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Dated 27<sup>th</sup> June, 2019

To

The Directors of all National Laboratories/Institutes

**Subject: CSIR Manual on Procurement of Goods 2019**

The Governing Body in its 191<sup>st</sup> Meeting held on 26<sup>th</sup> April, 2019 have approved the CSIR Manual on Procurement of Goods 2019 and accordingly Policy Division of CSIR Hqrs. vide their note No.18-3(2)/191/2019/PD dated 6<sup>th</sup> June 2019 have informed that the decision of GB, CSIR may accordingly be notified.

The operation of the CSIR Manual on Procurement of Goods 2019 shall come into force with immediate effect and shall supersede CSIR Purchase Rules for Goods and Services and Purchase Manual of best practices 2008. All stakeholders will ensure adherence to the provisions of the Manual keeping in mind the requirement of transparency, competition, fairness and elimination of arbitrariness in the decision taking process.

It is informed that the decision on the threshold limit for implementing the Integrity Pact is under consideration of CSIR Hqrs. and would be informed separately. Till such time the existing limit of Rs. 3.00 crores may continue without any relaxation during the intermittent period.

The CSIR Manual on Procurement of Goods 2019 is available on CSIR website [www.csir.res.in](http://www.csir.res.in) It is requested that the Manual may be brought to the notice of all concerned.

Hindi version shall follow.

(R.K.Rao)

Sr. Controller of Stores & Purchase

Copy to:

1. All the Heads of Divisions of CSIR Hqrs.
2. All DSs/USs/Sr.Dy.FAs/FAOs/SPOs/SOs CSIR Hqrs. /HRDG/HRDC
3. Sr.DS/US Policy Division
4. All COAs/AOs/Sr.COFA/FAOs/COSPs/SPOs/SO(S&Ps) in Labs/Insstt.
5. Administrative Director DGTC & PS to DG for information
6. CVO, CSIR for information

7. Head IT for publication on CSIR website

# CSIR Manual on Procurement of Goods 2019



**Council of Scientific and Industrial Research  
Anusandhan Bhawan, 2, Rafi Marg, New Delhi-1**



## Foreword

CSIR is among the top 10 public funded scientific organisations globally. In its pursuit to excellence in science & technology and service to the society, procurement of equipment, consumables and services play a key role. With the coming into force of GFR 2017, CSIR needs to align its procurement procedure to GFR 2017.

The Rule 142 of GFR 2017 provides for issuing detailed instructions relating to the procurement of goods for use by CSIR and its constituent Labs./Instts. in broad conformity to GFR 2017. Therefore, after an elaborate exercise considering the diverse and specialized needs of CSIR, a manual for procurement of goods has been prepared. This would help all the stakeholders to act within the ambit of the extant Rules & Regulations. The manual provides formats and processes for ensuring compliance to GFR 2017 and adherence to the principles of public buying.

CSIR acknowledges the generic guidelines on procurement of goods 2017 issued by Ministry of Finance which was extremely useful for framing the current manual.

I take this opportunity to thank Dr. A.K. Tripathi, Director, CSIR-CIMAP, Lucknow and all the members of the Committee for bringing out this exhaustive manual in a reasonably short period.

Date: 27.06.2019



(SHEKHAR C. MANDE)  
DIRECTOR GENERAL

## Abbreviations and Acronyms

<b>Abbreviations</b>	<b>Acronyms</b>
ACASH	Association of Corporations and Apex Societies of Handlooms
AITB	Additional Instructions to Bidders (may in some instances be called Bid Data Sheet - BDS or Tender Information Sheet -TIS)
AMC	Annual Maintenance Contract
BC	Bill Currency (selling/buying)
BEE	Bureau of Energy Efficiency
BG	Bank Guarantee
BIS	Bureau of Indian Standards
BOC	Bid Opening Committee
BSTC	Buyer Specific Terms & Conditions
BSV	Balance Sale Value
C&AG	Comptroller and Auditor General (of India)
CA	Competent Authority
CAPEX	Capital Expenditure (model of acquisition / procurement)
CBI	Central Bureau of Investigation
CCI	Competition Commission of India
CFR	Cost and Freight
CHA	Custom House Agent
CIF	Cost insurance and Freight
CIP	Carriage and Insurance Paid
CIPP	Code of Integrity for Public Procurement
COMPAT	Competition Appellate Tribunal
COTS	Commercially Off The Shelf (Items)
CPCB	Central Pollution Control Board
CPO	Central Purchasing Organizations
CPPP	Central Public Procurement Portal
CPSE	Central Public Sector Enterprise
CST	Central Sales Tax
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
DCF	Discounted Cash Flow
DDO	Direct Demanding Officer (for RCs)
DFPR	Delegation of Financial Power
DGS&D	Directorate General of Supplies and Disposals
DMEP	Domestically Manufactured Electronic Products
DSC	Digital Signature Certificate
eASP	E-Auction Service Provider
ECS	Electronic Clearing System
EFT	Electronic Funds Transfer

<b>Abbreviations</b>	<b>Acronyms</b>
EMD	Earnest Money Deposit
Eol	Expression of Interest (Tender)
EPM	Export Promotion and Marketing
ERV	Exchange Rate Variation
EXIM	Export Import (Policy)
FA (&CAO)	Financial Adviser (and Chief Accounts Officer)
FAS	Free Alongside Ship
FC	Framework Contract
FEMA	Foreign Exchange Management Act
FM	Force Majeure
FOB	Free On Board
FOR	Free On Rail
FOT	Free On Truck
GCC	General Conditions of Contract
GCS	General Conditions of Sale
GeM	Government Electronic Market
GFR	General and Financial Rules, 2017
GoI	Government of India
GRIR	Goods Receipt and Inspection Report
GTC	General Terms & Conditions
GTE	Global Tender Enquiry
HOD	Head of the Division
IEM	Independent External Monitor
INCOTERMS	International Commercial Terms
IP	Integrity Pact
IRDA	Insurance Regulatory and Development Authority
ISI	Indian Standards Institute
ISO	International Organization for Standardization
ITB	Instructions to Bidders (may in some instance be called Instructions to Tenderers- ITT)
ITJ	Indian Trade Journal
KPIs	Key Performance Indices
KVIC	Khadi and Village Industries Commission
L1	Lowest Bidder
LC	Letter of Credit
LCC	Life Cycle Costing
LD	Liquidated Damages
LoA	Letter (Notification) of Award also called Acceptance of Tender (A/T)
LPP	Last Purchase Price
LTE	Limited Tender Enquiry
M&P	Machinery and Plant
MeitY	Ministry of Electronics and Information Technology
MoEF	Ministry of Environment and Forests
MRP	Maximum Retail Price

<b>Abbreviations</b>	<b>Acronyms</b>
MSE	Micro and Small Enterprise
MSME(D)	Micro Small and Medium Enterprises (Development Act, 2006)
MSTC	Metal Scrap Trading Corporation
NEFT	National Electronic Funds Transfer
NIC	National Informatics Centre
NIT	Notice Inviting Tender
NSIC	National Small Industries Corporation
NTH	National Test House
OEM	Original Equipment Manufacturer
OPEX	Operating Expense (model of acquisition/ procurement)
OTE	Open Tender Enquiry
PAC	Proprietary Article Certificate
PBG	Performance Bank Guarantee, also see SD
PC	Purchase Committee
PE	Procuring Entity
PPD	Procurement Policy Division, Department of Expenditure, Ministry of Finance
PPP	Public Private Partnership
PQB	Pre-qualification Bidding
PQC	Pre-qualification Criterion
PR	Purchase Requisition/Indent
PSU	Public Sector Undertaking
PVC	Price Variation Clause
QA	Quality Assurance
RA/eRA	Electronic Reverse Auction
RBI	Reserve Bank of India
RC	Rate Contract (or Frame work Contract FC)
(S)RfP	(Standard) Request for Proposals (Document)
RTGS	Real Time Gross Settlement
RTI	Right to Information
SBD	Standard Bidding Document
SC	Survey Committee
SDC	Stores Disposal Committee
SCC	Special Conditions of Contract
SD	Security Deposit, also see PBG
SLA	Service Level Agreement
SLTE	Special Limited Tender (Enquiry)
SoPP	Schedule of Procurement Powers
SPCB	State Pollution Control Board
STA	Subject to Acceptance
STC	Special Terms & Conditions
STE	Single Tender Enquiry
TC	Tender Committee also called Tender Purchase or Evaluation Committee (TPC/TEC)

<b>Abbreviations</b>	<b>Acronyms</b>
TCO	Total Cost of Ownership
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
ToR	Terms of Reference
T&PC	Technical and Purchase Committee
TS	Technical Specification
UCP600	The Uniform Customs and Practice for Documentary Credits (UCPDC or simply UCP)
UNCITRAL	United Nations Commission on International Trade Law
URDG 758	Uniform Rules for Demand Guarantees
VAT	Value Added Tax
Vf	(Best) Value for Money
WOL	Whole of Life (Cost) or Total Cost of Ownership TCO

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## CHAPTER – 1

### INTRODUCTION- POLICIES AND PRINCIPLES

#### 1.1 Procurement Rules and Regulations and this Manual

##### 1.1.1

CSIR and all its constituent Laboratories and Institutes spend a sizeable amount of their budget on procurement of goods, works and services to discharge the duties and responsibilities assigned to them. Provision of adequate and timely supply of material to scientists is of prime importance for carrying out meaningful scientific research as well as for meeting the targets set for completion of various in house & sponsored projects in CSIR labs/Institutes. CSIR therefore needs to make its own arrangements for procurement of goods which have to be exercised in conformity with GFR 2017 and the 'Procurement Guidelines' described below:

##### 1.1.2

To ensure that the procurements are made by following a uniform, systematic, efficient and cost-effective procedure and also to ensure fair and equitable treatment of suppliers, there are statutory provisions, rules, financial, vigilance, security, safety, counter- trade and other regulations; orders and guidelines of the Government on the subject of public procurement (hereinafter referred as 'Procurement Guidelines') which provide framework for the public procurement system.

##### 1.1.3

At the apex of the Statutory framework governing public procurement is Article 299 of the Constitution of India, which stipulates that contracts legally binding on the Government have to be executed in writing by officers specifically authorized to do so. The Constitution also enshrines Fundamental Rights (In particular Article 19 (1) (g) – Right to carry on a Profession) which have implications for Public Procurement. Further, the Indian Contract Act, 1872 and the Sale of Goods Act, 1930 are major legislations governing contracts of sale/purchase of goods in general. There are other mercantile laws like Arbitration and Conciliation Act, 1996; Competition Act, 2002; Information Technology Act, 2000 etc, as amended from time to time, which may be attracted in Public Procurement Transactions. There is no law exclusively governing public procurement.

##### 1.1.4

However, comprehensive Rules and Regulations in this regard are available in the General Financial Rules (GFR), 2017, especially chapter 6, 7 & 8; Delegation of Financial Powers Rules (DFPR); Government orders regarding product reservations or purchase preference or other facilities to sellers in Micro and Small Enterprises, Preference to Make in India, Pharmaceutical Central Public Sector Enterprises, Khadi/Handlooms goods, etc. and the guidelines issued by the Central Vigilance Commission to increase transparency and objectivity in public procurement.

### 1.1.5

This CSIR Manual on Procurement of Goods 2018 is intended to serve as instructions to enter this vast area and draw attention to basic norms and practices governing public procurement.

## **1.2 Clarification, Amendments and Revision of the CSIR Manual on Procurement of Goods-2018**

### 1.2.1

For revision, interpretation, clarification and issues relating to the CSIR Manual on Procurement of Goods-2018, the matter may be referred to CSIR Headquarters for examination and final decision.

## **1.3 Applicability of the CSIR Manual on Procurement of Goods 2018**

### 1.3.1

The term 'Goods' used in this manual includes all articles, material, commodity, livestock, medicines, furniture, fixtures, raw material, consumables, spare parts, instruments, machinery, equipment, industrial plants, vehicles, aircraft, ships, railway rolling stock, assemblies, sub- assemblies, accessories, a group of machines comprising an integrated production process or such other category of goods (but excludes books, publications, periodicals, and so on, for a library), or intangible products like software, technology transfer, licenses, patents or other intellectual properties procured or otherwise acquired by a Procuring Entity. Procurement of goods may include certain small work or some services, which are incidental or consequential to the supply of such goods, such as transportation, insurance, installation, commissioning, training and maintenance (Rule 143 of GFR 2017). The uniqueness of procurement of goods (as compared to services and works) is the ability to precisely describe the technical specification of the requirement.

### 1.3.2

For procurement of various services, different set of rules and procedures are applicable as per the provisions of GFR 2017 which will be framed and notified by CSIR separately.

### 1.3.3

Intangible products like Technology Transfer, Licenses, Patents or other Intellectual Properties or procurement of all services except those mentioned in Para 1.3.1 above, shall be dealt by the Business Development Group of the concerned Procurement Entity. Further, Printing and similar job works shall be dealt by General Administration. Similarly, specialized items of work as defined in works manual shall be dealt with by the Engineering Services Division of the concerned Procurement Entity. Intentionally, including the items of works & Services under the ambit of Procurement with a view to circumvent the limitation of financial powers vested with various authorities should be avoided under all circumstances.

#### 1.3.4

In conformity with the provisions of ‘make in India’ policy with the view to promote products based on technologies developed in CSIR laboratories, various Procuring Entities of CSIR can purchase these products for their own use (not for trading / sale) from their sister Labs/Instts including firms to whom any license or transfer of technology has been made through direct purchase or through limited tender in case the same product is available from multiple licensees. The Procuring entity shall ensure the reasonableness of price.

#### 1.3.5

For procurements financed by loans /Grants extended by international agencies:

The Articles of Agreement with the International Agencies, like the World Bank, Asian Development Bank etc. stipulate specific procurement procedures to be followed by the borrowers. The procurement procedures, as finalized and incorporated in the Agreements after consideration and approval of CSIR are to be followed accordingly.

### **1.4 Authorities competent to purchase goods and their Purchase Powers**

#### 1.4.1

The authority which is competent to incur expenditure may sanction the purchase of goods required for use in public service in accordance with the Delegation of Financial Power Rules (**Annexure 1A**) by following the ‘Procurement Guidelines’ described in the CSIR Manual on Procurement of goods 2018 (Rule 145 of GFR 2017), based on the assessment of risks involved in different decisions/ approvals at various stages of Procurement Cycle, the Schedule of Procurement Powers (SoPP) is enclosed at Annexure 1B.

### **1.5 Basic aims of Procurement – the Five R’s of Procurement**

#### 1.5.1

In every procurement, public or private, the basic aim is to achieve just the right balance between costs and requirements concerning the following five parameters called the Five R’s of procurement. The entire process of procurement (from the time the need for an item, facility or services is identified till the need is satisfied) is designed to achieve such a right balance. The word ‘right’ is used in the sense of ‘optimal balance’.

#### **01. Right Quality**

Procurement aims to buy just the right quality that will suit the needs – no more and no less – with clear specification of the requirements, proper understanding of functional value and cost, understanding of the bidder’s quality system and quality awareness. The concept of the right balance of quality can be further refined to the concept of utility/value (Please refer to para 1.6.1 below). For the Right Quality, Technical Specification is the most vital ingredient. In public procurement, it is essential to give due consideration to Value for Money while benchmarking the specification.

## 02. Right Quantity

There are extra costs and systemic overheads involved with both procuring a requirement too frequently in small quantities or with buying large quantities for prolonged uses. Hence, the right quantity should be procured (in appropriate size of contract) which balances extra costs associated with larger and smaller quantities.

## 03. Right Price

It is not correct to aim at the cheapest materials/facilities/services. The price should be just right for the quality, quantity and other factors involved (or should not be abnormally low for facilities/works/services which could lead to a situation of non-performance or failure of contract). The concept of price can be refined further to take into account not only the initial price paid for the requirement but also other costs such as maintenance costs, operational costs and disposal costs (Also termed as life cycle costing - please also refer to para 1.6 below)

## 04. Right Time and Place

If the material (or facility or services) is needed by an organization in three months' time, it will be costly to procure it too late or too early. Similarly, if the vendor delivers the materials/facilities/services in another city, extra time and money would be involved in logistics. **An unrealistic time schedule for completion of a facility may lead to delays, claims and disputes.**

## 05. Right Source

Similarly, the source of delivery of Goods, Works and Services of the requirement must have just right financial capacity and technical capability for our needs (demonstrated through satisfactory past performance of contracts of same or similar nature). Buying a few packets of printer paper directly from a large manufacturer may not be the right strategy. On the other hand, if our requirements are very large, buying such requirements through dealers or middlemen may also not be right.

## 1.6 Refined concepts of Cost and Value – Value for money (VfM)

### 1.6.1

The concept of price or cost has been further refined into Total Cost Of Ownership (TCO) or Life Cycle Cost (LCC) or Whole-of-Life (WOL) to take into account not only the initial acquisition cost but also cost of operation, maintenance and disposal during the lifetime of the external resource procured. Similarly, the concept of quality is linked to the need and is refined into concept of utility/value. These two, taken together, are used to develop the concept of Value for Money (VfM, also called Best Value for Money in certain contexts). VfM means the effective, efficient, and economic use of resources, which may involve the evaluation of relevant costs and benefits, along with an assessment of risks, non-price attributes (e.g. in goods and /or services that contain recyclable content, are recyclable, minimize waste and

greenhouse gas emissions, conserve energy and water and minimize habitual destruction and environmental degradation, are non-toxic etc.) and /or life cycle costs, as appropriate. Price alone may not necessarily represent VfM. In public procurement, VfM is achieved by attracting the widest competition by way of optimal description of need; development of value-engineered specifications/Terms of Reference (ToR); appropriate packaging/slicing of requirement; selection of an appropriate mode of procurement and bidding system. The advanced concepts are detailed in Appendix-3.

## **1.7 Fundamental Principles of Public Procurement**

### **1.7.1**

General Financial Rules, 2017 (Rule 144) lays down the Fundamental Principles of Public Procurement. These principles and other additional obligations of procuring authorities in public procurement can be organized into five fundamental principles of public procurement, which all procuring authorities must abide by and be accountable for:

#### **01. Transparency Principle**

All procuring authorities are responsible and accountable to ensure transparency, fairness, equality, competition and appeal rights. This involves simultaneous, symmetric and unrestricted dissemination of information to all likely bidders, sufficient for them to know and understand the availability of bidding opportunities and actual means, processes and time-limits prescribed for completion of registration of bidders, bidding, evaluation, grievance redressal, award and management of contracts. It implies that such officers must ensure that there is consistency (absence of subjectivity), predictability (absence of arbitrariness), clarity, openness (absence of secretiveness), equal opportunities (absence of discrimination) in processes. In essence Transparency Principle also enjoins upon the Procuring Authorities' to do only that which it had professed to do as pre-declared in the relevant published documents and not to do anything that had not been so declared'. As part of this principle, all procuring entities should ensure that offers should be invited following a fair and transparent procedure and also ensure publication of all relevant information on the website of the Procurement Entity and Public Procurement Portal (CPPP).

#### **02. Professionalism Principle**

As per these synergic attributes, the procuring authorities have a responsibility and accountability to ensure professionalism, economy, efficiency, effectiveness and integrity in the procurement process. They must avoid wasteful, dilatory and improper practices violating the Code of integrity for Public Procurement (CIPP) mentioned in Para 3.2 of Chapter 3 of the CSIR Manual on Procurement of Goods 2018. They should, at the same time, ensure that the methodology adopted for procurement should not only be reasonable and appropriate for the cost and complexity but should also effectively achieve the planned objective of the procurement.

In reference to the above two principles - Transparency and Professionalism Principle, it may be useful to refer to the following provisions in the General Financial Rules, 2017:



**Rule 144 :** Fundamental principles of public buying (for all procurements including procurement of works). Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

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

- (a) The description of the subject matter of procurement to the extent practicable should :
  - (i) Be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics;
  - (ii) Not indicate a requirement for a particular trade mark, trade name or brand;
- (b) The specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure;
- (c) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist. Provided that a Procuring Entity may, for reasons to be recorded in writing, adopt any other technical specification;
- (d) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (e) Offers should be invited following a fair, transparent and reasonable procedure;
- (f) The procuring authority should be satisfied that the selected offer adequately meets the requirements in all respects;
- (g) The procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (h) At each stage of procurement, the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision;

- (i) A complete schedule of procurement cycle from date of issuing the tender to date of issuing the contract should be published when the tender is issued;
- (j) All Ministries/Departments shall prepare Annual Procurement Plan before the commencement of the year and the same should also be placed on their website.

### **03. Broader Obligations Principle**

Over and above transparency and professionalism, the procuring authorities have also the responsibility and accountability to conduct public procurement in a manner to facilitate achievement of the broader objectives of the Government - to the extent these are specifically included in the 'Procurement Guidelines':

- (a) Preferential procurement from backward regions, weaker sections and MSEs, locally manufactured goods or services, to the extent specifically included in the 'Procurement Guidelines';
- (b) Reservation of procurement of specified class of goods from or through certain nominated CPSEs or Government Organizations, to the extent specifically included in the 'Procurement Guidelines';
- (c) Support to broader social policy and programme objectives of the Government (for example, economic growth, strengthening of local industry - make-in-India, Ease of Doing Business, job and employment creation, and so on, to the extent specifically included in the 'Procurement Guidelines');
- (d) Facilitating administrative goals of other Departments of Government (for example, ensuring tax or environmental compliance by participants, Energy Conservation, accessibility for People With Disabilities etc. to the extent specifically included in the 'Procurement Guidelines');
- (e) Procurement policies and procedures must comply with accessibility criteria which may be mandated by the Government from time to time.

### **04. Extended Legal Responsibilities Principle**

Procuring authorities must fulfil additional legal obligations in public procurement, over and above mere conformity to the mercantile laws (which even private sector procurements have to comply with). The Constitution of India has certain provisions regarding fundamental rights and public procurement. Courts have, over a time, taking a broader view of Public Procurement as a function of 'State', interpreted these to extend the responsibility and accountability of public procurement authorities. Courts in India thus exercise additional judicial review (beyond contractual issues) over public procurement in relation to the manner of decision making in respect of fundamental rights, fair play and legality. Similarly, procuring authorities have also the responsibility and accountability to comply with the laws relating to Governance Issues like Right to Information (RTI) Act and Prevention of Corruption Act, and so on. Details of such extended legal obligations as indicated in Appendix-1, which are applicable to GOI procurements are equally applicable to CSIR also.

## **05. Public Accountability Principle**

Procuring authorities are accountable for all the above principles to several statutory and official bodies in the Country – the Legislature and its Committees, Central Vigilance Commission, Comptroller and Auditor General of India, Central Bureau of Investigations and so on– in addition to administrative accountability. As a result, each individual public procurement transaction is liable to be scrutinized independently, in isolation, besides judging the overall outcomes of procurement process over a period of time. Procuring authorities thus have responsibility and accountability for compliance of rules and procedures in each individual procurement transaction besides the achievement of overall procurement outcomes. The procuring authority, at each stage of procurement, must therefore place on record, in precise terms, the considerations which weighed with it while making the procurement decision from need assessment to fulfilment of need. Such records must be preserved, retained in easily retrievable form and made available to such oversight agencies. The Procuring Entity shall therefore maintain and retain audit trails, records and documents generated or received during its procurement proceedings, in chronological order, the files will be stored in an identified place and retrievable for scrutiny whenever needed without wastage of time. The documents and record will include:

- (a) documents pertaining to determination of need for procurement;
- (b) description of the subject matter of the procurement;
- (c) statement of the justification for choice of a procurement method other than open competitive bidding;
- (d) documents relating to pre-qualification and registration of bidders, if applicable;
- (e) particulars of issue, receipt, opening of the bids and the participating bidders at each stage;
- (f) requests for clarifications and any reply thereof including the clarifications given during pre-bid conferences;
- (g) bids evaluated, and documents relating to their evaluation;
- (h) contracts and Contract Amendments; and
- (i) complaint handling, correspondences with clients, consultants, banks.

### **1.8 Standards (Canons) of Financial Propriety**

#### **1.8.1**

Public Procurement like any other expenditure in Government must conform to the Standards (also called Canons) of Financial Propriety. It may be useful to refer to the relevant provisions in the General Financial Rules, 2017

**Rule 21. Standards of financial propriety:** Every officer incurring or authorizing expenditure from public moneys 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, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following: -

- (a) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (b) The expenditure should not be prima facie more than the occasion demands.
- (c) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (d) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless –
  - (i) A claim for the amount could be enforced in a Court of Law, or
  - (ii) The expenditure is in pursuance of a recognized policy or custom.

### **1.9 Product Reservation and Preferential/Mandatory Purchase from certain sources**

Rule 153 (iii) of GFR 2017 provides that the Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services. Such orders issued in future for implementing the provisions of Rule 153 (iii) of GFR 2017 would be applicable to CSIR also. Copies of the policies/Orders issued by GOI till the issue of the CSIR Manual on Procurement of goods 2018 in respect of MSEs and make in India are placed at Annexure- 1C & 1D respectively.

**Note:** Before considering any Purchase Preference/product reservation mentioned below, the Procuring Entity should check the latest directives in this regard for necessary action. Product Reservation/Purchase Preference provision shall invariably be part of the Notice Inviting Tender (NIT) and Instructions to Bidders (ITB).

#### **1.9.1**

##### **Reservation of Procurement of certain class of Products from certain agencies – Khadi Goods/Handloom Textiles**

The Central Government vide Ministry of Textiles OM No.4/2/88-DCHM&E dated 17<sup>th</sup> February 1992 has reserved all items of hand-spun and hand woven textiles (Khadi goods) for exclusive purchase from Khadi & Village Industries Commission(KVIC). (Annexure 1E) Government has also reserved all items of

handloom textiles including Barrack Blankets for exclusive purchase from KVIC and / or notified handloom units of the Association of Corporations and Apex Societies Handlooms (ACASH) ([http://handlooms.nic.in/user\\_panel/userview.aspx\\_TypeID=1199](http://handlooms.nic.in/user_panel/userview.aspx_TypeID=1199))

(Rule 153 (1) of GFR 2017) The handloom textile items are to be purchased from KVIC to the extent they can supply and the balance from the handloom units of ACASH; to the extent these units can make supplies. Left over quantity, if any, may be purchased from other sources. In the case of KVIC, the rates are fixed by certification committee, and the rates so fixed are reviewed by the Cost Accounts Branch of the Ministry of Finance. In the case of ACASH, the final price will be calculated by ACASH and fixed by the Ministry of Textiles by associating a representative of the Chief Accounts Office of Department of Expenditure, Ministry of Finance. The purchase from both KVIC and ACASH should be made on single tender basis (*Without insisting on PAC Certificate*). Normal inspection and other procedures shall apply for procurement through KVIC/ACASH. Testing arrangements will be provided by KVIC/ACASH or by their notified units and where the same are not available; testing charges for testing outside at approved laboratory should be borne by KVIC/ACASH/ their units.

#### 1.9.2

##### **Reservation of Procurement of certain class of Products from certain agencies Pharmaceuticals from Pharmaceutical CPSEs**

The Pharmaceuticals Purchase Policy, 2013 notified by Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers vide OM 50(9)/2010-PI-IV Dated 10/12/2013 is intended to ensure;

01. Optimum utilization of the installed capacity and to provide necessary fillip in reviving these ailing pharmaceuticals CPSEs;
02. Availability of quality medicines at low prices to the masses;
03. Drug security of the nation.

The salient features of this policy are as follows:

- (a) Pharmaceuticals Purchase Policy in respect of 103 (one hundred and three) medicines would be valid for a period of five years from the date of issue (30/10/2013) of orders by Department of Pharmaceuticals.
- (b) Pharmaceuticals Purchase Policy will extend only to Central Public Sector Enterprises (CPSEs) under the administrative control of Department of Pharmaceuticals such as Indian Drugs and Pharmaceuticals Limited (IDPL), Hindustan Antibiotics Limited (HAL), Bengal Chemicals and Pharmaceuticals Limited (BCPL), Karnataka Antibiotics and Pharmaceuticals Limited (KAPL) and Rajasthan Drugs and Pharmaceuticals Limited (RDPL) and their subsidiaries where Government of India owns 51% (fifty one percent) or above shares.



- (c) This would be applicable to purchases by Central Government Departments, their Public Sector Undertakings, and Autonomous Bodies, etc. This would also be applicable to purchase of medicines by State Governments under Health Programme funded by Government of India such as the National Rural Health Mission etc.
- (d) The pricing of the products would be done by National Pharmaceutical Pricing Authority (NPPA) using the cost based formula, as mentioned in the Drugs Price Control Order, 1995. A uniform discount of 16% (Sixteen percent) would be extended to all products. All the taxes, whatsoever, would have to be passed on to buyers.
- (e) Annual revision of prices would be linked to Wholesale Price Index as per provisions contained in Drugs Prices Control Order, 2013.
- (f) The Procuring Entity would purchase from pharma CPSEs and their subsidiaries subject to their meeting Good Manufacturing Practices (GMP) norms as per Schedule 'M' of the Drugs & Cosmetic Rules.
- (g) In case pharma CPSEs and their subsidiaries fail to supply the medicines, the Procuring Entity would be at liberty to make purchases from other manufacturers. If the pharma CPSEs or their subsidiaries fail to perform as per the purchase order, they would also be subject to payment of liquidated damages or any other penalty as per the terms of the contract.
- (h) The list of medicines (Annexure 1F) may be reviewed and revised by the Department of Pharmaceuticals as per requirement.

### 1.9.3

#### **Reservation of specific items for procurement from Micro and Small Enterprises (MSE)**

To enable wider dispersal of enterprises in the country, particularly in rural areas, all Procurement Entities shall continue to procure items reserved for procurement exclusively from MSE. Presently 358 (three hundred and fifty- eight) items including eight items of Handicrafts, have been reserved for exclusive purchase from Micro and Small Enterprises. (Appendix to Annexure 1C).

### 1.9.4

#### **Public Procurement Policy for Micro and Small Enterprises (MSEs)**

01. From time to time, the Government of India lays down procurement policies to help inclusive national economic growth by providing long-term support to small and micro enterprises and disadvantaged sections of society and to address environmental concerns. The Procurement Policy for Micro and Small Enterprises, 2012 has been notified by the Government in exercise of the powers conferred in Section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and is placed at **Annexure 1C** along with the copy of order dated 9<sup>th</sup> November, 2018.

02. Micro and Small Enterprises (MSE) must, along with their offer, provide proof of their being registered as MSE (indicating the terminal validity date of their registration) for the item tendered, with any agency mentioned in the notification of the Ministry of Micro, Small and Medium Enterprises (Ministry of MSME), indicated below:
- (a) District Industries Centres;
  - (b) Khadi and Village Industries Commission;
  - (c) Khadi and Village Industries Board;
  - (d) Coir Board;
  - (e) National Small Industries Corporation;
  - (f) Directorate of Handicraft and Handloom; and
  - (g) Any other body specified by the Ministry of MSME.
03. For ease of registration of Micro and Small Enterprises (MSMEs), Ministry of MSE has started Udyog Aadhar Memorandum which is an online registration system (free of cost) w.e.f. 18th September, 2015 and all Micro & Small Enterprises (MSEs) who are having Udyog Aadhar Memorandum should also be provided all the benefits available for MSEs under the Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012.
04. The MSEs are also to be provided tender documents free of cost and are exempted from payment of earnest money, subject to furnishing of relevant valid certificate for claiming exemption.
05. Chapter V of the MSMED Act, 2006 also has provision for ensuring timely payments to the MSE suppliers. The period agreed upon for payment must not exceed forty-five days after the acceptance of the supplies. For delays in payment the buyer shall be liable to pay compound interest to the supplier on the delayed amount at three times of the bank rate notified by the Reserve Bank. For arbitration and conciliation regarding recovery of such payments and interests, Micro and Small Enterprises Facilitation Council has been setup in states.
06. In tender, participating Micro and Small Enterprises (MSE) quoting price within price band of L1+15 (fifteen) per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25 (twenty five) per cent of total tendered value. The 25 (twenty five) per cent quantity is to be distributed proportionately among these bidders, in case there are more than one MSEs within such price band.
07. Within this 25% (Twenty five Percent) quantity, a purchase preference of (25%) twenty five per cent is reserved for MSEs owned by Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs (if they participate in the tender process and match the L1 price). Further, out of the total annual procurement from MSEs, (3%) three per cent from within the 25% target shall be earmarked for procurement from MSEs owned by women. Provided that, in event of failure of such SC/ST MSE to participate in tender process or meet tender requirements and L1 price, five per cent sub-target shall be met from other MSE. MSEs would be treated as owned by SC/ST entrepreneurs:

- (a) In case of proprietary MSE, proprietor(s) shall be SC /ST.
  - (b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% (fifty-one percent) shares in the unit.
  - (c) In case of Private Limited Companies, at least 51% (fifty-one percent) share shall be held by SC/ST promoters.
08. For enhancing participation of MSEs owned by SCs /STs in Government procurement, The Procuring Entities may conduct Special Vendor Development Programmes/ Buyer-Seller Meets. In the opinion of Ministry of MSME, in case of tender item is non-split-able or non-dividable, etc. MSE quoting price within price band L1+15% (fifteen percent) may be awarded for full/complete supply of total tendered value to MSE, considering spirit of policy for enhancing the Govt. procurement from MSE, in terms of sub-para 6 above. Further, the targets should be reported in the Annual Reports of the Procuring Entity as per para 5 of the MSME Order dated 23<sup>rd</sup> Mar 2012.
09. Ministry of MSME have clarified that all Procurement Entities may relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting of quality and technical specifications.
10. Where any Aggregator has been appointed by the Ministry of MSME, themselves quote on behalf of some MSE units, such offers will be considered as offers from MSE units and all such facilities would be extended to these also.
11. This Policy is meant for procurement of only goods produced and services rendered by MSEs and not for any trading activities by them.
12. An MSE Unit will not get any purchase preference over another MSE Unit.

## **1.10 Procurement Policies for Make in India**

### **1.10.1**

The contemporary instructions regarding the Procurement Policies for Make in India issued by Ministry of Commerce & Industry, Department of Industrial Policy and Promotion dated 28<sup>th</sup> May, 2018 is enclosed at Annexure-1D. In order to implement the order in letter and spirit, the CVC has directed all CVOs to exercise oversight on all contracts over and amount of ₹ 5.00 crores so as to ensure that restrictive and discriminatory clauses against domestic suppliers are not included in the tender documents for procurement of goods and services and that the tender conditions are in sync with the order in their respective Departments/Organizations. Accordingly, CVO, CSIR vide letter No. 15-6(82)/98-O&M-III dated 11<sup>th</sup> May, 2018 has advised all Procuring Entities to ensure compliance with the instructions issued by CVC. Copies of documents relating to procurement contracts over ₹ 5.00 crores should be forwarded to CVO, CSIR.

### 1.10.2

As mentioned in Annexure 1D, preference to Make in India has been envisaged to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and the procurement by the Government being substantial in amount can contribute towards this policy objective. The order explicitly mentions to increase the local content through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them.

### 1.10.3

**Requirement of Purchase Preference:** Subject to the provisions of the Order and to any specific instructions issued by the Nodal Ministry or in pursuance of the Order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder:

- a. In procurement of goods, services or works in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is ₹ 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods or services or works is more than ₹ 50 lakhs, the provisions of subparagraph b or c, as the case may be, shall apply.
- b. In the procurements of goods or works which are not covered by paragraph 1.10.3(a) and which are divisible in nature, the following procedure shall be followed:
  - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
  - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case

some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.

