500 052.

OPEN TENDER ENQUIRY

1 SVP National Police Academy, Shivarampally, Hyderabad, invites sealed bids under Two-bid system (Technical Bid & Financial Bid) from National-level reputed manufacturers or their authorized dealers, fulfilling the following minimum eligibility criteria and as per the terms & conditions for supply and installation of Audio Video Equipments in the Video Conference Room situated in the **second floor** of New Indoor Training Complex of the Academy.

2 Salient features of the tender enquiry are as follows:-

a)	Tender No.	31011/8/2015-2016/HS.W
b)	Description of items	Supply and Installation of Audio Video Equipments, as listed in **Annexure-A** in the **Video Conference Room** situated in the Second Floor of New Indoor Training Complex of the Academy.
c)	Specifications	As per **Annexure-B**

d)	Type of Tender	Open Tender
e)	Bid System	Two Bid System (**Separate Technical Bid & Commercial Bid to be submitted**)
f)	Period of sale of tender document	The tender documents are available for sale at the office of Admn. Officer (Admn.), S.V.P National Police Academy, Hyderabad from 31st July, 2015 to 21st August, 2015. It is also available on the Academy's website till the last date for submission of Tenders (i.e.21/08/2015)
g)	Tender Fee and Availability of tender documents	Tender document can be obtained from the Office of Admn. Officer, SVPNPA Hyderabad on payment of Rs. 1,000/- (non- refundable) in cash or in the form of A/C payee demand draft drawn in any nationalised bank in favour of 'The Director, S.V.P. National Police Academy, Hyderabad. In case of Tender documents downloaded from website, the application fee of Rs.1,000/- (non refundable) in the form of Demand Draft is to be attached along with the quotations failing which the bid shall not be entertained.
h)	Closing date & time of submitting bids.	On August 21, 2015 at 1700 hrs
i)	Date & time of opening of bids received.	On August 24, 2015 at 1700 hrs in the Board Room of SVPNPA, Hyderabad
j)	Earnest Money Deposit.	Demand draft for Rs.1,00,000/- drawn from any of the Commercial Banks in favour of 'The Director, S.V.P. National Police Academy, Hyderabad'.
k)	Delivery schedule / completion period	Delivery/installation should be completed within **30 days** from the date of receipt of purchase order from the Academy.
l)	Terms of Delivery	Free On Rail / Road (F.O.R.) Destination, SVP, NPA, Hyderabad.
m)	Bid validity	Bid should be valid for **180 days** from the date of opening of bid.
n)	Place of submission of bid & address for correspondence	The Administrative Officer (Admn), SVP National Police Academy, Shivarampally, Hyderabad, Telangana – 500 052

3) Tender Documents - Tenders are governed by Tender documents.

4) Non transferable tender document containing Specifications, Bid Evaluation criteria and Tender Terms & Conditions can be purchased on written request accompanied with payment of Tender Fee through D.D. drawn in favour of "THE DIRECTOR, SVP NATIONAL POLICE ACADEMY HYDERABAD".

5) SVP NPA shall not be responsible for postal delay or any other delay in respect of submission of bid / delay in receipt of bid and such bids will be summarily rejected.

6) Details of the tender notice, tender document, specification etc are available in SVP NPA's Web site www.svpnpa.gov.in

7) Name of Tender Receiving Officer: Shri K. Shankar,
Administrative Officer (Admn.),
S.V.P. National Police Academy,
Hyderabad-500052.

Terms and Conditions

1. Bidders, in case of dealers, must compulsorily attach authorized Dealership (OEM) certificate from the manufacturer of the quoted equipment in the Technical bid, failing which the bidder will be disqualified.

2. The rates i.e. unit rate of each item and total amount including all taxes, transportation charges, labour charges and installation charges, if any, are to be quoted explicitly both in words and figures. No figures or words should be overwritten. Overwritten figures or words should be scored out and re-written under full signature of the authorized signatory. Quotations that do not fulfil this condition will not be considered.

3. The firm must enclose the attested copy of their firm's Registration, Delivery terms, Delivery period, TIN of the Firm, Pan Card of the firm, Banker details, Income Tax clearance certificate, Service Tax Returns for the last three years, OEM authorization letter, details of company's profile and list of valued customers, if any and **copies of earlier supply order in the past three years should accompany along with the quotation**. All these documents are to be attached only with Technical Bid.

4. The bidder should have their own full fledged service centre in Hyderabad with all necessary tool kits and well qualified Engineers and any service call should be responded within 4 working hours without failure during warranty period. Bidders should submit necessary supporting documents in proof of the same.

5. Authorisation letter from OEM certifying that the items quoted by the vendor are in production and would be **supported for service for at least 10 years** (No obsolete products should be quoted) **including 3 years warranty period**.

6. The Technical Bid containing the specifications viz. Make, Brand and Model and other information leaflets/catalogue of the proposed brand which the bidder intends to deliver and the delivery schedule by the bidder, shall be enclosed with the technical tender along with Earnest Money Deposit of Rs.1,00,000/- in the form of Demand Draft drawn in favour of 'The Director, S.V.P. National Police Academy, Hyderabad'. **Offers received without the prescribed EMD, will be rejected summarily.**

7. The Financial Bid shall comprise the price component indicating the unit price including all taxes and installation charges. The unit price thereof shall not be overwritten.

   a) The quoted price **shall be exclusive of all the Taxes** and taxes should be shown separately as applicable. No excess amount beyond the quoted amount will be considered.

   b) Quoted prices **should be inclusive of freight** and forwarding charges, handling charges, loading and unloading charges, insurance charges, etc.

   c) The prices once accepted by the Purchaser shall remain valid till the successful execution of the complete order to the satisfaction of the Purchaser. The Purchaser shall not entertain any increase in the prices during the period. In the event there is a reduction or increase in Government levy/duties during the period of execution of the order, the rates shall be suitably adjusted with effect from the date notifying the said reduction or increase in the Government levy/excise duty. However, the Purchaser is not liable to any claim from the Supplier on account of fresh imposition and/or increase of Excise Duty, Customs Duty, Sales Tax etc. on raw materials and/or components used directly in the manufacture of contracted goods taking place during the pendency of contract.

   d) Prices shall be quoted in Indian rupees only.

8. The Bid / Tender submitted shall necessarily remain valid for 180 days after the date of commercial bid opening. If any bidder withdraws his tender before the said period, SVP NPA shall-without prejudice to any other right or remedy, be at liberty to forfeit the Bid Security submitted along with the bid.

9. No interest will be paid on Earnest Money Deposit. EMD of unsuccessful tenderers will be returned in due course of time. If the quotation is accepted

and the contracted firm fails to undertake the supply contract, their EMD will be forfeited without any further notice.

10. The Director, SVP National Police Academy **reserves the right to order full or part thereof** of the items enclosed or accept/reject any or all the bids without assigning any reason.

11. The bidding firm should submit an undertaking along with their technical bid, that they would adhere strictly to the delivery schedule indicated in this tender document failing which they would be penalised with a penalty **equal to 0.5%** of the supply contract value for every week period's delay. Failure to enclose this undertaking would entail rejection of the submitted offer without any further intimation.

12. The Technical Bid along with EMD in the form of demand draft should be placed in one sealed envelope superscribed '**Technical Bid**'. The Financial Bid should be kept in a separate sealed envelope superscribed '**Financial Bid**'. Both the envelopes should then be placed in one single sealed envelope superscribed '**TENDER FOR SUPPLY / INSTALLATION OF AUDIO VIDEO EQUIPMENTS IN THE VIDEO CONFERENCE ROOM SITUATED IN THE SECOND FLOOR OF NEW INDOOR TRAINING COMPLEX OF SARDAR VALLABHBHAI PATEL NATIONAL POLICE ACADEMY, HYDERABAD** and should be addressed to the Administrative Officer (Admn.), SVP National Police Academy, Hyderabad. **Name of the company / bidder shall not be mentioned on the external cover containing the financial & Technical bids. But the same should be mentioned on the cover of Technical & Financial Bids separately.**

13. Liability of the work order getting cancelled, if the quality / progress of the work is found to be **not satisfactory** or if there is an **inordinate delay** of more than 4 weeks in completing the supply.