- c. In procurements of goods or works not covered by subparagraph 1.10.3(a) and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed:
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
  - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
  - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

#### 1.10.4

**Exemption of small purchases:** Notwithstanding anything contained in above para, procurements where the estimated value to be procured is less than ₹ 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

#### 1.10.5

**Minimum local content:** The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.

#### 1.10.6

**Margin of Purchase Preference:** The margin of purchase preference shall be 20%.

### 1.10.7

**Requirement for specification in advance:** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

### 1.10.8

#### **Verification of local content:**

- a. The local supplier at the time of tender, bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
- b. In cases of procurement for a value in excess of ₹ 10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
- c. Decisions on complaints relating to implementation of this order shall be taken by the competent authority which is empowered to look into procurement – related complaints relating to the procuring entity.
- d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/accountant's certificates on random basis and in the case of complaints.
- e. Nodal Ministries and procuring entities may prescribe fees for such complaints.
- f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Finance Rules along with such other actions as may be permissible under law.
- g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date of which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 1.10.8(h) below:



- h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process so that:
- a. The fact and duration of debarment for violation of this order by any procuring entity are promptly brought to the notice of the member-convener on the Standing Committee and the Department of Expenditure through the concerned Ministry/Department or in some other manner.
  - b. On a periodical basis such cases are consolidated and a centralized list or decentralised lists or such suppliers with the period of debarment is maintained and displayed on website(s).
  - c. In respect of procuring entity other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in such a manner that ongoing procurements are not disrupted.
- i. Copy of DIPP OM No.P-45021/2/2017-B.E.II dated 4<sup>th</sup> July, 2017 is appended at Annexure-1D for information, guidance and compliance.

#### 1.10.9

##### **Specification in Tenders and other procurement solicitations:**

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavor to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms of the **tender documents** and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee constituted as per the provisions of Make in India order dated 28<sup>th</sup> May, 2018.

- e. For the purpose of sub-paragraph 1.10.9 (d) above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."
- f. The list of Nodal Ministries is enclosed at Annexure-1D.

**Note:** The procuring Entity shall incorporate suitable eligibility criteria in Tender Documents in compliance with the contemporary policies and instructions issued from time to time in this regard.

## 1.11 Proactive information disclosures

### 1.11.1

Section 4(1) (b) of the RTI Act lays down the information to be disclosed by public authorities on a suo moto or proactive basis and Section 4(2) and Section 4(3) prescribe the method of its dissemination to enhance transparency and also to reduce the need for filing individual RTI applications. The Department of Personnel & Training, Ministry of Personnel, Public Grievances & Pensions, Government of India, has issued "Guidelines on suo moto disclosure under Section 4 of the RTI Act" vide their OM No.1/6/2011-IR dated 15<sup>th</sup> April, 2013. (<http://cic.gov.in/GuidelinesOnProActive.pdf>) The relevant guidelines relating to information disclosure relating to procurement are reproduced below:

### 1.11.2

Information relating to procurement made by public authorities including publication of notice/tender enquiries, corrigenda thereon, and details of bid awards detailing the name of the Vendor/Contractor of goods/services being procured or the works contracts entered or any such combination of these and the rate and total amount at which such procurement or works contract is to be done should be disclosed. All information disclosable as per Ministry of Finance, Department of Expenditure's O.M.No.10/1/2011-PPC dated 30<sup>th</sup> November, 2011.

([http://finmin.nic.in/the\\_Ministry/dept\\_expenditure/gfrs/pub\\_tender\\_enq\\_cppp\\_ortal.pdf](http://finmin.nic.in/the_Ministry/dept_expenditure/gfrs/pub_tender_enq_cppp_ortal.pdf)) and 05<sup>th</sup> March 2012  
(<http://eprocure.gov.in/cppp/sites/default/files/instruction>

Contents/INST\_DOC\_NO\_7/OM\_DoE\_5<sup>th</sup> March 2012.pdf) on Mandatory Publication of Tender Enquiries on the Central Public Procurement Portal and O.M. No. 10/3/2012 PPC dated 9<sup>th</sup> January 2014 on implementation of comprehensive end-to-end e-Procurement should be disclosed under Section 4 of the Right to Information Act. In case of procurements made through nominated Government agencies or the RCs concluded by the Procuring Entity, only award details need to be published.

## **1.12 Public Procurement Cycle**

### **1.12.1**

The procurement process for goods, works and/or services typically involves the following cycle of activities, undertaken in the order stated below.

01. Need Assessment: This includes the need assessment, procurement planning, formulation of specifications, raising of indent after verifying the non-availability from Stores, maintenance of Purchase Requisition Register by Indentor and budget provision.
02. Bid Invitation: This includes preparing bid documents, publication, receipt and opening of bids.
03. Bid Evaluation: Evaluation of bids and award of contract.
04. Contract Execution: Contract management, payments and closure of files.
05. Disposal of Scrap: Disposal of scrap through various modes of disposal need to be published.

## **1.13 Repugnancy and modifications**

Provisions of CSIR Manual on Procurement of goods 2018 will stand modified on issuance of subsequent instructions from GOI/MoF and or changes in GFRs after endorsement by CSIR and would come into effect from the date of notification.

## CHAPTER-2

### NEED ASSESSMENT, FORMULATION OF SPECIFICATIONS AND PROCUREMENT PLANNING

#### 2.1 Need Assessment

##### 2.1.1

Procurements should be initiated only based on an indent from the user Department. The authority in the user Department initiating the indent for procurement shall first determine the need (including anticipated requirement) for the subject matter of the procurement. Description and specification of need assessment is of fundamental importance in ensuring value for money, transparency, competition and level playing field in procurement. The user Department shall maintain all documents relating to the determination and technical/financial/budgetary approvals of the need for procurement. During need assessments, the following matters are decided to comply with the 'Procurement Guidelines':

01. **The expression/description of the need** keeping in view the Value for Money (VfM) and to ensure wide competition. Therefore, to the extent practicable it should be:
  - (a) Unambiguous, complete, using common terminology prevalent in relevant trade;
  - (b) In accordance with the guidelines prescribed, if any in this regard;
  - (c) Except in case of purchase from a selected single source, reference to brand names, catalogue numbers or other details that limit any materials or items to specific manufacturer(s) should be avoided as far as possible. Where unavoidable, such item descriptions should always be followed by the words "or substantially equivalent".
02. **Method of satisfying it** owning/leasing/hiring/outsourcing and so on may be determined as per policies declared in this regard or based on a techno-economic evaluation (using life cycle cost, if feasible) of various alternative methods of satisfaction of the need and compatibility and inter- operability with existing infrastructure or systems.
03. **The quantity of the subject matter of procurement, commensurate with economy:**
  - (a) Care should be taken not to make unnecessary procurements much in advance of actual requirements, if such procurement is likely to be unprofitable to the Council, coupled with unwarranted inventory-carrying cost. Where sales, consumption or usage limits of requirements have been laid down by the Competent Authority (CA), the officer signing the indent should also certify that the prescribed scales or limits are not

exceeded. The authority preparing the indent shall neither package nor divide its procurement or take any other action so as to limit competition among potential bidders or to avoid its obligations under 'Procurement Guidelines'. Provided that in the interest of efficiency, economy, timely completion or supply, wider competition or access to MSEs, an indenting or procuring authority may, for reasons to be recorded in writing, divide its procurement into appropriate packages, or club requirements of other users for procurement. Some requirements e.g. IT Systems may have elements of Goods, Works and Services. It could be either sliced into Goods, Works and Services elements or combined into a package. Such decisions for slicing or packaging should be based on technical and VfM considerations. It is also necessary to round off the calculated quantity to the nearest wagon load/truck load/package to economize on transportation; and

- (b) **Unit of quantity** is a very important parameter. Some items may be manufactured in metric tons but may be used in units of numbers or units of lengths (for example, steel sheets/structural). For the sake of transparency, it is important to buy an item in units of manufacture. For example, it is better to buy steel/structural in units of weight since it has a tolerance in weight per unit of length; this usually works to the disadvantage of the buyer if it is bought in units of length. The buying and issuing units of an item may be different – but should be standardized.
- (c) **Time-schedule and place** of product/work/service delivery: Need assessment and generation of indent for procurement should be done sufficiently in advance of the time when goods are required. Delays in need assessment have adverse impact on the value for money and transparency. **Great care is required to be exercised in filling up realistic dates for the requirement of material. The Procuring Authority should be allowed time in accordance with the established lead times.** In urgent cases, the Procuring Authority may entertain indents providing shorter periods but such urgencies should be approved by the authority empowered to grant administrative approval for the indent and must be accompanied by proper justification. (Annexure-2A)
- (d) **Formulation of specification** to ensure value for money, transparency, level playing field and ensuring widest competition. This is further detailed in subsequent para.
- (e) **Estimated cost:**
  - (i) The estimated cost in the indent is a vital element in various procurement processes, approvals and establishing reasonableness of prices at the time of evaluation of the bids. Therefore, it should be worked out in a realistic and objective manner. The prevailing market price ascertained through a market survey or budgetary quotations by the indenting officer from one or more prospective suppliers or published catalogues/Maximum Retail Price (MRP) printed on the item is the main source for establishing the estimated cost of items for which there is no historic data available. It may be noted that MRPs usually include margins for distributors, wholesalers and retailers;

- (ii) For equipment which are uniquely custom-built to buyer's specifications, the best way to get a fair assessment of costs is by obtaining budgetary quotes from potential parties. Ideally, there should be three quotes. An attempt should be made by the user to obtain as many budgetary quotes as possible from potential firms. In the event of non-availability of three budgetary quotes, the estimate should be prepared on the basis of the available number of budgetary quotes, which may even be one. Where more than one budgetary quote is received, the estimate should be framed on an average of the quotes which will reduce variations and fluctuations.
- (iii) Likewise, rates should be compared with recent orders/purchases of similar equipment by other organizations. Other methods for establishing the estimated cost in the indent and tender evaluation are:
- Estimated rate in past indents of the same goods;
  - Last purchase price of this or similar or nearly equivalent requirements;
- (iv) These methods are not mutually exclusive and can be supplemented with escalations to cater for inflation, price increases of raw materials, labour, energy, statutory changes, price indices, and so on, to make them usable in conditions prevailing currently. In case of foreign currencies, the rates should be reduced to a common denomination of Indian Rupees. Price indices can be also obtained from any potential website.

## **2.2 Formulation of Technical Specifications (TS)**

### **2.2.1**

The Indentor and the Project Leader should ensure that specifications are developed to ensure VfM, level playing field and wide competition in procurement. The TS constitute the benchmarks against which the Indentor and the Project Leader will verify the technical responsiveness of bids and, subsequently, evaluate the bids. Therefore, well-defined TS will facilitate the preparation of responsive bids by bidders as well as examination, evaluation and comparison of the bids by the various purchase committees. It would also help in ensuring the quality of the supplied goods. The Indentor and the Project Leader should ensure that the specification should:

01. Provide a level playing field and ensures the widest competition;
02. Be unambiguous, precise, objective, functional, broad based/generic, standardized (for items procured repeatedly) and measurable. TS should be broad enough to avoid restrictions on workmanship, materials and equipment commonly used in manufacturing similar kinds of goods;
03. Set out the required technical, qualitative and performance characteristics to meet just the bare essential needs of the Procuring Entity without including superfluous and non-essential features, which may result in unwarranted expenditure;



04. Normally be based on standards set by the Bureau of Indian Standards (BIS), wherever such standards exist. Preference should be given to procure the goods which carry the BIS mark. In the absence of BIS standards, TS may be based on the relevant International standards. Provided that an indenter authority may, for reasons to be recorded in writing, base the TS on equivalent international standards even in cases where BIS standards exist. For any deviations from Indian standards or for any additional parameters for better performance, specific reasons for deviations/modifications should be duly recorded with the approval of the CA. Where the technical parameters are only marginally different, Indian standards may be specified and the Departmental specifications could cover only such additional details as packing, marking, inspection, and so on, as are specially required to be complied for a particular end use;
05. All dimensions incorporated in the specifications shall be indicated in metric units. If due to some unavoidable reasons, dimensions in FPS units are to be mentioned, the corresponding equivalents in the metric system must also be indicated;
06. Comply with sustainability criteria and legal requirements of environment or pollution control and other mandatory and statutory regulations, or internal guidelines, if any, applicable to the goods to be purchased;
07. Make use of best practices. Examples of specifications from successful similar procurements in the other organization or sector may provide a sound base in the other organizations or sector may provide a sound basis for drafting the TS;
08. Commensurate with VfM, avoid procurement of obsolete goods and require that all goods and materials be new, unused and of the most recent or current models and that they incorporate all recent improvements in design and materials, unless provided for otherwise in the bidding documents;
09. Should have emphasis on factors such as efficiency, optimum fuel/power consumption, use of environmental-friendly materials, reduced noise and emission levels, low maintenance cost, and so on. Government of India has set up the Bureau of Energy Efficiency (BEE) (<http://www.bee-india.nic.in>) on 1<sup>st</sup> March, 2002 under the provisions of the Energy Conservation Act, 2001, with the primary objective of reducing the energy intensity of the Indian economy. The Bureau initiated the Standards & Labelling Programme for equipment and appliances in 2006 to provide the consumer an informed choice about the energy saving and thereby the cost saving potential of the relevant marketed product. The scheme is invoked for 21 equipment/appliances, i.e. Room Air Conditioners, RAC(Cassette, Floor Standing Tower, Ceiling, Corner AC), Tubular Fluorescent Tube Lights, Frost Free Refrigerators, Distribution Transformers, Direct Cool Refrigerator, Electric storage type geyser, Color TVs, Induction Motors, Ceiling fans, Agricultural pump sets, LPG stoves, Washing machine, Laptops, Ballast, Office automation products, Solid State Inverter, Diesel Engine Driven Monoset Pumps for Agricultural Purposes, Diesel Generator, Inverter AC and LED

Lamps. Of which the first 8 products have been notified under mandatory labelling since 7<sup>th</sup> January, 2010. The other appliances are presently under voluntary labelling phase. The energy efficiency labelling programs under BEE are intended to reduce the energy consumption of appliance without diminishing the services it provides to consumers. More the stars higher the efficient is the appliance. The threshold ratings prescribed by the Ministry of Finance are:

Appliance	Threshold Star Rating
Split Air Conditioners	5 Star (under normal conditions where annual usage are expected to be more than 1000 Hrs) 3 Star (where usage of AC is limited e.g. in conference rooms)
Frost Free Refrigerators	4 Star
Ceiling Fans	5 Star
Water Heaters	5 Star

Procuring Entity should try to build either the BEE Star rating where applicable and minimum energy efficiency where such star ratings are not yet available, into the TS (in accordance with Rule 173 (xvii) of GFR 2017). Such benchmarking illustrates use of neutral and dependable benchmarking in procurement of sustainable environmentally favourable goods by way of appropriately formulated Technical Specifications. In a similar fashion, other Type III Eco-labels as per ISO 14020 or voluntary Environmental Standard can be used for specifying environmental sustainability criteria.

- 10 **Discourage procurement involving evaluation of samples:** According to the existing guidelines on public procurement of goods, purchase in accordance with a sample should not be usually undertaken. Calling for a sample along with the tender and deciding on the basis of evaluation of the sample may NOT be done. (CVC's circular: 2EE-1-CTE-3 dated 15 October 2003, URL: <http://cvc.gov.in/eecte32k3.pdf>) In certain specifications, there may be a built-in sample clause. Usually such clauses are stipulated to illustrate indeterminable characteristics such as shade/tone, make-up, feel, finish and workmanship, and so on. In some specifications, there may not be a sample clause but such indeterminable characteristics are left to be agreed to between the seller and buyer. One way to procure/indigenize certain spares whose drawings/specifications are not available is to procure in accordance with an available sample of the part. In such cases, supply must be in conformity with an agreed reference sample in such respects only, whereas for the remaining characteristics it must be in conformity with the laid down drawings/specifications. Procurement of such items should be decided on the basis of detailed specifications/drawings and no sample should be called for or evaluated along with the bids. If desired, a purchaser's reference sample may be displayed for prospective tenderers to illustrate the desired indeterminable characteristics, which final supplies from successful bidder(s) will have to meet in addition to the specifications/ drawings. If required, in addition to the purchaser's reference sample, the provision for the submission of a pre-production sample matching the purchaser's sample by successful bidder(s) may be stipulated for indeterminable characteristics,

before giving clearance for bulk production of the supply. The Indent for items which are to be procured in accordance with a sample must be accompanied with three sealed samples as far as possible.

## 2.2.2

### Essential Technical Particulars

The essential Technical particulars to be specified in the indent and included in the tender document shall include the following to the extent applicable for a particular purchase:

01. Scope of supply/work and, also, end use of the required goods;
02. All essential technical, qualitative, functional, environmental and performance characteristics and requirements (such as material composition, physical, dimensions and tolerances, workmanship and manufacturing process wherever applicable; test schedule; if any), including guaranteed or acceptable maximum or minimum values, as appropriate. Whenever necessary, the user may include an additional format for guaranteed technical parameters (as an attachment to the bid submission sheet), where the bidder shall provide detailed information on such technical performance characteristics in reference to the corresponding acceptable or guaranteed values;
03. Drawings;
04. Requirement of the BIS mark, where applicable, mentioning all parameters where such a specification provides options;
05. Requirement of an advance sample, if any, at the post contract stage before bulk production;
06. Special requirements of preservation, packing and marking, if any;
07. Inspection procedure for goods ordered and criteria of conformity;

In view of the MoF instructions vide its OM No.F.11/13/2017-PPD dated 24<sup>th</sup> October 2017 for inclusion of clause for pre-inspection at the supplier's premises, where there is a provision that the supplier will pay for travel, stay, hospitality and other expenses of the Inspecting Officials needs to be discouraged so that Inspections are not compromised and therefore such provisions should be strictly avoided in the bidding documents/contracts. The spirit of this clause should also be extended to trainings in the premises of the supplier to the extent possible.

08. Requirements of special tests or type test certificate or type approval for compliance of statutory requirements with reference to pollution, emission, noise, if any;

09. Other additional work and/or related services required to achieve full delivery/ completion, installation, commissioning, training, technical support, after-sales service and Annual Maintenance Contract (AMC) requirements, if any;
10. Warranty requirements;
11. Qualification criteria of the bidders, if any; and
12. Any other aspect peculiar to the goods in question such as shelf life of the equipment, and so on.

## **2.3 Obtaining Technical, Administrative Approval and signing of indents.**

### **2.3.1**

Schedule of powers for administrative approval of indents generated for procurement of goods are placed at Annexure 1B. It should be certified that funds in the budget are available and liability for this indent is noted against the total available budget. Processing of indents for any Purchase can be made by the Procuring Entity even without specific budget allocation for the current financial year provided such cases are cleared for administrative processing by the Director of the Lab./Instt. or JS (A) in CSIR Hqrs. through PME/Accounts but final order shall be placed only after ensuring the availability of funds.

### **2.3.2**

In case the time schedule of delivery is urgent (or shorter than usual lead-time) an urgency certificate as per Annexure-2A should be recorded justifying the urgency with the approval of the Director of the Procuring Entity or JS (A) in CSIR Hqrs. **The indenter may submit an indent in form of a Purchase Requisition, as appropriate (Annexure 2 B to 2 F) along with relevant enclosures to the Procuring Authority, giving it adequate time for procurement.** Indicating optional items in the Indent is not permitted. Indenters should monitor the progress of the Indents submitted by them. For this purpose, a PR register may be maintained in the format provided in Annexure 2G. On receipt by the Purchase Department, progress of such Indents should be monitored for which a Indent Register should be maintained in the Purchase Section as per the format provided in Annexure 2H.

## **2.4 Recording of non-availability of Indented item**

### **2.4.1**

Indenter should verify from the available sources about the availability of the indented item and certify non- availability of the Indented item (s).

## **2.5 Purchase Committee (PC)/Technical & Purchase Committee (T&PC)**

### **2.5.1**

There shall be two committees for regulating, recommending and deciding the procurement in the Laboratories/institutes and in CSIR Hqrs as under:

01. Purchase Committee (PC); for all modes of purchases up to ₹ 25.00 lakhs.

02. Technical & Purchase Committee (T&PC); For all modes of purchases above ₹ 25.00 lakhs.

## **2.6 Constitution of Purchase Committee (PC) :**

### **2.6.1**

The PC will be constituted by the Director in the CSIR Labs/Institutes and for CSIR Hqrs by the JS (A). Normally a Scientist not below the rank of Principal Scientist will act as chairman of PC. The other members of the PC will be as follows:

- (a) Indenter/project Leader
- (b) Two Scientists/Technical officers (other than Indentor /Project leader)
- (c) Member Administration
- (d) Member Finance
- (e) Member Purchase and convener.
- (f) Chairman may co-opt Civil Engineer &/or Electrical Engineer on case to case basis.

### **2.6.2**

The senior most officers of Administration (who are not designated as Vigilance Officer), S&P and F&A cadres in the Procuring Entity shall attend the meeting as members from the Admin, S&P and F&A stream respectively. In the absence of the senior most officer from a particular stream, the next officer, but not below the rank of Section officer may attend.

### **2.6.3**

While constituting the committee, the Director may designate one of the Scientific/Technical members of the PC to act as alternate chairman who will chair the meeting in absence of the regular chairman.

### **2.6.4**

Presence of the Chairman, one scientist/ technical officer, Admin, Finance, Purchase members, Civil Engineer &/or Electrical Engineer (if any) and Indenter shall be mandatory. In case the chairman happens to be the Indentor/Project Leader, the alternate Chairman shall chair the meeting.

### **2.6.5**

The PC shall meet as and when required.

## **2.7 Functions of Purchase Committee (PC)**

### **2.7.1**

PC will consider procurement of all goods up to ₹ 25 lakhs keeping in view the provisions of paras 2.5.1(01), 2.11.1, 4.11.1 and chapter 5 &7 of the CSIR Manual on Procurement of goods 2018.

### **2.7.2**

The PC will devise its own methods within the ambit of the extant rules & regulations on the subject for making Purchases. However, its functions will broadly include purchase of goods (up to ₹ 25.00 Lakhs), Maintenance & Repair contracts (irrespective of value) including conclusion of Rate Contracts.

### 2.7.3

The PC shall also decide the demand for stock replenishment for Stores taking into consideration the requirements of the Procuring Entity including fixing the quantity and identifying the source.

### 2.7.4

The mode of tender and the appropriate bidding system may be adopted as per para 4.11.1 of the CSIR Manual on Procurement of goods 2018.

### 2.7.5

The members of the PC need to ensure compliance to para 7.5.11 of the CSIR Manual and also sign a declaration of “no conflict of interest” as per para 7.5.12 of the CSIR Manual at the time of recommending a purchase.

### 2.7.6

In case of any dissent, the provisions of Para 7.5.11 of the CSIR Manual may be referred.

## **2.8 Constitution of Technical & Purchase Committee(T&PC):**

### 2.8.1

The Director of the CSIR Lab/Institute and JS (A) in CSIR Hqrs shall constitute a standing Committee for purchase of goods with estimated cost above ₹25 lakhs as under:

- (a) A scientist not below the rank of Senior Principal Scientist as chairman
- (b) Indentor/project Leader
- (c) Two scientists/TO other than Indentor/Project leader
- (d) Member Administration
- (e) Member Finance
- (f) Member Purchase and Convener
- (g) Chairman may co-opt Civil Engineer and/or Electrical Engineer on case to case basis
- (h) The Director may nominate Domain expert/s (even from outside the lab/Instt) on case to case basis.

However, the provisions of Para 7.1(02) of the CSIR Manual may be complied with while constituting the T&PC.

### 2.8.2

The senior most officers of Administration (who are not designated as Vigilance Officer), S&P and F&A cadres in the Procuring Entity shall attend the meeting as members from the Admin, S&P and F&A stream respectively. In the absence of the senior most officer from a particular stream, the next officer, but not below the rank of Section officer may attend.

### 2.8.3

The members from Administration, Finance and Purchase are not required to attend the meetings/presentations/technical discussions or the EOI meeting for



finalization of specifications and other technical issues in respect of the items proposed to be indented. Indenter shall be the convener for such meetings. Chairman may invite other potential users to attend the meeting for this purpose.

#### 2.8.4

The onus of freezing the specification/technical parameters and evaluation of technical bids shall lie with the rest of the members of the T&PC who shall act as a technical sub-committee (TSC).

#### 2.8.5

The indenter shall convene the meetings of the technical sub-committee (TSC) whereas the member S&P shall act as convener of the full T&PC. All documentations i.e. records of discussion, correspondence with vendors etc. shall be maintained by the convener of the TSC till the same is handed over to the purchase section along with the final recommendations.

#### 2.8.6

In the absence of regular Chairman, the next senior most scientific/technical member will act as alternate chairman.

#### 2.8.7

In case of technical subcommittee (TSC) meeting, the quorum will consist of one scientific/technical members, Domain Expert, if any, Indenter and the Chairman. However, in case of T&PC meetings the quorum will consist of the chairman, the Indenter/PL, one scientist, the Civil Engineer &/or the Electrical Engineer (if co-opted) the member Administration, member Finance and the member Purchase.

#### 2.8.8

The T&PC will meet as and when required.

### **2.9 Functions of Technical & Purchase Committee (T&PC)**

#### 2.9.1

T&PC will consider procurement of all goods above ₹25 lakhs keeping in view the provisions of paras 2.5.1(02), 2.11.1, 4.11.1 and chapter 5 & 7 of the CSIR Manual.

#### 2.9.2

The T&PC will devise its own methods within the ambit of the extant rules & regulations on the subject for making Purchases.

#### 2.9.3

The detailed modus operandi for procurement under this category should be in line with the provisions of Chapter 4 of the CSIR Manual.

#### 2.9.4

The mode of tendering for purchases under the purview of T&PC shall normally be through open tender/global tender and in two bid system (technical and commercial). However, depending upon the requirement, the appropriate

bidding system may be adopted as per para 4.11.1, 4.12 to 4.16 of the CSIR Manual on Procurement of goods 2018.

#### 2.9.5

The members of the T&PC need to ensure compliance to para 7.5.11 of the CSIR Manual on Procurement of goods 2018 and also sign a declaration of “no conflict of interest” as per para 7.5.12 of the CSIR Manual on Procurement of goods 2018.

#### 2.9.6

In case of any dissent, the provisions of Para 7.5.11 of the CSIR Manual may be referred.

### 2.10 Procurement Plan

#### 2.10.1

**Integrated procurement plan should be prepared for the ensuing financial year based on the latest cost estimates, and realistic time schedule for procurement activities and contract implementation and thus schedule and stagger the procurements over the year with a view to ensure an even load on the Purchase Department.**

#### 2.10.2

The Procuring Entity should publish information regarding the procurement plan for the forthcoming year or years on the website of the procuring Entity with a caveat that such publication shall not be construed as initiation of a procurement process and cast any obligation on the Procuring Entity to issue the bidding document or confer any right on prospective bidders (Rule 144(x) of GFR 2017). This is also mandated vide Para 8 of MSME Order dated 23<sup>rd</sup> March 2012 on Public Procurement Policy for MSEs as enclosed at Annexure-1C and form a part of the Annual Report as per Para 5 of the said Order.

#### 2.10.3

The procurement plan can be reviewed and revised as and when required with the approval of the Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs. Keeping in mind the principle of transparency in Public Procurement, it is desirable that the annual procurement plan is made known to all prospective bidders at the beginning of the financial year, keeping in view the urgency and contingency of procuring certain items at short notice. The following must therefore, be ensured in respect of both capital and consumable items:

01. **For procurement out of Externally Funded Projects (EFP):** The items to be procured under EFP as approved by the sponsor should be notified at the earliest by the Head PME on the website of the Lab/Instt and on GeM Portal. (Rule 149 (vi)) of GFR 2017 within 30 days of budget approval.
02. **For CSIR Funded Projects:** The procurement plan for the items should be notified by Head PME after approval of the project by the Director and notified on the website of the Lab./Instt. and on GeM Portal. (Rule 149 (vi)) of GFR 2017 within 30 days of budget approval.

03. **For non-project mode procurement:** The Director of the Lab/ Institute will constitute a committee to assess the need of the procurement of items. Based on the duly approved recommendation of the Committee, the Head PME will notify the plan on the website of the Lab./Instt. and on Gem Portal. (Rule 149 (vi)) of GFR 2017 within 30 days of budget approval.

#### 2.10.4

To ensure that a demand for goods is not divided into small quantities to make piece meal purchases to avoid the necessity of obtaining the sanction of higher authority (Rule 157 of GFR 2017), it is imperative that the requirements are consolidated. For this purpose, Indents for procurement of goods being raised for various projects is therefore required to be scrutinized by the PME Division with reference to the Annual Procurement Plan and consolidation of indents should be done by PME for further processing.

### 2.11 Procurement Planning by PC & T&PC

#### 2.11.1

After receipt of the indent, the PC/T&PC should take following decisions to initiate procurement, to ensure conformity to the Procurement Guidelines:

01. Within 10 (Ten) working days of receipt of the indent from the user Department, the PC/T&PC should critically review the description and TS enclosed with the indent for completeness/approvals/funding, VfM and possibility of the widest competition and seek clarifications from the indenting officer, if needed, before initiating such procurement;
02. **Reassessment of the quantity and appropriate aggregation of quantities of various users:**

The procuring authority shall normally neither package nor divide its procurement or take any other action so as to limit competition among bidders or to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand (Rule 157 of GFR 2017). Provided that in the interest of efficiency, economy, timely completion or supply, wider competition or access to MSEs, a procuring authority may, for reasons to be recorded in writing, divide its procurement into appropriate packages, or club requirements of other users for procurement. Packaging of the contract and procurement planning should be done keeping in view the availability and possibility of eliciting the interest of the qualified firms; effective competition for the type and size of the contract; and access to MSEs. For example, for a particular contract, material to be procured may constitute more than 50 (fifty) per cent of the total cost of works or there are services which are a mix of consultancy services with substantial element of goods, such as procurement of an IT system. Such procurement could be done as a single composite contract comprising all components or divided into separate contracts for each category of procurement. In all such situations, the dominant aspect of the requirement and value for money aspects of a composite all-inclusive contract versus dividing the contract into respective categories should be carefully examined at the time of Need

assessment/ Procurement Planning. This is a crucial stage of decision-making in procurement planning for a better outcome and for VfM considerations;

03. Determine and declare in documents, any limitation on participation of bidders as per the Government's procurement policy regarding preference to certain sections of industry, if any. The PC/T&PC shall not establish any requirement aimed at limiting participation of bidders in the procurement process that discriminates against or amongst bidders or against any category thereof except to lay down a reasonable and justifiable eligibility or pre-qualification criteria for the bidders and finalise the bidding documents;
04. Selection of a system of bidding (single/two stage; single/two bids: suitability for e-Procurement or reverse auction);
05. Select the mode of procurement (open tenders, limited tenders, single tenders, rate contracts etc.);
06. Decision on the timeframe for completing various stages of procurement should be declared in the bidding documents. The Procuring Entity should endeavor to adhere to the time limit so decided and record reasons for any modification of such limits.

## **2.12 Rush of Expenditure**

### **2.12.1**

Rush of Expenditure, particularly in the closing months of the financial year shall be regarded as breach of financial propriety and shall be avoided. The Finance Division of the Procuring Entity shall ensure adherence to the stipulated monthly expenditure plan and the guidelines issued in this regard by the Budget Division, Department of Economic Affairs, from time to time. (Rule 62(3) of GFR 2017)

## CHAPTER – 3

### SUPPLIER RELATIONSHIP MANAGEMENT

#### 3.1 Supplier Relationship Management

##### 3.1.1

Supplier Relationship Management comprises the following functions:

01. Ensuring compliance of suppliers to the Code of Integrity for Public Procurement and Integrity Pact (CIPP) if stipulated in Bid Documents;
02. Development of new sources and registration of suppliers.
03. Holiday listing; removal from the list of registered suppliers and banning/debarment of firms; and

#### 3.2 Code of Integrity for Public Procurement (CIPP)

##### 3.2.1

Public procurement is perceived to be prone to corruption and ethical risks. To mitigate this, the officials of the Procuring Entity involved in procurement and the bidders/suppliers must abide by the following Code of Integrity for Public Procurement (CIPP). All officials involved in procurement decisions need to sign a declaration of abiding by the CIPP at the time of deciding the need, mode of procurement and the final recommendations of the procurement in every case. Similarly, The bidders/suppliers should be asked to sign a declaration about abiding by a Code of Integrity for Public Procurement in registration applications and in bid documents as per Annexure-5(O), with a warning that, in case of any transgression of this code, its name is not only liable to be removed from the list of registered suppliers, but it would be liable for other punitive actions such as cancellation of contracts, banning and blacklisting or action in Competition Commission of India, and so on. (Rule 175(i) of GFR 2017)

##### 3.2.2

Procuring authorities as well as bidders, suppliers, contractors and consultants should observe the highest standard of ethics and should not indulge in the following prohibited practices, either directly or indirectly, at any stage during the procurement process or during execution of resultant contracts:

01. **“Corrupt practice”**: making offers, solicitation or acceptance of bribe, rewards or gifts or any material benefit, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process or contract execution;
02. **“Fraudulent practice”**: any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefits may be obtained or an obligation avoided.

This includes making false declaration or providing false information for participation in a tender process or to secure a contract or in execution of the contract;

03. **“Anti-competitive practice”**: any collusion, bid rigging or anti-competitive arrangement, or any other practice coming under the purview of The Competition Act, 2002, between two or more bidders, with or without the knowledge of the Procuring Entity , that may impair the transparency, fairness and the progress of the procurement process or to establish bid prices at artificial, non-competitive levels;
04. **“Coercive practice”**: harming or threatening to harm, persons or their property to influence their participation in the procurement process or affect the execution of a contract;
05. **“Conflict of interest”**: participation by a bidding firm or any of its affiliates that are either involved in the consultancy contract to which this procurement is linked; or if they are part of more than one bid in the procurement; or if the bidding firm or their personnel have relationships or financial or business transactions with any official of Procuring Entity who are directly or indirectly related to tender or execution process of contract; or improper use of information obtained by the (prospective) bidder from the Procuring Entity with an intent to gain unfair advantage in the procurement process or for personal gain; and
06. **“Obstructive practice”**: materially impede the investigation by the Procuring Entity into allegations of one or more of the above mentioned prohibited practices either by deliberately destroying, falsifying, altering; or by concealing of evidence material to the investigation; or by making false statements to investigators and/or by threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or by impeding the rights of the Procuring Entity to audit or access to information;

### 3.2.3

#### **Obligations for Proactive Disclosures**

01. Procuring authorities as well as bidders, suppliers, contractors and consultants, are obliged under Code of Integrity for Public Procurement to suo-moto proactively declare any conflicts of interest (coming under the definition mentioned above – pre-existing or as and as soon as these arise at any stage) in any procurement process or execution of contract. Failure to do so would amount to violation of this code of integrity;
02. Any bidder must declare, whether asked or not in a bid document, any previous transgressions of such a code of integrity with any entity in any country during the last three years or of being debarred by any other Procuring Entity **including the CSIR Labs/Instts**. Failure to do so would amount to violation of this code of integrity;
03. To encourage voluntary disclosures, such declarations would not mean automatic disqualification for the bidder making such declarations. The



declared conflict of interest may be evaluated and mitigation steps, if possible, may be taken by the Procuring Entity Similarly voluntary reporting of previous transgressions of Code of Integrity elsewhere may be evaluated and barring cases of various grades of debarment, an alert watch may be kept on the bidder's actions in the tender and subsequent contract.

### 3.2.4

#### **Punitive Provisions**

01. Without prejudice to and in addition to the rights of the Procuring Entity to other penal provisions as per the bid documents or contract, if the Procuring Entity comes to a conclusion that a (prospective) bidder/supplier, directly or through an agent, has violated this code of integrity in competing for the contract or in executing a contract, the Procuring Entity may take appropriate measures including one or more of the following:
  - (a) if his bids are under consideration in any procurement
    - (i) Forfeiture or encashment of bid security;
    - (ii) Calling off of any pre-contract negotiations; and
    - (iii) Rejection and exclusion of the bidder from the procurement process.
  - (b) if a contract has already been awarded
    - (i) Cancellation of the relevant contract and recovery of compensation for loss incurred by the Procuring Entity
    - (ii) Forfeiture or encashment of any other security or bond relating to the procurement;
    - (iii) Recovery of payments including advance payments, if any, made by the Procuring Entity along with interest thereon at the prevailing rate.
  - (c) Provisions in addition to above:
    - (i) Removal from the list of registered suppliers and banning/debarment of the bidder from participation in future procurements of the Procuring Entity for a period not less than one year;
    - (ii) In case of anti-competitive practices, information for further processing may be filed under a signature of the **Director of the CSIR Lab/Instt and JS (A) in CSIR Hqrs**, with the Competition Commission of India;
    - (iii) Initiation of suitable disciplinary or criminal proceedings against any individual or staff found responsible.

### 3.3 Integrity Pact (IP)

#### 3.3.1

The Pre-bid Integrity Pact is a tool to help Governments, businesses and civil society to fight corruption in public contracting. It binds both buyers and sellers to ethical conduct and transparency in all activities from pre-selection of bidders, bidding and contracting, implementation, completion and operation related to the contract. This removes insecurity of bidders, that while they themselves may abjure bribery, but their competitors may resort to it and win contract by unfair means.

#### 3.3.2

Ministry of Finance, Department of Expenditure have mandated vide their OM No.14(12)/2008-E.II(A) dated 19<sup>th</sup> July, 2011 that Ministries/Departments and their attached/subordinate offices (including autonomous bodies) to incorporate Integrity Pact depending on the nature of procurements/contracts above a threshold value. The nature of procurement and threshold of value is to be decided by CSIR with approval of the Minister in charge. As guidance, the threshold should be such as to cover bulk (80-90% - eighty to ninety percent by value) of its procurement expenditure. **The threshold limit for implementation of Integrity Pact in CSIR would be informed separately.**

#### 3.3.3

The pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process. In other words, entering into this Pact would be a preliminary qualification. The essential ingredients of the Pact include:

01. Promise on the part of the Procuring Entity to treat all bidders with equity and reason and not to seek or accept any benefit, which is not legally available;
02. Promise on the part of bidders not to offer any benefit to the employees of the Procuring Entity not available legally and also not to commit any offence under Prevention of Corruption Act, 1988 or Indian Penal Code 1860.
03. Promise on the part of bidders not to enter into any undisclosed agreement or understanding with other bidders with respect to prices, specifications, certifications, subsidiary contracts; etc.
04. Undertaking (as part of Fall Clause) by the bidders that they have not and will not sell the same material/equipment at prices lower than the bid price;
05. Foreign bidders to disclose the name and address of agents and representatives in India and Indian Bidders to disclose their foreign principals or associate;
06. Bidders to disclose the payments to be made by them to agents/brokers or any other intermediary;

07. Bidders to disclose any past transgressions committed over the specified period with any other company in India or Abroad that may impinge on the anti- corruption principle;
08. Integrity Pact lays down the punitive actions for any violation;
09. **Integrity Pact (IP) would be implemented through a panel of Independent External Monitors (IEMs)** who shall be appointed by the CSIR in consultation with Central Vigilance Commission. Names and contact details of the Independent External Monitor(s) should be listed in Notice Inviting Tender (NIT). The IEM would review independently and objectively, whether and to what extent parties have complied with their obligations under the Pact. The CSIR is required to select two persons (below the age of 70 (seventy) years) of high integrity and reputation as Independent External Monitors (IEM) after due diligence and forward to the CVC for its approval. Only those officers of Government of India Departments or Public Sector Undertakings, who have retired from top management positions, would be considered for appointment as IEM, provided they are neither serving nor retired from the same organization. Eminent persons, retired judges of High/Supreme Courts, executives of private sector of considerable eminence could also be considered for functioning as Independent External Monitors. The appointment of Independent External Monitors would be for an initial period of three years and could be extended for another term of two years (maximum tenure of five years). Names and contact details of the Independent External Monitor(s) should be listed in Notice Inviting Tender (NIT).
10. **In tenders meeting the criteria of threshold value/nature of procurement:** Integrity Pact clause and format should be included in the Bid Documents as per format placed at Annexure-3A. The IP may be incorporated with suitable changes specific to the situation in which the Pact is to be used. Each page of such Integrity Pact proforma would be duly signed by Procuring Entity's competent signatory as per SOPP. All pages of the Integrity Pact are to be returned by the bidder (along with the technical bid) duly signed by the same signatory who signed the bid, i.e. who is duly authorized to sign the bid and to make binding commitments on behalf of his company. Any bid not accompanied by Integrity Pact duly signed by the bidder shall be considered to be a non-responsive bid and shall be rejected straightway.
11. **Role/ Functions of IEMs:** The Monitors would not be subject to instructions by the representatives of the parties and should perform their functions neutrally and independently. They would review independently and objectively, whether and to what extent parties have complied with their obligations under the Integrity Pact. For this purpose, they would have access to all contract documents/books of accounts of the bidders in case of any allegation of violation of any provisions of the Integrity Pact or payment of commission, whenever required. The IEMs will have the option to participate in such meetings among the parties related to the project provided such meetings could have an impact on the contractual relations between the parties. Ideally all IEMs of an organization should meet once

every two months to take stock of ongoing tendering process. The IEMs would examine all complaints received by them and give their recommendations/views to the designated officer at the earliest. The Monitors would also inform the Procuring Entity, if they notice or have reason to believe, a violation of the Integrity Pact. They may also send their report directly to the Central Vigilance Commission, in case of suspicion of serious irregularities requiring legal/administrative action. At least one IEM would be invariably cited in the NIT. However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter should be examined by the full panel of IEMs, who would look into the records, conduct an investigation, and submit their joint recommendations. The recommendations of IEMs would be in the nature of advice and would not be legally binding. IEMs may not be equated with consultants in the Procuring Entity. Their role is independent in nature and the advice once tendered would not be subject to review. The role of the Chief Vigilance Officer (CVO) of Procuring Entity shall remain unaffected by the presence of IEMs. A matter being examined by the IEMs can be separately investigated by the CVO, if a complaint is received by him or directed to him by the CVC.

### **3.4 Development of New Sources and Registration of Suppliers**

#### **3.4.1**

Ensuring an up-to-date and current list of registered, capable and competent suppliers facilitates efficiency, economy and promotion of competition in public Procurement, especially where open tendering is not resorted to. The list may be referred to while floating a limited tender/local purchase/direct purchase. For such tenders, it may be possible to skip bidder qualification so as to avoid unnecessary repetition/duplication of records thereby saving time, especially in the case of emergency procurement.

#### **3.4.2**

All Procuring Entities in CSIR shall follow the policies and procedures for registration described below. The Procuring Entity shall notify the competent authority to deal with the applications and grant registrations to the vendors, along with their jurisdictions. The appellate authority shall be at least one level above the registering authority.

#### **3.4.3**

All users in the Procuring Entity may use the list of registered suppliers. Registered suppliers are ordinarily exempted from furnishing earnest money deposit/bid security with their tenders in tenders for items, for which they are registered. The list of registered suppliers for the subject matter of procurement may be exhibited on the Central Public Procurement Portal and websites of Procuring Entity (Rule 150(v) of GFR).

#### **3.4.4 Categories for Registration**

In case of procurement of goods, the Procuring Entity shall register firms as suppliers of goods in the following broad categories:

- (a) Manufacturers, who supply indigenous items;
- (b) Agents/distributors of such manufacturers, who desire to market their production only through their agents;
- (c) Foreign manufacturers with/without their accredited agent in India;
- (d) Stockists of imported spares or other **consumables** and
- (e) Suppliers of imported goods as are having regular arrangement with foreign manufacturers.
- (f) Fabricators.
- (g) Service Providers.
- (h) General Suppliers.

### 3.4.5

One of the main prerequisites for registration as a manufacturer is that the firm should possess its own in-house testing facilities. In case, the firm does not have its own testing facilities then it should have regular arrangements with other Government or Government-approved or private agencies in its area for testing of products. Before the manufacturer is included in the list of registered suppliers, Procuring Entity shall verify the bona fides and standing of the firm. In case of firms having an established quality maintenance system like ISO 9001- 2000 certification (latest version) etc., the Procuring Entity may consider registration of such firms without carrying out capacity assessment.

### 3.5. Vendor Registration Committee:

The Procuring Entity will constitute a Vendor Registration Committee (VRC) with the approval of Director in CSIR Labs/Instts / JS (A) in CSIR Hqrs. comprising of the following as its Members.

- (a) Scientist of the rank of Principal Scientist or above as Chairman
- (b) One Technical Officer from Engineering (Civil/ Electrical/ Mechanical)/ Workshop/
- (c) Two Scientists (Member-Purchase Committee and Member Technical & Purchase Committee)
- (d) Member Finance – SO (F&A) and above
- (e) Member Convener – SO (S&P) and above

### 3.5.1

#### Functions of the VRC

01. The VRC will Scrutinize all the online applications received for vendor registration and recommend registration of the vendors for the item (s) indicated by the vendor out of the items mentioned in the categories and sub-categories (common across CSIR) given in the web link. The vendor will have the choice to register for one or more than one item of the Sub-

Category. Where the desired item of the vendor's scope of supply is not listed in the Sub-Category, the vendor will mention the Generic Name of the item in the "Others" option. The VRC will verify if the desired item is listed anywhere else in the other categories and recommend for registration for the same in the actual Sub-Category. Otherwise will request the Super Administrator i.e. IT Division, CSIR-CDRI to include the item in the desired Sub-Category.

02. VRC will evaluate credentials submitted by vendors as per performance report submitted by at least 3 customers.
03. VRC will verify whether the applications have been received in compliance to the clauses mentioned in "Instructions to Vendors – Registration in CSIR" as per Annexure- 3B and process the applications after verifying the credentials of the vendor, after Sales Services/Support (as applicable), Financial standing etc. as detailed in the instructions.
04. Wherever necessary, the VRC may evaluate and/or inspect the manufacturing and testing facility available with the vendor – for vendors registering as manufacturer. However, the decision whether to inspect or not will be at the discretion of the Committee.
05. To verify and satisfy itself on the financial standing and credit worthiness of the firm as evidenced from the certified copy of the Balance sheet (by Chartered Accountant).
06. Recommend the jurisdiction of the vendor registration as per the choice of (i) City (ii) Cluster of Labs/Instts (iii) All CSIR Labs/Instts (whole of India) and (iv) Laboratory, as exercised by the vendor.
07. When the vendor submits online application for registration for more than one Procuring Entity, he will have the option to select the Procuring Entity for getting his application processed. The application of the vendor will be directed by the system to the concerned Procuring Entity chosen by the vendor for processing. Besides, the application can be viewed by all the Procuring Entities of CSIR. However, in order to verify the credentials of the vendor, if the selected Procuring Entity feels it is not competent enough to verify the credentials being the items of different field, the application can be transferred online to other Procuring Entity.
08. A Chief/Senior Principal Scientist in the Lab/Instt as nominated by the Director and JS (A) in CSIR Hqrs shall be the competent authority to approve the registration of vendors on recommendations of the VRC. The Director in the Labs/Instts and DG, CSIR in CSIR Hqrs shall be the Appellate Authority to decide on the decision of the procuring entity to reject an application for registration as a vendor, when contested by any prospective vendor.

### **3.6 Procedure for Online Registration of Vendors**

#### **3.6.1**

Vendors interested in registering with the different Procuring Entities of CSIR for supply of Goods need to apply online. The weblink (url) for this is 14.139.230.4/vendorreg/login.aspx. The Vendor must read and follow the instructions given in Instructions to Vendors This weblink will be made available on the websites of all CSIR Laboratories/Instts / Headquarters. Access to Login page for the Vendor registration (VR) form necessitates entry of PAN, email id, password and name of Vendor on the Home page of the Vendor registration web link. After submitting the details the portal opens up new Registration form on the Dashboard for Vendor. Vendor needs to fill all the mandatory details online including PAN, GST NO, Legal status of Firm etc. Uploading of documents containing signed declaration by the Vendor on abiding by CIPP and disclosure on Conflict of Interest is also essential to complete the Vendor registration process. After all the details in the online VR form are filled and submit button is clicked, the application process for vendor registration is complete. A confirmatory email will be sent to the vendor, indicating receipt of application. The instructions to vendors for Vendor Registration and the form for Vendor registration are at Annexures 3B & 3C respectively.

#### **3.6.2**

Vendor registration once issued will be valid for all the **CSIR** laboratories/Institutes/ Units of CSIR. All registered vendors, not necessarily for the CSIR Lab/Instt issuing the tender, will be **exempted from Bid security/ EMD in the bidding process for the goods/items for which the vendor is registered.**

**3.6.3** Validity of Vendor registration is three years. Thereafter the vendor will have to apply for renewal along-with the required documents prior to at least two months before expiry of the existing registration.

#### **3.6.4**

Vendor registration fee will be ₹ 1000/- (One Thousand) nontransferable and non-refundable. Initially, the registration fee shall be paid by vendor in the form of a DD/BC in favour of the Procuring Entity. In due course a link to make online payment will be provided on the Vendor Registration Portal itself where it will go directly to the account of the Procuring Entity. . This will facilitate online payment of fee towards vendor registration from the vendors willing to register. MSE's are however exempted from payment of vendor registration fee

#### **3.6.5**

A web link from the Vendor Registration Portal shall be hosted on the website of all CSIR laboratories/Hqrs to enable Labs/Instts to view the applications and process for registration. The system will generate a unique registration number. The Certificate of registration with jurisdiction of Vendor will be generated by an officer of S&P in the Procuring Entity from the system.

#### **3.6.6**

The Procuring Entity must communicate deficiencies/ shortcomings to Vendors whose application for registration is not accepted. The period for review and re-verification must be mentioned in the rejection letter.



### 3.6.7

The signed declaration on conflict of interest and pro-active Declaration on abiding by the Code for integrity in Public Procurement must be verified by the Procuring Entity.

### 3.6.8

Registration of the suppliers should be done following a fair, transparent and reasonable procedure with appeal rights and after giving due publicity. For this purpose, pointer advertisement maybe issued in a newspaper. Details of the procedure for registration of new firms may also be uploaded on the website for information of the suppliers. Timeframe and criteria for registration of suppliers may be clearly indicated.

### 3.6.9

Possible sources for any category/sub-category can be identified based on internal and external references. Data of new suppliers can be obtained from the response received from suppliers, open tender advertisements, pre-qualification bids, Expression of Interest (Eol), against various enquiries on the website, dedicated websites, exhibitions, buyer-seller meets, Development Commissioner of the Small Industries Service Institute, BIS, trade journals, and so on. The e-Procurement portal does pre-registration of suppliers online. Such data can be a source of information on prospective suppliers;

### 3.6.10

New supplier(s) may be considered for registration at any time, provided they fulfil all the required conditions. For any larger scale or critical registration or development of new suppliers, the Procuring Entity should call for Eol by publicizing its need for development of sources. The stages to be followed together with the applicable guidelines for Eol have been detailed in Chapter 4.

### 3.6.11

While registering the firms, an undertaking may be obtained from them that they will abide by the CIPP enclosed with the application with a clear warning that, in case of transgression of the code of integrity, their names are likely to be deleted from the list of registered suppliers, besides any other penalty or more severe action as deemed fit.

### 3.6.12

Along with the new/renewal application for registration, the suppliers should also be asked to declare that, if awarded a contract in any LTE in which they participate, they bind themselves to abide by the Procuring Entity's General Conditions of Contract (GCC) as hosted on the website of the Procuring Entity.

### 3.6.13

#### **Eligibility and other conditions**

01. Any firm, situated in India or abroad, which is in the business of providing goods of specified categories of interest at least for past 3 years, shall be eligible for registration. However, MSME and Start-Ups are exempted from this period.

02. Where registration is granted based on partly outsourced arrangements/ agreements, it shall be the responsibility of the registered unit, to keep such arrangements/agreements renewed/alive at all times, to keep their registration valid for the period for which it has been granted. Any failure in this regard may make the registration null and void ineffective, retrospectively from any such dates which the registering authority considers appropriate.
03. Firm, against whom punitive action has been taken, shall not be eligible for re-registration during the currency of punitive action. Registration requests may not be entertained from such firms, stakeholders of whom have any interest in deregistered/banned firms;
04. The application form, complete in all respects and accompanied with the requisite processing fee and prescribed documents shall be submitted by the firms to the Procuring Entity chosen by the vendor. The registration application form, duly filled-in, when received from the firms shall be scrutinized carefully for assessing the capacity and capability of the firms including credentials, manufacturing capability, quality control system, past performance, after-sales service facilities, financial background, and so on, of the applicant. References shall be made to other clients of the applicant firm whom he claims to be a supplier/contractor, if required. Likewise, the applicant firm's bankers may also be requested to advice about the financial standing of the firm, If felt necessary. Registration of suppliers should be done with the approval of competent authority as per SOPP.
05. In cases where the firm is not considered capable and registration cannot be granted, the Procuring Entity shall communicate the deficiencies and shortcomings directly to the firms. Where a request for re- verification and review is made by the firm within the period prescribed by the Procuring Entity, review shall be undertaken. Requests for re-verification after expiry of the said period would be treated as a fresh application and processing fee, if any prescribed, charged accordingly.
06. Registration should be for specific item under a sub-category and category as enumerated in the Vendor Registration Portal.
07. It should be mentioned in the letter of registration that the registration is valid for a period of three years and would be considered for extension based (on application by the supplier/contractor/service provider) on satisfactory performance of the firm. The extension of validity of registration is not a matter of right and the Procuring Entity reserves the right not to extend such registration without assigning any reason. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions. (Rule 150 (iii) of GFR 2017)
08. The registered firms may be exempted from depositing the Earnest Money Deposit (EMD), **for the item (s) of sub-Categories for which it has been registered.** In other categories, the supplier would be treated as any unregistered supplier and not be entitled to the privileges of a registered

supplier. The category, so laid down, does not, however, debar a firm from getting orders for other categories, provided the Procuring Entity is satisfied about the capacity and capability of the firm but a requisite Bid Security/Earnest Money Deposit should be obtained, as is being done in the case of unregistered firms;

09. Performance and conduct of every registered supplier is to be watched by the concerned Procuring Entity who shall reserve the right to remove firms who do not perform satisfactorily, even during the validity of registration (after giving due opportunity to the supplier to make a representation) if they fail to abide by the terms and conditions of the registration or fail to execute contracts on time or supply substandard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Procuring Entity, is not in public interest. (Rule 150 (iv) of GFR 2017)
10. The Procuring Entity shall retain its option to reassess firms already registered, at any later date, to satisfy itself about the current financial soundness/credit worthiness, facilities available, and so on. Thereafter, the Procuring Entity may decide to retain them as registered suppliers for the requirements and monetary limit earlier considered or with necessary changes as deemed fit. In case of adverse reports from the team of the Procuring Entity's officers who reassess the firm, the Procuring Entity shall delete such firm from the registered suppliers list (Rule 150 (iv) of GFR 2017).
11. The List of registered suppliers for the subject matter of procurement should be exhibited on the website of the Procuring Entity and CPP Portal. (Rule 150(v) of GFR 2017).

### **3.7 Grades of Debarment of Suppliers**

3.7.1 Registration of suppliers and their eligibility to participate in Procurement Entity's procurements is subject to compliance with Code of Integrity for Public Procurement and good performance in contracts. Following grades of debarment from registration and participation in Procuring Entity's procurements can be considered against delinquent bidders/suppliers:

01. **Holiday listing (Temporary debarment or suspension):** In less serious cases, a supplier (including their related entities) may be temporary debarred from a particular Procuring Entity's procurements for short periods up to 12 (twelve) months, without the firm's name being removed from the list of registered vendors.
02. **Removal from list of registered vendors:** Debarment of a delinquent supplier (including their related entities) for a period of time (one to two years) from a particular Procuring Entity's procurements with the removal of name from the list of registered vendors, due to severe deficiencies in performance or other serious transgressions.

03. **Banning from Ministry/Country-wide procurements:** For serious transgression of CIPP, a delinquent supplier (including their related entities) may be banned/debarred from participation in a procurement process of any Procuring Entity for a period not exceeding three years commencing from the date of debarment.

### 3.7.2

#### **Holiday Listing (Temporary Debarment or suspension)**

01. Whenever a supplier is found lacking in performance, in case of less frequent and less serious misdemeanors, the suppliers may be put on a holiday listing (temporary debarment) for a period up to 12 (twelve) months after following the debarment procedures mentioned in para 3.7.5(01) below. This is specific only to a particular procuring entity. When a supplier is on the holiday listing, he is neither invited to bid nor are his bids considered for evaluation during the period of the holiday. The supplier is, however, not removed from the list of registered suppliers. The supplier automatically stands removed from the holiday listing on expiry of the holiday period. Performance issues which may justify holiday listing of the vendor are:
- (a) Vendors who have not responded to requests for quotation/tenders consecutively three times without furnishing valid reasons. It may be noted that regret letter needs to be treated as response.
  - (b) Repeated non-performance or performance below specified standards (including after sales services and maintenance services);
  - (c) Suppliers undergoing process for Removal from Registration or banning/debarment may also be put on a holiday listing during such proceedings, as recommended by the Procuring Entity and approved by the Director of the CSIR Lab/Instt, or JS(A) in CSIR Hqrs.

### 3.7.3

#### **Removal from List of Registered Suppliers**

01. In cases of deficiencies in any of performance issues listed below, such suppliers may be removed from the list of registered suppliers after following due process as per para 3.7.5(02) below. The vendors removed from the list of registered vendors are neither invited to bid nor are their bids considered for evaluation. Whenever a firm is removed from the list of registered suppliers, its registration stands cancelled but the supplier data should not be deleted from the (computer) system. This is specific only to a particular procuring entity. Suppliers removed from the list of registered vendors or their related entities may be allowed to apply afresh for registration after the expiry of the period of removal. Performance issues which may justify removal of the supplier from the list of registered suppliers are:
- (a) The supplier fails to abide by the terms and conditions or to maintain the required technical/operational staff/equipment or there is change in its production/service line affecting its performance adversely, or fails to cooperate or qualify in the review for registration;

- (b) If the firm ceases to exist or is acquired by or merged with another firm, or ceases to operate in the category of requirements for which it is registered;
- (c) Bankruptcy or insolvency on the part of the supplier as declared by a court of law; or
- (d) Banning by Ministry/Department or any other Government agency;
- (e) Other than in situations of force majeure, after opening of financial bids, the supplier withdraws from the procurement process or after being declared as successful bidder: (i) withdraws from the process; (ii) fails to enter into a procurement contract; or (iii) fails to provide performance security or any other document or security required in terms of the bidding documents;
- (f) If the Central Bureau of Investigation/CVC/C&AG or Vigilance Department of CSIR Lab. or any other investigating agency recommends such a course in respect of a case under investigation.
- (g) Employs a Government servant within two years of his retirement, who has had business dealings with him in an official capacity before retirement; or
- (h) Any other ground, based on which the registering authority considers, that continuation of registration is not in public interest.

#### 3.7.4

##### **Banning of Firms**

01. When the misconduct and moral turpitude of a firm goes beyond mere performance issues, imposition of a ban on business relations with the firm may be done for a specified period of time (not exceeding three years), after following the debarment procedures mentioned in para 3.7.5(03) below. The Procuring Entities should ensure that, before sending the proposal for banning of business, the name of the defaulting firm is removed from its list of registered vendors. An order for banning passed for a certain specified period shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation, except that an order of banning passed on account of doubtful loyalty to the country or national security considerations shall continue to remain in force until it is specifically revoked. However, the firm would have to apply afresh for registration with the procuring entities. Firms or individuals and any of their successors should be banned or debarred for under mentioned periods, if the firm or its partners/ directors/ agents/ representatives/employees with the knowledge of the firm or without it, indulge in following misdemeanors:
  - i) **Country-wide Debarment:** Debarment from participating in any procurement process of any procuring entity of Govt. of India, for a period not exceeding three years, if the proprietor of the firm, its employee, partner or representative:

- a) is convicted of any offence by a court under the Prevention of Corruption Act, 1988;
  - b) is convicted of any offence by a court under the Indian Penal Code or any other law for the time being in force for causing any loss of life or property or causing a threat to public health or to any other legal liability to the Procuring Entity as part of execution of a public procurement contract; (Rule 151(1) of GFR 2017)
  - c) is suspected to have doubtful loyalty to the country or national security considerations as determined by appropriate agencies of Gol;
  - d) any other ground, based on which the Gol, considers that banning is in public interest.
- ii) **Debarment from the concerned Procuring Entity (CSIR):** Debarment from participating in any procurement process undertaken by the CSIR and all its Labs/Instts for a period not exceeding two years, if there is strong justification for believing that the proprietor or employee or representative of the firm has been guilty of violation of the Code of Integrity for Public Procurement or Integrity Pact, evasion or habitual default in payment of any tax levied by law; etc. The Procuring Entity will maintain such list which will also be displayed on their website.

### 3.7.5 Debarment Procedures

Punitive actions of various grades of debarment against the suppliers should be examined in the following manner:

#### 01. Holiday Listing

Based on the inputs from PC/T&PC and on recommendations of the VRC, the Chief/Senior Principal Scientist, as nominated by Director of the CSIR Lab/Instt or any Chief/senior Principal Scientist as nominated by DG, CSIR in CSIR Hqrs will approve the Holiday Listing not exceeding a period of 12 months after obtaining the legal opinion, if required. Director of the Laboratory/ JS(A) shall be appellate authority.

#### 02. Removal from the list of registered Vendors

Based on the inputs from PC/T&PC and on recommendations of the VRC, the Chief/Senior Principal Scientist, as nominated by Director of the CSIR Lab/Instt or any Chief/senior Principal Scientist as nominated by DG, CSIR in CSIR Hqrs will approve the removal from the list of registered vendors of the concerned laboratory or CSIR Hqrs, not exceeding a period of 24 months after obtaining the legal opinion, if required. Director of the Laboratory/ JS(A) shall be appellate authority.

### 03. **Banning of Firms**

#### A. **Countrywide banning**

Based on the inputs from PC/T&PC and on recommendations of the VRC the proposal for countrywide banning, as approved by Director of the Lab/Instt or JS(A) in case of CSIR Hqrs, shall be forwarded to the CSIR Hqrs. The CSIR Hqrs will take up the matter with the Ministry of Commerce for further appropriate action. The approving authority shall be Additional Secretary, Ministry of Commerce and the Appellate authority shall be The Secretary, Ministry of Commerce.

#### B. **Banning from CSIR**

Based on the inputs from PC/T&PC , the recommendation of the VRC shall be forwarded to CSIR Hqrs with the approval of Director for further appropriate action. The approving authority shall be JS(A) and the Appellate authority shall be DG, CSIR.

### 3.7.6

#### **Safeguarding the Procuring Entity's Interests during debarment of Suppliers:**

Suppliers are important assets for the Procuring Entities and punishing delinquent suppliers should be the last resort. It takes lot of time and effort to develop, register and mature a new supplier. In case of shortage of suppliers in a particular group of materials/equipment, such punishment may also hurt the interest of the Procuring Entity. Therefore, views of the concerned Procuring Entity may always be sought about the repercussions of such punitive action on the continuity of procurements. Past records of performance of the supplier may also be given due weightage. In case of shortage of suppliers and in cases of less serious misdemeanors, the endeavor should be to pragmatically analyze the circumstances, reform the supplier and get a written commitment from the supplier that his performance will improve. If this fails, efforts should be to see if a temporary debarment can serve the purpose.

### 3.8 **Compulsory Enlistment of Indian Agents**

01. Ministry of Finance, Department of Expenditure vide OM No F.26/02/2016-PPD dated 25<sup>th</sup> July 2017 has amended Rule 152 of General Financial Rule-2017 regarding Compulsory Enlistment of the Department of Expenditure, Ministry of Finance and decided to dispense with the existing provision of Compulsory enlistment for Indian agents, who desire to quote directly on behalf of their foreign principal, to get themselves enlisted with the Central Purchase Organization (DGS&D).
02. The existing provision of Rule 152 of Chapter 6 of GFR-2017 which deals with Procurement of Goods and Services has been substituted by the following provision.



Rule 152: Enlistment of Indian Agents: Ministries/department if they so require, may enlist Indian agent who desire to quote directly on behalf of their foreign principals.

03. Since the Procuring Entities in CSIR resort to procurements more often in markets which are not characterized by perfect competition and there being relatively few sellers, the requirement of enlistment of Indian Agents is done away with.

## CHAPTER – 4

### MODES OF PROCUREMENT, BIDDING SYSTEMS AND OTHER PROCUREMENTS WITH SPECIAL FEATURES

#### 4.1 Modes of Procurement

##### 4.1.1

Offers from prospective bidders in public procurement must be invited according to a procedure that achieves a balance between the need for the widest competition, on one hand, and complexity of the procedure, on the other hand. Different modes of procurement and bidding systems are used to suit various procurement circumstances to achieve this balance. There are laid down procedures for delegation of powers of procurement to various competent authorities under different modes as shown in SoPP (Annexure -1B). The PC/T&PC shall decide on the mode of procurement falling under their domain.

##### 4.1.2

However, as mentioned in Para 1.3 (Applicability of this Manual), for procurements financed by Loans/Grants extended by International Agencies, like the World Bank, Asian Development Bank etc., the procurement procedures, as finalized and incorporated in the Articles of Agreements with such agencies for relevant Loans/Grants after consideration and approval of the Ministry of Finance/CSIR are to be followed.

##### 4.1.3

The various modes of procurement that can be used in public procurement are:

#### 01. Open Tenders

- a) Open Tender Enquiry (OTE); and
- b) Global Tender Enquiry (GTE)

#### 02. Procurement through Selected Suppliers

- a) Limited Tender Enquiry – LTE (up to ₹25 (Rupees Twenty-Five lakh); and
- b) Special Limited Tender Enquiry -SLTE (above ₹ 25) (Rupees Twenty-Five) lakh under special circumstances

#### 03. Nomination Basis Tenders

- a) Proprietary Article Certificate (PAC); and
- b) Single Tender Enquiry (STE)

#### 04. Procurements without Calling Tenders

- a) Withdrawals against Rate Contracts (RC);

- b) Direct Procurement without Quotation;
  - c) Direct Procurement by Local Purchase Committee;
05. **Mandatory Procurement of Goods and Services for Goods or Services available on GeM (Rule 149 of GFR 2017)**

## 4.2 Open Tender Enquiry (OTE)

### 4.2.1

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

- 01. Procurements exceeding the threshold of ₹ 25 lakh (Rupees Twenty Five lakh); (Rule 161 of GFR 2017) and
- 02. When requirements are not available from known sources or sources are presently limited and need to be broad based. In such situations, even for procurements below ₹25 (Rupees twenty-five) lakh, OTE mode may be used, if warranted.

### 4.2.2

#### **Terms and Conditions**

- 01. Bidders already registered are also free to participate;
- 02. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) at <http://etenders.gov.in> and on GeM and a Procuring Entity having its own web site should also publish all its advertised tender enquiries on their web site. The Procuring Entity should also post the complete bidding document in its web site and on CPPP to enable prospective bidders to make use of the document by downloading from the web site. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. Advertisement in the newspaper is no longer mandated. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders; (Rule 161 (ii), (iii) & (iv) of GFR 2017)
- 03. The sale/availability for downloading of tender documents against NIT should not be restricted and should be available freely. Tender documents should preferably be sold/ available for download up to the last date of submission of tenders.
- 04. The tender documents should be prepared on the basis of the relevant approved SBD for the category of procurement. Further details on preparing tender documents are provided in Chapter 5;

05. The Procuring Entity shall maintain proper records about the number of tender documents sold, list of parties to whom sold, details of the amount received through sale and, also, the number of unsold tender documents, which are to be cancelled after the opening of the tenders.
06. Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. (Rule 161(vi) of GFR 2017).
07. The due date may be subsequently extended on the recommendations of Indentor and approval of Project Leader/HoD only to promote better competition and also considering delivery requirement. The decision to extend the due date should however be taken before the scheduled date and time of receipt of the bids.
08. An OTE which results in only one effective offer shall be treated as a single tender enquiry with relevant powers of approval as per SoPP. In such cases, to the extent feasible, the firm may be asked to certify that the rates quoted by them are the same and not higher than those quoted with other CSIR Labs/Instt, Government, public sector or private organizations;

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

#### **4.3.1**

GTE is similar to OTE but, through appropriate advertising and provision for payment in Foreign Currencies through Letter of Credit. It is aimed at inviting the participation of inter-alia foreign firms. *The point of balance between VfM and cost/complexity of procedure is further aggravated as compared to OTE. Development of local industry also needs to be kept in mind. Hence, it may be viable only in following situations:*

01. Where Goods of required specifications/quality are not available within the country and alternatives available in the country are not suitable for the purpose;
02. Non-existence of a local branch of the global principal of the manufacturer/vendors/ contractors;
03. Requirement for compliance to specific international standards in technical specifications; and
04. Absence of a sufficient number of competent domestic bidders likely to comply with the required technical specifications, and in case of suspected cartel formation among indigenous bidders.

#### 4.3.2

##### **Terms and Conditions**

01. Where the Procurement Entity feels that the goods of the required quality, specifications etc. may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Procurement Entity may send copies of tender notice to the Indian Embassies abroad as well as to the foreign Embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries. In such cases e-procurement as per Rule 160 of GFR 2017 may not be insisted.
02. Advertisement in such cases should be given on Central Public Procurement Portal (CPPP) and on GeM (when enabled). An organization having its own web site should also publish all its advertised tender enquiries on the web site. The Procuring Entity should also post the complete bidding document in its web site and on CPPP to enable prospective bidders to make use of the document by downloading from the web site. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. Advertisements in newspapers are no longer mandated. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders; (Rule 161 (ii), (iii) & (iv) of GFR 2017)
03. The sale/availability for downloading of tender documents against NIT should not be restricted and should be available freely. Tender documents should preferably be sold/ available for download up to the date of submission of tenders;
04. The tender documents, shall be priced as per Para 5.2.1 of the CSIR Manual.
05. GTE tender documents must be in English and the price should be asked in Indian Rupees or US Dollars or Euros or Pound Sterling or Yen or in currencies under the Reserve Bank of India's notified basket of currencies;
06. GTE tender documents must contain technical specifications which are in accordance with national requirements or else based on an international trade standard;
07. In such cases e-Procurement may not be mandatorily insisted upon; (Rule 161(v) of GFR 2017).
08. The due date fixed for opening of the tenders shall be minimum four weeks from the date of advertisement which may vary taking into account the nature of material called for as well as the time required to prepare the bids. (Rule 161 (vi) of GFR 2017)
09. The due date may be subsequently extended on the recommendations of the Indentor and approval of the Project Leader/HoD, only to promote better

competition and also considering delivery requirement. The decision to extend the due date should however be taken before the scheduled date and time of receipt of the bids.