14. The bidder will be blacklisted by the Academy in case of (condition-13) above being invoked.

15. The sealed tender received after the due date and time will be summarily rejected. The bid should be signed at the bottom of each page of tender form.

16. The SVP NPA reserves the right to increase or decrease the quantity of supply / items.

17. The Director SVP NPA reserves the right to cancel the order without pre-notice, forfeit the security deposit or recover any damages for any breach of contract.

18. Notwithstanding any of the conditions and clauses indicated in the Tender form, the Director has the whole and sole right to accept or reject either the lowest or any other valid bid and or **split up the order** for supplying of items to more than one bidder or to cancel the Tender without assigning any reasons thereto.

19. **Attending Tender Opening** :- The representative of the tenderer who wishes to attend the tender opening is allowed to do so, subject to presenting authorisation letter from the tenderer.

20. **Guaranty / Warranty Clause** :- **On-site comprehensive 3 years warranty** from the date of acceptance of the items by the Academy.

21. **Performance Security Clause :-**
The successful bidder shall have to deposit a performance security equal to 5% of the contract value of the supply rounded up to next hundred in the form of account payee demand draft / bank guarantee from a nationalized / scheduled commercial bank in favour of the Director, SVP NPA Hyderabad payable at SBH Shivarampally, Hyderabad **within 15 days of the placement of supply order** for due performance as per the provisions contained in Rule 158 of GFR–2005. Failure on the part of the firm to deposit the performance security within stipulated time, the purchaser reserves the right to cancel the Supply Order. Performance Security submitted by the bidder will remain valid for a period of **sixty days** beyond the date of completion of all contractual obligations of the supplier including warranty obligations. No interest will be payable for "Performance Security."

22. **Opening and Evaluation of Technical Bids:**

a) The Tender Committee appointed by the Purchaser will open all Technical Bids in the first instance on the appointed date, time and venue in the presence of all bidders or by their representatives.

b) During evaluation of the bids, the Purchaser may, at its discretion, ask the Bidder for clarifications of its bid. The clarification of the bidder shall be in writing.

c) No bidder shall contact the purchaser on any matter relating to its bid from the time of the bid opening to the time the purchase order is placed. If the Bidder wishes to bring additional information to the notice of the Purchaser it should be done in writing.

d) Any effort by a bidder to influence the Purchaser in its decisions on bid evaluation, bid comparison or purchase order decision will result in rejection of the bid.

e) The results of the evaluation of the Technical Bids along with the date of opening of the Financial Bids will be communicated to the qualifying bidders, if deemed fit. The purchaser may at its option choose to open the financial bids immediately after the opening and evaluation of the Technical Bids.

24 **Opening and evaluation of Financial Bids:**

a) The Tender Purchase Committee appointed by the Purchaser will open the Financial Bids of bidders.

b) Arithmetical errors will be rectified on the following basis:- If there is a discrepancy between words and figures, the lower of the two shall be taken as the bid price. If the bidder does not accept the correction of errors, as aforesaid, its bid will be rejected, and its EMD will stand forfeited

25 **Eligibility Conditions**

a) The bidding firm should have the capability to supply the ordered equipment in time as per the schedule indicated in the salient features i.e. the supply/installation **shall be completed within 30 days from the date of receipt of purchase order**.

b) Any Government organization/undertaking should not have blacklisted debarred/suspended the bidding firm.

c) The Vendor should preferably be an entity registered in India.

26 **Taxes and duties**

a) Vendor shall be entirely responsible for all taxes, duties, license, fees etc. incurred until delivery of the contracted services to the Academy.

b) No bid will be considered unless and until all the pages / documents comprising the bid are properly numbered, signed and stamped by the person/s authorized to do so.

27. **Demonstration of offered equipment/stores**

The bidder should provide demonstration of equipment offered by them, in case the TPC so desires. Failure to provide samples/offer demonstration shall entail rejection of bid forthwith.

Annexure-B

28.01 PROFORMA OF FINANCIAL BID:

Tender Ref. No.: 31011/8/2015-16/HS-W., dated 29.07.2015

Subject: Supply / Installation of Audio Video Equipments in the **Video Conference Room situated in the Second Floor of New Indoor Training Complex** of S.V.P. National Police Academy, Hyderabad

Sl. No.	Item Description	Make & Model	Qty.	Unit Rate (Rs.)	Taxes (Rs.)	Total Amount (Rs.)

2. The Total Amount inclusive of all levies and taxes, freight, insurance, installation, commissioning and all other incidental charges quoted for the above work as per the details given above will be Rs. _____ (In words _____ only).

Signature (with stamp)

_____

Designation

_____

Company Seal

_____

Date :
Place :

Annexure-C

28.02 PROFORMA OF TECHNICAL BID:

Tender Ref. No.: 31011/8/2015-16/HS-W., dated 29.07.2015

Subject: Supply / Installation of Audio Video Equipments in the **Video Conference Room situated in the Second Floor of New Indoor Training Complex** of S.V.P. National Police Academy, Hyderabad

1. Name & Address including e-mail ID and Telephone contact details of the Bidder/Concern
   _____
   _____
   _____

2. Nature of Bidder (i.e. Manufacturer or Dealer, etc.) Please enclose documentary Evidence eg.Registration/Incorporation Certificate/Authorisation certificate etc.
   _____
   _____

3. Whether each page of Tender Document and its Annexures have been signed, stamped and enclosed. YES / NO

4. Whether ready to supply and install the Equipment within the prescribed time Schedule. YES / NO

5. Whether Tenderer is black listed by any Govt. Organisation or otherwise penalised YES / NO

6. Whether evidence to show that the bidder has past experience for at least 3 years is attached with the technical bid. YES / NO

7. Whether bidder has full-fledged Service Centre in Hyderabad. YES / NO

8. Whether legible copies of PAN/TIN No. and VAT/Service Tax Registration certificates enclosed with the Technical Bid. YES / NO

9. Whether undertake to respond to service calls within 4 hours YES / NO

10. Whether the offered equipment is covered under On-site Comprehensive 3-years Warranty. YES / NO

11. Whether the technical specifications of the offered equipment are in line with the specifications sought in the enquiry. YES / NO

12. Whether Annual turnover statements / IT Returns for the last three years attached. YES / NO

13. Details of EMD submitted YES / NO

D.D. No. :
Date :
Bank Name :
Amount :
In favour of :

14. Details of cost of Tender document

D.D. No. :
Date :
Bank Name :
Amount :
In favour of :

Signature (with stamp) _____

Name _____
Designation _____

Company Seal _____

Date :
Place :

29.0 PROCEDURE FOR EXECUTION OF WORKS

The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under:

i) The detailed procedure relating to expenditure on such works shall be prescribed by departmental regulations framed in consultation with the Accounts Officer, generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by the Central Public Works Department (CPWD).

ii) Preparation of detailed design and estimates shall precede any sanction for works.

iii) No work shall be undertaken before issue of Administrative Approval and Expenditure Sanction by the competent Authority on the basis of estimates framed.

iv) Open tender will be called for works costing Rupees five lakhs.

v) Limited tenders will be called for works costing less than Rupees five lakhs.

vi) Execution of Contract Agreement or Award of works should be done before recommencement of the work.

vii) Final payment for works shall be made only on the personal certificate of the officer-in-charge of execution of the work in the format given below :

"I ....., Executing Officer of (Name of the Work), am personally satisfied that the work has been executed as per the specifications laid down in the Contract Agreement and the workmanship is up to the standards followed in the industry".

28.1 For original works and repair works entrusted to a "Public Works Organization" as defined in Rule 126 (2) of GFR, 2005, the administrative approval and expenditure sanction shall be accorded and funds allotted by the concerned authority under these rules and in accordance with the Delegation of Financial Power Rules 1978. The Public Works Organization shall then execute the work entrusted to it in accordance with the rules and procedures prescribed in that organization.

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CHAPTER - 2

FINANCIAL POWERS

CHAPTER - 2

FINANCIAL POWERS

Director

S/N	Items of Expenditure	Existing Financial Powers	Authority
(A)	**PROVISIONING**		
1	Procurement of Machinery and Equipment	**Rs.1.00 Crore** in each case for both Non-RC items (Open Tender) and RC items.	MHA order No.23011/51/2014-PT, dt.14.11.2014.
2	Single Tender/ Negotiated Tender	**Rs.10 Lakh** in consultation with IFA, SVPNPA.	MHA order No.23012/68/2009-PC, dt.26.11.2010.
3	Procurement of Stores of Proprietary nature	**Rs.10 Lakh** in consultation with IFA, SVPNPA.	vide MHA order No.23012/68/2009-PC, dt.26.11.2010.
4	Purchase of Horses	**Full Powers** subject to authorization and as per relevant provision of GFR-2005 procedures. In case of Open Tender, purchase should also be made from Army/Police Force. The cost of each Horse should not exceed Rs.1.65 Lakh.	MHA order No.23012/68/2009-PC, dt.26.11.2010.
5	Purchase of Computers and Peripherals (including Personal Computers)	**Rs.10 Lakh** in each case. (vide	MHA order No.23012/68/2009-PC, dt.26.11.2010.
6	Printing and Binding through Private Agencies	**Rs.1 Lakh** per annum.	MHA order No.23012/68/2009-PC, dt.26.11.2010
7	Production of Educative Materials.	**Rs.2 Lakh** in each case without any cap per annum.	MHA order No.23012/68/2009-PC, dt.26.11.2010)
8	Contingent Expenditure for items other than those mentioned in Schedule-V of DFPRs. i) Recurring Expenditure ii) Non-recurring Expenditure	**Rs.1 Lakh** in each case per annum. **Rs.2 Lakh** in each case.	MHA order No.23012/68/2009-PC, dt.26.11.2010)

9	For Arms/ Ammunitions from other than OFB including imports	-	MHA order No.23012/68/2009-PC, dt.26.11.2010.
(B)	**WORKS**		
10	Minor Works	**Rs.15 Lakh** for Residential Buildings. **Rs.30 Lakh** for Non-residential Buildings to be carried out through Public Works Department, etc. as per provisions of Rule-126 of GFR-2005. **Rs.10 Lakh** departmentally with the consent of IFA.	
11	Special Repairs	**Rs.5 Lakh** to be carried out through Public Works Department, etc. as per provisions of Rule-126 of GFR-2005.	MHA order No.23012/68/2009-PC, dt.26.11.2010.
12	Major Works (Non-Plan)	**Rs.1.5 Crore** through Public Works Department, etc. as per provisions of Rule-126 of GFR-2005.	MHA order No.23012/68/2009-PC, dt.26.11.2010.
(c)	**OTHER ITEMS**		
13	Outsourcing of Professional Services	**Full Powers** (for both Plan and Non-Plan Scheme) for one year.	MHA order No.23011/51/2014-PT, dt.14.11.2014.
14	For Agreements or Contracts for Technical Collaborations and Consultancy Services.	**Rs.1.50 Crore** for Technical Collaboration and Consultancy Services limited to conduct of MCTP Phase-V.	MHA O.M. No.23011/60/2014-PT, dated 29.5.2014.
15	Cash Award/ Reward	**Rs.5,000/-** in each case subject to maximum of Rs.2.50 Lakh in a year	MHA order No.23011/51/2014-PT, dt.14.11.2014.

(D) (i) Financial and Sanctioning Powers :

In pursuance of the Rule 13(3) of the D.F.P.Rs, 1978 and in supersession of earlier office orders of the Academy, the following officers are hereby authorized to exercise financial powers with immediate effect, to incur contingent expenditure for various items of expenditure within the limit specified below:

Sl.No.	Faculty Member	Extent of financial powers delegated	Items of expenditure under which the delegated financial power can be exercised
1	JD (Admn. & SC)	Rs. 4 Lakhs in each case, including works.	For all items of expenditure.
2	JD (BC& R)	Rs. 4 Lakhs in each case in respect of expenditure relating to Basic course & Outdoor training, excluding works.	For all items of expenditure for which financial powers are vested with DD(Tac)/DD(IT&Commns.)/DD(BC).
3	DD (Tac)	Rs.1 Lakh in each case excluding works	Expenditure relating to TAC courses and Special Tactics wing excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
4	DD (Pub)	Rs.1 Lakh in each case excluding works.	Expenditure relating to Publications wing excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
5	DD (Admn.)	Rs.1 Lakh in each case excluding works.	Being Head of Office, for all items of expenditure in connection with Administrative functions of the Academy and those which are not covered in respect of other Faculty Members.
6	DD (SC)	Rs.1 Lakh in each case excluding works.	Expenditure relating to training activities of senior courses wing excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
7	DD (MCTP)	Rs.1 Lakh in each case excluding works.	Expenditure relating to training activities of MCTP wing excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
8	DD (Estt.)	Rs.1 Lakh in each case excluding works.	Expenditure relating to Establishment branch excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.

Sl.No.	Faculty Member	Extent of financial powers delegated	Items of expenditure under which the delegated financial power can be exercised
9	DD (IT & Comns.)	Rs.1 Lakh in each case excluding works.	Expenditure relating to IT & Communications Wings excluding expenditure towards purchases of stores/goods dealt by QM branch and MT Wing.
10	DD (Works)	Rs.1 Lakh in each case	Expenditure relating to Works Branch excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
11	DD (BC)	Rs.1 Lakh in each case excluding works.	Expenditure relating to Basic Course wing including Armoury/Riding/Outdoor/Sports branches excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
12	AD (OD)	Rs.40,000/- in each case excluding works.	Expenditure relating to Outdoor wing including Armoury/Riding/ Outdoor/Sports branches excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
13	AD (Admn.)	Rs.40,000/- in each case excluding works.	For all items of expenditure in connection with Administrative functions and also those which are not covered in respect of other Faculty Members.
14	AD (IS)	Rs.40,000/- in each case excluding works.	For all items of expenditure relating to Indoor Studies of IPS OTs excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
15	AD (Tac)	Rs.40,000/- in each case excluding works.	Expenditure relating to TAC courses and Special Tactics wing excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.
16	AD (MT)	Rs.40,000/- in each case excluding works.	Expenditure relating to MT wing excluding expenditure towards purchases of stores/goods dealt by QM branch and IT & Commns. Wing.
17	I/c Horticulture	Rs.20,000/- in each case excluding works.	Expenditure relating to Horticulture wing of the Academy excluding expenditure towards purchases of stores/goods dealt by QM branch, IT & Commns. Wing and MT Wing.

(ii). The above delegation is subject to the following conditions:

a) The Faculty Members exercising the financial powers as above should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed.

b) The purchases of stores/equipments are to be made duly following the procedures laid down under GFR-2005. No split purchases are to be resorted to in any circumstances. AO (Admn.) shall ensure that these provisions are not utilized for splitting up purchases.

c) No faculty member, other than AD(A), DD(A), JD(A) shall exercise financial powers during the last quarter of any financial year. This is prescribed to have control over the progress of expenditure in the last quarter, so that the expenditure can be prioritised and no expenditure over and above the budgetary allocation takes place.

d) Any file having any financial implication being put up to the Director must be routed through JD (Admn.).

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CHAPTER-3

(CVC Guidelines)

CHAPTER-3

(CVC Guidelines)

Tender Stage

Tender stage in public procurement can be sub-divided under four headings- i) Preparation of tender document
ii) Inviting and opening of tenders
iii) Pre-qualification
iv) Evaluation of bids and award of work

Preparation of tender documents

The tender after acceptance and signing becomes 'the contract' – a legal document. An ambiguous agreement leads to poor contract performance and litigations. It also gives an opportunity to a contractor to make profit out of ambiguous conditions. It has been observed that the tender documents are prepared in a hurried manner without checking the conformity among the schedule of items, drawings, specifications, and contract conditions etc. This generally happens due to the reason that different parts of the tender document such as schedule of quantities, specifications, drawings, and general conditions prepared by different people are compiled without correlating them. Sometimes they are copied from old tenders without giving a thought to the applicability of the conditions to the present work.