- 10 Relevant **Incoterms** should be included in the tender.
- 11 An GTE which results in only one effective offer shall be treated as a single tender enquiry with relevant powers of approval as per SoPP. In such cases, to the extent feasible, the firm may be asked to certify that the rates quoted by them are the same and not higher than those quoted with other CSIR Labs/Instt, Government, public sector or private organizations;

#### **4.4 Limited Tender Enquiry (LTE)**

##### **4.4.1**

LTE is a restricted competition procurement, where a pre-selected list of vendors is directly approached for bidding; bids from uninvited bidders are treated as unsolicited and are not entertained. *This mode provides a short and simple procedure, but may not provide as good a VfM as in case of open tendering – still a good balance for procurements below a threshold.* LTE procedures should be default mode of procurement when the estimated value of procurement is between ₹ 2.5 lakh to ₹ 25 lakh (Rupees Two and a half lakh to Twenty-Five lakh). The bidding documents should be simple with terms and conditions. (Rule 162 of GFR 2017)

##### **4.4.2**

#### **Terms and Conditions**

01. Copies of the bidding documents should be sent free of cost (except in case of priced specifications/drawings) directly by speed post/courier/e-mail to firms which are registered vendors/contractors. Further, Procuring Entity should also mandatorily publish its limited tender enquiries on Central Public Procurement Portal (CPPP). Apart from CPPP, the tenders should be published on the web site of the Procuring Entities also.
02. A simplified Bid Document (Annexure-5A) should be used, instead of a detailed Bid Document. The minimum number of bidders to whom LTE should be sent is more than three. In case less than three approved vendors/contractors are available, LTE may be sent to the available approved vendors/contractors with recommendations of PC and approval of Director of the CSIR Lab/Instt or JS(A) in case of CSIR Hqrs. duly recording the reasons. However, in such situations resorting to OTE/GTE would be desirable, irrespective of value.
03. Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases. (Rule 162(iv) of GFR 2017). However, the due date for opening of tenders shall be minimum 2 weeks from the date of Request for quotation.

04. The PC shall decide on shortlisting the bidders for inviting bids on LTE basis.
05. The due date may be subsequently extended on the recommendations of Indentor and approval of Project Leader/HoD only to promote better competition and also considering delivery requirement. The decision to extend the due date should however be taken before the scheduled date and time of receipt of the bids.
06. A LTE which results in only one effective offer shall be treated as a single tender enquiry with relevant powers of approval as per SoPP. In such cases, to the extent feasible, the firm may be asked to certify that the rates quoted by them are the same and not higher than those quoted with other CSIR Labs/Instt, Government, public sector or private organizations;

#### **4.5 Special Limited Tender Enquiry for Procurements more than ₹ 25 (Rupees twenty-five) Lakh**

4.5.1 LTE mode, even for values higher than ₹ 25 lakh (Rupees Twenty-Five lakh) (Rule 162 (iii) of GFR 2017), where normally OTE/GTE should have been done, is permissible in certain special circumstances with the approval of Director of the Lab./Instt. or JS (A) in CSIR Hqrs. on the recommendation of the T&PC as follows. *This mode has the merit of being quicker but VfM obtained may be less than in case of OTE; hence it should be restricted to rare situations:*

01. The Indentor and PL certifies that there is an existing or prospective urgency for operational or technical requirements and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Indentor and PL should also put on record the nature of the urgency and reasons why the procurement could not be anticipated earlier as per format placed at Annexure-2A ;
02. There are sufficient reasons, to be recorded in writing by the Indentor and PL, indicating that it will not be in public interest to procure the goods through advertised tender enquiry;
03. The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote;
04. Government policy designates procurement from specific agencies.
05. The due date may be subsequently extended on the recommendations of Indentor and approval of Project Leader/HoD only to promote better competition and also considering delivery requirement. The decision to extend the due date should however be taken before the scheduled date and time of receipt of the bids.



#### 4.5.2

##### **Terms and Conditions**

01. The tendering process would be same as in the case of a normal LTE described above. However, the bidding documents are more detailed as in the case of OTE; and
02. The indenter should certify that there is an existing or prospective urgency for operational or technical requirements and any additional expenditure involved by not procuring through an advertised tender enquiry is justified in view of urgency. The indenter should also put on record the nature of the urgency and reasons why the procurement could not be anticipated as per format placed at Annexure-2A or indicate the reasons against (02) or certify (03) above of 4.5.1 with details.
03. The T&PC shall decide on shortlisting the bidders for inviting bids on LTE basis.
04. The due date may be subsequently extended on the recommendations of Indentor and approval of Project Leader/HoD only to promote better competition and also considering delivery requirement. The decision to extend the due date should however be taken before the scheduled date and time of receipt of the bids.
05. An SLTE which results in only one effective offer shall be treated as a single tender enquiry with relevant powers of approval as per SoPP. In such cases, to the extent feasible, the firm may be asked to certify that the rates quoted by them are the same and not higher than those quoted with other CSIR Labs/Instt, Government, public sector or private organizations;

#### 4.6 Proprietary Article Certificate (PAC)

##### 4.6.1

Procurement on PAC basis can be done only when it is in the knowledge of the IO and PL that only a particular firm is the manufacturer of the required goods or for standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a technical competent expert and approved by the competent authority) the required item is to be purchased only from a selected firm. In procurement of goods, certain items are procured only from Original Equipment Manufacturers (OEMs) or manufacturers having proprietary rights (or their authorized dealers/ Stockists) against a PAC certificate (Annexure 4A) signed by the appropriate authority. *This mode may be shortest but since it may provide lesser VfM as compared to LTE/OTE and also strains the transparency principle, it should be used only in justifiable situations.* (Rule 166 of GFR 2017)

##### 4.6.2

##### **Terms and Conditions**

01. The Indentor should enclose, with their Indent, a PAC certificate indicating the justification and approval of Project Leader before further processing by PC/T&PC. A copy of the concurrence accorded by Finance to the proposal for the purchase on PAC basis should accompany the Indent.

02. Proprietary items shall be purchased only from a nominated manufacturer or its authorized dealer/agent as recorded in the PAC certificate;
03. For standardization of machinery or components or spare parts to be compatible to the existing sets of machinery/equipment (on the advice of a competent technical expert and approved by the Project Leader that required goods are to be purchased only from a selected firm. (Rule 166 of GFR 2017)
04. In certain unavoidable cases, the procuring authority may have no alternative but to waive payment of EMD and even PS for procurement on a proprietary basis;
05. To the extent feasible, the firm may be asked to certify that the rates quoted by them are the same and not higher than those quoted with other CSIR Labs/Instt, Government, public sector or private organizations;
06. In PAC procurement, the Award of Contract should be hosted on the website of CPPP and Procuring Entity. (<http://cvc.nic.in/005crd19.pdf>; <http://cvc.nic.in/OfficeOrderNo23-7-07.pdf>; <http://cvc.gov.in/Transparency20052010.pdf>)
07. The Indenting Officer and the Project Leader shall be personally responsible for the correctness of the PAC signed by them. However, the technical members of the PC/T&PC shall check the genuineness and correctness of the PAC Certificate before further processing.
08. All purchases on PAC basis should be sanctioned by the PL or JS (A) in CSIR Hqrs., as per SoPP, before placement of purchase order and after the recommendations of PC/T&PC.
09. Bids received by e-mail/fax may be accepted. However, before placement of purchase order, it should be ensured that the offer in original is received by the Purchase Division.

#### **4.7 Single Tender Enquiry (STE)**

##### **4.7.1**

A tender invitation to one firm only (although there could be many sources) (*without a PAC certificate*) is called a single tender. *This mode may be shortest but since it may provide lesser VfM as compared to LTE/OTE and may also strain the transparency principle, it should be resorted to only under following conditions:*

01. In a case of existing or prospective emergency relating to operational or technical requirements to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded by the Indenting Officer and approved by the Director of the CSIR Labs./Instts. or JS (A) in CSIR Hqrs. as per Annexure 2A.

02. On the request of CSIR Hqrs, the Ministry of Finance has authorized CSIR and its Labs, /Instts. to procure specialized/specific R&D consumables on single tender basis without PAC in order to ensure reproducibility of the research results and to attain scientific rigor on case to case basis. Such purchases can be made on a certificate from Indenting Officer and Project Leader as per Annexure-4B. The approval accorded by MOF is enclosed at Annexure 4G.

#### 4.7.2

##### **Terms and Conditions**

01. The reasons for a STE and selection of a particular firm must be recorded and approved by the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs. before processing by PC/T&PC on single tender basis.
02. All purchases on STE basis should be sanctioned by the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs. after the recommendations of PC/T&PC as per SoPP.
03. Items like LPG, Kerosene, Petrol, Diesel and Furnace Oil may also be procured on STE basis from PSU companies on prevailing rates.
04. Other terms and conditions of PAC procurement mentioned above excepting for S.No. 1,2,3,7& 8 would also apply in this case.

#### **4.8 Drawals against Rate Contract (RC)**

##### 4.8.1

01. RC is essentially a price agreement with the vendors/contractors at a specified price and terms and conditions during the period covered by the RC. Neither quantity is mentioned nor is any minimum commitment guaranteed in the RC. RC is most frequently used in procurement of goods, but can as well be used mutatis mutandis in works, services and consultancy – where it is commonly known as a Framework Contract (FC). *For appropriate items, drawals against an existing RC exploits the power of collaboration/clubbing of numerous small and frequent requirements and thus provides best VfM along with a simple and quick procedure.* However, entering into a new RC may have the same procedural complexity, prolonged timeframe and systemic cost as in OTE, which may not be viable for low volumes.

02. In view of Government e Marketplace (please see para 4.16 below) coming into operation, Rate Contract is not required to be executed for common use items like computers, printers, photocopiers, paper and stationary, other office items like furniture, bottled water etc., which are being placed on GeM and will now be applicable for specialized and engineering items which are not available on GeM, and are identified as common use items and are needed on recurring basis by various users. The CSIR Lab/Instt may conclude their own RC. The procurement procedures shall be as detailed in Chapter-8.

#### 4.8.2

##### **Terms and Conditions**

01. Responsibility for reasonableness of rates in RCs concluded by any procuring entity lies with that procuring entity. All parallel RCs for an item, even at differential rates, should be at reasonable rates and the Procuring Entity is free to select any one of the RC holder.
02. The Procuring Entities are to operate the rate contracts to the maximum extent possible. The CSIR Lab/Instt. shall make its own arrangement for inspection and testing of such goods where required.
03. The items available on Rate Contract should not be procured if they are available on GeM.

#### **4.9 Direct Procurement without Quotation**

##### 4.9.1

Direct procurement of goods without formal quotations is normally done for the smallest value procurements including minor fabrication and repairs This is also called petty purchase. *The procedure is the simplest and quickest but VfM may be poor; hence it is suitable only in very low value, urgent and simple requirements in the following situations:*

01. Procurements do not exceed the threshold (for each requirement) of ₹ 25,000 (Rupees Twenty-Five thousand) for each case;
02. The availability of the item on GeM portal should be ascertained first. Only when the item is not available on GeM, the procurement can be made from open market. (Rule 149 of GFR 2017). An item is said to be not available in GeM only when the required specifications or within required delivery period etc. are not available on GeM.

##### 4.9.2

##### **Terms and Conditions**

01. The competent officer of the CSIR Lab/Instt or at CSIR Hqrs. as indicated in the SoPP can initiate and complete this purchase after diligent enquiries from the market and submitting the certificate prescribed (Annexure-4C). Such powers to a limited extent can also be given to various user sections for operational needs;
02. Normally an imprest amount (with facilities for cheque payments) sufficient for two months' estimated procurements can be sanctioned for such procurements. The imprest amount can be recouped on monthly basis by submission of expense vouchers. For this purpose, advance or reimbursement to employees may also be considered.
03. In a summary form, records should be kept of the vendors/contractors approached and prices indicated by them by the Project Leader.

04. Selection of seller by diligent market enquiry is of essence of this mode of procurement;
05. The presence of reputed Shopping Malls may also be included in the market survey. Reputed internet shopping portals may also be explored.
06. To keep a better control on such purchases, annual ceiling as prescribed in the SOPP, should be adhered to. The PL of the concerned project should maintain records to monitor such limits.
07. Cash cards issued by a bank, if any may be adopted for making payment while resorting to this mode of Purchase. Cash cards being more or less like an advance deposit with bank, the outstanding balances against each of the cash card needs to be informed to the Accounts Division during the last week of March of every financial year to facilitate adjustment and proper accounting.

#### **4.10 Direct Procurement by local Purchase Committee (LPC)**

##### **4.10.1**

This mode of procurement is used for procurements valued above ₹ 25,000 (Rupees Twenty-Five thousand) and up to ₹ 2,50,000 (Rupees Two lakh fifty thousand only) including minor fabrication and repairs on each occasion for goods not available on GeM. It is made by a local purchase committee constituted by Director of the Procurement Entity or by JS(A) in CSIR Hqrs. This mode of procurement is described in parlance of procurement of goods; however, in principle, it is equally applicable to contingency expenditure on small works/services also. *This procedure is slightly more complex and is likely to provide better VfM than direct procurement without quotation and hence is suitable for marginally higher thresholds.* (Rule 155 of GFR 2017).

##### **4.10.2**

###### **Terms and Conditions**

01. To keep a better control, on such purchases, an annual ceiling as prescribed in the SoPP, should be adhered to. The Project Leader/HoD of the concerned project shall approve the purchase and maintain records to monitor such procurements.
03. In case of special circumstances as approved by the Director/JS (A) of the Procuring Entity, facility of withdrawing requisite advance cash amount and its subsequent accounting may also be considered;
04. This is intended to be fast track, simple mode of procurement. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. The survey may be done even by email/fax etc.
05. Selection of suitable product and supplier by actually surveying the market is of essence of this mode;

06. Before recommending placement of the purchase order, members of the committee will jointly record the certificate prescribed (Annexure-4D) along with quotation of the selected firm in original; and
07. Reputed Shopping Malls/ internet shopping portals may also be included in the market survey.
08. In a summary form, records should be kept of the vendors/contractors approached and prices indicated by them;
09. The Local Purchase Committee shall comprise of three members, two members from within the Division and one member from outside the Indenting Division.
10. Cash cards issued by a bank, if any, may be adopted for making payment while resorting to this mode of Purchase.
10. The LPC mode of purchase is also permitted for import of goods with the proviso that the Purchase Order has to be issued by the Purchase Section of the Procuring Entity subject to the all-inclusive landing price (including custom duty, clearance etc.) being within the limits prescribed.
11. While resorting to purchase by this mode of procurement, any member of the committee nominated for surveying the market is authorized to release the Purchase Order on the spot and take delivery of the required material after making payment using the cash card, if any or any other permitted mode of payment. The provisions of para 4.9.2 (07) relating to cash cards needs to be scrupulously followed.

#### **4.11 Bidding Systems**

##### **4.11.1**

Bidding systems are designed to achieve an appropriate balance between the countervailing needs for Right Quality, Right Source and the Right Price under different complexities/criticality of Technical requirements and value of procurements. In certain critical and complex requirements, the technical and financial capability of Source of supply becomes an important determinant for value for money. Depending on the complexity and criticality of technical requirement, criticality of capability of source and value of procurement, following types of bidding systems may be used. PC/T&PC shall decide on the type of bidding system to be used.

#### **4.12 Single Stage Bidding System**

In single stage bidding, all bids are invited together in a single envelope or in multiple envelop system. This bidding system is suitable where technical requirements are simple or moderate; capability of source of supply is not too crucial and the value of procurement is not too high;

#### 4.12.1

**Single Stage Single Envelop System:** Where qualitative requirements and technical specifications are clear, capability of source of supply isn't critical and value of procurement is low or moderate, the single envelop system, where eligibility, technical/commercial and financial details are submitted together in the same envelop may be followed. This is the simplest and the quickest bidding system and should be the default system of bidding. The lowest responsive priced bid that meets the eligibility criteria, technical and commercial requirements laid down in the bid documents is declared as successful.

#### 4.12.2

**Single Stage Two Envelops System (Two Bid System)** (Rule 163 of GFR 2017): In technically complex requirements where capability of source of supply is still not crucial and value of procurement is not low, a two envelop system may be followed.

01. The tenderers should be asked to bifurcate their quotations in two envelops. The first envelop, called the techno-commercial bid, contains the eligibility, technical quality and performance aspects, commercial terms and conditions and documents sought in the tender, except the price and relevant financial details. In the second envelop, called the financial bid, the price quotation along with other financial details are submitted. Both the envelops are to be submitted together in a sealed outer envelope;
02. Pre-Bid Conference (PBC) may be held, if required, to modify the Technical specification and techno-commercial conditions and prospective bidders may be asked to formulate and submit their bids accordingly after the pre-bid conference in the two envelop tender and it would be desirable not to invite fresh financial bids after opening of the techno-commercial bids;
03. The techno-commercial bids are to be opened in the first instance on the bid opening date and time, and scrutinized and evaluated by PC /T&PC with reference to parameters prescribed in the tender documents & modifications made during pre-bid conference and responsive, eligible and technically compliant bidders are decided. For this purpose, the PC &/or T&PC may take the inputs from the Indenting Officer and the Project Leader.
04. Thereafter, in the second instance, the financial bids of only the techno-commercially compliant offers (as decided in the first instance above) are to be opened on a pre-announced date and time for further scrutiny, evaluation, ranking and placement of contract, subject to the compliance of Para 7.4.1(02) of CSIR Manual. The financial bids of technically non-compliant bidders should be returned unopened to the respective bidders by registered acknowledgement due/reliable courier or any other mode with proof of delivery. In e-Procurement, financial bids of technically non-compliant offers would not get opened.



#### 4.12.3

**Single Stage Multiple Envelops System with pre-qualification:** As discussed below, where the procurement is moderately complex and the time, effort and money required from the bidder to participate in a tender is not very high, instead of a separate stage of Pre-Qualification bidding (as described below), a clear-cut, fail-pass qualification criteria can be asked to be submitted as the first (additional) envelop in a three envelop single stage bidding, so that a bidder's risk of having his bid rejected on grounds of qualifications is remote if due diligence is exercised by him. Strictly speaking, this is not a pre-qualification but a Post-qualification of bidders. In the first instance on the bid opening date only the PQB envelops (also containing the EMD and other eligibility documents) are opened and evaluated to shortlist the responsive bidders who pass the Pre-qualification. Rest of procedure is same as two envelop system for only qualified bidders. Rest two envelops of unqualified bidders are returned unopened to the respective bidders by registered acknowledgement due/reliable courier or any other mode with proof of delivery Rights of the buyer for interpretation of PQC criteria should be mentioned in Tender document.

#### 4.12.4

##### **Pre-qualification Bidding (PQB)**

01. In complex technical requirements where capability of source of supply is crucial (for example in procurement of complex machinery and equipment), for the successful performance of the contract, besides considering techno-commercial suitability, it is necessary to ensure that competition is only among bidders with requisite capabilities matching the challenges of the task. In case bidders with inadequate capability are allowed to compete, the better qualified bidders would be eliminated since their bid price is likely to be higher commensurate with their higher capability infrastructure. In such situations a separate stage of PQB bidding system may be considered (or single stage multiple envelop bidding – please refer para above). In PQB stage, competent qualified tenderers are shortlisted by using a Pre-Qualification Criterion (PQC—for example– 1. Past experience of similar contracts, 2. performance capability and 3. financial strength) prior to the issue of the bid document exclusively to shortlisted bidders in the second stage. Pre-qualification Bids (PQBs) should meet the norms of transparency, fairness and maintenance of competition. *Since PQB system may strain the transparency principle and there is heightened risk of cartelization among shortlisted bidders, PQB should be done only as an exception under specified circumstances. It should not be a routine/ normal mode of procurement of goods and an eligibility criteria clause as part of single/ two envelop/cover tendering should suffice in normal/routine situations. PQB bidding as a separate stage is contraindicated in the following circumstances:*

- a) Where procurement can be done through limited tender enquiries;
- b) Where the Procuring Entity has at least three registered bidders of the category and grade matching tendered scope of procurement and financial limit;

- c) Where the requirement is technically and commercially simple enough that pre-qualification of the bidder is not crucial for the performance of the contract, for example, Commercially off the Shelf (COTS) requirements; and
  - d) Where the procurement is moderately complex and the time, effort and money required from the bidder to participate in a tender is not very high. A clear-cut, fail-pass post-qualification criteria can be specified in a three envelop single stage bidding (instead of two stage bidding), so that a bidder's risk of having his bid rejected on grounds of qualifications is remote if due diligence is exercised him.
02. **Pre-qualification Criteria:** PQC should be unrestrictive enough so as not to leave out even one capable vendor/contractor. Otherwise, it can lead to higher prices of procurement/works/services. However, on the other hand, these criteria should be restrictive enough so as not to allow even one incapable vendor/contractor and thus vitiate fair competition for capable vendors/contractors to the detriment of the buyer's objectives. A misjudgment in either direction may be detrimental. Certain guidelines regarding the framing of PQC have been laid down. CVC (<http://cvc.nic.in/six.pdf>). A sample PQC is given in Annexure 4E. Due consideration should be given while framing PQC, to its effect on adequacy of competition. To encourage MSEs, past successful bidders, a call may be taken – whether PQC should apply to full quantity/packages or be proportional to part quantity/ package quoted by a bidder. In case requirement is suddenly a multiple times the past procurements, blind adoption of past PQCs may lead to disqualification of successful past vendors leading to inadequate competition. PQC should therefore be carefully decided for each procurement with the recommendations of PC/ T&PC based on the inputs from the Indentor and Project Leader. It should be clarified in the PQB documents that bidders have to submit authenticated documents in support of eligibility criteria.
03. **Advertisement and Notification:** The invitation for PQB shall be processed (advertised, bid document preparation, publicity and evaluation, and so on) in the same manner as a normal GTE or OTE (as the situation calls for) tender, ensuring the widest possible coverage. The PQC and evaluation criteria should be notified clearly in the PQB documents. The PQB documents should also indicate a complete schedule of requirements for which the PQB is being done, including approximate likely quantities of requirements.
04. **Evaluation:** At least in high value and critical procurements, the credentials regarding experience and past performance, submitted by the successful bidder, may be verified as per eligibility criteria, as far as reasonably feasible, from the parties for whom work has been claimed to be done. The Procuring Entity shall evaluate the qualifications of bidders only in accordance with the PQC specified and shall give due publicity to the particulars of the bidders that are qualified on the relevant portals/websites.
05. **Subsequent Procurement Tender:** The pre-qualification shall be valid for such period as may be specified in the pre-qualification document and for a

single subsequent procurement within this period, except when it is determined that engaging in fresh pre-qualification shall not result in enhanced competition. During the period of such validity, the Procuring Entity shall invite bids for procurement (Request for Proposals – RfP) from pre-qualified bidders and all other bids may be treated as unsolicited offers which are normally rejected. In case bids are not invited within such a period, fresh pre-qualification shall be done. It is desirable that the time gap between the pre-qualification approval and floating of the linked main procurement tender is less than six months.

#### **4.13 Two Stage Bidding - Expression of Interest Tenders – Market Exploration**

##### **4.13.1**

There are instances where the equipment/plant to be procured is of complex nature and the Procuring Entity may not possess the full knowledge of either the various technical solutions available or the likely sources for such products in the market. To meet the desired objectives of a transparent procurement that ensures value for money simultaneously ensuring upgradation of technology & capacity building- it would be prudent to invite a two-stage Expression of Interest (Eoi) Bids and proceed to explore the market and to finalize specifications based on technical discussions/presentations with the experienced manufacturers/suppliers in a transparent manner. Expression of Interest (Eoi) bids may be invited in following situations:

01. It is not feasible for the Procuring Entity to formulate detailed specifications or identify specific characteristics for the subject matter of procurement, without receiving inputs regarding its technical aspects from bidders;
02. The character of the subject matter of procurement is subject to rapid technological advances or market fluctuations or both;
03. The Procuring Entity seeks to enter into a contract for the purpose of research, experiment, study or development, except where the contract includes the production of requirements in quantities sufficient to establish their commercial viability or to recover research and development costs; or
04. The bidder is expected to carry out a detailed survey or investigation and undertake a comprehensive assessment of risks, costs and obligations associated with the particular procurement. (Rule 164 (i) (d) of GFR 2017).

##### **4.13.2**

The procedure for two stage bidding shall include the following, namely:

01. In the first stage of the bidding process, the Procuring Entity shall invite Eoi bids containing the broad objectives, technical and financial eligibility criteria, terms and conditions of the proposed procurement etc. through advertised tenders containing the technical aspects and contractual terms and conditions of the proposed procurement without a bid price. On receipt of the Expressions of Interest, technical discussions/presentations may be held with the short-listed manufacturers/ suppliers by the TSC, which are prima facie considered technically and financially capable of supplying the material or executing the proposed work, giving equal opportunity to all such bidders to participate in the discussions. During these technical discussions stage the Procurement Entity may also add those other stakeholders in the

discussions who could add value to the decision making on the various technical aspects and evaluation criteria. Based on the discussions/presentations so held, one or more acceptable technical solutions could be decided upon laying down detailed technical specifications for each acceptable technical solution, quality benchmarks, warranty requirements, delivery milestones etc., in a manner that is consistent with the objectives of the transparent procurement. At the same time care should be taken to make the specifications generic in nature so as to provide equitable opportunities to the prospective bidders. Proper record of discussions/presentations and the process of decision making should be kept;

02. In revising the relevant terms and conditions of the procurement, if found necessary as a result of discussions with the shortlisted bidders, the Procuring Entity shall not modify the fundamental nature of the procurement itself.
03. In the second stage of the bidding process, the Procuring Entity shall invite bids from all those bidders whose bids at the first stage were not rejected, to present final bid with bid prices in response to a revised set of terms and conditions of the procurement;
04. Any bidder, invited to bid but not in a position to supply the subject matter of procurement due to modification in the specifications or terms and conditions, may withdraw from the bidding proceedings without forfeiting any bid security that he may have been required to provide or being penalized in any way, by declaring his intention to withdraw from the procurement proceedings with adequate justification; (Rule 164(ii) of GFR 2017)
05. If the Procuring Entity is of the view that after Eol stage, there is likelihood of further participation by many more bidders and to avoid getting trapped into a legacy technology, the second stage bidding may not be restricted only to the shortlisted bidders of Eol stage and it may be so declared in the Eol document ab-initio. Thereafter in the second stage, normal OTE/GTE bidding may be done. Such variant of Eol is called 'Non-committal' Eol.

#### 4.13.3

**Invitation of Eol Tenders:** In Eol tenders, an advertisement inviting expression of interest should be published. The invitation to the Eol document should contain the following information:

- i) A copy of the advertisement;
- ii) **Objectives and scope of the requirement:** This may include a brief description of objectives and broad scope of the requirement. It may also include the validity period of empanelment;
- iii) **Instructions to the bidders:** This may include instructions regarding the nature of supply, fees for empanelment (if any), last date of submission, place of submission and any other related instructions;
- iv) **Formats for submission:** This section should specify the format in which the bidders are expected to submit their Eol;

- v) The Eol document should be made available to the interested bidder as a hard copy as well as on its website in a downloadable form; and
- vi) **Eligibility criteria:** The invitation to Eol should clearly lay down the eligibility criteria, which should be applied for shortlisting. Supporting documents required need to be clearly mentioned. An example of Eol eligibility criteria is shown in Table 1. However, appropriate eligibility criteria have to be designed, keeping in mind the specific objectives of the Eol.

Table 1: An example of Eol eligibility criteria

Criteria	Sub-criteria	Weightage*	Break-up of Weightage
Past experience of the firm with similar requirements		A*	
Financial strength of the vendor		B*	
	Turnover figures of the last three years		B1*
	Net profit figures of the last three years		B2*
Quality accreditations, licensing requirements		C*	
Manufacturing capabilities/tie-ups		D*	
After-sales support infrastructure		E*	
Product support		F*	

\*Weightage (out of 100) should be pre-decided and declared in Eol documents by the CA based on assessment of the required profiles of the potential bidders. The marking/grading scheme for allotting marks (out of 100) for various parameters should also be laid down.

#### 4.13.4

**Evaluation of Eol:** The bidders should be evaluated for shortlisting, inter-alia, based on their past experience of performance in a similar context, financial strength and technical capabilities, among others. Each bidder should be assigned scores based on the sum of marks obtained for each parameter multiplied by the weightage assigned to that parameter. All bidders who secure the minimum required marks (normally 60 (sixty) per cent) should be shortlisted. The minimum qualifying marks should be specified in the Eol document. Alternatively, instead of weighted evaluation, the Eol document may specify a 'fail-pass criteria' with the minimum qualifying requirement for each of the criteria, such as minimum years of experience, minimum number of assignments executed and minimum turnover. Under such circumstances, all bidders who meet the minimum requirement, as

specified, should be shortlisted. In two stage bidding the Technical bids should be first analyzed/scrutinized by the TSC and finally recommended by the T&PC. The discussions with the prospective bidders would be held by the TSC and all correspondence with the bidders in original should be handed over to the convener of the T&PC along with the recommendations, by the convener of TSC.

#### **4.14 Electronic Procurement (e-Procurement) and e-Publishing**

##### **4.14.1**

It is mandatory for all the CSIR Labs/Instts to receive all bids through e-Procurement portals (GePNIC) <http://etenders.gov.in> developed by NIC in respect of all procurements except those covered under Direct Purchase without quotation, Purchases through Local Purchase Committee, Rate Contracts and Global tenders (Rules 160(i) & 161(v) of GFR 2017). In individual cases where national security and strategic considerations demands confidentiality, the Procuring Entity may exempt such cases from e-Procurement as per SoPP. (Rule 160 (iv) of GFR 2017). Appendix 2 gives such generic details of the e-Procurement process. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract should be intimated on a quarterly basis to CSIR Hqrs. for onward communication to the Ministry of Finance, Department of Expenditure. (Rule 159(ii) of GFR 2017).

##### **4.14.2**

As per Rule 159 (i) of GFR 2017, E- publishing on <https://eprocure.gov.in> is mandatory for all kind of tenders including global tenders which are not being processed through e- procurement portal. (please see para 5.1.7 of the manual also)

##### **4.14.3**

The above instructions apply to all Tender Enquiries, Requests for proposals, Request for Expressions of Interest, Notice for pre-Qualification/Registration or any other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party.

4.14.4 In case of procurements made through CSIR Rate Contracts, only award details need to be published on CPPP and website of the Procuring Entity. (Rule 159 (iv) of GFR 2017)

##### **4.14.5**

The instructions relating to e-publishing would not apply to procurements made in terms of provisions of Rule 154 (Purchase of goods without quotations) or Rule 155 (Purchase of goods by purchase committee) of General Financial Rules. (Rule 159(v) of GFR 2017).

#### **4.15 Electronic Reverse Auction (RA)**

##### **4.15.1**

Electronic Reverse Auction is a type of auction (classified as dynamic procurement method) where the starting price, bid decrement, duration of auction, maximum number of automatic extensions are announced before start of online reverse auction. If required, RA may be preceded by an e-Procurement stage of eligibility/PQB to shortlist competent bidders who would be allowed to participate in



the RA. The shortlisted bidders can after the start of RA start bidding online in an iterative process wherein the lowest bidder at any given moment can be displaced by an even lower bid of a competing bidder, within the duration of the RA. If a new lower bid is received within last few minutes (say two minutes) of closing time, the closing time may get automatically extended by few minutes (say five minutes) for others to respond. Maximum number of such extensions may be stipulated (say five). The most favourable bid at the end of stipulated/extended time is declared as successful. While permitting use of RA, CVC has asked the Departments/organizations to themselves decide on reverse auction for purchases or sales and work out the detailed procedure in this regard (<http://cvc.gov.in/ord46903.pdf>.) It has, however, to be ensured that the entire process is conducted in a transparent and fair manner. A Procuring Entity may choose to procure a subject matter of procurement by the electronic reverse auction method, if:

- i) The Items for Reverse Auction may be selected carefully. Items of strategic, critical and vital nature, items in short supply in market and where there are only a few suppliers are not good candidates for reverse auction. Items in the nature of commodities, Commercially-off-the-shelf items, items having large number of suppliers and high value procurements may be more amenable to reverse auction;
- ii) It is feasible for the Procuring Entity to formulate a detailed description of the subject matter of the procurement;
- iii) There is a competitive market of bidders anticipated to be qualified to participate in the electronic reverse auction, so that effective competition is ensured;
- iv) The criteria to be used by the Procuring Entity in determining the successful bid are quantifiable and can be expressed in monetary terms;
- v) In cases where pre-qualification of bidders is considered necessary, reverse auction may be carried out after a separate PQB (electronic or otherwise) among the successful bidders only.

The procedure for electronic reverse auction shall include the following:

- i) The Procuring Entity shall solicit bids through an invitation to the electronic reverse auction to be published or communicated in accordance with the provisions similar to e-Procurement through CPPP or GeM and
- ii) The invitation shall, in addition to the information as specified in e-Procurement, include details relating to:
  - a) Access to and registration for the auction;
  - b) Opening and Closing of the auction;
  - c) Norms for conduct of the auction and
  - d) Any other information as may be relevant to the method of procurement.  
(Rule 167 (iii) (b) of GFR 2017)



## 4.16 One Stop Government e-Marketplace (GeM)

### 4.16.1

An online marketplace (or e-commerce marketplace) is a type of e-commerce site where product or services are offered by a number of sellers and all the buyers can select the product/ services offered by any one of the seller, based on their own criteria. In an online marketplace, Purchaser's transactions are processed by the marketplace operator and then product/services are delivered and fulfilled directly by the participating retailers. Other capabilities might include auctioning (forward or reverse), catalogues, ordering, posting of requirements by Purchasers, Payment gateways etc. In general, because online marketplaces aggregate products from a wide array of providers, selection is usually wider, availability is higher, and prices are more competitive than in vendor-specific online retail stores.

### 4.16.2

Govt. of India has established an online Government e-Market Place for procurement of common use goods and services. The procurement process on GeM is end to end from placement of supply order to payment to suppliers. This is to ensure better transparency and higher efficiency. All the process will be electronic and online. **The Procurement of Goods and Services by Procuring Entities will be mandatory for Goods or Services available on GeM.** An item is said to be not available on GeM only when the required specifications or with required delivery period etc. are not available on GeM.

### 4.16.3

**Products and services are listed on GeM by various suppliers as on other e-Commerce portals:** The registration of suppliers on GeM is online and automatic based on PAN, MCA-21, Aadhar authentication etc. The suppliers will offer their products on GeM and the Government buyer will be able to view all the products as well as compare them. Tools of reverse bidding and e-auction are also available which can be utilized for the procurement of bulk quantities.

### 4.16.4

**Demand Aggregation:** The best prices to a user can be available if same requirement demands of various Divisions are aggregated. This acts as an incentive for the supplier to quote their best price. For the same products, the demand of various Divisions of the Procuring Entity can be clubbed together and reverse auction done on the basis of aggregated demand which will provide the best prices.