A few examples highlighting some deficiencies in the preparation of tender documents are discussed below-

Case 1 (VR1)

For a Power Package, the scope included design, engineering, supply, installation etc. as per the general requirement of a Power Sector PSU. As per the tender requirements, bidders were required to furnish their detailed design and engineering proposal to suit the requirements of the PSU. The PSU while being aware of the above fact, still invited offers in a single bid format, i.e. only techno-financial bids were invited in a single envelope. When the scope of work includes design, engineering etc., it is always desirable and advisable to invite offers in a two-bid format or two envelopes, i.e. technical and financial so as to properly evaluate the various options and design philosophy proposed by the various bidders and the price bids of only such bidders whose design and other technical proposals are as per tender requirements should be opened.

Case 2 (VR2)

In one case, the tender notice envisaged design, manufacture, supply, erection, testing and commission (DMSETC) of the proposed package. This clearly indicates that the prospective bidders were expected to have the experience in DMSETC. But, one of the foreign bidders, a trading company, purchased the PQ documents and after finding that DMSETC is an essential requirement to participate in the PQ bid, represented to the organisation to waive this requirement so as to allow participation of trading firms also. Based on this representation, the organisation modified the PQ requirements and allowed participation by the trading firms with due authorization from such firms who were represented by these trading firms and who had experience in design and manufacturing of such E&M equipments. However it was noticed that the organization, i.e. the PSU had intimated this amendment only to those limited set of firms who had bought the tender documents against the initial advertisement. The amended PQ criteria was not published in the newspapers/web-site. This resulted in inadequate publicity.

Case 3 (VR3)

Evaluation Criteria: In a case of a Power Sector PSU, a broad marking scheme was made available to the firms for evaluation of their bids for short-listing as well as for techno-commercial evaluation before price bid opening. The detailed marking scheme for individual aspects/ parameters, i.e. financial capability, technical capability and experience etc., on which bid was evaluated, was treated as a confidential document and was not made available/known to the participating firms. Such a practice is not a transparent way of indicating evaluation criteria. By knowing the exact marking scheme, the bidders would have been more accurate and careful in projecting each aspect while furnishing the supporting documents in their bids.

Case 4 (VR4)

In another case, as per tender conditions, there was a provision of penalty in case of failing to meet the guaranteed power consumption. The penalty was with a ceiling of 10% of the contract value. However, there was no mention about the threshold or minimum guaranteed power consumption that was acceptable to the organization. Therefore, there were all chances that the bidders could deliberately keep the minimum guaranteed consumption on the lower side so as to take benefit during evaluation and in case of not meeting with the minimum guaranteed parameter at the time of execution, get away with a limited penalty of 10% only. Therefore, the evaluation in such bids is not done in an objective manner. There is all likelihood that the work gets awarded to a firm who furnished wrong minimum guaranteed parameters willfully. In such cases, it is always advisable to mention a minimum threshold for parameters beyond which the offers shall stand rejected.

Inviting &Opening ofTenders

The award of Public Contract through open tender is to ensure - transparency in public procurement, to maximize economy and efficiency in public procurement, to promote healthy competition among tenderers, to provide for fair and equal treatment to all the tenderers and to eliminate irregularities, interference and corrupt practices by authorities concerned. This is also required by the Article 14 of the Constitution of India.

Normally three modes of tendering are adopted. Namely -

- Open Tenders
- Limited Tenders
- Single Tender/Nomination Basis

In an open tender, bids are invited giving wide and adequate publicity. This is the most preferred mode of tendering.

In the case of small value works, urgent works and in case only a few bidders are available in the market, limited tenders from such bidders who have been empanelled are invited. In case of Limited Tenders the empanelment should be done in a transparent way and updated periodically.

Award of contracts on nomination basis, which is also called a single tender is to be resorted to only under exceptional circumstances such as natural calamities and emergencies or there were no bids to repeated tenders or where only one supplier has been licensed (proprietary item) in respect of goods sought to be procured.

In one of the recent judgments of the Hon'ble Supreme Court in case of Nagar Nigam, Meerut Vs Al Faheem Meat Exports Pvt. Ltd. it has been emphasized that all the public tenders should be in an open and transparent manner with adequate publicity. In this judgment, Hon'ble Supreme Court has stressed that award of contract on nomination basis should be resorted to in rare and exceptional cases only. The Commission vide its Circular No. 06-03-02-CTE-34 dt. 20.10.2003 and Circular No. 15/5/06 issued vide letter no. 005/CRD/19 dt. 9th May 2006 has emphasized upon open tendering as the most preferred mode of tendering and insisted on transparency in the preparation of panel in case of limited tenders. During intensive examination of various contracts awarded by many organizations, it is observed that they do not have a clear-cut policy for inviting tenders through various modes as discussed above.

Publicity

Widest possible publicity through well-circulated national and local newspapers is essential for greater transparency in open tenders. In addition to the existing rules and practices regarding publicity through newspapers, trade journals, the Commission vide their circular no. 98/ORD/1 dt.18.12.2003 has instructed for up loading the Notice Inviting Tender and also tender documents in a down loadable form on the web site. The web site publicity is to be given even in the case of limited tenders.

Receipt oftenders

In the various booklets issued by the CTE Organization of the Commission, the need to maintain transparency in receipt and opening of tenders has been emphasized and it has been suggested therein that suitable arrangements for receipt of sealed tenders at the scheduled date and time through conspicuously located tender boxes needs to be ensured. The Commission vide their Circular No. 05-04-1-CTE-8 dt. 8.6.2004 has further instructed that in case of bulky tender documents the provision for submission of bids to designated officials by hand should be made in the tender document itself.

Opening ofTenders

To maintain transparency in the opening of tenders, the Commission in its circular dated 8.6.04 has instructed to open the bids in the presence of bidders.

Despite the reiteration from the Commission regarding maintaining transparency in inviting & opening of the tenders, a number of cases indicating lack of transparency, openness and fairness have come to light.

A few examples highlighting the deficiencies in the tender stage are given below-
Case-1(04-WT-72) One construction PSU was awarded an offsite area work of a power plant costing Rs. 31 crores. While going in for a pretender tie up, they invited offers from two arbitrarily chosen firms, M/s A and M/s B. M/s B became the lowest. The PSU then re-invited the bids from these two firms after deleting two items i.e. structural steel and sheeting .This time the inter-se seniority changed and M/s A became the L-1. Again a revised bid for the third time was invited only from M/s A after adding 1 item of sheeting. M/s A in their revised bid not only quoted higher rates for sheeting, but also increased their rates for other items also. Thus the total pre-tender tie up was entered into in a non transparent, unfair manner resulting in undue benefit to only one contractor.

Case-2 (O5-WT-48/77)

One construction PSU 'E' was awarded the SG area work of power project costing Rs.64 crores. The PSU invited bids from arbitrarily empanelled sub-contractors without specifying the qualification criteria. M/s 'A' offered highest margin and became H-1. However, they were rejected by the client power sector PSU 'N' on grounds that M/s 'A' were not meeting the requirements. It is to mention here that the PSU 'N' had not stipulated any particular qualification criteria for the sub-contractors. The PSU 'E' suggested some other agency 'B' arbitrarily. M/s 'B' also was rejected by the PSU'N'. Ultimately, the PSU 'N' suggested three names arbitrarily, out of which only agency M/s 'C' showed interest, but back tracked later. Thus the whole process of sub-contracting was non-transparent and was left to the mercy of the client PSU.

In this case, a clear cut qualifying criteria for sub-contractors should have been stipulated by the PSU 'N' in the tender document itself, instead of arbitrary rejection of proposed sub-contractors. In fact the PSU 'N' should have kept itself away from suggesting the names of the sub-contractors. Similarly, the PSU 'E' should have prepared a panel of sub-contractors for various trades in a transparent way.

Case-3 (O6-WT-15)

One power sector PSU 'N', awarded the work of main plant and off site civil work of a power project to another construction PSU 'H'. The PSU 'H' had an ad-hoc panel of four firms for piling work. The PSU 'H' invited bids from three firms and the 4^{th} firm was left out. Two out of these three were not interested, so only one firm was left in the fray. Since there was no broad based panel of contractors that was prepared in a transparent way, there was lack of competition. The PSU 'H' got very low margin percentage. Even when, one other interested party contacted this PSU 'H', it even did not bother to consider their offer. In the same work, the PSU 'H' made out a panel for pre-tender tie up by taking the six firms who had approached them and adding three more working contractors. The panel was prepared in a totally arbitrary manner.