### 4.16.5

**Authority of procurement through GeM:** Procurement through GeM has been authorized as per Rule 149 of GFR 2017:-

**Government e-Market Place (GeM):** The Govt. of India has established Government e-Marketplace (GeM) for common use Goods and Services. The GeM SPV will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The procurement of Goods and Services by Ministries/Departments will be mandatory for Goods and Services

available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:-

- i) Up to ₹ 25,000/- (Rupees twenty five thousand) may be made by the Project Leader for project requirements and by the Sr. most officer of S&P or any other officer authorised by him for non-project mode like P-04, P-06, P-07 & P-50, etc. without reference to the PC through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period; The Project Leader or the S&P officer are responsible to exercise due diligence for ensuring reasonableness of rates. The certificate as per Annexure-4F may be furnished and submitted to Stores Section along with Indent (complete with fund availability, etc.) and copy of Purchase Order by the Project Leader for onward transmission to purchase section for settlement of payment.
- ii) Above ₹ 25,000/- (Rupees twenty five thousand) and up to ₹ 2,50,000/- (Rupees two lakh fifty thousand) through the GeM Seller having lowest price amongst the available sellers, (excluding automobiles where the limit of Rs. 30.00 lakhs will apply) of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period by a specially constituted Local Purchase Committee. The tools for online bidding and online reverse auction available on GeM can be used by the Procuring Entity, if decided by the LPC. The LPC shall be responsible for ensuring reasonableness of rates.
- iii) Above ₹ 2,50,000/- (Rupees two lakhs fifty thousand) and upto ₹ 5,00,000/- (Rupees five lakhs) all the purchases of Goods and Services available on GeM shall be dealt with by PC and purchased through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Procuring Entity, if decided by the PC. The IO, PL, PC shall be responsible for ensuring reasonableness of rates.
- iv) Above ₹ 5,00,000/- (Rupees five Lakh) through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding automobiles where the limit of Rs. 30.00 lakhs will apply). The IO, PL and PC/T&PC shall be responsible for ensuring reasonableness of rates.
- v) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/ services under the particular product/service category, as per terms and conditions of GeM.
- vi) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply;

- vii) The Procuring Entity shall work out their procurement requirements of Goods and Services on either “OPEX” model or “CAPEX” model as per their requirement/ suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 (thirty) days of Budget approval;
- viii) The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department’s own Last Purchase Price; etc.
- ix) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying/bidding/reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.
- x) All purchases above ₹ 2, 50,000/- shall be processed only by the Purchase Section through the PC/T&PC.

#### 4.16.6

**GeM Portal:** <https://gem.gov.in>. Detailed instructions for user organization registration, supplier registration, listing of products, terms and conditions, online bidding, reverse auction, demand aggregation, call centre, etc. are available on this portal.

#### 4.16.7

**Payment Procedure in GeM:** The payment procedure in GeM is governed by O.M. No. F.26/4/2016-PPD dated 26th May, 2016 issued by D/o. Expenditure, M/o. Finance, New Delhi. The salient feature of this O.M. is that it is obligatory to make payments without any delay for purchases made on GeM. The consignee is required to issue an online digitally signed consignee receipt and acceptance certificate after receipt of goods within ten days. Thereafter, the payments are to be released maximum within ten days. The timelines after Consignee Receipt and Acceptance Certificate (CRAC) issued online and digitally signed by consignee will be two (2) working days for Buyer, one (1) working day for concerned DDO and two (2) working days for concerned PAO for triggering payment through PFMS/Government Financial System/Banks for crediting to the supplier’s account. Any matter needing a resolution will be escalated to the next higher level in each agency (Buyer, DDO and PAO) where the matter should be resolved within 24 (Twenty-Four) hours in the entire process, payments should not exceed ten days including holidays.

#### 4.16.8.

MoF vide OM no. F.13/4/2017-PPD(Pt) dated 14<sup>th</sup> August 2018 (Annexure 4H) have stated that all those PFMS organisations / Agencies/Entities who come on board on GeM, shall open and operate a special purpose account namely GeM Pool Account (GPA) for the purpose of ensuring prompt payment to suppliers/Vendors of GeM who supply goods / services to the Non-Public Agencies/Entities through GeM.

GeM pool account shall be mandatory for all procurement above Rs. 10.00 lakhs and optional at the discretion of the procuring entity for value upto Rs. 10.00 lakhs. The GeM pool account shall be opened, operated and controlled exclusively and completely by the procuring entity/agency subject to certain restrictions on withdrawal of funds as enumerated in the annexure to the OM. The account shall carry interest as applicable to savings/current account. Such account shall be opened in any scheduled bank having already integrated the pool account with GeM. A detailed Standing Operating Procedure (SoP) for opening and operating of GeM pool account has also been attached as annexure with the O.M.

All the procuring entity shall open GeM Pool Account in scheduled Bank who have already integrated the pool account with GeM for procuring Goods & services through GeM. Further, CoFA/F&AO, COSP/SPO and the DDO of the procuring entity shall ensure the monitoring of the deposits made and the payments thereafter in accordance with instructions of MoF O.M. dated 14<sup>th</sup> August 2018.

#### 4.16.9.

For any issues requiring help/clarifications, the help desk of GeM at URL <https://gem.gov.in/gemtickets> may be approached.

#### 4.16.10

It is informed that MoF is mandated to monitor the status of payments to GeM vendors and hence as such CSIR is required to intimate the reasons for delay in settlement of payments to GeM Vendors on a monthly basis. Hence all CSIR Labs/Instts are to ensure that the time schedules indicated are strictly adhered to and payments are made accordingly through portal only. The status/action taken should also be kept updated on the Gem Portal and monthly statements of outstanding payments to GeM vendors be sent by all Procuring Entities so as to reach to CSIR Hqrs by the v3rd day of the following month.

### **4.17 Handling Procurement in urgencies/emergencies and disaster management**

#### 4.17.1

There are sufficient fast track procurement modalities to tackle procurements in urgent/emergent and Disaster Management situations. Enhanced delegations of procurement powers including increase of the threshold limits with the approval of the Director of the Procuring Entity/JS (A) in CSIR Hqrs have been given in SoPP to handle such situations.

- i) Direct Procurement Without Quotation
- ii) Direct Procurement by Local Purchase Committee
- iii) SLTE/Limited Tender Enquiry, with reduced time for submission of Bids
- iv) STE

To speed up procurement, advance cash may be drawn for direct procurement modes and made available to the Committees/officer. The accounts and vouchers of the purchases made shall be submitted without any delay after purchase for adjustment etc.

## **4.18 Procurement on Buy Back Basis**

### **4.18.1**

When it is decided to replace an existing old item(s) with a new/better version, the Procuring Entity may trade the existing old item while purchasing the new one by incorporating suitable terms in the bidding documents with an option to quote for buy back or without buy back of the old item. The condition of the old item, its location and the mode of its handing over to the successful bidder are also to be incorporated in the bidding document. Further, the bidder should be asked to quote the prices for the item (to be offered by them) with rebate for the old item and also, without any rebate (in case they are not willing for the buy back). This will enable the Procuring Entity either to trade or not to trade the old item while purchasing the new one. (Rule 176 of GFR 2017). At the time of taking the decision to purchase the item under buy back mode, the same should be declared surplus/obsolete/un-serviceable through the Standing Disposal Committee.

## **4.19 Turnkey contract**

### **4.19.1**

In the context of procurement of goods, a turnkey contract may include the manufacture, supply, assembly, installation/commissioning of equipment (or a group of plant and machines working in tandem – even though some of the machines may not be manufactured by the supplier himself) and some incidental works or services. Generally, in the tender enquiry documents for a turnkey contract, the Procuring Entity specifies the performance and output required from the plant proposed to be set up and broadly outlines the various parameters it visualizes for the desired plant. The inputs and other facilities, which the purchase organization will provide to the contractor, are also indicated in the tender enquiry document. The contractor is to design the plant and quote accordingly. The responsibility of the contractor will include supplying the required goods, machinery, equipment etc. needed for the plant; assembling, installing and erecting the same at site as needed; commissioning the plant to meet the required output etc., as specified in the tender enquiry documents.

## **4.20 Annual Maintenance Contract (AMC)**

### **4.20.1**

Some goods, especially sophisticated equipment and machinery need proper maintenance for trouble-free service. For this purpose, the Procuring Entity may enter into a maintenance contract. It must, however, be kept in mind that maintenance contract is to start after the expiry of the warranty period, during which period the goods are to be maintained free of cost by the supplier (Rule 169 of GFR-2017). However, maintenance contracts for items procured through the Engineering Division of the Procuring Entity shall be processed through them only.

### **4.20.2**

The maintenance contract may be entered into either with the manufacturer/supplier of the goods or with a competent and eligible firm, not necessarily the manufacturer/ supplier of the goods in question. The Procuring Entity should decide this aspect on case to case basis on merit.

#### 4.20.3

If the maintenance contract is to be entered into with the supplier of the goods, then suitable clauses for this purpose are to be incorporated in the tender enquiry document itself and while evaluating the offers, the cost component towards maintenance of the goods for specified number of years is also to be added in the evaluated tender value on overall basis to decide the inter se ranking of the responsive bidders. Equipment with a lower quoted price may carry a higher maintenance liability. Therefore, the total cost on purchase and maintenance of the equipment over the period of the maintenance contract should be assessed to consider its suitability for purchase. However, if the maintenance contract is to be entered into with a competent and eligible supplier separately, then a separate tender enquiry is to be floated for this purpose and tenders evaluated and ranked accordingly for placement of the maintenance contract. Here, the supplier of the goods may also quote and his quotation, if received, is to be considered along with other quotations received.

#### 4.20.4

The details of the services required for maintenance of the goods, the required period of maintenance and other relevant terms and conditions, including payment terms, are to be incorporated in the tender enquiry document. The terms of payment for the maintenance service will depend on the nature of the goods to be maintained as well as the nature of the services desired. Generally, payment for maintenance is made on a half-yearly or quarterly basis.

#### 4.20.5

A Service Level Agreement (SLA) may be incorporated in complex and large maintenance contracts. SLA should indicate guaranteed levels of service parameters like - %age uptime to be ensured; Performance output levels to be ensured from the equipment; channel of registering service request; response time for resolving the request, Channel for escalation of service request in case of delay or unsatisfactory resolution of request, monitoring of Service Levels etc. This would include provision of help lines, complaint registration and escalation procedures, response time, percentage of uptime and availability of equipment, non-degradation in performance levels after maintenance, maintenance of an inventory of common spares, use of genuine spares, and so on. The maintenance contract may also include penalties (liquidated Damages) for unacceptable delays in responses and degradation in performance output of machines, including provisions for terminations.

#### 4.20.6

It should be indicated in the bid documents, whether the maintenance charges would be inclusive of visiting charges, price of spares (many times, consumables such as rubber gasket, bulbs, and so on, are not included, even though major parts may be included), price of consumables (fuel, lubricants, cartridges, and so on). If costs of spares are to be borne by the Procuring Entity, then a guaranteed price list should be asked for along with the bids. It should also be clarified, whether room/space, electricity, water connection, and so on, would be provided free of cost to the contractor. The bidding document should also lay down a service level agreement to ensure proper service during the maintenance period.

#### 4.20.7

A suitable provision should be incorporated in the tender enquiry document and in the resultant maintenance contract indicating that the prices charged by the maintenance contractor should not exceed the prevailing rates charged by him from others for similar services. While claiming payment, the contractor is also to give a certificate to this effect in his bill.

#### 4.20.8

If the goods to be maintained are sophisticated and costly, the tender enquiry document should also have a provision for obtaining performance security. The amount of performance security will depend on the nature of the goods, period of maintenance, and so on. It generally varies from two and a half to five per cent of the value of the equipment to be maintained.

#### 4.20.9

Sometimes, during the tenure of a maintenance contract, especially with a longer tenure, it may become necessary for the Procuring Entity to withdraw the maintenance contract due to some unforeseen reasons. To take care of this, there should be a suitable provision in the tender document and in the resultant contract. Depending on the cost and nature of the goods to be maintained, a suitable notice period (say one to three months) for such cancellation to come into effect is to be provided in the documents. A model clause to this effect is provided below:

“The purchaser reserves its right to terminate the maintenance contract at any time after giving due notice without assigning any reason. The contractor will not be entitled to claim any compensation against such termination. However, while terminating the contract, if any payment is due to the contractor for maintenance services already performed in terms of the contract, these would be paid to it/him as per the contract terms”.



## CHAPTER – 5

### PREPARING BID DOCUMENTS, PUBLICATIONS, RECEIPT AND OPENING OF BIDS

#### 5.1 Preparation of Bid Documents

##### 5.1.1

01. The text of the bid document should be self-contained and comprehensive without any ambiguity. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. A carefully prepared tender document avoids delays and complaints. Hence, it is worth spending time and effort on this even in cases of urgency.
02. Bid documents should be based on Standard Bidding Documents (SBDs) relevant for the value range and the category of procurement. To ensure uniformity, the standard provisions in most sections of the SBD are to be used unaltered. Any modification to suit a unique requirement of the specific procurement in these documents is to be done through variable sections such as Special Conditions of Contract. SBD for e-Procurement would be slightly different from the traditional SBD.
03. In case of a limited tender, instead of a full set of SBD, only a tender form as per model at Annexure-5 A may be used as the tender document, after filling up the name of the vendor and details of requirements. It contains the printed “terms and conditions of tender”. Instructions to bidders and General Conditions of Contract should be permanently hosted on the website of the Procurement Entity and its applicability should be invariably mentioned in the LTE. If necessary, specifications and drawings or any other document may be enclosed with the limited tender form.
04. While SBDs would be complete in itself and may be slightly different for various categories of procurements, these must necessarily address the following essential aspects:
  - i) Description of the subject matter of procurement, its specifications including nature, quantity, time and place or places of delivery.
  - ii) Limitation or preference for participation by bidders in terms of the Government policies; Like Startups, Product Reservation (MSEs), purchase or price preferences (DMEP/Make in India/MSEs), and other Government policies issued from time to time.
  - iii) The criteria for eligibility and qualification to be met by the bidder. The eligibility criteria should take care of the supplier’s eligibility to receive such a contract. The qualification criteria should take care of the supplier’s past performance, experience, technical competence and production capacity of the subject goods, financial strength to handle the contract successfully, compliance with environmental protection regulations/ Environment Management System, etc.

- iv) There are no such qualifications for the bidders that would be advantageous to the foreign manufactured goods at the cost of domestically manufactured goods;
- v) The procedure as well as date, time and place for obtaining, submitting and opening of the bids;
- vi) Terms of delivery/completion;
- vii) Suitable provisions for enabling a bidder to question the bidding conditions, bidding process and/or rejection of its bid. These provisions should include a time frame in which Procuring Entity will address the bidder's questions; (Rule 173 (iv) of GFR 2017).
- viii) Criteria for determining the responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive, most advantageous (lowest/highest as the case may be) bidder should be clearly indicated in the bidding documents. SBDs should include a clause that "if a firm quotes NIL charges/consideration, the bid shall be treated as unresponsive and will not be considered"; (Rule 173 (i) (i) of GFR 2017).
- ix) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document; (Rule 173 (v) of GFR 2017) and
- x) Essential terms of the procurement contract including a suitable clause mentioning that the resultant contract will be interpreted under Indian laws (Rule 173 (vi) of GFR 2017)
- xi) Inspection procedures considering the provision of Para 2.2.2(07) of CSIR Manual.

#### 5.1.2

**Contents of Tender documents for Open/Global Tenders** (Rule 168 of GFR 2017) A Model Tender Document for Global tender is enclosed at Annexure-5B. The main sections of the SBD are:

- i) Notice Inviting Tender (NIT);
- ii) Instructions to Bidders (ITB);
- iii) General Conditions of Contract (GCC) and Special Conditions of Contract (SCC);
- iv) Schedule of requirements;
- v) Technical specifications and allied technical details (including Drawings) and Quality Assurance (Inspections and Tests) etc.;
- vi) Eligibility and qualification criteria;
- vii) Price Schedule Forms; (to be utilized by the bidders for quoting their price;

- viii) Contract Form;
- ix) Other Standard formats required to be used by the bidders which include
  - (a) Bidder Information Form, (Annexure-5C)
  - (b) Manufacturer's Authorization Form, (Annexure-5D)
  - (c) Bid Security Form (Annexure-5E)
  - (d) Bid Securing Declaration (Annexure-5F)
  - (e) Performance Statement Form (Annexure-5G)
  - (f) Deviation Statement Form (Annexure-5H)
  - (g) Service Support Form (Annexure-5I)
  - (h) Bid Form (Annexure-5J)
  - (i) Performance Security Form (Annexure-5K)
  - (j) Acceptance Certificate Form (Annexure-5L)
  - (k) Integrity Pact (Annexure-5M)
  - (l) Format of Letter of Authority for participating in bid opening (Annexure-5N)
  - (m) Format for declaration by the bidder for code of integrity and conflict of interest. (Annexure-5-O)
  - (n) Advance Bank Guarantee Format (Annexure-5S)

A reading of the sections of the tender document will make the purpose and instructions clear. However, some broad guidelines for preparing bid documents are provided in the subsequent paragraphs.

The Model Tender Documents for Limited Tenders and Global tenders are generic guidelines. The Procurement Entity are however free to edit the same within the ambit of the extant rules to suit their local requirements. The tender documents have been framed with the concurrence of LA, CSIR. In the event of any discrepancy between the Tender Documents and the GFR, it is clarified that the latter shall prevail. However, certain specific relaxations have been obtained from Ministry of Finance and indicated in the CSIR Manual at appropriate places with the references to MoF approval. Such clauses shall therefore prevail although in variance to the provisions of the GFR 2017. **It may kindly be noted that the text in italics in the tender documents are intended to be guidelines only and the final version of the Tender Documents should have all the text in Italics deleted. The PC/T&PC should finalize the tender documents as appropriate considering the specific needs of procurement.** The finalized tender documents for limited tenders indicating the ITB, GCC and applicable formats may be hosted on the website of the CSIR Labs/Insttts as a one-time measure drawing its reference in the various limited tender enquiries issued from time to time.

### 5.1.3

#### **Notice Inviting Tender**

01. The Notice Inviting Tender (NIT) is crucial for attracting wide competition in the tender. The model NIT format in SBD should be used for publishing the tender notice. The NIT should be brief but must contain sufficient detail for a

prospective bidder to decide whether to participate in the tender or not and, if he decides to participate, how to go about it. NIT should be published as per the Rule 161, GFR-2017.

02. In case of procurement through a limited tender, the NIT may be uploaded on CPP Portal and Procuring Entity's website with a note saying:

“This notice is being published for information only and is not an open invitation to quote in this limited tender. Participation in this tender is by invitation only and is limited to the selected Procuring Entity's registered suppliers. Unsolicited offers are liable to be ignored. However, suppliers who desire to participate in such tenders in future may apply for registration with Procuring Entity as per procedure.”

Printouts of the tenders published on the website should be collected and kept on record as a proof of publicity. The complete details of the dates, on which advertisements actually appeared on the website, should be indicated while sending cases to higher authorities.

#### 5.1.4

##### **Instructions to Bidders (ITB)**

01. ITB contain all relevant information as well as guidance to the prospective tenderers regarding all aspects of obtaining tender documents, and preparing and submitting a responsive bid. It also mentions the process of establishing the eligibility of the tenderer as well as evaluation and comparison of tenders and award of contract. ITB should not contain information on processes after the announcement of the award which should be covered in GCC, for example, the arbitration clause, resolution of disputes, and so on.
02. Important clauses of ITB which may require attention and action are:

- (a) **Purchase Preference Policies** (Rule 153 of GFR 2017)

The standard bidding document should also indicate applicability of the product reservation/purchase preference/price preference policies of the Govt. of India in line with the contemporary Instructions issued by the Govt. of India from time to time.

- (b) **Clarification of Tender Documents** (Rule 173(iii)(a) of GFR 2017)

A prospective bidder requiring clarification on the tender documents may notify to Procuring Entity in writing, well before the due date of submission of bids, and a response will be sent in writing to the clarifications sought prior to the date of submission of the tenders. Copies of the query and clarification shall be sent to all prospective bidders who have received the tender documents. Clarifications should be put on Lab's website and CPP portal also.

**(c) Amendment of Tender Documents (Rule 173 (iii) of GFR 2017)**

At any time prior to the date of submission of bids, the purchaser may, whether at his own initiative or in response to a clarification sought by a prospective bidder, amend bid documents by issuing a corrigendum. The corrigendum shall be notified in writing by registered post/speed post/courier/email/fax to all known prospective bidders. 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 uploaded on the website. When the amendment/modification changes the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments, and prepare a revised tender, the time and date of submission of tenders are also to be extended suitably, along with suitable changes in the corresponding timeframes for receipt of the tender, tender validity period, and so on, and validity period of the corresponding EMD/Bid Security. Depending on the situation, such an amendment may also need fresh publication adopting the same procedure as for publication of the original tender enquiry. Clarification/Amendments should be put on Lab's website and CPP portal also.

**(d) Bid Validity**

A bid shall remain valid for the period mentioned in the ITB (normally 90 days). In exceptional circumstances, the consent of the bidder may be requested in writing for an extension to the period of bid validity. Such requests should preferably be made much before the expiry of the bid validity. The bid security provided shall also be suitably extended. A bidder accepting the request and granting extension shall not be permitted to modify his bid.

**(e) Sealing and Marking of Tenders**

The tender document is to indicate the total number of tender sets (for example, in duplicate or in triplicate, and so on) required to be submitted. The tenderer is to seal the original and each copy of the tender in separate envelopes, duly marking the same as "Original", "Duplicate," and so on, and also printing the address of the purchase office and the tender reference number on the envelopes. Further, the sentence "NOT TO BE OPENED" before (due date and time of tender opening) is also to be printed on these envelopes. The inner envelopes are then to be put inside a bigger outer envelope, which will also be duly sealed marked, and so on, 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, and so on. All the above instructions are to be suitably incorporated in the tender documents.

**(f) Withdrawal, Substitution and Modification of Tenders**

The tenderer, after submitting the tender, is permitted to withdraw, substitute or modify the tenders in writing without forfeiture of Bid Security/EMD, provided these are received duly sealed and marked like the original tender, up to the date and time of receipt of the tender. Any such request received after the

prescribed date and time of receipt of tenders will not be considered. No bid may be withdrawn in the interval between the deadline for submission of bids and expiration of the period of bid validity. Withdrawal of a bid during this period will result in forfeiture of the bidder's bid security (EMD) and other sanctions, which include disqualification from bidding for any contract for a period of one year from the date of notification in case of submission of Bid Securing Declaration as a form of Bid security.

**(g) Eligibility/Evaluation/Qualification criteria**

If it is intended to use eligibility/evaluation/qualification criteria to evaluate a tender and determine whether a tenderer has the required qualifications, this point may be clearly specified in NIT, ITB or as a separate section of the tender document. The bidder has to ensure that he provides convincing proof of having fulfilled these criteria. Any criteria not specified in the tender cannot be used for evaluation or qualification. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document (Rule 173 (i) of GFR 2017). It may be noted that Ministry of MSME have clarified that all Central Ministries/Departments/Central Public Section Undertakings may relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting of quality and technical specifications.

**(h) OEM/Authorized Dealer/Agents of supplier or Quotation received from dealer/agents for items not manufactured by them.**

(i) Except in case of Commercially-Off-The-Shelf (COTS) items, when a firm sends quotation for an item manufactured by some different company, the firm is also required to attach, in its quotation, the manufacturer's authorisation certificate and also manufacturer's confirmation of extending the required warranty for that product as per formats given in SBD. This is necessary to ensure quotation from a responsible party offering genuine product, also backed by a warranty obligation from the concerned manufacturer. In the tender, either the offer from a manufacturer or its authorised dealer can be considered as valid.

(ii) In case of large contracts, especially capital equipment, the manufacturer's authorisation must be insisted upon on a tender specific basis, not general authorisation/dealership, by so declaring in the bid documents clearly.

(iii) In cases where the manufacturer has submitted the bid, the bids of its authorized dealer will not be considered and EMD will be returned.

In case multiple orders are required to be placed against a bid for different components of an equipment/system, the bidder needs to submit the MAF from the respective OEMs.

**(i) Conflict of Interest among Bidders/Agents**

A bidder shall not have conflict of interest with other bidders. Such conflict of interest can lead to anti-competitive practices to the detriment of Procuring Entity's interests. The bidder found to have a conflict of interest shall be disqualified. A bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if:

- (i) They have controlling partner (s) in common; or
- (ii) They receive or have received any direct or indirect subsidy/financial stake from any of them; or
- (iii) They have the same legal representative/agent for purposes of this bid; or
- (iv) They have relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder; or
- (v) Bidder participates in more than one bid in this bidding process. Participation by a bidder in more than one Bid will result in the disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/sub-assembly/assemblies from one bidding manufacturer in more than one bid.
- (vi) In cases of agents quoting in offshore procurements, on behalf of their principal manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender enquiry (*refer CVC (CTE) No.12-02-6-CTE/SPI (1)-2, dated January 13, 2012*). One manufacturer can also authorize only one agent/dealer. There can be only one bid from the following:
  - The principal manufacturer directly or through one Indian agent on his behalf; and
  - Indian/foreign agent on behalf of only one principal
- (vii) A Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid;
  1. In case of a holding company having more than one independent manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/common business/ management units in same/similar line of business.

**(j) Schedule of Requirements**

This section comprises the list of goods and delivery schedule. If there is no separate TS then TS, quality assurance and inspections may also be included here. If the tender contains a number of schedules of requirements, it must be



clarified, whether evaluation of eligibility/qualifications/financial bids would be on a schedule by schedule basis or on the basis of a total of all schedules put together.

(k) A clause clearly indicating that for the Purchases made for scientific purposes concessional rate of Customs Duty and IGST & CGST/SGST are leviable should be included in the tender documents.

(l) The bidders should be asked to quote in the tender document as per the applicable price schedule form as per Annexure-5P & 5Q enclosed and quote as under:

**A. For goods manufactured in India.**

- i) The price of the goods quoted ex-works including all taxes already paid.
- ii) GST and other taxes which will be payable on the goods if the contract is awarded.
- iii) Charges for inland transportation, insurance and other local services required for delivering the goods at the desired destination.
- iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

**B. For goods manufactured abroad**

- i) The price of the goods, quoted on FCA (named place of delivery abroad) or FOB (named port of shipment), as specified in the bidding document.
- ii) The charges for insurance and transportation of the goods to the port/place of destination.
- iii) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

(m) The basis of comparison between the indigenous/ foreign bidders should be indicated clearly in the bidding documents. For this purpose, comparison between the indigenous and the foreign offers should be made on FOR destination basis and CIF/CIP basis respectively. However, the CIF/CIP prices quoted by any foreign bidder needs to be loaded further as under:

(i) Towards customs duty and other statutory levies- as per applicable rates.

(ii) Towards custom clearance, inland transportation etc. - 2% of the CIF/CIP Value.

Accordingly, while soliciting bids, it should be clearly stipulated in the tender

document that the bidder should give a clear cut break up of ex-works, FOB/FCA, CIF/CIP price to facilitate the proper comparison failing which the bid would be summarily ignored. CSIR reserves the right to order on the basis of any of the incoterms.

- (n) The Tender Document should also indicate the need of the Integrity Pact or otherwise.
- (o) A complete schedule of procurement cycle from the date of issuing the tenders to the date of issuing the contract should be published when the tender is issued.
- (p) The clause for variations in quantities at the time of award and Option should be invariably included in the tender documents.
- (q) **Pre-bid conference** (Rule 173 (x) of GFR 2017)
  - (i) The pre-bid conference is a platform for clarifying issues and clearing doubts, if any, about the specification and other allied technical/commercial details of the goods projected in the bidding documents. The date, time and place of pre-bid conference should be indicated in the bidding documents for information of the interested tenderers.
  - (ii) In case of turnkey contract (s) and facilities of a special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for one or more pre-bid conference for clarifying issues/ clearing doubts, if any, about the specifications and other allied technical/commercial details of the plant, equipment and machinery projected in the bidding document and for ensuring that the technical requirements provide a level playing field. The decision to hold the PBC may be taken by the procuring entity based on the merits of each case. The date, time and place of the pre-bid conference should be indicated in the tender enquiry document. The Pre-bid Conference may be arranged prior to at least two weeks before the due date of submission of tender to the Purchase Division. Bidders should be asked to submit written queries in advance of the conference. After the conference, the techno- commercial requirements may be revised if considered necessary by way of issue of a formal corrigendum and shared with all the bidders who purchase or have purchased the bid documents. The minutes of PBC should also be uploaded on Lab's/Instt's website and CPP portal, so that the prospective bidders could submit their bids only after the pre-bid conference so as to take care of the changes made in the bidding document.
- (r) In the case of an advertised tender enquiry or limited tender enquiry, late bids (that is, bids received after the specified date and time for receipt of bids) should not be considered (Rule 165 of GFR 2017);
- (s) Tenders received by fax or e-mail should be summarily ignored excepting for those received against STE or PAC tenders.
- (t) **Special Conditions in Global Tender Enquiry(GTE) Procurements**

- (i) **Currency of bidding:** In GTE tenders, the Foreign Bidders or their Indian Agents are allowed to quote price (and get paid) in RBI's notified basket of foreign currencies - US Dollar or Euro or Pound Sterling or Yen etc., in addition to the Indian Rupees - except for expenditure incurred in India (including agency commission if any) which should be stated in Indian Rupees. Indian Bidders are to quote in INR only.
- (ii) **Agency Commission:** CSIR will not enlist Indian Agents of Foreign Principals. Agency commission should be paid in INR to Indian agent. The Principal/Indian agent shall declare the Agency commission as a percentage of the Ex-works/FOB/FCA value.
- (iii) **Delivery Terms: The mode of transportations** and the delivery terms are to be expressed in terms of Incoterms. As per the revised policy (<http://shipping.nic.in/showfile.php?lid=2098>) of the Government, all Public Procurement import contracts involving (ocean freight of dry or liquid bulk cargoes) are to be finalized only on FOB (Free on Board)/FAS(Free Alongside Ship) basis and in case of any departure there-from, prior approval of the concerned administrative Ministry/ Department may be obtained. However, imports involving ocean freight of general liner: cargoes, project cargoes, heavy lift, container, break bulk cargoes etc. can now be made on FOB (Free on Board)/FAS (Free Alongside Ship) or CFR (Cost & Freight)/CIF (Cost, Insurance & Freight) basis. All importing Government Departments/PSUs are now allowed to make their own shipping arrangements without requiring to route their requirements through Chartering Wing of Ministry of Shipping. However, before processing any contract involving import of goods through air, contemporary instructions in this regard may be ascertained and followed; and
- (iv) **Insurance:** Wherever necessary, the goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the contract. If considered necessary, the insurance may be done for coverage on an "all risks" basis including war risks and strike clauses. The amount to be covered under insurance should be sufficient to take care of the overall expenditure to be incurred by the purchaser for receiving the goods at the destination. Procuring Entities who are entering into large number of imports contracts, may enter into annual Insurance arrangements for all imports during the year with Insurance Companies, instead of insurance for each individual imports separately on the basis of "Open Cover (all Risk)". Where delivery of imported goods is required by the purchaser on Cost Insurance and Freight/Carriage and Insurance Paid (CIF/CIP) basis, the supplier shall arrange and pay for marine/air insurance, making the purchaser the beneficiary. Where delivery is on Free on Board/Free alongside Ship (FOB/ FAS) basis, marine/air insurance shall be the responsibility of the purchaser. In every case where advance payment or payment against dispatch documents is to be made or LC is to be opened, the condition of insurance should invariably be incorporated in the terms and conditions.

- (u) Suitable provision should be kept in the bidding documents to enable a bidder question the bidding conditions, bidding process and/or rejection of bids. The reasons for rejecting a tender or non-issuing a tender document to a prospective bidder must be disclosed where enquiries are made by the bidder. (Rule 173(iv) of GFR 2017) Only a directly affected bidder can represent in this regard:
- (i) Only a bidder who has participated in the concerned procurement process i.e. pre-qualification, bidder registration or bidding, as the case may be, can make such representation;
  - (ii) In case pre-qualification bid has been evaluated before the bidding of Technical/ financial bids, an application for review in relation to the technical/financial bid may be filed only by a bidder who has qualified in pre-qualification bid;
  - (iii) In case technical bid has been evaluated before the opening of the financial bid, an application for review in relation to the financial bid may be filed only by a bidder whose technical bid is found to be acceptable.
  - (iv) Following decisions of the Procuring Entity in accordance with the provision of internal guidelines shall not be subject to review:
    - Determination of the need for procurement;
    - Selection of the mode of procurement or bidding system;
    - Choice of selection procedure;
    - Provisions limiting participation of bidders in the procurement process;
    - The decision to enter into negotiations with the L1 bidder;
    - Cancellation of the procurement process except where it is intended to subsequently re-tender the same requirements;
    - Issues related to ambiguity in contract terms may not be taken up after a contract has been signed, all such issues should be highlighted before consummation of the contract by the vendor/contractor; and
    - Complaints against specifications except under the premise that they are either vague or too specific so as to limit competition

### 5.1.5

#### **General and Special conditions of the contract**

The GCC to be used for contracting for procurement are provided in the SBD. GCC covers all information on aspects after the announcement of the tender award till the closure of the contract and dispute resolution. It should not cover any aspect up to announcement of award. Instead of modifying the GCC every time, any changes warranted by special circumstances may be indicated in a separate SCC with the prior approval of the CA and GCC may be included unchanged in every tender document. It is also to be indicated therein that the provisions in the SCC will supersede the corresponding provisions in the GCC.

## 5.1.6

### Submission Formats

This section contains the relevant forms for tender submission: various declarations by tenderer, formats for the bank guarantee, price schedule forms, exception and deviation forms, contract forms and manufacture's authorisation form, and so on.

## 5.1.7

### Mandatory e-Publishing of Tenders (Rule 159 of GFR 2017)

01. It is mandatory for all Ministries/Departments of the Central Government, their attached and subordinate offices and autonomous/statutory bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the Central Public Procurement Portal (CPPP). In case of procurements made through Rate Contracts, only awards details need to be published. These instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre-qualification/Registration or any other notice inviting bids or proposals in any form whether they are advertised, issued to limited number of parties or to a single party. These instructions would not apply to Purchase of goods without quotations or Purchase of goods by purchase committee.
02. Individual cases where confidentiality is required for reasons of national security would be exempted from the mandatory e-publishing requirement as per SoPP. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract should be intimated to CSIR Hqrs. on a Quarterly basis for onward communication to the Ministry of Finance, Department of Expenditure. (Rule 159 (ii) of GFR 2017)

## 5.2 Receipt and Custody of Tenders

### 5.2.1

#### Cost and availability of Tender documents

01. Tender documents should preferably be sold or available for download up to date of submission of tenders and this should be clearly indicated in the documents. The organization should also post the complete tender document in their website and permit prospective bidders to make use of the document downloaded from the website.
02. In order to promote wider participation and ease of bidding, no cost of tender document may be charged for the tender documents downloaded by the bidders. The cost of the tender document should be ₹ 500/- in the form of a demand draft/ banker's cheque/pay order in favour of the Procurement Entity. The cost of Tender documents is inclusive of postage and GST. Firms that are eligible for exemption from the tender document fee such as MSEs, Procuring Entity registered vendors (for relevant items and monetary limit) have to submit/upload scanned copy of documents in support of this exemption.

## 5.2.2

### **Extension of Tender opening date**

Sometimes, situations may arise necessitating modification of the tender documents already issued (LTE case) or already put on sale (OTE case). Also, after receiving the documents, a tenderer may point out some genuine mistakes necessitating amendments 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. Copies of such amendment/modification should be simultaneously sent to all the selected suppliers by registered/speed post/courier/e-mail in case of LTE. In case of OTE, the copies of such amendment/modification are to be simultaneously despatched, 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 for downloading put on the CPPP and Procuring Entity's own website. When the amendment/modification changes the requirement significantly and/or when there is not much time left for the tenderers to respond to such amendments, and prepare revised tender, the time and date of submission of tenders are also to be extended, along with suitable changes in the corresponding time-frames for receipt of tender, tender validity period etc. and validity period of the corresponding EMD/bid security. Depending on the situation, such an amendment may also need fresh publication adopting the same procedure as for publication of the original tender enquiry. The Purchase section shall extend the date of tender opening with the recommendations of PL/HOD before the scheduled date and time of receipt of bids, irrespective of the mode of tendering.

## 5.2.3

### **Sealing, and Marking of bids by bidders**

The tender document is to indicate the total number of tender sets (e.g., in duplicate or in triplicate etc.) required to be submitted. In case of two envelop bidding system, the techno-commercial bid and financial bid should be sealed by the tenderer in separate covers duly marking these as 'Techno-commercial Bid' and 'Financial Bid' and marked these with 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 and these sealed covers are to be put in a bigger cover which should also be sealed and duly super scribed in a similar manner. In case bids are asked in a number of copies, the tenderer is to seal the original and each copy of the tender in separate envelopes, duly marking the same as "Original", "Duplicate" and so on and also marking these as mentioned above. 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. These details regarding the submission of bids should also form a part of the ITB in the tender documents; all the above instructions are to be suitably incorporated in the tender documents.

## 5.2.4

### **Submission, Receipt and Custody of Tenders**

In e-Procurement, all tenders uploaded by tenderers are received, safeguarded and opened online on the portal. In offline tenders, receipt and custody of bids shall be done in a transparent manner to maintain the credibility of the process. The following guidelines should be adhered to for receipt and custody of bids:

- (a) The Procuring Entity shall maintain tender boxes for receiving the bids at suitable locations which would facilitate security and easy access to bidders. The key of the tender box will be with the official nominated by the Head of the Procurement Entity.
- (b) Bids received by courier shall be deposited in the tender box by the Dispatch Section till the date and time of bid opening. Bids sent by telex, cable or facsimile are to be ignored and rejected, excepting for Single Tender; and
- (c) For bulky/oversized bids which cannot be dropped into tender boxes, the officials authorised to receive such bids shall maintain proper records and provide a signed receipt with date and time to the bearer of the bid. He will also sign on the cover, duly indicating the date and time of receipt of the tender(s). Names and designations of at least two such authorised officers should be mentioned in the bid documents.

## 5.2.5

### **Withdraw/Amendments/Modifications to Bids by bidders**

The tenderer, after submitting its tender, is permitted to withdraw/alter/modify its tender so long such withdrawal/alterations/modifications are received duly sealed and marked like original tender, up to the date & time of receipt of tender. Any withdrawal/ amendment/modification received after the prescribed date & time of receipt of tenders are not to be considered.

## **5.3 Procedures to be followed during bid opening**

### 5.3.1

Immediately after the deadline for bid submission, Procuring Entity shall proceed to open the bids irrespective of the response received. In case of two-bid tenders, the TOC will first open the Techno-commercial un-priced bids (technical bid). The sealed commercial bids will be initialed by the TOC and the vendors present, with date and kept separately duly secured and not be kept in files till these are opened. Separate notice of opening of the bids need to be sent to the bidders before opening of the financial bid in the case of two-bid system. Opening of the tenders without informing the bidders is strictly prohibited except for offers received on Single Tender basis. In e-Procurement, bids are opened online as per set procedure. In offline tenders, the TOC shall comprise one officer each from the Procuring Div. Admin and Finance & Accounts. The members of TOC should not be below group B officer.



### 5.3.2

The authorised representatives of bidders, who intend to attend the tender opening in OTE/GTE/SLTE are to bring with them letters of authority from the corresponding bidder. The prescribed format for the letter of authority for attending the bid opening should be given in the bidding document as per Annexure- 5N. All bid-opening activities should be carried out demonstrably before such a gathering. The prescribed format for the bid opening attendance sheet and report are given at **Annexure-5R**

### 5.3.3

At a prescheduled date and time, the TOC of the day should get the particular tender box opened, after ensuring and demonstrating that the seal on the box has not been tampered with. All bids should be collected from the tender box. Bids for tenders not opening on that day should be put back into the box and the box resealed. Sometimes, there would be tenders dropped wrongly into this tender box. Such wrongly dropped tenders with appropriate endorsement should be put into the appropriate box or sent to the Purchase Department, if the date of opening is over. The bids for different tenders opening on the day (including oversized bids, which were submitted to designated officers) should be sorted, and a count for each tender should be announced and recorded, particularly noting any modifying/altering/withdrawal of bids. TOC should ensure and demonstrate that bid envelopes are duly sealed and untampered. Late bids should not be considered and returned un-opened in original (Rule 165 of GFR 2017). The question of 'late tender' as applicable for Open Tenders and LTE will not apply in procurements made through single tenders.

### 5.3.4

After opening, every tender shall be numbered serially (say 3/14 – if it is the third bid out of 14 total), initialed, and dated on the first page by the TOC. Each page of the price schedule or letter attached to it shall also be similarly initialed, particularly the prices, delivery period, and so on, which shall also be circled and initialed along with the date. Any other page containing significant information should also be dealt with similarly. Blank tenders, if any, should be marked accordingly by the TOC. The original (and duplicate, if any) copies in a tender set are to be marked accordingly by the TOC;

### 5.3.5

Erasure /cutting/overwriting/use of whitener/columns left unfilled in tenders, if any, shall be initialed along with date and time and numbered by the officials opening the tenders and total number of such noticed alterations (or the absence of any alteration) should be explicitly marked on the first page of the bid. Wherever quantity/amount is written only in figures, the TOC should write them in words. All rebates/discounts should be similarly circled, numbered and signed. In the absence of any alteration/ overwriting/whitener/blanks, the remark “no corrections noted” should be written. Similarly, the absence of discounts should be marked with “no discounts noted;”

### 5.3.6

The TOC is to announce the salient features of the tenders such as description and specification of the goods, quoted price, terms of delivery, delivery period, discount, if any, whether EMD furnished or not, and any other special

feature of the tender for the information of the representatives attending the tender opening. No clarifications by tenderers should be entertained or allowed to be recorded during the bid opening. It should be understood that TOC has no authority to reject any tender at the tender opening stage;

#### 5.3.7

Proper sealing and codification need to be done on samples as well for samples which accompany the bid. These should be kept for reference under lock and key. Details should be recorded in the sample register maintained in the opening section. Documents related to Bid Security should be noted in the bid opening report/register. DD/BC shall be handed over to the Finance Section for depositing; and

#### 5.3.8

A bid opening report containing the names of the tenderers (serial number wise), salient features of the tenders, as read out during the public opening of tenders, will be prepared by the tender opening officers, and duly signed by them along with the date and time. The tenders that have been opened, list of the representatives attending the tender opening, and bid opening report are to be handed over to the nominated purchase officer and an acknowledgement obtained for him.

#### 5.3.9

Firms submitting bids in a single envelope against the requirement of two-bid system would be considered for further evaluation at the risk & responsibility of the bidder. However, the opened priced bid, if prepared separate from the technical bid, would be sealed immediately by the Tender Opening Committee without disclosing the price.

#### 5.3.10

If a tender, received in a cover without any superscription about its contents and has been opened by any official receiving it, then the same should be accepted at the risk of bidder if the same is presented to the Purchase Section before the expiry of the due date and time of opening of bids.

#### 5.3.11

If a tender has been received correctly as per the Instructions in the Instructions to bidders of the tender documents, then the receiver shall cause such a tender to be delivered to the Purchase Section before the expiry of the due date and time of opening of bids.

## CHAPTER – 6

### FORMS OF SECURITIES, PAYMENT TERMS AND PRICE VARIATIONS

#### 6.1 Forms of Security

##### 6.1.1

#### **Bid Security** (Rule 170 of GFR 2017)

01. To safeguard against a bidder's withdrawing or altering its/his bid during the bid validity period in the case advertised or limited tender enquiry, Bid Security (also known as Earnest Money Deposit) (EMD) is to be obtained from the bidders (as per Annexure 5E) along with their bids except from bidders who are exempted from paying Bid Security as per Rule 170(i) of GFR 2017 including startups as recognized by DIPP. (MoF OM No. F.20/2/2014-PPD (Pt.) dated 25<sup>th</sup> Jul 2017) .The amount of Bid Security should generally be between two to five per cent of the estimated value of the goods to be procured. The exact amount of Bid Security, rounded off to the nearest thousands of Rupees, as determined by the Procuring Entity, is to be indicated in the bidding documents. The Bid Security may be obtained in the form of an account payee demand draft, fixed deposit receipt, banker's cheque or Bank Guarantee (in equivalent Foreign Exchange amount, in case of imports) issued/confirmed from any of the scheduled commercial bank in India or in INR by their Indian counterpart/Agent in an acceptable form, and so on, safe guarding the purchaser's interest in all respects. The Bid Security, in the form of BG/TDR, is normally to remain valid for a period of 45 (Forty-Five) days beyond the final bid validity period.
02. In place of a Bid Security, Procuring Entities may consider asking bidders to sign a bid securing declaration (as per Annexure-5F) accepting that if they withdraw or modify their bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids/request for proposals document, they will be suspended for the period of time specified in the request for bids/request for proposals document from being eligible to submit Bids/Proposals for contracts with the Procuring Entity. (Rule 170 (iii) of GFR 2017.
03. In appropriate cases, submission of the Bid Security may be waived with the Competent Authority's (CA's) approval, especially in the case of indigenization/ development tenders, limited tenders and procurements directly from the manufacturer or authorised agents. The PC & T&PC may decide on the merits of each case the applicability of bid security.
04. A bidder's Bid Security will be forfeited if the bidder withdraws or amends its/his tender or impairs or derogates from the tender in any respect within the period of validity of the tender or if the successful bidder fails to furnish

the required Performance Security within the specified period.

05. Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity period and latest by the 30<sup>th</sup> day after the award of the contract. (Rule 170 (ii) of GFR 2017) Bid Security should be refunded to the successful bidder on receipt of a performance security.

#### 6.1.2

##### **Performance Security (Rule 171 of GFR 2017)**

01. To ensure due performance of the contract, performance security or Performance Bank Guarantee (PBG) or Standby LC is to be obtained from the successful bidder (as per Annexure-5K) awarded the contract valued more than 2.5 lakhs of capital items. Unlike contracts of Works and Plants, in case of contracts for Goods, the need for the Performance Security depends on the market conditions and commercial practice for the particular kind of goods. The PC & T&PC may decide on the merits of each case the applicability of performance security. Performance Security should be for an amount of five to ten per cent of the value of the contract as specified in the bid documents. Performance Security may be furnished in the form of an account payee demand draft, fixed deposit receipt from a commercial bank, bank guarantee issued/confirmed from any of the commercial bank in India in an acceptable form, safeguarding the purchaser's interest in all respects. In case of foreign bidders in Imports, either equivalent Foreign Exchange amount may be preferred in the form of a Bank Guarantee issued/confirmed from any of the scheduled Commercial Bank in India or in INR by their Indian counterpart / agent in an acceptable form, safeguarding the purchaser's interest in all respects. Unlike, Procurement of Works, in Procurement of Goods, the concept of taking part of Performance Guarantee as money retained from first or progressive bills of the supplier is not acceptable. PS may be decided by the Purchase Committee depending on the market conditions and commercial practice for the particular kind of goods.
02. Performance Security is to be furnished by a specified date (generally 21(twenty-one) days after notification of the award) and it should remain valid for a period of 60 (sixty) days beyond the date of completion of all contractual obligations of the supplier, including warranty obligations.
03. However, the Senior most Officer of S&P has the powers to extend the duration for submission of the Performance Security or Order Acceptance for a further period of 30 days. Beyond 30 days, the PC/TPC shall decide on merits of each case.
04. The Performance Security will be forfeited and credited to the Procuring Entity's account in the event of a breach of contract by the contractor. It should be refunded to the contractor without interest, after he duly performs and completes the contract in all respects but not later than 60(sixty) days of completion of all such obligations including the warranty under the contract.

Return of Bid/Performance Securities should be monitored by the senior officers and delays should be avoided. If feasible, the details of these securities may be listed in the e-Procurement portal, to make the process transparent and visible.

### 6.1.3

#### **Verification of Bank Guarantees**

Bank guarantees submitted by the tenderers/suppliers as EMD/Performance securities need to be immediately verified from the issuing bank before acceptance. There may not be any need to get the Bank Guarantee vetted from legal/finance authority if it is in the specified format. Guidelines for verification of BGs submitted by the bidders/contractors against EMD/ performance security/advance payments and for various other purposes are as follows:

- i) BG shall be as per the prescribed formats;
- ii) The BG contains the name, designation and code number of the Bank officer(s) signing the guarantees(s);
- iii) The address and other details (including telephone no.) of the controlling officer of the bank are obtained from the branch of the bank issuing the BG (this should be included in all BGs);
- iv) The confirmation from the issuing branch of the bank is obtained in writing through registered post/speed post/courier. The bank should be advised to confirm the issuance of the BGs specifically quoting the letter of Procurement Entity on the printed official letterhead of the bank indicating address and other details (including telephone nos.) of the bank and the name, designation and code number of the officer(s) confirming the issuance of the BG;
- v) Pending receipt of confirmation as above, confirmation can also be obtained with the help of responsible officer who should personally obtain the confirmation from issuing branch of the bank and forward the confirmation report to the concerned procurement entity.

### 6.1.4

#### **Safe Custody and monitoring of EMDs, Performance securities and other Instruments**

The custodian of Bid securities and Performance Securities in the form of Bank Guarantee (including BG against advance) or TDR will be purchase Section of the Procuring Entity. Banker's cheque/Pay orders/Demand Draft should be deposited with Account section of the Procuring Entity. The Purchase Section shall also make institutional arrangements for taking all necessary actions on time, for extension or encashment or refund of EMDs and Performance securities, as the case may be. Monitoring should also include a monthly review of all bank guarantees and other instruments expiring in next three months, along with a review of the progress of the corresponding contracts. Extension of bank guarantees and other instruments, where warranted, should be sought immediately and implemented within their validity period. Bank Guarantee should never be handed over to the supplier for the purpose of extension of validity. Such a system of

monitoring of securities and other instruments may be considered to be computerized with automatic alerts about lapse of validity etc. For this purpose a Security register (as per Annexure-6A) should be maintained. (Rule 226(ii) of GFR 2017)

## **6.2 Payment clause**

### **6.2.1**

The elements of price included in the quotation of a tenderer depend on the nature of the goods to be supplied and the allied services to be performed, location of the supplier, location of the user, terms of delivery, extant rules and regulations about taxes, duties, and so on, of the seller's country and the buyer's country.

### **6.2.2**

In case of indigenous goods, the main elements of price may include raw material, production cost, overhead, packing and forwarding charges, margin of profit, transit insurance, and GST as applicable. In case of imported goods, in addition to similar elements of price as above (other than GST), there may be elements of custom duty, import duty, landing and clearing charges and commission to Indian agents. Further, depending on the nature of the goods (whether domestic or imported), there may be cost elements towards installation and commissioning, operator's training, and so on.

### **6.2.3**

It is, therefore, necessary that, to enable the tenderers to frame their quotations properly in a meaningful manner, the tender documents should clearly specify the desired terms of delivery and also the duties and responsibilities to be performed by the supplier in addition to supply of goods.

### **6.2.4**

While claiming the payment, the supplier should also certify in the bill that the payment being claimed is strictly in terms of the contract and all obligations on the part of the supplier for claiming this payment have been fulfilled as required under the contract. There should also be a suitable provision for verification of the authenticity of the person signing the invoice, and so on, to claim the payment.

- 01. Elements of Price:** Where the price has several components such as the price of the goods, cost of installation and commissioning, operators' training, and so on, bidders should be asked to furnish a cost break-up indicating the applicable prices and taxes for each of such components along with the overall price. The payment schedule and terms will be linked to this cost break-up.
- 02. Currency:** The tender documents are to specify the currency (currencies) in which the tenders are to be priced. As a general rule, domestic tenderers are to quote and accept their payment in Indian currency; Indian agents of foreign suppliers are to receive their agency commission in Indian currency; costs of imported goods & Services rendered in India, which are directly imported against the contract, may be quoted in foreign currency (currencies) and paid accordingly in that currency; and the portion of the allied work and services, which are to be undertaken by Indian Agent (like installation and commissioning of equipment) are to be quoted and paid in Indian currency.

03. **Payment to suppliers:** In a supply contract, delivery of goods is the essence of the contract for the purchaser. Similarly, receiving timely payment for the supplies is the essence of the contract for the seller. A healthy buyer-supplier relationship is based on the twin foundation of timely and quality supply, on the one hand, and prompt and full payment to the supplier, on the other. It should be ensured that all payments due to the firm, including release of the performance security, are made on a priority basis without avoidable delay as per the tender/contract conditions:
- a) As far as possible, the payment terms and time schedule should be given in the contract and must be adhered to. Any foreseeable payment delays should be communicated to the suppliers in advance.
  - b) Prompt and timely provision of statutory certificates to the seller for taxes deducted at source, are as much a part of payment as the amount actually released. A detailed payment advice showing the calculations and reasons for the amounts disallowed and taxes deducted disallowed and taxes deducted must be issued to the supplier along with payment by the Finance. As soon as possible, but not later than the date of submission of Tax returns, the Procuring Entity must provide the statutory certificates for the taxes deducted to the Supplier, so that he is able to claim set-offs and refunds from the concerned authorities. For this purpose, Statutory certificates to the seller for taxes deducted at source (**TDS**) shall be the responsibility of DDO of the lab/Instt. DDO is only legally recognized authority under statutory provisions of IT Act to effect TDS having competence to issue TDS certificate.
  - c) Release of payment and settlement of the final bill should be processed through the Finance & Account section of the concerned Procuring Entity as per the terms and conditions of the contract.
  - d) No payments to contractors by way of compensation or otherwise outside the strict terms of the contract or in excess of the contract rates should be allowed.
04. Before the payment is made, the invoice should be cross-checked with the actual receipt of material/assets/services to ensure that the payment matches the actual performance;
05. Any other payment terms like payment against delivery, sight draft etc not covered in this Chapter shall be made on the recommendation of PC/T&PC and approval of the Director.

### **6.3 Terms of Payment for Domestic Goods**

01. Where the terms of delivery are FOR dispatching station, the payment terms, depending on the value and nature of the goods, mode of transportation, and so on, may be 60 to 90 (sixty to ninety) per cent on proof of dispatch and other related documents and balance on receipt at site and acceptance by the consignee.



02. Where the terms of delivery is FOR destination/delivery at site, the usual payment term is 100 (hundred) per cent on receipt and acceptance of goods by the consignee and on production of all required documents by the supplier.
03. However, in Indigenous purchase, terms of delivery as FOR destination and relevant payment condition may be preferred over FOR dispatching station. In a condition where payment is to be made in parts – 80 to 90% against proof of dispatch/delivery of goods in good condition and balance on the commissioning of the equipment, 100% tax invoice is received along with the material in view of GST regulation. Since the vendor cannot raise bill for balance payment, the payment advice from purchase shall be based on the Installation & Commissioning or the acceptance report on a copy of the 100% invoice.
04. Where goods to be supplied also need installation and commissioning by the supplier, the payment terms are generally:
  - (a) For a contract with terms of delivery as FOR dispatching station – 60 (sixty) per cent on proof of dispatch along with other specified documents, 30 (thirty) per cent on receipt of the goods at site by the consignee and balance 10 (ten) per cent on successful installation and commissioning and acceptance by the consignee; and
  - (b) For a contract with terms of delivery as FOR destination/delivery at site – 90 (ninety) per cent on receipt and inspection of goods by the consignee at destination and on production of all required documents by the supplier and balance 10 (ten) per cent on successful installation and commissioning and acceptance by the consignee.

However, percentage may be decided by the Procuring Entity on the merit of the case.

Note: Generally (especially for goods requiring installation and commissioning at site by the supplier), the desirable terms of delivery are FOR destination/delivery at site, so that the supplier remains responsible for safe arrival of the ordered goods at the site. Therefore, unless otherwise decided ex-works or FOR dispatching station terms should be avoided.

### 6.3.1 Modes of Payment for Domestic Goods

Payments to domestic suppliers are usually made by cheque/demand draft drawn on any Scheduled Commercial Bank. Such payment can also be made to the supplier's bank, if the bills are endorsed in favour of the bank with a pre-receipt embossed on the bills with the words, "received payment" and both the endorsement and pre-receipt are authenticated by the supplier. In addition, an irrevocable power of attorney is to be granted by the supplier in favour of the bank. In such of those cases where there has been global tendering, in order to have uniform payment clauses, if domestic suppliers, especially against high value contracts for sophisticated equipment/machinery, desire payment through inland LC, depending

on the merits of the case, this may be agreed to. However, procuring entities should switch over to more transparent electronic payment systems like Electronic Clearance System (ECS), Real-Time Gross Settlement Systems (RTGS) National Electronic Funds Transfer (NEFT) or Electronic Payment Gateways.

### 6.3.2

#### **Documents for Payment for Domestic Goods**

- i) Supplier's Invoice indicating, *inter alia* description and specification of the goods, quantity, unit price, total value, HSN Code etc.
- ii) Packing list;
- iii) Insurance certificate, if applicable;
- iv) Railway receipt/consignment note/LR Note;
- v) Manufacturer's guarantee certificate and in-house inspection certificate;
- vi) Inspection certificate issued by purchaser's inspector; and
- vii) Certificate as per Para 6.2.4 of this Manual.
- viii) Any other document(s) as and if required in terms of the contract, like no claim certificate for final payment. (as per annexure 9A)

### **6.4 Terms of Payment for Imported Goods**

6.4.1 Usual payment terms, unless otherwise stipulated, are indicated below:

01. Cases where installation, erection and commissioning (if applicable) **are not the responsibility of the supplier** – 100% (Hundred per cent) net contract price is to be paid against invoice, shipping documents, inspection certificate (where applicable), manufacturers' test certificate, and so on;
02. Cases where installation, erection and commissioning are the responsibility of the supplier – 80–90% (Eighty to Ninety per cent) (maximum) net contract price will be paid against the invoice, inspection certificate (where applicable), shipping documents, and so on, and balance within 21-30 (Twenty-One to Thirty) days of successful installation and commissioning at the consignee's premises and acceptance by the consignee. However, percentage may be decided by the Procuring Entity on the merit of the case and
03. Payment of agency commission, if payable, as per contract – the entire 100 % (Hundred per cent) agency commission is generally paid (in non-convertible Indian Rupees on the basis of BC selling rate of exchange) after all other payments have been made to the supplier in terms of the contract.

### 6.4.2

#### **Modes of Payment for Imported Goods**

01. It should be ensured that the imports into India being made by the Procuring Entity are in conformity with the export-import policy in force: FEMA; FEMA (Current Account Transactions) Rules, 2000; and directions issued by RBI under FEMA from time to time.

02. For imported goods, payment usually happens through the Letter of Credit (LC) opened by the State Bank of India or any other scheduled/authorised bank as decided by the Procuring Entity. The amount of LC should be equal to the total payable amount, and be released as per the clauses mentioned above. All such payments shall be done by Finance & Accounts Division of the Procuring Entity. Provisions of Uniform Customs and Practices for Documentary Credits should be adhere while opening the LC for import into India. **The uniform customs and Practice for documentary credits** is a set of rules regarding techniques and methods for handling LCs in international trade finance which has been standardized by the International Chamber of Commerce, the current version being the UCP600.) If the LC is not opened, payment can also be made to the seller through a direct bank transfer or sight draft for which the buyer has to ensure that payment is released only after the receipt of prescribed documents or goods.

#### 6.4.3 Documents for Payment for Imported Goods

01. The documents, which are needed from the supplier for release of payment, are to be clearly specified in the contract. The paying authority is also to verify the documents received from the supplier with corresponding stipulations made in the contract before releasing the payment. Documents, which the supplier is to furnish while claiming payment, are specified in the Letter of Credit, but usually are:

- i) Supplier's original invoice giving full details of the goods including quantity, value, and so on;
- ii) Packing list;
- iii) Certificate of country of origin of the goods to be given by the seller or a recognized chamber of commerce or another agency designated by the local Government for this purpose;
- iv) Certificate of pre-dispatch inspection by the purchaser's representative;
- v) Manufacturer's test certificate and guarantee;
- vi) Certificate of insurance;(In case of CIP/CIF)
- vii) Bill of lading/airway bill or any other dispatch document, indicating:
  - a) Name of the vessel/carrier;
  - b) Bill of lading/airway bill;
  - c) Port of loading;
  - d) Date of shipment;
  - e) Port of discharge and expected date of arrival of goods goods; and Any other document(s) as and if required in terms of the contract.

#### 6.4.4

##### **Air Freight charges**

Goods that are required to be airlifted are to be dispatched on a 'charge forward basis'. All air freight charges, which are shown on the relevant consignment note as chargeable to the consignee, are to be paid to the Airline in

Rupees. Some Procuring Entities need to import sophisticated instruments, tools and kindred goods. These are usually small in size and very delicate/fragile in nature. Such goods, invariably, need to be airlifted. But, quite naturally, form a small part of the Air Cargo carried by an Aircraft. For such imports, procuring entities may engage Air Freight Consolidators who consolidate the small Air Cargos of different customers, to be airlifted from one Airport to another. Hiring of services of Airfreight Consolidators should be done in a transparent manner, following standard principles of Public Procurement.

#### 6.4.5

##### **Letter of Credit (LC)**

Two banks are involved in payment to the supplier by LC, the purchaser's bank and supplier's bank. The purchaser is to forward the request to its bank in the prescribed format as formulated by the Bank, along with all relevant details including an authenticated copy of the contract. Based on this, the purchaser's bank opens the LC on behalf of the purchaser for transacting payment to the supplier through the supplier's bank. Care should be taken to ensure that the payment terms and documents to be produced for receiving payments through LC are identical with those shown in the contract. Generally, the irrevocable LC is opened so that the supplier is fully assured of his payment on fulfilling his obligations in terms of the contract. In case the delivery date of the contract is extended to take care of delay in supply, for which the supplier is responsible, the tenure of the LC is also to be extended, but the expense incurred for such an extension (of LC) is to be borne by the supplier. Provisions of Uniform Customs and Practices for Documentary Credits (as per UCP 600 or its latest version) should be adhered to while opening the LC for import into India.

### **6.5 Advance Payment**

#### 6.5.1

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

- i) Advance payment demanded by firms holding maintenance contracts for servicing of air-conditioners, computers, other costly equipment; etc.
- ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts; and so on;

Such advance payments should not exceed the following limits except in case of procurement of arms and ammunitions from ordinance factories:

- a) Thirty per cent of the contract value to private firms;
- b) Forty per cent of the contract value to a state or central Government agency or PSU; or
- c) In case of the maintenance contract, the amount should not exceed the amount payable for six months under the contract; (Rule 172 (i) of GFR 2017)
- d) The Procuring Authority may relax the ceilings including the percentages laid down for advance payment for private firms as mentioned above as per SoPP.

(Rule 172(1) of GFR 2017) While making any advance payment as above, adequate safeguards in the form of a bank guarantee, and so on, should be obtained from the firm. The format of Advance Bank Guarantee is placed at Annexure-5S.

### **Documents for Advance Payments**

Documents, needed from the supplier for release of payment, are to be clearly specified in the contract. The paying authority should also verify the documents received from the supplier with corresponding stipulations made in the contract before releasing the payment.

#### **6.5.2**

##### **Insurance**

In every case where advance payment or payment against dispatch documents is to be made or LC is to be opened, the condition of insurance should invariably be incorporated in the terms and conditions. Wherever necessary, the goods supplied under the contract, shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the contract. If considered necessary, insurance may cover “all risks” including war risks and strike clauses. The amount to be covered under insurance should be sufficient to take care of the overall expenditure to be incurred by the Procuring Entity for receiving the goods at the destination and is normally CIF/CIP value +10%. Where delivery of imported goods is required by the purchaser on CIF/CIP basis, the supplier shall arrange and pay for marine/air insurance, making the purchaser the beneficiary. Where delivery is on FOB/FAS basis, marine/air insurance shall be the responsibility of the purchaser.

#### **6.6 Firm Price vis-a-vis Variable Price (Rule 225 (viii) of GFR 2017)**

##### **6.6.1**

Short-term contracts where the delivery period does not extend beyond 18 (eighteen) months should normally be concluded with a firm and price fixed by inviting tenders accordingly. However, even for shorter deliveries, the Price Variation Clause (PVC) may be stipulated for items with non-ferrous and other raw materials prone to short-term price volatility - especially for critical or high value items - otherwise there is a possibility of the contract failing or the purchaser having to pay a higher price if prices fall. For high value tenders with deliveries longer than 18 (eighteen) months, PVC may be provided to protect the Purchaser’s interests also.

##### **6.6.2**

Where it is decided to conclude the contract with a variable price, an appropriate clause incorporating, inter-alia, a suitable price variation formula should also be provided in the tender documents, to calculate the price variation between the base level and scheduled delivery date.

##### **6.6.3**

It is best to proactively provide PVC in the tender document to discourage different bidders quoting different formulae and different base dates, which may lead to problems on bringing their prices on a common comparable footing.

#### 6.6.4

The variations are to be calculated periodically by using indices published by Governments/ chambers of commerce/London Metal Exchange/any other neutral and fair source of indices. Suitable weights are to be assigned to the applicable elements, that is, fixed overheads and profits, material and labour in the price variation formula. If the production of goods needs more than one raw material, the input cost of material may be further sub-divided for different categories of material, for which cost indices are published.

The following are important elements of PVC:

- i) The price agreed upon should specify the base date, that is, the month and year to which the price is linked to enable variations being calculated with reference to the price indices prevailing in that month and year. The raw materials used in manufacture are procured some weeks before the goods' submission for inspection. This period is called the time lag for price variation. It applies both for base date and date of supply. This time lag at both ends must be specified;
- ii) The price variation formula must also stipulate a minimum percentage of variation of the contract price, only above which the price variation will be admissible (for example, where the resultant increase is lower than, say, two per cent of the contract price, no price adjustment will be made in favour of the supplier);
- iii) The price variation clause should provide for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both;
- iv) Where advance or stage payments are made there should be a further stipulation that no price variations will be admissible on such portions of the price, after the dates of such payment;
- v) Where deliveries are accepted beyond the scheduled delivery date subject to levy of liquidated damages as provided in the contract. The LD (if a percentage of the price) will be applicable on the price as varied by the operation of the PVC;
- vi) No upward price variation will be admissible beyond the original scheduled delivery date for defaults on the part of the supplier. However, a downward price variation would be availed by the purchaser as per the denial clause in the letter of extension of the delivery period;
- vii) Price variation may be allowed beyond the original scheduled delivery date, by specific alteration of that date through an amendment to the contract in cases of force majeure or defaults by Government;
- viii) Where contracts are for supply of equipment, goods, and so on, imported (subject to customs duty and foreign exchange fluctuations) and/or locally manufactured (subject to excise duty and other duties and taxes), the percentage and element of duties and taxes included in the price should be specifically stated, along with the selling rate of foreign exchange element taken into account in the calculation of the price of the imported item;

- ix) The clause should also contain the mode and terms of payment of the price variation admissible; and
- x) The buyer should ensure a provision in the contract for the benefit of any reduction in the price in terms of the PVC being passed on to him;
- xi) An illustrative PVC clause is available in Annexure -6B;
- xii) Care should be exercised in contracts providing for price variation to Finalize the price before final payment is made, after obtaining data and documents in support of claims for escalation, if any. Where no such claims are submitted by the suppliers, an examination of whether there has been a downward trend in the cost, which the contractor may not bring out, is required. At any rate, an undertaking should be obtained from the contractor to the following effect in case it becomes necessary to make the final payment before he has submitted the required data/documents related to the PVC:

“It is certified that there has been no decrease in the price of price variation indices and, in the event of any decrease of such indices during the currency of this contract, we shall promptly notify this to the purchaser and offer the requisite reduction in the contract rate.”

- xiii) Notwithstanding the above formalities, it should be appreciated that it is in the interest of the procuring entity to be vigilant about downward variation and it is, therefore, the basic responsibility of the purchase officers to make sure that the benefits of downward variation, wherever it occurs, are fully availed of.

## **6.7 Exchange Rate Variation**

### **6.7.1**

01. In case of a contract involving substantial import content(s) and having a long delivery period (exceeding one year from the date of contract), an appropriate Foreign Exchange Variation clause may be formulated by the Procuring Entity in consultation with its Finance & Accounts, as needed, and incorporated in the tender enquiry document. In that clause, the tenderers are to be asked to indicate import content(s) and the currency (ies) used for calculating the value of import content(s) in their total quoted price, which (that is, the total quoted price) will be in Indian Rupees. The tenderers may be asked to indicate the Base Exchange rate for each such foreign currency used for converting the foreign exchange content into Indian Rupees and the extent of foreign Exchange Rate Variation (ERV) risk they are willing to bear.
02. To work out the variation due to changes (if any) in the exchange rate(s), the base date for this purpose will be the due date of opening of tenders/seven days prior to the due date of opening of tenders (the purchase organization is to decide and adopt a suitable date). The variation may be allowed between the above base date and date of remittance to the foreign principal/mid-point



of manufacture of the foreign component (the purchase organization is to choose the appropriate date). The applicable exchange rates as above will be according to the TT selling rates of exchange as quoted by authorised exchange bankers approved by RBI on the dates in question. No variation in price in this regard will be allowed if the variation in the rate of exchange remains within the limit of plus/minus \_\_\_\_per cent (the Procuring Entity is to decide the limit, say plus/minus band of 2.5% (Two point Five percent) based on the merits of each case.

03. Any increase or decrease in the customs duty by reason of the variation in the rate of exchange in terms of the contract will be to the buyer's account. In case the delivery period is revised/ extended, ERV will not be admissible, if this is due to the supplier's default; however, ERV benefits arising out of downward trends should be passed on to Procuring Entity. The Procuring Entity may formulate an appropriate ERV clause on similar lines as above in consultation with their Finance Wing.

#### 6.7.2

##### **Documents for Claiming ERV**

- i) A bill of ERV claim enclosing the working sheet;
- ii) Banker's certificate/debit advice detailing the foreign exchange paid and exchange rate;
- iii) Copies of the import order placed on the supplier; and
- iv) Supplier's invoice for the relevant import order.