Case-4 (06-ET-05)

At the time of formulating one power project costing Rs. 1700 crores, International Competitive Bidding was considered as the preferred mode of tendering. However the entire work was awarded to another PSU 'B' on nomination basis. Further some of the sub-contractors short-listed by the executing PSU 'B' were rejected by the client PSU 'A' without assigning any reasons.

In the same project, in one of the packages awarded to a PSU 'B' on nomination basis by a PSU, the PSU, which was awarded the work on nomination basis awarded the work to another PSU, which in turn awarded the work to a private contractor. Thus, ultimately work was executed by the 4^{th} stage contractor.

Case-5 (06-ET-05)

The work of cooling tower (costing Rs. 62 crores) for a power project was awarded on nomination basis to a private firm even though there are a number of agencies in the market executing similar work . The concerned PSU should have invited competitive tenders from competent and experienced agencies.

Case-6 (VR1)

In one case, while inviting tenders, the publicity made for short-listing of bidders was stated to have been given in various newspapers and also through the website. But during CTE's inspection, a copy of only one newspaper cutting was made available. Organization was not sure if the same had appeared in all the newspapers envisaged. Also in the tender notice, no details of eligibility criteria, probable cost of work, etc. had been mentioned. Nowhere in the bid was evaluation document for short-listing, was the date of publicity in various newspapers mentioned/ certified by the Evaluation Committee. On examining the entire case, it was found that the extent of publicity given to this case as stated was not established.

Case-7 (VR2)

In another case, the first call of tenders was cancelled and fresh NIT was issued thereafter. In the second round, the total time given to submit the tenders was only 15 days which is much less than the stipulated period of minimum 45 days.

Case-8 (VR3)

In one of the tenders a condition authorizing the buyer organization to award contract to the next lowest evaluated bidder in the event of the failure of the L1 bidder to sign the contract and furnish performance security, was incorporated. This is violates Commission's guidelines on the subject which prescribes that if L1 bidder backs out due to any reason, there should be a re-tender in a fair and transparent manner.

Case-9(VR4)

In one case, the Tender Receipt Register was not found maintained. From the documents it was not possible to establish as to how many bids were received within the stipulated period. Further, the organization did not have proper arrangements for receiving the tenders through tender boxes. A proper arrangement for the receipt of tenders at the scheduled date and time through a tender box needs to be adopted. In cases where the tenders are required to be submitted by hand due to the bulky size of the tender documents, it is to be ensured that the names and designations of at least two officers are mentioned in

the bid documents who shall receive the tenders by hand. The information about these officers should also be displayed at the entrance/reception of the premises where the tenders are to be deposited so as to ensure a convenient approach for the bidders.

Case 10(VR5)

In one case, the price bid opening process was found to be not as per the prescribed procedure. In this case and in a few other cases also, the amount quoted by the vendors was not being entered by the tender opening committee in the tender opening register, though as per the purchase manual, on the spot summary was to be prepared by the tender opening committee. In the instant case neither the quoted amount was entered in the tender opening register nor the spot summary was prepared by the tender opening committee.

Case 11(VR6)

In one case, the original price bid of L1 bidder was checked and it was found that a stamp was put on each page of the price bid, which contained date of opening & signatures of the members of the tender opening committee. However the column for the number of corrections was kept blank and the number of corrections was not mentioned, thereby giving a chance for manipulation in the price bid at a later stage.

Case 12(VR7)

In the same case, the corrected quoted amount was Rs. 40.79 crores, which was just Rs. 5 lac less than the L-2 quote of Rs. 40.84 crores. In the price bid, a discount of 11% on total price is seen to have been mentioned below the stamp and signature of the tender opening committee. Incidentally, this insertion also was not attested by the tender opening committee leaving a doubt as to when the discount amount was added i.e. whether after the opening of the price bid? Such manipulations were possible in this case as the column reflecting number of corrections was blank and was prone to be misused by any interested party.

Case13(VR8)

In yet another project of a Power Sector PSU, the covering letter of the price bid of one of the bidders to whom the work was finally awarded was having a list of all the documents enclosed in the bid. However, in the same bid, a letter indicating a discount was also enclosed but this letter was not having any mention on the first page of the price bid which was containing the list of all the enclosures. Incidentally, this bidder could become L1 only after considering the discount as per this letter, which leaves enough room for suspicion that the discount letter might have been added at a later stage

Case14(VR9)

In a case of award of a project of Rs.3400 crores by a Power Sector PSU to another Central PSU on negotiation basis, the justification was given that one State Government has also given the work to the same Power Sector PSU on negotiation basis. By doing so, the PSU skipped the normal tendering procedure to award the work to the Central PSU. This procedure of awarding a work on nomination basis is not correct due to the following reasons: -

a) The procedures followed by the State Government may not be taken as precedence to obviate procedures adopted in a Central Govt. Organization.

b) Considering the amount involved and the long gestation period of the project it is not found prudent to skip the tender process just to save some time.

c) As per the Govt.'s sanction, this project was to be executed in the 10th Plan period and, therefore, there was sufficient time available for the organization to go in for a regular tender process.

Case15(VR10)

While awarding various packages to private companies, a Central PSU after having obtained the main power project on nomination basis from another Central PSU chose to give limited publicity by giving a tender notice only in one newspaper, i.e. Financial Express (English) and that too in Kolkata Edition only. This particular newspaper is probably having the least circulation in the category of national newspapers, like, TOI, HT & the ET etc. Because of this limited publicity, in most of the packages, the offers received were only from 2 to 4 bidders and that too most of the bidders were from a particular place only.

Opening of tenders in the presence of trade representatives should be scrupulously followed. While opening the tenders by the tender opening officer / committee, each tender should be numbered serially, initialed and dated on the first page. Each page of the tender should also be initialed with date and particularly the prices, important terms and conditions etc. should be encircled and initialed by the tender opening officer /committee. Alterations in tenders if any, made by the firms, should be initialed legibly to make it perfectly clear that such alteration, erasing or cutting was present on the tender at the time of tender opening and this fact be also recorded by the tender opening officer / committee.

Pre-qualification

The success of a project largely depends on the capability of the contractor/vendor. Pre-qualification is a process to select competent contractors having technical and financial capability commensurate with the requirements of the particular procurement (Project / supply of goods/ hiring of services).

The pre-requisites of pre-qualification process are-
-Transparency
-Fairness
-Maintenance of competition

The Commission has issued guidelines vide circular No12-02-1-CTE-6 dated: 12.12.2002 and 07.05.2004 advising the organizations to frame the pre-qualification criteria in such a way that it is neither too stringent nor too lax to achieve the purpose of fair competition.

During intensive examinations of the works of the organizations dealing with the power projects, following deficiencies were observed-

- Stringent PQ Criteria resulting in poor competition.
- Unduly restrictive criteria, creating entry barrier for potential bidders.
- Evaluation criteria not notified to the bidders, making the PQ process non-transparent.
- PQ Criteria relaxed during evaluation, thus creating entry barrier to the other potential bidders fulfilling the relaxed criteria.
- Credentials of the bidders not matched with the notified criteria.
- Credentials of the bidders not verified.

A few examples on the above deficiencies are as follows-

Case-1 (04-NH-74)

As per the notified qualification criteria for a housing project costing Rs. 13 crores, bidders were required to have experience in housing project. Four bidders were qualified. Two bidders M/s A and M/s B were qualified on the basis of their experience in the construction of hospital building and office building respectively. Remaining two bidders M/s C & D were qualified on the basis of their experience in the construction for private firms. Without verifying the credentials, M/s D was awarded the work.

The organization should have re-invited the bids with relaxed criteria so that contractors having experience in other type of multi-storied buildings could have also participated. Further the organization as a matter of policy should verify the credentials and obtain the TDS certificate from the clients for non govt. works.