#### 6.8 Taxes, Duties and Levies

##### 6.8.1

##### **Statutory Duties and Taxes on Domestic Goods**

01. The duties and taxes such as GST levied by the Government on domestic goods vary from product to product. Unless a different intention appears from the terms of the contract, statutory variation in duties or taxes are to be borne by the buyer (Procuring Entity). As a general policy, the statutory variations in such duties and taxes are to be allowed during the period from the date of the tender to the date of acceptance of the tender (that is, placement of the contract) and during the original/re-fixed delivery period of the contract so that both the supplier and purchaser are equally compensated for rise or fall in the price of the goods on account of such statutory variations.

*(Note: Re-fixed delivery period means the fresh delivery period which is arrived at by recasting the original contractual delivery period after taking care of the lost period, for which the supplier was not responsible.)*

02. In the tender enquiry conditions, the tenderers, wherever applicable, should be asked to specifically state in their offer whether they intend to ask for the duties and taxes as extra over and above the prices being quoted. In the absence of any indication to this effect by the tenderers, it is to be assumed that the prices quoted include these elements and no claim for the

taxes or duties or statutory variations there on should be entertained after opening of tenders and during the currency of the resultant contract. If a tenderer chooses to quote price inclusive of GST, it should be presumed that the duties/taxes so included is firm unless he has clearly indicated the rate of duties/taxes included in his price and also sought adjustment on account of statutory variation thereon. If a tenderer is exempted from payment of GST up to a certain value of turnover, if any concession is available in regard to rate/quantum of GST, it should be brought out clearly.

03. Stipulation like, “GST is presently not applicable but the same will be charged if it becomes leviable later on”, should not be accepted unless in such cases it is clearly stated by the tenderer that GST will not be charged by him even if the same becomes applicable later on due to increase in turnover. If a tenderer fails to comply with this requirement, his quoted price shall be loaded with the quantum of maximum duty which is normally applicable on the item in question for the purpose of comparison with the prices of other tenderers.
04. Procuring authority shall ensure to avail the GST benefit on account of Notification No.45/2017 Central Tax Rate and 47/2017 Integrated Tax (Rate) and other relevant notification. A suitable clause to this effect may be inserted for purchase of goods in the Tender Document.

#### 6.8.2

##### **Octroi and Local Taxes**

01. In case the goods supplied against contracts placed by Procuring Entity are exempted from levy of town duty, Octroi duty, terminal tax and other levies of local bodies, wherever applicable, the suppliers should be informed accordingly by incorporating suitable instructions in the tender enquiry document and in the resultant contract. Wherever required, the supplier should obtain the exemption certificate from the Purchasing Department to avoid payment of such levies and taxes.
02. In case such payments are not exempted (or are demanded in spite of the exemption certificate), the supplier should make the payment to avoid delay in supplies and forward the receipt to the Purchasing Department for reimbursement and for further necessary action.

#### 6.8.3

##### **Customs Duty on Imported Goods**

01. Procuring Entity shall ensure to avail the concessional Custom Duty benefit and a suitable clause may be inserted in the Tender Document.
02. On imported goods, the tenderers shall also specify the corresponding Indian customs tariff number/HSN No. Where customs duty is payable, the contract should clearly stipulate the quantum of duty payable, and so on, in unambiguous terms. The standard clauses to be utilized for this purpose are

to be incorporated in the tender enquiry documents. Any import of materials directly from the supplier or manufacturer should be in the name of Procuring Entity. In this regard, all formalities will be completed by Procuring Entity engaging a Custom House Agent (CHA) and payment in this regard will be borne by Procuring Entity.

## **6.9 Incoterms Terms of Delivery**

### **6.9.1**

Incoterms rules mainly describe the tasks, costs and risks involved in the delivery of goods from the seller to the buyer. The risk to goods (damage, loss, shortage, and so on) is the responsibility of the person who holds the 'title of goods' at that point of time. This may be different from actual physical possession of such goods. Normally, unless otherwise defined, the title of goods passes from the supplier to the purchaser in accordance with the terms of Delivery (FOR, CFR among others).

### **6.9.2**

The terms of delivery, therefore, specify when the ownership and title of goods pass from the seller to buyer, along with the associated risks. Incoterms as described by the International Chamber of Commerce are an internationally accepted interpretation of the terms of delivery. These terms of delivery allocate responsibilities to the buyer and seller, with respect to:

- i) Control and care of the goods while in transit;
- ii) Carrier selection, transfers and related issues;
- iii) Costs of freight, insurance, taxes, duties and forwarding fees; and
- iv) Documentation, problem resolution and other related issues.

Table 2: Incoterms and their applications

INCOTERMS Options	Applicable to
Ex-Group of Terms	Buyer takes full responsibility from point of departure
EXW-Ex-Works	Any mode of Transport
Free Group of Terms	Freight is not paid by the seller
FCA – Free Carrier	Any mode of Transport
FAS – Free Alongside Ship	Sea and inland waterway transport only
FOB – Free on Board	
C Group of Terms	Freight is paid by the Seller
CPT – Carriage paid to	Any mode of transport
CIP – Carriage and Insurance Paid to	Any mode of Transport
CFR – Cost and Freight	Sea and Inland waterway transport only
CIF – Cost Insurance and Freight	
Delivered Group of Terms	Seller takes responsibility from an intermediate point onwards
DAT – Delivered At Terminal	Any mode of Transport
DAP – Delivered At Place	Any mode of Transport
DDP – Delivered Duty Paid	Any mode of Transport

### 6.9.3

In use since 1936, Incoterms have been revised in 2010. Out of the 11 Incoterms options, seven apply to all modes of transportation whereas four apply only to water transportation.

### 6.9.4

The options range from one extreme – the buyer takes full responsibility from point of departure – to the other extreme: the seller is responsible all the way through delivery to the buyer’s location. It is easiest to understand terms as per their nomenclature groupings: ‘ex’ group of terms where the buyer takes full responsibility from point of departure; ‘free’ group of terms in which the freight is not paid by the seller; ‘C’ group of terms in which the freight is paid by the seller; and ‘delivered’ group of terms where the seller takes full responsibility from an intermediate point to an arrival point (Annexure -6C)

### 6.9.5

Within national transportation, certain terms have assumed acceptance due to usage. FOR has two versions: FOR/dispatching and FOR/destination (the buyer is responsible from the nominated point mentioned till arrival point, as in Delivery at Terminal). Infrequently, it is also used in road transport as FOT.

## 6.10 E-Payment

### 6.10.1

e -Banking and e-payments are now used by various banks by adopting Electronic Clearing System (ECS) and Electronic Fund Transfer (NEFT/RTGS) procedure. Payments to suppliers may be made through such mechanism where such facilities are available.

## **6.11 TDS deduction on Income Tax, GST etc. from Payments to suppliers:**

### **6.11.1**

This will be done as per the existing law in force during the currency of the contract. DDOs may ensure proper deduction, submission to appropriate authority of above levies and also may ensure issuance of necessary certificate to the sellers.

## **6.12 Recovery of Public money from supplier's bill**

### **6.12.1**

Sometimes, requests are received from a different Ministry/Department for withholding some payment of a supplier out of the payment due to it against a contract. Such requests are to be examined by the Procuring Entity (which has received the request) on the merits of the case for further action. It will, however, be the responsibility of the Procuring Entity asking for withholding of payment to defend the Council against any legal procedure arising out of such withholding as also for payment of any interest thereof.

## **6.13 Payment against Time barred claims**

### **6.13.1**

Ordinarily, all claims against the Government are time barred after a period of three years calculated from the date when the payment falls due unless the payment claim has been under correspondence. However, the limitation is saved if there is an admission of liability to pay, and fresh period of limitation starts from the time such admission is made. Such time barred payments needs to be examined by the Store & Purchase and Finance Divisions. Based on their recommendations, Director may approve the settlement of the time barred claim. The paying authority is to ensure that no payment against such time barred claim is made till a decision has been taken in this regard by the Director of the lab/Instt. or JSA in CSIR Hqrs.

## CHAPTER – 7

### EVALUATION OF BIDS AND AWARD OF CONTRACT

#### 7.1 Tender evaluation

01. Evaluation of tenders is one of the most serious exercises in the process of procurement. It requires due diligence, utmost care and proper application of mind. The process of evaluation must be fair & transparent. Evaluation of tenders must be done in a scientific and logical manner. It is not always necessary that the lowest quoted price shall finally emerge as the lowest evaluated price. It may be that the lowest bidder has not quoted according to the specifications and has left out certain items asked for. His bid may not even be responsive.
02. All tenders are to be evaluated strictly on the basis of the terms and conditions incorporated in the tender document and those stipulated by the bidders in their tenders. The Procuring Entity may include quality, price, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost- effectiveness, after-sales service and technical assistance, delivery date and delivery period or period of completion etc. No criteria shall be used for evaluation of tenders that cannot be verified. Similarly, no hearsay information or hitherto undeclared condition should be brought in while evaluating the tenders Care should be taken that preferences provided to any category of bidders on certain specified grounds should not result in single vendor selection. Similarly, no tender enquiry condition (especially the significant/essential ones) should be overlooked/ relaxed while evaluating the tenders. The aim should be to ensure that no bidder gets undue advantage at the cost of other bidders and/or at the cost of the Procuring Entity. Information relating to evaluation of tenders and deliberations of the **PC/T&PC** should be confidential and should not be shared with persons not officially connected with the process. As per Rule 173 (xxii) of GFR 2017 no member of the **T&PC** should be reporting directly to any other member of such committee in case estimated value of the procurement exceeds ₹ 25 lakh.

#### 7.1.2

##### **Schedule of Procurement Powers (SoPP)**

There are delegations up to a threshold value as **mentioned under Rule 154, 155 & 156 (i) of GFR 2017 in which** the evaluation of the Bids may be entrusted solely and directly to the individual competent authority, without involvement of a PC/T&PC. In procurements above such a threshold, evaluation is to be done by **PC/T&PC constituted as per Para 2.6 & 2.8 of this Manual**. A Schedule of Procurement Powers (SoPP), as given in Annexure 1B, details the powers, jurisdiction, corresponding Accepting/sanctioning Authority for different categories of procurement and different threshold values of procurements.

## **7.2 Preparation and Vetting of comparative statement**

### **7.2.1**

A comparative statement of quotations received in the order in which tenders were opened should be prepared by the Purchase Section/Indenting Officer depending upon bidding systems adopted. The comparative statement will have information about deciding responsiveness and eligibility of bids and evaluation of technical suitability of offers.

### **7.2.2**

In case of two-bid tendering system the indenting officer/Technical Subcommittee (TSC) should prepare the technical comparative statement and also certify the compliance to the technical specifications indicating the reasons of rejection, after doing a thorough examinations of all the bids received. Thereafter, based on the recommendations of the IO/TSC, the Purchase Section should prepare the financial comparative statement which should be vetted by the Indenting Officer and the Finance for ensuring the correctness of the comparison and for veracity of information.

### **7.2.3**

In cases of single bid tendering system also the technical comparative statement indicating the responsiveness and technical suitability of offers should be prepared in the first instance by the Indenting Officer after doing a thorough examination of all the bids received. Thereafter, the financial comparative statement in such cases may be made by the Purchase Section of the Procuring Entity. The comparative statement prepared should have information about rates quoted (including taxes or otherwise), discount, if any, and any other information having implications on ranking of bids. The comparative statement so prepared should be signed by the Section Officer (S&P)/SPO. The Comparative statement shall be vetted by the indenting Officer and the Finance wing of the Procuring Entity for veracity of information.

## **7.3. Preliminary Examination**

### **7.3.1 Unresponsive Tenders**

Tenders that do not meet the basic requirements specified in the bid documents are to be treated as unresponsive and ignored. All tenders received will be scrutinized by the Purchase Section & Indenting Officer/TSC in the first instance to see whether the tenders meet the basic requirements as incorporated in the Bid document and to identify unresponsive tenders, if any. Some important points on the basis of which a tender may be declared as unresponsive and be ignored during the initial scrutiny are:

- i) The tender is not in the prescribed format or is unsigned or not signed as per the stipulations in the bid document;
- ii) The bidder has quoted for a lesser warranty period than required in the tender document.
- iii) The required EMD has not been provided or exemption from EMD is claimed without acceptable proof of exemption.



- iv) The bidder has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer
- v) The bidder is not eligible to participate in the bid as per laid down eligibility criteria;
- vi) The bid departs from the essential requirements specified in the bidding document (for example, the bidder has not agreed to give the required performance security); or
- vii) The bidder has not quoted for the entire requirement against a schedule in the list of requirements in the tender enquiry (example: in a schedule, it has been stipulated that the bidder will supply the equipment, install and commission it and also train the purchaser's operators for operating the equipment. The bidder has, however, quoted only for supply of the equipment).

The preliminary examination for S.No. i to iii above shall be done by the Purchase Section while the others would be required to be done by the Indenting Officer/TSC. However, the PC /T&PC should look into all the above aspects before recommending any purchase.

#### 7.3.2

##### **Non-conformities between Figures and words**

Sometimes, non-conformities/errors are also observed in responsive tenders between the quoted prices in figures and in words. This situation normally does not arise in case of e-Procurement. This should be taken care of in the manner indicated below:

- i) If, in the price structure quoted for the required goods, there is discrepancy between the unit price and total price (which is obtained by multiplying the unit price by the quantity), the unit price shall prevail and the total price corrected accordingly;
- ii) If there is an error in a total corresponding to the addition or subtraction of sub-totals, the sub-totals shall prevail and the total shall be corrected; and
- iii) If there is a discrepancy between words and figures, the amount in words shall prevail;
- iv) Such a discrepancy in an offer should be conveyed to the bidder asking him to respond by a target date and if the bidder does not agree to observation of the Procuring Entity, the tender is liable to be rejected.

### 7.3.3

#### **Discrepancies between original and additional/scanned copies of a Tender**

Discrepancies can also be observed in responsive tenders between the original copy and other copies of the same tender set. In such a case, the text, and so on, of the original copy will prevail. Here also, this issue is to be taken up with the bidder in the same manner as above and subsequent actions taken accordingly.

### 7.3.4

#### **Minor infirmity/irregularity/non-conformity**

During the preliminary examination, some minor infirmity and/or irregularity and/or non-conformity may also be found in some tenders. Such minor issues could be a Missing pages/ attachment or illegibility in a submitted document; non-submission of requisite number of copies of a document. There have also been cases, where the bidder submitted the amendment to Bank Guarantee, but omitted to submit the main portion of copy in Bid Document. The court ruled that this is a minor irregularity. Such minor issues may be waived off provided they do not constitute any material deviation (please refer to Para 7.4.1(04)) and financial impact and, also, do not prejudice or affect the ranking order of the bidders. Wherever necessary, observations on such 'minor' issues (as mentioned above) may be conveyed to the bidder by registered letter/ speed post/email/fax etc. asking him to respond by a specified date also mentioning therein that, if the bidder does not conform the view/observation of the Procuring Entity or does not respond by the specified date, its tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further.

### 7.3.5

#### **Clarification of Bids/Shortfall documents**

During evaluation and comparison of bids, the Procuring Entity may, at his discretion, ask the bidder for clarifications on the bid. The request for clarification shall be given in writing by fax/registered/speed post/e-mail, etc. asking the bidder to respond by a specified date, and also mentioning therein that, if the bidder does not comply or respond by the date, his tender will be liable to be rejected. Depending on the outcome, such tenders are to be ignored or considered further. No change in prices or substance of the bid shall be sought, offered or permitted. No post-bid clarification, at the initiative of the bidder, shall be entertained. The shortfall information/documents should be sought only in case of historical documents which pre-existed at the time of the tender opening and which have not undergone change since then. These should be called only on the basis of the recommendations of the PC/T&PC. (Example: if the Permanent Account Number, GST Number, MSME Certificate for EMD exemption has been asked to be submitted and the bidder has not provided them, these documents may be asked for with a target date as above). So far as the submission of documents is concerned with regard to qualification criteria, after submission of the tender, only related shortfall documents should be asked for and considered.

## **7.4 Evaluation of Responsive Bids and decision on Award of Contract**

All responsive bids may be evaluated with a view to select the lowest (L1) bidder who meets the qualification criteria and techno-commercial aspects by the PC/T&PC. In case of Single Stage Single Envelop Bidding, the evaluation of qualification of bidders, technical, commercial and financial aspect is done simultaneously. In Single Stage Multiple Envelops, initially only the techno-commercial bids would be opened and evaluated for bids which successfully meet the qualification criteria and techno-commercial aspects. Financial bids of such successful bidders only would be opened for selecting the L1 bidder among these and in case of manual tenders, financial bids of unsuccessful bidders would be returned unopened to them. In Two Stage Bids, the PQB/EOI stage would have already been evaluated as detailed in Chapter 4 and this second stage is for evaluation of responses to the Second Stage Multiple Envelops from the shortlisted qualified bidders. Evaluation of techno-commercial and financial aspects are, however, discussed separately below. It is of utmost importance that the authenticity, integrity and sanctity of unopened financial bids must be ensured, before their opening. Therefore, while opening the techno-commercial bids in two bid system, all the financial bids may preferably be put in a large envelop, which may be dated, sealed and signed (including by some of the bidders present), to ensure that none of the bids were accessed during the custody.

While adopting single stage single envelope bidding, in case a bidder is found to be non-responsive, then the bidder should be informed the reasons of rejection in writing and the bidder is to send his representation in writing, if any, within five working days from the date of communication. On receipt of the representation further action may be initiated on the review of the representation by the PC whether to include his offer or reject it.” (Rule 173(iv) of GFR 2017).

### **7.4.1**

#### **Evaluation of Techno-Commercial Bids**

In evaluation of the techno-commercial bids, conformity of the eligibility/qualification, technical and commercial conditions of the offered goods to those in the bid document is ascertained. Additional factors, if any, incorporated in the tender documents may also be considered in the manner indicated therein. Evaluation has to be based only on the conditions included in the tender document and any other condition should not form the basis of this evaluation.

#### **01. Evaluation of eligibility/qualification criteria:**

The Procuring Entity through the Indenting Officer/TSC will determine, to its satisfaction, whether the bidders are eligible, qualified and capable in all respects to perform the contract satisfactorily. Tenders that do not meet the required eligibility/ qualification criteria prescribed will be treated as unresponsive and not considered further. This determination will, inter-alia, take into account the bidder’s financial, technical and production capabilities for satisfying of all requirements of the Procuring Entity as incorporated in the tender document. Such determination will be based upon

scrutiny and examination of all relevant data and details submitted by the bidder in its/his tender as well as such other allied information as deemed appropriate by the Procuring Entity.

02. **Evaluation of Technical suitability:** The description, specifications, drawings and other technical terms and conditions are examined by IO/TSC and thereafter endorsed by the PC and T&PC respectively. Nobody outside the PC/T&PC should be allowed to determine this evaluation. The IO/TSC doing the technical evaluation will also draw a Technical comparative chart. The tenders meeting the qualification criteria and technical specifications will be short listed for further financial evaluation. The tender document should clearly state that alternative offers/ makes/models would not be considered. **It may be noted that indicating optional items in the indent is not permitted.** An important document is the Exceptions/ Deviation Form submitted by the bidder. It is important to judge whether an exception/ deviation is minor or major. Minor exceptions/deviations may be waived provided they do not constitute any material deviation and do not have significant financial impact and, also, would not prejudice or affect the ranking order of the price bid. Exceptions/ deviations should not grant the bidder any undue advantage vis-à-vis other bidders and Procuring Entity.
03. **Evaluation of Commercial Conditions:** The PC/T&PC will also evaluate the commercial conditions quoted by the bidder to confirm that all terms and conditions specified in the GCC/SCC have been accepted without reservations by the bidder. Only minor deviations may be accepted/allowed, provided these do not constitute material deviations without financial impact and do not grant the bidder any undue advantage vis-à-vis other bidders and the procuring entity.
04. **Considering Minor Deviations:** Court has consistently taken a view that the Procuring Entity is entitled to consider and allow minor deviations, which do not amount to material deviations. A material deviation, reservation, or omission which should not be waived are those that:
  - (a) Affects, in any substantial way, the scope, quality or performance of the goods and related services specified in the contract;
  - (b) Limits, in any substantial way, inconsistent with the tendering documents, the Procuring Entity's rights or the bidder's obligations under the contract; or
  - (c) If rectified, would unfairly affect the competitive position of other bidders quoting substantially responsive tenders.
05. **Declaration of Successful Bidders:** The recommendations of the Indenting Officer (IO)/TSC must be obtained prior to referring the matter to PC/T&PC as the case may be and the offer selected along with details of the items should be encircled by the indenting officer/project leader/TSC (wherever required) on the Comparative Statement (CS) duly signed.

06. If it is a multiple envelop tender, then after recommendations of the IO/TSC, the PC/T&PC should recommend the successful bidders and the results of the Techno- commercial bid evaluation are to be announced (including informing the failed Bidders) irrespective of the mode of tendering and value. Price bids are opened in the presence of technically suitable bidders, who are willing to attend the bid opening, at a pre-publicized date, time and place or on the portal in case of e-Procurement. In single envelop/cover tender, PC/T&PC proceeds to evaluate the price aspects without a reference to any CA at this stage.

#### 7.4.2

##### **Right of Bidder to question the rejection at Techno-commercial stage**

A bidder shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his techno-commercial bid has been rejected wrongly. The bidder is to be permitted to send his representation in writing, if any, within five working days from the date of communication. On receipt of representation it may be decided whether to withhold opening of the financial bids and bidder may be expeditiously replied. Certain decisions of the Procuring Entity in accordance with the provision of internal guidelines shall not be subject to review as mentioned in para 7.6.3 below.

#### 7.4.3

##### **Evaluation of Financial Bids and Ranking of Tenders in general:**

01. If the price bid is ambiguous so that it may very well lead to two equally valid total price amounts, the bid should be treated as unresponsive;
02. Sometime certain bidders offer suo-motu discounts and rebates after opening of the tender (techno-commercial or financial). Such rebates/discounts should not be considered for the purpose of ranking the offer but if such a firm does become L1 at its original offer, such suo-motu rebates can be incorporated in the contracts. This also applies to conditional rebates, for example, rebate for faster payments, and so on;
03. Unless announced beforehand explicitly in the tender documents, the quoted price should not be loaded on the basis of deviations in the commercial conditions. If it is decided to incorporate such clauses, these should be unambiguous and clear – and thereafter there should be no relaxation during evaluation. Sometimes, while purchasing sophisticated and costly equipment, machinery, and so on, the Procuring Entity also gives special importance to factors such as high quality performance, environmental- friendly features, low running cost, low maintenance cost and so on. To take care of this, relevant details are to be incorporated in the bid document and the criteria adopted to assess the benefit of such features while evaluating the offers are also to be clearly stipulated in the tender enquiry document so that the bidders are aware of it and quote accordingly. While evaluating such offers, these aspects are also to be taken into account. Such details, whenever considered necessary, should be evolved by a competent technical committee

or a scientist for incorporation in the tender document, so that there is no ambiguity and/or vagueness in them;

04. Normally, the comparison of the responsive tenders shall be on total outgo from the Procuring Entity's pocket, for the procurement to be paid to the supplier or any third party, including all elements of costs as per the terms of the proposed contract, including any taxes, duties, levies and freight insurance, etc. The comparison should normally be on the basis of CIF/FOR destination basis, duly delivered, commissioned, as the case may be;
05. In the case of goods manufactured in India or goods of foreign origin already located in India, **GST** and other similar taxes and duties, which will be contractually payable (to the bidder) on the goods are to be added;
06. In the case of goods of foreign origin offered from abroad, customs duty and other similar import duties/taxes, which will be contractually payable (to the bidder) on the goods, are to be added;
07. As per policies of the Government from time to time, the Procuring Entity has to follow the guidelines on price/purchase preference as enumerated in Paras 1.9 & 1.10 of the CSIR Manual, wherever applicable.
08. In case the list of requirements contains more than one schedule, the responsive, technically suitable tenders will be evaluated and compared separately for each schedule. The tender for a schedule will not be considered if the complete requirements prescribed in that schedule are not included in the tender. However, bidders have the option to quote for any one or more schedules and offer discounts for combined schedules. Such discounts, wherever applicable, will be taken into account to for deciding the lowest evaluated cost for the Procuring Entity in deciding the successful bidder for each schedule, subject to that bidder(s) being responsive; and
09. If the tenders have been invited on a variable price basis, the tenders will be evaluated, compared and ranked on the basis of the position prevailing on the day of tender (Technical Bid) opening and not on the basis of any future date.

#### 7.4.4

##### Evaluation of Global Tenders

01. Special aspects of evaluation of the financial offer in Global tenders are:
  - i) **Currency of Tender**

In GTE tenders, the price in the quotation could be in any foreign currency under the RBI's notified basket of currencies like US Dollar, Euro, Pound Sterling or Yen etc. in addition to the Indian Rupees, except for expenditure incurred in India (including agency commission if any) which should be stated **and paid only** in Indian Rupees. All offers are to be converted to Indian Rupees based on the "Bill currency selling" exchange rate on the date of tender opening (Techno-commercial offer) from a source (like RBI, xe.com) as specified in the tender document.

- ii) **Currency of Payment**  
The contract price will be normally paid in the currency/currencies in which the price is stated in the contract.
  - iii) **Evaluation of offers**  
Depending on the terms of delivery and the projected requirement, all the applicable components of the costs, as quoted in the responsive tenders, are to be added to work out the ultimate evaluated costs of the tenders. The evaluation is also to include applicable taxes, duties etc. in the bid prices.
02. The comparison between the indigenous and the foreign offers shall be made on FOR destination basis and CIF/CIP basis respectively. However, the CIF/CIP prices quoted by any foreign bidder shall be loaded further as under if the comparison is among the foreign currency offers and the Indian Rupee offers:
- i) Towards customs duty and other statutory levies- as per applicable rates.
  - ii) Towards LC charges, custom clearance, inland transportation etc. - 2% of the CIF/CIP value.
03. Accordingly, while soliciting bids, it should be clearly stipulated in the tender document that the bidder should give a clear cut break up of ex-works, FOB/FCA, CIF/CIP price to facilitate the proper comparison. Where there is no mention of packing, forwarding, freight, transportation, insurance charges, such offers shall be rejected as incomplete. This condition must be indicated in bold letters in the tender document/enquiry itself.
04. **If the bidder has quoted certain optional items, these items should not be taken into consideration for the evaluation of the bid unless the specifications of the optional item quoted by the vendor are a part of original indented specification.**

## 7.5 Deliberations by the PC/T&PC for Award of Contract

### 7.5.1

#### **Timely Processing of Tenders (Rule 174 (i) of GFR 2017)**

Delays in finalizing procurement deprive the scientific work of the intended benefits and results in lost revenues and cost over-run. To enable timely decision making, complete time schedule of finalizing the tender process from the date of issuing the tender to date of issuing the contract, should be published in the Bid Documents.

### 7.5.2

#### **Extension of Tender Validity Period**

01. The entire process of scrutiny and evaluation of tenders, preparation of ranking statement and notification of award must be done expeditiously and



within the original tender validity period Rule 174 (iii) of GFR 2017. The validity period should not be unreasonably long as keeping the tender unconditionally valid for acceptance for a longer period entails the risk of getting higher prices from the bidders.

02. If, however, due to some exceptional and unforeseen reasons, the Procuring Entity is unable to decide on the placement of the contract within the original validity period, it may preferably request, before expiry of the original validity period, all the responsive bidders to extend their tenders up to a specified period. While asking for such extension, the bidders are also to be asked to extend their offers as it is, without any changes therein. They may also be told to extend the validity of the EMD for the corresponding additional period (which is to be specified in the request). A bidder may not agree to such a request and this will not be tantamount to forfeiture of its EMD. But the bidders, who agree to extend the validity, are to do so without changing any terms, conditions, and so on, of their original tenders.

### 7.5.3

#### **Variation of Quantities at the Time of award**

At the time of awarding the contract, the quantity to be procured must be re-judged based on the current data, since the ground situation may have very well changed. The tendered quantity can be increased or decreased by 25 (Twenty-Five) per cent for ordering, if so warranted. This may be mentioned in the tender documents. The quantity variation so desired may be done with the recommendations of PC/T&PC and sanction of the concerned Project Leader/HoD.

### 7.5.4

#### **Option Clause**

To take care of any change in the requirement during the currency of the contract, a plus/minus option clause (up to 25 (Twenty-Five) per cent) may be incorporated in the tender document, reserving purchaser's right to increase or decrease the quantity of the required goods up to that limit without any change in the terms and conditions and prices quoted by the bidders. The Option Clause may be done with the recommendations of PC/T&PC and sanction of the concerned Project Leader/HoD.

### 7.5.5

#### **Splitting of Contracts/Parallel Contracts**

01. After due processing, if it is discovered that the quantity to be ordered is far more than what L1 alone is capable of supplying and there was no prior decision/declaration in the bidding documents to split the quantities, then the quantity being finally ordered may be distributed among the other bidders by counter offering the L1 rate in a manner that is fair, transparent and equitable based on objective data available in the bids e.g. eligibility data, quantity/delivery etc. However, in case of critical/vital/safety/security nature of the item, large quantity under procurement, urgent delivery requirements and inadequate vendor

capacity it may be advantageous to decide in advance to have more than one source of supply. In such cases a parallel contract clause should be added to the bid documents, clearly stating that the Procuring Entity reserves the right to split the contract quantity between suppliers. The manner of deciding the relative share of lowest bidder (L1) contractor and the rest of the contractors/bidders should be clearly defined, along with the minimum number of suppliers sought for the contract. In case of splitting in two and three, the ratio of 70:30; 50:30:20, respectively, may be used or a different ratio may also be justified.

02. Before splitting the quantity, it should be ensured that the L1 price is reasonable. If it is not reasonable, negotiation with the L1 party may be carried out by PC/T&PC, if justifiable, The following guidelines are to be considered while opting for parallel contracts
  - i) L1 should be awarded at least the percentage mentioned above or his spare supply capacity, whichever is lower; and
  - ii) For the rest of the contract quantity, the lowest rate accepted will be counter offered to the L2 party. On acceptance of the counter offer, the order will be placed on L2 for the respective percentage or the spare supply capacity of the L2 bidder, whichever is lower, and so on, to other bidders. In case of non-acceptance of the counter offer by the L2 party, a similar offer shall be made to L3 and L4, and so on.

#### 7.5.6

##### **Reasonableness of Prices**

01. In every recommendation of the PC/T&PC for award of contract, it must be declared that the rates recommended are reasonable. For more details on judging reasonableness of prices, please see para 2.1.1 (03) (e) in Chapter 2.
02. Where there is no estimated cost, a comparison with Last Purchase Price (LPP - the price paid in the latest successful contract) is the basis for judging reasonableness of rates. The following points may be kept in mind before LPP is relied upon as a basis for justifying rate reasonableness:
  - i) The basic price, taxes, duties, transportation charges, Packing and Forwarding charges should be indicated separately;
  - ii) Where the firm holding the LPP contract has defaulted, the fact should be highlighted and the price paid against the latest contract placed prior to the defaulting LPP contract, where supplies have been completed, should be used;
  - iii) Where the supply against the LPP contract is yet to commence, that is, delivery is not yet due, it should be taken as LPP with caution, especially if the supplier is new, the price paid against the previous contract may also be kept in view;

- iv) Where the price indicated in the LPP is subject to variation or if it is more than a year old, the updated price or as computed in case of the Price Variation Clause (PVC) may also be indicated;
- v) In the case of wholly imported stores, the comparison of the last purchase rate should be made with the net CIF value at the current foreign exchange rate;
- vi) It is natural to have marginal differences in prices obtained at different cities/offices for the same item, due to their different circumstances. The prices obtained are greatly influenced by quantity, delivery period, payment terms, location, warranty period, terms of the contract etc. may be kept in view; and
- vii) Prices paid in emergencies or prices offered in a distress sale are not accurate guidelines for future use. Such purchase orders and PC/T&PC proceedings should indicate that “these prices are not valid LPP for comparison in future procurement”.

#### 7.5.7

##### **Cartel Formation/Pool Rates**

It is possible that sometimes a group of bidders quote the same rate against a tender. Such pool/cartel formation is against the basic principle of competitive bidding and defeats the very purpose of an open and competitive tendering system. Such and similar tactics to avoid/ control true competition in a tender leading to “Appreciable Adverse Effect on Competition” (AAEC) have been declared as an offence under the Competition Act, 2002, as amended by the Competition (Amendment) Act, 2007. Such practices should be severely discouraged with strong measures. In case of evidence of cartel formation, detailed cost analysis may be done by associating experts if necessary. Besides, suitable administrative actions can be resorted to, such as rejecting the offers, reporting the matter to trade associations, the Competition Commission or NSIC, etc., and requesting them, inter-alia, to take suitable strong actions against such firms. New firms may also be encouraged to get themselves registered for the subject goods to break the monopolistic attitude of the firms forming a cartel. Changes in the mode of procurement (GTE instead of OTE) and packaging/slicing of the tendered quantity and items may also be tried. A warning clause may also be included in the bid documents to discourage the bidders from indulging in such practices.

#### 7.5.8

##### **Negotiations (Rule 173 (xiv) of GFR 2017)**

01. Normally, there should be no negotiation. Negotiations should be a rare exception rather than the rule and may be resorted to only in exceptional circumstances. If it is decided to hold negotiations for reduction of prices, they should be held only with the lowest acceptable bidder (L1), who is techno-commercially responsive for the supply of a bulk quantity and on whom the contract would have been placed but for the decision to negotiate. In no case, including where a cartel/pool rates are suspected, should

negotiations be extended to those who had either not tendered originally or whose tender was rejected because of unresponsiveness of bid, unsatisfactory credentials, inadequacy of capacity or unworkable rates. The circumstances where negotiations may be considered could be:

- a) Where the procurement is done on nomination basis;
  - b) Procurement is from single or limited sources;
  - c) Procurements where there is suspicion of cartel formation which should be recorded; and
  - d) Where the requirements are urgent and the delay in re-tendering for the entire requirement due to the unreasonableness of the quoted rates would jeopardize essential operations, maintenance and safety, negotiations with L1 bidder(s) may be done for bare minimum quantum of requirements. The balance bulk requirement should, however, be procured through a re-tender, following the normal tendering process.
02. The decision whether to invite fresh tenders or to negotiate and with whom, should be made by the PC/T&PC based on the recommendations of the Indenting Officer. Convincing reasons must be recorded by the IO recommending negotiations. The Indenting Officer should exercise due diligence while accepting a tender or ordering negotiations or calling for a re-tender and a definite timeframe should be indicated;
03. Normally all counter offers are considered negotiations by other means and the principles of negotiations should apply to such counter offers. For example, a counter offer to L1, in order to arrive at an acceptable rate, shall amount to a negotiation. However, any counter offer to L2, L3, and so on (at the rates accepted by L1) in case of splitting of quantities shall not be deemed to be a negotiation;
04. After the IO has decided to call a specific bidder for negotiation, the following procedure should be adopted:
- a) It must be understood that, if the period of validity of the original offer expires before the close of negotiations, the original offer will not be available for acceptance. The period of validity of the original offer must, therefore, be extended, wherever necessary, before negotiations;
  - b) Revised bids should be obtained in writing from the selected bidders after the end of the negotiations. If necessary, the negotiating party may be given some time to submit its revised offer. In case, however, the selected bidder prefers to send a revised bid instead of being present at the negotiation, the offer should be taken into account. In case a bidder does not submit the revised bid, its original bid shall be considered.