Case-1 (05-NH-36)

One organization called tenders for prequalification for civil works of a Hydro power projects (costing Rs 600 crores) from eleven firms. Even though, sufficient was available for call of open tenders. Calling prequalification tenders from arbitrarily selected 11 firms for such a huge project is a serious lapse.

One of the pre-qualification criteria for the above project was " the firm should have achieved concreting of volume 2500cum per month more than once in one project. One firm A was insisting on lowering the said limit from 2500 cum per month to 2000 Cum per month. Later on the same firm submitted experience certificate of having achieved 2500 cum of concreting per month more than once in one project. The organization did not verify the authenticity of the certificate. Since there was a request from the contractor 'A' to lower the limit of concreting, it is obvious that the contractor A did not have the certificate. In such a situation, the organization should have taken special care to verify the genuiness of the certificate. Subsequently the firm became L1 and work was awarded to them. It is quite possible that the work had been awarded to an in-eligible contractor.

Case-2 (05-WT-44)

One PSU for their transmission line project costing 65 crores stipulated that the contractor will demonstrate the available manufacturing capacity in respect of steel towers considering their manufacturing capacity as well as known commitments (Manufacturing capacity- Commitments = Available manufacturing capacity). It was observed during intensive examination that the manufacturing capacity and the commitment in respect of M/s K to whom the work was awarded was 54000MT and 29000MT only respectively. Thus the available manufacturing capacity was only 25000MT against the requirement of 48000 MT of steel towers. Thus the contractor did not meet requirement

Case-3 (05-WT-44)

In a transmission line project, pre-qualification criteria was made ambiguous. As per pre-qualification criteria the bidder should have successfully completed at least two project of similar nature and route length of 200 KM. An obvious interpretation is that the firm should have executed two projects each of minimum length of 200 KM. The PSU qualified the contractors by taking the cumulative length in number of project in stead of 200 KM length in each project. The PSU should have made the pre-qualification criteria exhaustive yet specific.

Case-4 (05-SH-38)

Qualifying requirements in a dam project, were made stringent in the first instance. The suggestions made by one of the official for stipulating lesser length of a tunnels and also the suggestion of the consultant for stipulating any type of tunnel instead of water way tunnel were ignored before finalizing QR. This stringent criteria resulted in exclusion of some capable contractors. Even though the suggestion of relaxing above 2QRs were ignored, the committee relaxed some other criteria to includes other firms.

Case-5 (06-SH-13)

Pre-qualification criteria for a power project costing Rs.220 crores was not made exhaustive. Minimum value of work completed by the bidder in support of their past experience was not stipulated. Five reputed and large firms having experience in power projects, were excluded from participation on flimsy ground of executing small value works. Since no minimum value of work was mentioned, this ground of exclusion of these firms was totally unfair. Out of the two firms qualified, one firm PSU 'B' was having experience of the work costing only Rs. 31.00crores. If the same yard stick was applied uniformly, other excluded firms also would have qualified. The second firm 'S' which ultimately became L-1 was qualified on the basis of work in progress against the requirement of completed work. Thus on one hand eligible firms were disqualified an ineligible firm was qualified on other hand. There appeared to be hardly any competition. The quoted rates of PSU 'B' was unreasonably high (Rs.320Crores) as against the L-1's rates (Rs. 220 crores) clearly indicating its role as a supporting firm only

Case-6 (06-ET-05)

As per notified PQ criteria for the work of coal handling plant for power project. the contractors were to be selected on the basis of their experience in 2 similar completed works of certain value. In the last five years. However, it was observed that L1 contractor was pre qualified on the basis of ongoing works. Thus, evaluation was not done as per notified criteria. Pre-qualifying contractors on the basis of their experience in ongoing work, rather than on the basis of completed works was observed in number of cases.

Case-8 (06-ET-61)

As per NIT condition of 'Tail Race Diversion' work of a hydro power project, bidders were required to have experience of having successfully completed certain number of similar works of certain value during last 7 years ending May 04.On scrutiny of credentials of M/s X, who was awarded the work, it was observed that the work on the basis of which, M/s X was qualified was in progress on 31st May 2004.Thus the work was awarded to ineligible contractors.

Case-9 (05-ET-33)

While pre-qualifying contractors for a transmission line project, two contractors were qualified on the basis of experience of the same work. One contractor was awarded the work. Even after lapse of two years, the department could not explain the anomaly, obviously they had not verified the credentials. The same lapse was observed in a hydro power project also.

Case-10 (06-ET-45)

As per standard pre qualification criteria for power transmission line , the bidder were required to have certain experience as a prime contractor/member of a joint venture. In one of the package, this standard pre qualification criteria was relaxed to the extent that even bidders having experience as a sub contractor were allowed. It appears that the experience in the capacity of a sub contractor was added only in the standard document to suit one particular bidder. Even this relaxed pre qualification criteria in this particular tender paper were not fulfilled by the L1 contractor. The L1 contractor had experience in the capacity of sub contractor in erection of transmission line and not a complete work.

Case-11 (05-ET-46)

In number of cases pertaining to one organization, it was observed that pre-qualification criteria was relaxed after issue of NIT and fresh relaxed criteria was publicized. Thus, pre-qualification process was not transparent.

Case-12 (05-SH-38)

In one of the power projects, the qualifying requirements was initially framed stringent and was relaxed later on to include more number of firms. The criteria considered was number of firms applied for the PQ documents rather than the requirement of work.

Case-13 (05-SH-06)

Pre-qualification through open press advertisement was not done for one of the major power projects. Offers were invited from the selected firms on the basis of pre-qualification done for some earlier project. Initially, one firm was excluded but at later stage, again this firm was considered as pre- qualified. The process of pre-qualification lacks clarity and transparency because no clear-cut policy was adopted for adding/deleting names of the particular firm

Case-14 (07-SH-13)

For a power project costing Rs.260 crores fresh pre-qualification offers were not invited rather arbitrarily one firm was drawn from an earlier executed project. It will be pertinent to mention that this arbitrarily chosen firm was not pre-qualified in the earlier project for the work similar to the instant one. In fact by way of misrepresenting the competence, this firm was considered qualified despite having no experience in the similar field.

Case15 (VR1)

In the case of a Power Project, the Qualification Requirement (QR) envisaged a cut off time for considering the experience as from the date of tender opening, i.e. the works executed within a certain time period were to be considered for qualification purpose. However, as the response was poor against the first call of tenders, the QR were revised but the criterion made was even more stringent. Removing the cut off limit of time period resulted
in qualifying firms who had executed similar works as long back as 15 years probably with obsolete technology.

Case16 (VR2)

In a case of award of mechanical package by a Power Sector PSU, the PQ criteria appeared to be skewed in favour of a particular firm to whom work was finally awarded. For this project of 2000 MW, only two works of 200 MW were envisaged to be completed by the prospective bidders. Against this, a firm to whom the work was awarded produced two certificates having completed works of 200 MW and 210 MW only. Incidentally, the firm provided these two certificates also only after opening of bids.

Case 17(VR3)

In a case of award of E&M package by a Power Sector PSU, the case was finalized without properly examining the eligibility criteria vis-à-vis the proposals submitted by the bidders. Whereas the eligibility criteria envisaged major share of contribution by the leader in case of the Joint Venture bidder, but as per the proposal submitted by a Joint Venture, to whom the project was finally awarded, the distribution of work was indicated in an ambiguous manner. In the initial offer, the leader being a foreign company indicated major supplies from their offshore work but in the price bids, the distribution of works appeared such that major portion would be supplied from Indian partner. Prima-facie, the joint venture bagged the award by circumventing the prescribed eligibility criteria in the tender.

Case 18(VR4)

In one case, a PSU issued amended the Qualification Criteria through a corrigendum in such a way that suited a particular firm, i.e. the successful bidder. Normally the offered equipments are required to have a proven performance for a certain period say two years or one year on the date of opening of the bid. But in this case the amended qualification criteria did not specify any period and rather envisaged that the equipment should be in satisfactory operation as on the date of bid opening. This requirement was fulfilled by the said firm based on a user certificate stating that the offered equipments were working satisfactorily since November 2000 as against the bid opening date of 4.6.2001. Incidentally the original Qualification Criteria envisaged, a specific technology based equipment having satisfactory operation for at least two years as on the date of opening of bids. The period of successful operation of the equipment was deliberately not specified in the amended qualification criteria to suit a particular firm.

Case 19(VR5)

In one case, the Certificate of Work Experience submitted by the bidders did not have the details regarding the date of starting of the work and the scope of work etc. It appeared that the evaluation of the QR was not done in an elaborate manner. In the certificates, it was not mentioned whether the works were completed in time or otherwise. Timely completion of works is an important attribute while evaluating the credentials of the bidders.

Case 20(VR6)

In some of the Power Sector PSUs, instead of pre-qualification, post-qualification evaluation is adopted, i.e. the offers are scrutinized in terms of QRs after opening the price bids. The firms are selected through a process of elimination, i.e. if L1 bidder meets the QR, the work is awarded to such bidder otherwise L2 bidder is evaluated vis-à-vis QRs and so on. In such a system since the evaluation is done after knowing the price ranking, there are chances that the recommendations get biased because of one reason or the other. Such a system can be considered fool proof only when the QRs are defined absolutely in clear terms and without any scope for mis- interpretation and manipulation by the bidders.

The purpose of any selection procedure is to attract the participation of reputed and capable firms with proven track record. It should be ensured that the PQ criteria are exhaustive, yet specific and there is fair and adequate competition. It should be ensured that the PQ criteria are clearly stipulated in unambiguous terms in the bid documents.

TenderEvaluationand AwardofWork

This is the most sensitive area susceptible to corruption. Corruption is inversely proportional to transparency and fairness. To ensure that evaluation is done in most transparent and fair & open manner ,following points should be taken care of ....

- Evaluation of tenders exactly as per the notified criteria.
- Timely decision within validity period.
- Complying with commission's circular regarding negotiation.
- Ensuring that conditions / specifications are not relaxed in favour of contractor to whom the work is being awarded.
- Ensuring that L1 is not ignored on flimsy grounds.
- Compliance with the purchase preference policy of the govt.
- Ensuring that work order / supply order is placed within justified rates.

CVC guidelines in this regard have been issued vide following circulars-

- Circular No. 8(1)(H)/98(1) dated 18.11.98,
- Circular No. 98/ORD/1 dated 24.8.2000 / 15.3.99,
- CVC'S Office Order No. 13/3/05 (005/VGL/4) dated 16.3.2005,
- Circular No. 06-03-02-CTE-34 dated 20.10.03,
- Circular No. 004/DSP/11–6594 dated 24-2-2005
- Circular No. 005/CRD/012 dated3.03.2007

Some of the deficiencies observed in evaluation and award of work of power projects are as below-

Case-1 (04-NH-73)

Eleven firms were pre-qualified and tenders were invited on item rate basis for a housing project and eight agencies submitted their price bid. The rates quoted by L 1 contractor M/s A were found on higher side for certain items and the bid was considered as front loaded. Once this L1 firm was asked to submit the bank guarantee against the difference for abnormally low rated (ALR) items, the firm asked for the analysis of rates of the department on the basis of which these items were categorized as ALR. Rather than supplying the information to the contractor, the department opted for snap bidding on percentage rate basis from the bidders who submitted the price bid. In the snap bidding, some other firm became L1, but the rate of this L1 bidder M/s B were higher by Rs.40 lakhs than the rates of M/s A. The organization could have shared the information with M/s A and accepted their offer keeping safeguard for front loaded bid.

Case 2 (05-WT-44)

For a transmission line, tenders were invited in six packages in the same period. Incidentally, in all the six packages only one firm became L1 and all the six packages were awarded to this firm on rates varying from 4% to 19 % above the estimated cost. Since, all these six packages were similar in nature and were to be executed in similar terrain, then award of works at different rates does not appear to be in order.

Case 3 (05-WT-60)

In the work of main plant and off site area, costing Rs.37 crores, the rates of L1 bidder were 20% above the estimated cost. In order to justify these higher rates, the organization, obtained a single quotation from a local builder for aggregate and sand. In fact they should have gone for market enquiry and obtained quotations from various suppliers. This, casual approach resulted in award of work at higher rate.

Case 4 (05-SH-55)

In a case of a work of a central PSU, tenders were invited under International Competitive Bidding. After detailed evaluation of the bids, a JV firm with its quoted price of Rs. 650 crores emerged as lowest bidder (L- 1). Accordingly, this firm was invited for post tender discussions. But during discussion, this firm started putting certain unwarranted conditions regarding exemption of taxes and duties etc. These conditions were not mentioned in the firms offer and the bid/offer same was in total conformity with the terms of tender documents. Sensing the reluctance on the part of the firm, the PSU conveyed this firm that in case they did not come forward for post tender discussion, their action would be treated as withdrawal of bid.

In the mean time, the minor partner of the Joint Venture approached the PSU concerned with the request that since the major partner of the JV is backing out, they might be allowed to replace the major partner with the firm of required credentials. Incidentally the PSU while considering the request, allowed this minor partner of JV to propose a new major partner within a period of four weeks. Despite this leaverage the minor JV partner could not suggest an acceptable replacement for major partner in the JV. In this background a decision was taken by the PSU to go for a snap bid among the agencies who participated in the original bidding and finally one of those emerged as L-1 bidder with its quoted price of Rs. 665 crores, which was Rs. 48 crores above the quoted price of earlier L-1, JV firm.

Surprisingly, after taking a stand initially, that the action of the initial L-1 bidder would be treated as withdrawal of bid on account of putting the unwarranted conditions during post bid discussion, a new line of thought emerged whether this action of the original L-1 bidder should be treated as withdrawal of offer or the bid had become non-responsive. Taking shelter of the legal opinion sought in some other case, a decision was taken to not to forfeit the bid security of Rs. 9.0 crores on the plea that the bid had become non-responsive. It would be pertinent to mention that on this issue, the opinion of General Manager (Law) of the PSU was that since the conditions put forth by L-1 firm were unwarranted and were after opening of the bid, as such their action amounted to withdrawal of bid necessitating forfeiture of bid security of Rs. 9.0 crores. Top of all the opinion of GM(Law) was not placed before the board for taking decision on this issue.

In view of the foregoing background and with the facts that the original L-1 bidder was called for post tender negotiations, it is amply clear that their offer was in conformity with the bid conditions and cannot be treated as non- responsive on whatsoever ground. Therefore, putting any conditions contrary to the bid requirements, at the time of post tender negotiations amounts to stalling the process of finalisation of tender and, eventually, withdrawal of the offer. The view taken by the PSU that too, against the advice of its Law Department, appears to have given an undue financial benefit of Rs. 9.0 crores to the bidder.

Case 5 (06-SH-44)

A power sector PSU'A' invited tenders for main plant area of a thermal power plant wherein, one PSU 'B' bidder had quoted Rs.14950/- per unit rate for an item, but calculated item amount taking the unit rate of Rs.24950/-. As per the ambiguity clause, rate of the items quoted by the bidders had precedence over the amount worked out. The organization should have calculated item amount taking Rs.14950/- as a unit rate. However the organization considered Rs.24950/- as unit rate on the request of the bidder against violation of the tender condition.

Had the bid been evaluated as per terms of the tender document, the PSU bidder 'B' was L-1 with quoted amount of Rs.24.56 crores, but once the item rate was considered Rs.24950/- instead of Rs.14950 the PSU bidder 'B' became L2 with tendered amount Rs. 26.66/-. This PSU 'B' availed purchase preference and finally was awarded the work at Rs. 26.13 crores. Thus, power sector PSU 'A' awarded the work to PSU 'B' at higher rate by Rs. 1.57 crores (Rs.26.13 cr.- Rs.24.56) by violating ambiguity clause of tender document.

Case 6 (06-ET-05)

One PSU 'A' who was awarded a power plant project on nomination basis, divided the civil works in four packages, while sub contracting one package, the PSU 'A' did

not extend the purchase preference policy to PSU 'B'. The work was awarded to L-1 private contractor who subcontracted the work to the same PSU 'B'. PSU 'B' further sub contracted to another private contractor. Thus, ultimately work was executed by 4th stage contractor.

Case 7 (05-ET-33)

In a power transmission line work, tender documents stipulated completion period as 27 months. However, before award of work, the period of completion was increased to 44 months. Thus, the L1 contractor got undue benefit on account of extended completion period. The relaxation extended to L1 created a discriminatory treatment to others.

CASE 8 (05- ET-80)

In case of an Effluent Water Utilizations Project, four tenders were received, out of which only two were not techno-commercially acceptable and one firm M/s A did not submit the required earnest money, thus it was a single tender. However, M/s A's tender was also considered, apparently to avoid a situation of a single tender.

Case 9 (05-SH-39)

In one of the power project, initially a particular sub-contractor proposed by the main contractor was disqualified on some flimsy grounds, but later on the same sub-contractor was considered qualified without any change in the status of the experience etc. of that sub-contractor.

Case 10 (05-SH-62)

In one of the power sector PSU for a particular project, feedback regarding the performance of the contractor was asked for the work considered for pre- qualification before award but it was observed that in spite of adverse feedback regarding the past work, this firm was awarded the work.

Case 11(VR1)

In one case, a Joint Venture (JV) quoted their prices in a way giving them an advantage of 15% purchase preference allowed to indigenous manufacturers as per the Govt. policy for Mega Power projects. In the schedule 1 of the price bid which consisted of only CIF component, the JV kept disproportionately lower amounts so as to avoid the financial loadings and hence, resulting in a disadvantage to the other bidder, i.e. a JV between a Central PSU as leader and a foreign partner.

Case 12 (VR2)

In another case, a bid guarantee of Rs.10 crore given by L1 bidder was initially valid up to 31.10.2004 but after processing the case, the LOI was issued to this bidder on 3.12.2004, after the validity of the bid guarantee was over. It was only after placement of LOI, that the bid guarantee was got extended up to 6.12.2004, which is abnormal and needs to be discouraged as there was no bid guarantee during the intervening period from 1.11.2004 to 6.12.2004 during which the case was being processed.

Case 13 (VR3)

In a case of award of mechanical package by a Power Sector Undertaking, the bid evaluation criteria envisaged a large number of loading factors with unrealistic presumptions. For example, the SG (Boiler) efficiency was loaded for every 0.1% variation from the base for 25 years, presuming therein that efficiency can be consistently measured to such a minute precision. Moreover, the quoted efficiency is found to vary widely and the same is not consistent as seen from the offers submitted by the bidders. For example the successful bidder quoted efficiency of 84.92 % in case of one project but quoted 86.26 % efficiency in case of the other within a short span after losing the contract in the earlier tender, indicating a wide variation in acceptance of efficiency. Similarly, Coal Pulverizer components' wear and tear is worked out for 25 years, whereas these components are replaced every two to three years. Incorporation of such clauses gives a leeway/handle to manipulate/change the Inter-se-seniority. Further, what recourse could be taken by the PSU is not on record if after a period of 4-5 years of the commissioning of the Plant, it comes to light that the efficiencies prescribed or committed have not been attained /found not attainable. By then, the ineligible vendor would have already bagged the contract for such a large sum of a few thousand crores.

Case 14 (VR4)

In one Power Project, a PSU invited two types of price bids. One for mega power project status and the other one for non- mega power project status. Later on, the price bid with mega power project status was opened and the work was awarded after evaluation. However, the mega power project status was not accorded by the competent authority, i.e. the concerned Ministry, to this particular project till date of inspection when over half the project had been completed, though all the benefits had been extended in this case by considering the same as mega power project. It is

worthwhile to mention here that there are certain concessions given to the bidders for mega power projects and processing the case without requisite approval of competent authority might have resulted in undue benefits to a particular bidder, i.e. the successful bidder in this case.

Case 15 (VR5)

One Power Sector PSU awarded a package to a Central PSU after considering the purchase preference entitlement to the Central PSU in case the value addition by such PSUs is minimum 20%. While quoting, the Central PSU stated that value addition would be minimum 20% but during execution of the work, it was found that the Central PSU off loaded most of the work to private companies on a back-to-back basis and it was established that the actual minimum value addition by the PSU was not 20% as there was no document to substantiate this fact.

Case 16 (VR6)

In yet another case of Power Project, the price preference of 15% on CIF component in a mega power project was found manipulated by a private sector company to beat an Indian PSU competitor. As per policy on mega power projects, a 15% loading is done on CIF component of the price bid. While quoting, the private company kept CIF component deliberately on the lower side so as to avoid this 15% price loading. However, in the supply order the CIF component was included in another schedule of the price bid, which was mainly for the Indian Rupee component of the price and thus, the purchase preference given by Govt. was wrongfully availed by a private company, to the disadvantage of a public sector company, who quoted mainly in Indian Rupees and was the bona-fide beneficiary of the price preference.

Case 17 (VR7)

In one case, the price bid was required to be given in two parts, i.e. supply portion and civil & erection work. The L1 bidder, who was finally awarded the work, quoted a very small portion in the civil & erection work and kept a major portion of the price part in the supply portion. However, while placing the LOAs (Letter of Acceptance), the work was redistributed in the two LOAs, which was not as quoted in the price bid. For e.g. civil & erection work as quoted in the price bid was only Rs.50,000/- but the same was enhanced to Rs.1.50 crore in the LOA while reducing the same amount in the other LOA for supply only. Although the over-all cost of the contract was same, but redistribution of the proportion of the cost in this manner may result in undue benefits to the contractor and hence needs to be severely discouraged.

Case 18 (VR8)

While evaluating the bids, the price reasonableness of the projects is notuniformly applied before accepting the tenders. In one case, the award value was Rs.240.69 crore against an estimated amount of Rs.385.75 crore for the E&M Package of the Power Project. The per MW cost for this package worked out to Rs.47.20 lakhs in Oct.'01 whereas while making a comparison with another project awarded in Jan.'99, the per MW cost for similar package came to Rs.73.20 lakhs. This indicates that the project awarded in Jan.'99 was at a very high cost and also gives an impression that a wide range of per MW cost is being justified while awarding the packages.

A few check points are suggested to prevent above deficiencies-

Preparation of tender documents

- Adopt updated standard bidding document
- Ensure conformity among nomenclature of items, specifications, drawings, general and special conditions.
- Avoid stipulating such conditions in the contract, which are not feasible to be operated.
- Stipulate performance guarantee clause to eliminate non serious bidders
- Conduct pre-bid meeting i) to bring clarity regarding sprit of various provisions & ii) to bring necessary modifications, if required. Make minutes of the pre-bid meeting as part of agreement.
- Provide clause to deal with ambiguous provisions (order of precedence) in the tender document and ambiguity in the tender submitted by the contractor.
- Stipulate all prevailing govt. policy orders such as purchase preference policy (cvc's circular no. Dated 15.03.99 & DPE's circular dated 18.07.05), customs exemptions for material to be imported etc.
- Provide enough safeguards against misuse of mobilisation advance (CVC's circular No.4CC-1-CTE-2 dated 10.04.07)
- Notify objective evaluation criteria in the tender document.
- Stipulate condition regarding splitting of quantities, if required, in the tender document
- Notify criteria of splitting in the tender document itself if splitting of work / supply order is envisaged (splitting is envisaged when L1's capacity is less than required or to avoid heavy reliance on one firm)

Inviting tenders

- Prefer open tendering as far as possible
- In case limited tenders are resorted to, prepare & update panel of contractors/ vendors in a transparent way.
- Ensure adequate & wide publicity. (Web publicity is necessary even in case of limited tenders)
- Ensure adequate time for submission of offers.
- Upload NIT & tender document on web site, even in case of limited tenders (cvc's circular dated 11.2.2004).
- Notify complete address of place of tender submission (cvc's circular dated 8.6.2004).

Opening of Tenders

- Open the bids in presence of bidders.
- Attest and account for corrections, omissions, insertions, overwriting
- Prepare 'on the spot summary' in tender opening register

Pre-qualification

- Keep the PQ criteria neither too stringent nor too lax.
- Prepare the PQ criteria specific to the requirement of the work in clear terms.
- Notify the evaluation criteria in the PQ document.
- Verify PQ credentials.
- Evaluate the bids exactly as per the notified criteria
- Retender if relaxation in PQ criteria is necessary.

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