### 7.5.9

#### **Consideration of Lack of Competition against Open/Global/Limited Tender (Rule 173 (xx) of GFR 2017)**

01. Sometimes, against advertised/limited tender cases, the Procuring Entity may not receive sufficient number of bids and/or after analyzing the bids, ends up with only one responsive bid – a situation referred to as ‘Single Offer’. As per Rule 21 of DFPR (explanation sub-para), such situation of ‘Single Offer’ is to be treated as Single Tender. Even when only one Bid is submitted, the process may be considered valid provided following conditions are satisfied:
  - (i) The procurement was satisfactorily advertised and sufficient time was given for submission of bids;
  - (ii) The qualification criteria were not unduly restrictive; and
  - (iii) Prices are reasonable in comparison to market values.
02. In case of price not being reasonable, negotiations (being L1) or retender may be considered as justifiable. Unsolicited offers against LTEs should be ignored as per Rule 162 (ii) of GFR 2017, however, the Procuring Entity should evolve a system by which interested firms can register and bid in the next round of tendering.

### 7.5.10

#### **Cancellation of Procurement Process/Rejection of all Bids/Retender (Rule 173 (xix) of GFR 2017)**

01. The Procuring Entity may cancel the process of procurement or rejecting all bids at anytime before intimating acceptance of successful bid under circumstances mentioned below. In case where responsive bids are available, the aim should be to finalize the tender by taking mitigating measures even in the conditions described below. If it is decided to rebid the tender, the justification should balance the perceived risks in finalization of tender (marginally higher rates) against the certainty of resultant delays, cost escalations, loss of transparency in re-invited tender. After such decision, all participating bidders would be informed and bids if not opened would not be opened and in case of manual tenders be returned unopened:
  - a) If the quantity and quality of requirements have changed substantially or there is an un-rectifiable infirmity in the bidding process;
  - b) When none of the tenders is substantially responsive to the requirements of the Bidding Documents;
  - c) None of the technical Proposals meets the minimum technical qualifying score;
  - d) If effective competition is lacking. However, lack of competition shall not be determined solely on the basis of the number of Bidders. (Please refer to para above also regarding receipt of a single offer);

- e) The Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget;
  - f) If the bidder, whose bid has been found to be the lowest evaluated bid withdraws or whose bid has been accepted, fails to sign the procurement contract as may be required, or fails to provide the security as may be required for the performance of the contract or otherwise withdraws from the procurement process, the Procuring Entity shall cancel the procurement process. Provided that the Procuring Entity, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons to be recorded in writing, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.
02. Approval for re-tendering should be accorded by the IO and PL after recording the reasons/proper justification in writing. The decision of the Procuring Entity to cancel the procurement and reasons for such a decision shall be immediately communicated to all bidders that participated in the procurement process. Before retendering, the Procuring Entity is first to check whether, while floating/issuing the enquiry, all necessary requirements and formalities such as standard conditions, industry friendly qualification criteria, and technical and commercial terms, wide publicity, sufficient time for bidding, and so on, were fulfilled. If not, a fresh enquiry is to be issued after rectifying the deficiencies.

#### **7.5.11**

##### **Handling dissent among PC/T&PC**

01. PC/T&PC duties are to be discharged personally by the nominated officers. They may take help of their subordinate officers by way of reports/evaluations, but they would still be answerable for such decisions. PC/T&PC members cannot nominate others to attend deliberations on their behalf. PC/T&PC deliberations are best held across the table and not through circulation of notes.
02. All members of the PC/T&PC should resolve their differences through personal discussions instead of making to and fro references in writing. In cases where it is not possible to come to a consensus and differences persist amongst PC/T&PC members, the reasons for dissent of a member should be recorded in a balanced manner along with the majority's views on the dissent note. The final recommendations should be that of the majority view. However, such situations should be rare. The Director of the CSIR Lab/Instt or JS(A) in CSIR Hqrs. can overrule such dissent notes after recording reasons for doing so clearly. His decision would be final.

## 7.5.12

### **Independence, Impartiality, Confidentiality and ‘No Conflict of Interest’ at all stages of evaluation of bids**

All officials who have contributed to the techno-commercial or financial evaluation of bids, even though they may not be part of the PC/T&PC should deal with the procurement in an independent, impartial manner and should have no conflict of interest with any of the bidder involved in the procurement. They should also maintain confidentiality of the information processed during the evaluation process and not allow it to reach any unauthorized person. They should sign a declaration at the end of their reports/noting stating that, “I declare that I have no conflict of interest with any of the bidder in this tender”. PC/T&PC members may make such a declaration at the end of all their recommendations/reports.

## 7.5.13

### **PC/T&PC Recommendations/Report**

The PC/T&PC has to make formal recommendations for the award of the contract to the bidder whose bid has been determined to be substantially responsive and the lowest evaluated bid, provided further that the bidder is determined to be qualified to perform the contract satisfactorily and his credentials have been verified. It is a good practice if PC/T&PC spells out salient terms and conditions of the offer(s) recommended for acceptance. It should also be ensured by the PC/T&PC that any deviation/variation quoted by the supplier in his bid are not left un-discussed and ruled upon in the PC/T&PC meeting ; otherwise there may be delay in acceptance of the contract by the supplier. These recommendations are submitted for approval of the PL. In any purchase decision, the responsibility of the Indenting Officer, Project Leader and PC/T&PC is not discharged merely by selecting the cheapest offer but has to ensure that:

- (i) Offers have been invited after following fair and reasonable procedures in prevailing circumstances;
- (ii) He is satisfied that the selected offer will adequately meet the requirement for which it is being procured;
- (iii) The price of the offer is reasonable and consistent with the quality required; and
- (iv) The accepted offer is the most appropriate taking all relevant factors into account in keeping with the standards of financial propriety.

After the acceptance of these recommendations by the PL/**sanctioning** authority, the Letter of Award (LoA) can be issued.

## **7.6 Award of Contract**

### 7.6.1

#### **Letter of Award (LOA)/Purchase Order/Contract to successful bidder**

01. Prior to the expiry of the period of bid validity, the successful bidder will be notified (briefly indicating therein relevant details such as quantity, specification of the goods ordered, prices, and so on) in writing by a registered letter or any other acknowledgeable and fool proof method that his



bid has been accepted. Legally communication of acceptance of offer is considered complete as soon as it is submitted to Postal authorities (**please refer to Para 2.9.1 of Appendix 1 – Legal Aspects of Public Procurement**). A template for the letter of Acceptance or Notice of Award, or Acceptance of Tender is given in Annexure –7A. In the same communication, the successful bidder is to be instructed to furnish the required performance security within a specified period (generally 21 (twenty-one) days).

02. In respect of contracts for purchases valued Rupees two and a half lakh and above, where tender documents include the GCC, SCC and schedule of requirements, the letter of acceptance will result in a binding contract. All delivery liabilities would be counted from the date of LoA.
03. While framing contracts, the general principles as indicated in Rule 225 of GFR 2017, which have been referred in different chapters of the CSIR Manual needs to be followed.
04. Details of all letter of Awards (LOA)/Purchase Orders/Contracts must be entered in the Purchase Order Registers as per format given in Annexure–7B (for indigenous purchases) and Annexure–7C (for foreign purchases) and serial number of the related entry in the register may allotted as PO Number, before issuing PO in favour of the successful bidder.

#### 7.6.2

##### **Publication of Tender results and return of EMD of unsuccessful bidders (Rule 173 (xviii) & Rule 170 (ii) of GFR 2017)**

The details of award of contract and name of the successful bidder should be mentioned mandatorily on the CPPP and also in the notice board/bulletin/website of the concerned Procuring Entity. In case publication of such information is sensitive from commercial or security aspects, dispensation may be sought as per SOPP. Upon the successful bidder furnishing the signed agreement and performance security, each unsuccessful bidder will be promptly notified and their bid security be returned without interest within 30 (thirty) days of notice of award of contract. The successful supplier's bid security shall be adjusted against the SD or returned as per the terms of the tender documents.

#### 7.6.3

##### **Bidder's right to question rejection**

A bidder shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his tender has been rejected wrongly. The bidder is to be permitted to send his representation in writing. Bidding documents should explicitly mention the name, designation and contact details of officers nominated to receive representations in this regard. Only a directly affected bidder can represent in this regard:

- i) A bidder who has participated in the concerned procurement process i.e. pre-qualification, bidder registration or bidding, as the case may be, can make such representation.

- ii) In case pre-qualification bid has been evaluated before the bidding of Technical/ financial bids, an application for review in relation to the technical/financial bid may be filed only by a bidder who has qualified in pre-qualification bid.
- iii) In case technical bid has been evaluated before the opening of the financial bid, an application for review in relation to the financial bid may be filed only by a bidder whose technical bid is found to be acceptable.
- iv) Following decisions of the Procuring Entity in accordance with the provision of internal guidelines shall not be subject to review:
  - a) Determination of the need for procurement;
  - b) Selection of the mode of procurement or bidding system;
  - c) Choice of selection procedure;
  - d) Provisions limiting participation of bidders in the procurement process;
  - e) The decision to enter into negotiations with the L1 bidder;
  - f) Cancellation of the procurement process except where it is intended to subsequently re-tender the same requirements;
  - g) Issues related to ambiguity in contract terms may not be taken up after a contract has been signed, all such issues should be highlighted before consummation of the contract by the vendor/contractor; and
  - h) Complaints against specifications except under the premise that they are either vague or too specific so as to limit competition may be permissible.

#### 7.6.4

##### **Performance Security**

The supplier receiving the LoA is required to furnish the required performance security, if it was asked for in the tender conditions, in the prescribed form by the specified date; failing this, necessary action including forfeiture of EMD will be taken against the supplier.

#### 7.6.5

##### **Acknowledgement of Contract by successful bidder and execution**

01. After the successful bidder is notified that his bid has been accepted, he will be sent an agreement for signature and return, incorporating all agreements between the parties.
02. The supplier should acknowledge and unconditionally accept, sign, date and return the agreement within 14 (Fourteen) days from the date of issue of the contract in case of OTE and 28 (Twenty-Eight) days in case of GTE. Such acknowledgements may not be required in low value contracts, below Rupees two and a half Lakh or when the bidders offer has been accepted in entirety, without any modifications. While acknowledging the contract, the supplier may raise issues and/or ask for modifications against

some entries in the contract; such aspects shall immediately be looked into for necessary action and, thereafter, the supplier's unconditional acceptance of the contract obtained. If both parties (Procuring Entity and the supplier) simultaneously sign the contract across the table, further acknowledgement from the supplier is not required. It should also be made known to the successful bidder that in case he does not furnish the required performance security or does not accept the contract within the stipulated target dates, such non-compliance will constitute sufficient ground for forfeiture of its EMD and processing the case for further action against it (the successful bidder).

03. However, the Senior most Officer of S&P has the powers to extend the duration for submission of the Performance Security or Order Acceptance for a further period of 30 days. Beyond 30 days, the PC/TPC shall decide on merits of each case.
04. All contracts shall be signed and entered into after receipt and verification of the requisite performance security, by an authority empowered to do so. The words "for and on behalf of the Council of Scientific & Industrial Research" should follow the designation appended below the signature of the officer authorised on this behalf. No contract on behalf of the Procuring Entity should be entered into by any authority which has not been empowered to do so. (Rule 224 (1) & (2) of GFR 2017).

#### 7.6.6

##### **Framing of contract**

The following general principles should be observed while entering into contracts (Rule 225 of GFR 2017):

- i) Any agreement shall be issued strictly as per approved PC/T&PC recommendations and should be vetted by the Finance and approved by P.L. The terms of contract must be precise, definite and without any ambiguities. The terms should not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is PVC in the contract. In other words, no contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Finance.
- ii) All contracts shall contain a provision for:
  - a) Recovery of liquidated damages (LD) for delay in performance of the contract on the part of the contractor;
  - b) A warranty clause/defect liability clause should be incorporated in contracts for plant and machinery, above a threshold value, requiring the contractor to, without charge, replace, repair or rectify defective goods/works/services;
- iii) All contracts for supply of goods should reserve the right of the Procuring Entity to reject goods which do not conform to the specifications;

- iv) Payment of all applicable taxes by the contractor or supplier; and
- v) When a contract is likely to endure for a period of more than two years, it should, wherever feasible, include a provision for an unconditional power of revocation or cancellation by the Procuring Entity at any time on the expiry of six months' notice to that effect.
- vi) Standard forms of contracts should be invariably adopted, except in following cases:
  - a) Authorities competent to make purchases may, at their discretion, make purchases of value up to Rupees Two and a half lakh by issuing purchase orders containing basic terms and conditions;
  - b) In cases where standard forms of contracts are not used or where modifications in standard forms are considered necessary in respect of individual contracts, legal and financial advice should be taken in drafting the clauses in the contract and approval of PLs is to be obtained; and
  - c) Copies of all contracts and agreements for purchases entered into should be sent to Finance. (Rule 225 (xiii) of GFR 2017)

#### 7.6.7

##### **Procurement records**

The Procurement file should start with the Indent and related documents. All subsequent documents relating to procurement planning; Copy of Bid Document and documents relating to its formulation, publishing and issue/uploading; Bid Opening; Bids received; Correspondence and documents (including Technical Evaluation and PC/T&PC report) relating to pre-qualification, evaluation, Award of Contract; and finally the Contract copy, should be kept on the file. In case of bulky Bids received, all bids received may be kept in a separate volume, with a copy of accepted bids later being put on the main volume. To maintain integrity of the records relating to Procurement, these files should be kept secure and for contract management a new volume of file may be opened to obviate frequent exposure of sensitive procurement file. In contract management volume, copies of successful bid, Tender Committee Report, Contract may also be kept for ready reference, besides correspondence and documents relating to Contract Management and its closure.

## CHAPTER – 8

### RATE CONTRACTS

#### 8.1 Rate Contracts

##### Definition:

A Rate Contract (commonly known as RC) is an agreement between the purchaser and the supplier for supply of specified goods (and allied services, if any) at specified price and terms & conditions (as incorporated in the agreement) during the period covered by the Rate Contract. In a Rate Contract neither quantity is mentioned nor is any minimum drawl guarantee is given. In another words, the Rate Contract is in the nature of a standing offer from the supplier firm. The firm and/or the purchaser are entitled to withdraw/cancel the Rate Contract by serving an appropriate notice on each other normally by giving 30 (thirty) days' time. However, once a supply order is placed on the supplier for supply of a definite quantity in terms of the rate contract during the validity period of the rate contract, that supply order becomes a valid and binding contract. In view of Government e Marketplace (GeM) coming into operation, Rate Contract can be concluded for specialized **R&D Consumables and other items** which are not available through GeM. Rate Contract is not required to be entered into for common use items like computers, printers, photocopiers, paper and stationary and other items which are available on GeM.

#### 8.2 Merits of a Rate Contract:

##### 8.2.1

The Rate Contract system provides various benefits to both the Purchaser (i.e. user) and the Supplier and the same are indicated below:

##### 01. Benefit to users:

- a) Competitive and economical price due to aggregation of demands. Saves time, efforts, man-hours and related costs involved as well as repetitive tendering process. It thus reduces lead time for procurement.
- b) Availability of quality goods with full quality assurance back-up.
- c) Enables procurement as and when required and thus reduces inventory carrying cost.
- d) Provides one single point of contact to procure such items.

##### 02. Benefit to suppliers:

- a) Reduces marketing cost and efforts.
- b) Eliminates repetitive tendering and follow-up actions with multiple authorities.
- c) Provides single point contact for Govt. supplies.

- d) Aggregation of Govt. demand leads to economic production.
- e) Lends credibility.
- f) Promotes quality discipline.

### **8.3 Procedure for Conclusion of Rate Contracts by CSIR Labs/Instts.**

As a result of closure of procurement wing of the DGS&D and on request by CSIR Hqrs, the Ministry of Finance has authorized CSIR and its Labs/Instts to conclude its own Rate Contracts. Copy of the approval accorded by MOF for conclusion of RCs on NDP basis and for other items are enclosed at Annexure-8A. Rate Contracts are basically of two types i.e. Rate Contracts on Net Dealer Price (NDP) and Rate Contracts for other items. The modus operandi to conclude the RCs are as under:-

#### **01. Rate contract on NDP basis:**

To procure different types of R&D consumables which can be categorized under glass wares, plastic wares, chemicals, biochemical etc. for which the performance parameters differ significantly among the products of different manufacturers and where equitable comparison of prices of such products or services is not feasible, such requirements may be met by the Procuring Entity by concluding RCs on NDP basis. Such RCs should be concluded for only those items which are not available on GeM and for which the prices are likely to be stable. For this purpose, the following needs to be ensured:

- i) The Procuring Entity shall invite tenders on single tender basis directly from the known manufacturers or their authorized sole distributors who are specifically authorized to quote by the manufacturer for the particular tender.
- ii) RC shall be concluded on NDP basis with applicable discount and terms & conditions.
- iii) While concluding the RC it should be clearly indicated that RC is applicable for a particular category of items of the Price List/Catalogue of the vendor and not for all the items of the price list/Catalogue.
- iv) Depending upon the need, the Procuring Entity shall ensure that such contracts are concluded with only those firms whose products are often required on repetitive basis by the Procuring Entity for its R&D activities. Large number of such RCs does not benefit the Procuring Entities since the vendors use name of the Procuring Entity for securing RCs in other organizations and for furtherance of their other business interests.
- v) An Indentor is free to choose any of the RC holders to procure items under the RC depending upon the requirement of the experiment. In case the goods are proposed to be procured under direct purchase without quotation or under Local purchase committee, the purchaser shall ensure that the prices to be

paid for such products do not exceed those stipulated rates in the RC. Such items should be purchased necessarily from the OEM or its authorized distributor/dealer.

- vi) While concluding the R/C on NDP basis, the PC should ensure that R/C is concluded based on the price list of the current financial year only so that rates remain uniform across all CSIR Lab/Instt during the currency of R/C taking into consideration the provisions of the Fall Clause. Hence, efforts should be made to conclude the R/Cs by end of 30<sup>th</sup> June so that it is effective from 1<sup>st</sup> July and uniformity of the price lists adopted across pan CSIR is ensured and budgetary levies do not affect the RCs. If for some reasons, the RCs are concluded during the middle of the financial year, it should be ensured that the duration of the RC culminates by 30<sup>th</sup> of June, of the following financial year.
- vii) The requirement of BS & PS does not apply for RCs concluded on NDP basis.
- viii) The provisions of fall clause shall apply. (as described later in this chapter.)
- ix) The RC on NDP basis can also be concluded directly with the foreign principal manufacturer/its foreign supplier in foreign currency ensuring that the benefits available to CSIR on account of Custom duty, IGST/SGST are properly availed,

**02. Rate Contracts for other items:**

To procure high turnover common user items which are repeatedly required by the Procuring Entity and which are not specialized R&D consumables, RCs may be concluded ensuring the following. Such RCs should be concluded for only those items which are not available on GeM and for which the prices are likely to be stable.

- i) The Procuring Entity shall process conclusion of RCs of items other than specialized R&D consumables by inviting open/online tenders reserving the right to conclude one or more than one RC for the same item.
- ii) The tender shall indicate the items to be purchased under RC, approximate annual drawal/value in the tender document.
- iii) **Price Negotiation/Counter offer/Parallel RCs :**

The RC is to be awarded to the lowest evaluated responsive and qualified firm. Price Negotiation with the bidders is severely discouraged. However, in case the price quoted by the lowest responsive bidder (L1) is not reasonable and un-acceptable, the price may be negotiated with L1 only and, if it reduces the price to the desired level, rate contract may be concluded with L1. Parallel RCs are primarily concluded to ensure alternate sources of supply. There may be a situation, where parallel rate contracts are needed, though the price of L1 is reasonable. To take care of such situation, the Procuring Entities may resort to negotiation and counter offering as indicated below:



- (a) To start with, the rate contract may be awarded to L1 bidder. Then the price of L1 is to be counter offered to the higher quoting responsive bidders under intimation to L1 asking them to send their revised tenders in sealed covers or online on e-bidding platform to be opened in public at a specified place, date and time (as per the standard procedure). L1 may be specifically informed that it may, if it so desires, reduce its price and send its revised tender accordingly as above. The bidders, who accept the counter offered rate or rate lower than that, are to be awarded parallel rate contracts. If L1 lowers its rate in its revised offer, same may also be accepted with effect from that date and its rate contract amended accordingly. There may also be a situation where parallel rate contracts are necessary, but even the price of the lowest responsive bidder (L1) is not reasonable. In that case, price negotiation may be conducted with L1 in the first instance. If L1 agrees to bring down the price to the desired level, rate contract may be concluded with it and that price counter offered to other responsive bidders under intimation to L1 for further action in identical manner as indicated in the above. If, however, L1 does not agree to reduce its price in the first instance itself, then the price, which has been decided as reasonable may be counter offered to all the higher quoting responsive bidders (including L1) for further action on above lines. In respect of items where single bid has been received, the same may be re-tendered, i.e. if consequent to invitation of tender/bid only one bid/tender is received or consequent to technical evaluation if only one bid/tender is found eligible, such bid/tender shall be termed as single bid in respect of that item.
- iv) The user shall be free to choose items of a particular RC holder. In case the goods are proposed to be procured under direct purchase without quotation or under Local purchase committee, the purchaser shall ensure that the prices to be paid shall not exceed those stipulated in the RC.
- v) BS is to be furnished by unregistered vendors only. Where there is no registered supplier (for the subject item), the requirement of registration can be relaxed provided the prospective bidder is otherwise eligible to bid having satisfactory technical and financial capability.
- vi) **Performance Security:** Depending on the anticipated overall drawal against a rate contract and, also, anticipated number of parallel rate contracts to be issued for an item, the procuring entity shall consider obtaining Performance Security @ 5% (Five percent) of the value of supply order in the supply orders issued against rate contracts on the rate contract holder in case the item is not consumable in nature.
- vii) In case of emergency, the Procuring Entity may purchase the same item through ad-hoc contract with the new supplier.
- viii) **Cartel Formation/Pool rates/Bid rigging/Collusive bidding etc.**
- (a) Quoting of pool rates/Cartel formation, bid rigging/collusive bidding is against the basic principle of competitive bidding and defeats the very purpose of open and competitive tendering system. Such practices should be

severely discouraged with strong measures. Suitable administrative actions like rejecting the offers and reporting the matter to Competition Commission of India should be initiated against such firms, on case to case basis, as recommended by the PC and approved by the Director of the CSIR Lab./Instt. Or JS(A) in CSIR Hqrs. The Procuring Entities may also bring such unhealthy practice to the notice of the concerned trade associations like FICCI, ASSOCHAM, NSIC, etc. requesting them, inter alia, to take suitable strong actions against such firms. The bidders indulging in cartel formation/collusive bidding/bid rigging may be debarred for a period of two years from participation in the tenders of the Procuring Entity with information to CSIR Hqrs. and other CSIR Labs/Instts. The Procuring Entities may also encourage new firms to get themselves registered to break the monopolistic attitude of the firms giving pool rate/forming cartel.

- ix) **Renewal of Rate Contracts:** It should be ensured that new rate contracts are made operative right after the expiry of the existing rate contracts without any gap for all rate contracted items. In case, however, it is not possible to conclude new rate contracts due to some un avoidable reasons, timely steps are to be taken to extend the existing rate contracts with same terms, conditions etc. for a suitable period, with the consent of the rate contract holders. Rate contracts of the firms, who do not agree to such extension, are to be left out. Also, while extending the existing rate contracts, it shall be ensured that the price trend is not lower.
- x) Provisions of the Public Procurement (preference to make in India) Order 2017 may also be kept in mind while finalizing such purchases.

#### **8.4 Special conditions applicable to RCs (both types)**

Some important special conditions of rate contract are given below which differ from the usual conditions applicable for ad-hoc contracts:

01. Once the RC is concluded the same shall be hosted on the website of the Procuring Entity.
02. The RC shall be valid for a period of one year.
03. The RC may be withdrawn by giving one month's notice by both parties.
04. The RC will be guided by the Fall Clause.
05. Actual supply orders, incorporating definite quantity of goods to be supplied along with all other required conditions following the rate contract terms, are to be issued for obtaining supplies through the rate contract.
06. The procuring entity may place supply orders up to the last day of the validity of the rate contract and, though supplies against such supply orders will be effected beyond the validity period of the rate contract. All such supplies will be guided by the terms & conditions of the rate contract.

07. In the Schedule of Requirement, no quantity is mentioned; only the anticipated drawal is mentioned without any commitment.
08. The Procuring Entity reserves the right to conclude one or more than one rate contract for the same item.
09. The Procuring Entity may ask the bidders to offer a separate discount for bulk purchases and also define the quantity to be treated as “bulk” for a single supply order.
10. In case of emergency, the Procuring Entity may purchase the same item through ad-hoc contract with a new supplier.
11. Usually the terms of delivery in rate contracts should be free delivery at the premises of the Procuring Entity.
12. On receipt of the indent as per Annexure 2D, Purchase Section shall immediately place the purchase order with the party without reference to PC after obtaining the sanction as per SOPP. However, the indents for replenishment of stock shall be raised after the PC has recommended the item to be purchased and quantity indicating the source. After obtaining the sanction as per SOPP, the purchase order should be released.
13. In case of goods or services of low value where the expected annual drawl is less than ₹ 1,00,000 and which are required by the users in very small quantities, rate contracts may not be concluded.
14. Rate Contract may not be concluded for the scarce/critical/perpetually short supply goods or services.
15. **Period of Rate Contract:** The period of a Rate Contract should normally be one year for stable technology products. However, in special cases, shorter or longer period not more than two years may be considered. As far as possible, validity period of rate contracts should be fixed in such a way as to ensure that budgetary levies would not affect the price and thereby frustrate the contracts.
16. The rate contract will be guided by “Fall Clause” (as described below).
17. **Fall Clause:**
  - (a) Fall Clause is a price safety mechanism in rate contracts. The fall clause provides that if the rate contract holder reduces its price or sells or even offers to sell the rate contracted goods or services following conditions of sale similar to those of the rate contract, at a price lower than the rate contract price, to any person or organization during the currency of the rate contract, the rate contract price will be automatically reduced with effect from that date for all the subsequent supplies under the rate contract and the rate contract amended accordingly. Other parallel rate contract holders, if any, are also to be given opportunity to reduce their price as well, by notifying the reduced price to them and giving them 07 (Seven) days’ time to intimate

their revised prices, if they so desire, in sealed cover to be opened in public on the specified date and time and further action taken as per standard practice. On many occasions, the parallel rate contract holders attempt to grab more orders by unethical means by announcing reduction of their price (after getting the rate contract) under the guise of Fall Clause. This situation is also to be dealt with in similar manner as mentioned in the preceding paragraph. It is however, very much necessary that the PC keeps special watch on the performance of such rate contract holders who reduce their prices on one pretext or other. If their performances are not up to the mark, appropriate severe action should be taken against them including deregistering them, suspending business deals with them, debarring them for two years from participating against the tender enquiry floated by concerned Lab/Instt.

- (b) The provisions of fall clause will, however, not apply to the following:
    - i) Export/Deemed Export by the supplier;
    - ii) Sale of goods or services as original equipment prices lower than the price charged for normal replacement;
    - iii) Sale of goods such as drugs, which have expiry date;
    - iv) Sale of goods or services at lower price on or after the date of completion of sale/placement of order of goods or services by the authority concerned, under the existing or previous Rate Contracts as also under any previous contracts entered into with the other CSIR Labs/Instts, Central or State Government Departments including new undertakings (excluding joint sector companies and or private parties) and Statutory Bodies.
18. **Placement of supply orders:** Supplies are to be obtained against a rate contract by placing on the rate contracted firm supply order containing the quantity of the goods to be supplied and incorporating the prices and other relevant terms and conditions of the rate contract. The officials placing such supply orders should be duly competent and authorized to do so as per SOPP. A supply order should be issued on standard format of Purchase Order of the Procuring Entity and generally contain the following important details:
- i) Rate Contract No. and date;
  - ii) Quantity. (Where there is more than one consignee, the quantity to be dispatch to each consignee is to be indicated);
  - iii) Price;
  - iv) Date of Delivery by which supplies are required. (In the supply order, a definite delivery date based on the delivery period stipulated in the rate contract is to be provided).

## 8.5 Purchase of Medicines

### 8.5.1

Most of the CSIR Labs/Instts have health Centers / Dispensaries attached to them. Medicines and the allied consumables are required by these Health Centers/Dispensaries for the treatment of staff/pensioners. The procurement of medicines in a timely manner is a very important function as it relates to the health and life of an individual. Many pharmaceutical companies offer institutional price lists valid for a certain period. Hence, indents as per rate contract may be raised by Health Centers/Dispensaries according to the requirement in conformity to the latest directives of the Govt. of India.

### 8.5.2

For the above purpose, the following procedure may be adopted:

1. Medicines as per Annexure -1F given in the CSIR Manual for Purchase of Goods 2018 (103 nos) shall be purchased from the Central PSUs as per the prices fixed by the Department of Pharmaceuticals, Govt of India.
2. For all other medicines, the Procuring Entity may conclude rate contract on NDP basis indicating the brand of the company from which they intend to procure the medicines.
3. The conditions of the RC may contain the clause:
  - 3.1 About replacement of medicines which are nearing expiry,
  - 3.2 A certificate from the bidder that the rates charged are not more than those offered to any Institution/govt. hospital.
4. The supplied medicines must have expiry date of at least 12 months from the date of supply.

## CHAPTER – 9

### CONTRACT MANAGEMENT

#### 9.1 Contract Management

##### 9.1.1.

##### **The purpose of Contract Management**

The purpose of contract management is to ensure that the contract delivers the desired outcomes as per the terms and conditions of the contract. It also ensures that the payments made to the contractor match the performance. Implementation of the contracts should be strictly monitored and notices issued promptly whenever a breach of provisions occurs (Rule 226(i) of GFR 2017). Monitoring should ensure that contractor adhere to contract terms, performance expectations are achieved (such as timely deliveries, quality of goods supplied, adherence to proper procedure for submitting invoices, and so on) and any problems are identified and resolved in a timely manner. Without a sound monitoring process, there can be no assurance that “we get what we pay and contract for and pay for only for what we get”. Normally, the following issues are handled during this phase:

01. Amendments to the contract;
02. Operation of the option clause;
03. Safeguards for handing over Procuring Entity materials / equipment to contractors;
04. Payments to the contractor and handling of securities;
05. Monitoring of supplier performance;
06. Delays in performance of the contract;
07. Breach of contract, remedies and termination of contract;
08. Dispute resolution;
09. Contract closure upon completion;
10. Goods receiving;
11. Quality assurance;
12. Storage and issue of inspected goods and
13. Accountal and payment of bills.

##### 9.1.2

##### **Costs of delay in contract management decisions: delays**

Payments and decisions in contract management requested by the suppliers should be made within a reasonable time. An atmosphere of lack of dilatory functioning in such matters is liable to lead to bidders quoting higher prices in future bids, besides delays in supplies and disputes in the contract.

#### 9.2 Amendment to the Contract.

01. Once a contract has been concluded, the terms and conditions thereof should not be varied. No amendment to the contract should be made that can lead to a vitiation of the original tender decision or undue advantage on the contractor. However, due to various reasons, changes and modifications are needed in the contract. Where it becomes necessary/ inescapable, any modification will be carried out with the recommendations of the IO/PL/User and PC/T&PC with the approval of the Director of the CSIR Lab/Instt or JS(A)

in CSIR Hqrs. which involves variations or major changes in the contract having financial implications. However, amendments/Modifications demanded by suppliers without financial implications and in conformity with the original offer may be approved by the Sr. most officer of the S&P Division.

02. Requests for such changes and modifications mostly emanate from the supplier. Any amendment to the contract may have, inter-alia, financial / technical / legal implications. The indenter should be consulted regarding the technical implications. Financial concurrence should be obtained before issuing any amendment that has financial implications/ repercussions. Further, if considered necessary, legal opinion may also be sought (Rule 227 of GFR 2017).
03. An amendment can concern any of the clauses of the contract but, in supply contracts, amendments often relate to the following:
- (v) Increase or decrease in the quantity required, exercise of quantity option clause;
  - (vi) Changes in schedule of deliveries and terms of delivery;
  - (vii) Changes in inspection arrangements;
  - (viii) Changes in description/specifications of the contracted goods;
  - (ix) Changes in terms of payments and statutory levies; and
  - (x) Changes due to any other situation not anticipated.

Post contract variation carried out in the form of an amendment shall be published by the purchaser on the same e-Procurement portals / Websites that were used for publication of the original tender enquiry. No change in the price quoted shall be permitted after the purchase order has been issued, except on account of price variation, ERV and statutory variations .

### **9.3 Operation of Option Clause**

#### **9.3.1**

##### **Option Clause**

Under this clause, the purchaser retains the right to place orders for an additional quantity up to a specified percentage of the originally contracted quantity at the same rate and terms of the contract, during the currency of the contract. This clause and percentage should be part of the Bid Document and the contract and ideally should not exceed 25%. The Purchase Division shall obtain the approval and sanction of the IO/PL while exercising the option clause with recommendation of the PC/T&PC before releasing the purchase order. The clause may be framed along following lines:

“The purchaser reserves the right to increase/decrease the ordered quantity by up to 25 (Twenty Five) per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period).”



### 9.3.2.

#### **Conditions Governing operation of option clause**

The following points must be kept in mind while operating the option clause:

01. In case of decrease in the ordered quantity, it would be fair to allow the firm to supply work-in-progress or goods already put up for inspection;
02. There should be no declining trend in the price of the stores as evidenced from the fact that no order has since been placed at lower rates and no tender has been opened since the time offers have been received at lower rates – even if not finalized;
03. The Indentor and Purchase Division should apply due diligence to keep a watch on delivery against contracts involving exercise of Option Clause.
04. The option clause is normally exercised after receipt of 50 (Fifty) per cent quantity but if the delivery period is going to expire and other conditions are fulfilled, it can be exercised even earlier;
05. The option clause shall be exercised during the currency of the contract such that the contractor has reasonable time/notice for executing such an increase and can be exercised even if the original ordered quantity is completed before the original last date of delivery. If not already agreed upon, the delivery period shall be fixed for the additional quantity on the lines of the delivery period in the original order. This will satisfy the requirement of giving reasonable notice to the supplier to exercise the option clause;
06. There should be no option clause in development orders;
07. This provision can also be exercised in case of PAC/single supplier OEM cases; and
08. However, where parallel contracts on multiple suppliers are available, care should be taken in exercising the option clause, so that the original tender decision of splitting quantities and differential pricing is not upset or vitiated. Other things being equal, the supplier with the lower rate should first be considered for the option quantity.

#### **9.4 Safeguards for Handing over Procuring entity materials / equipment to Contractor**

For performance of certain contracts, Procuring Entity may have to loan stores, drawings, documents, equipment and assets (such as accommodation, identity cards and gate passes, and so on) to the contractor. In certain situations, the contractor may also be supplied electricity, water, cranes, and weighing facilities on payment/hire basis. As a measure of transparency, the possibility of provision of such resources by Procuring Entity should have been announced in the tender document or at least requested by the contractor in the tender and written in the

contract. Whenever stores or prototypes or sub-assemblies are required to be issued to the firm/ contractor for guidance in fabrication, these should be issued against an appropriate security. In addition to the security, appropriate insurance may be asked for if it is considered necessary. Before the final payment or release of PBG, a certificate may be taken from the concerned Department that the contractor has returned all documents, drawings, protective gear, material, equipment, facilities and assets loaned, including all ID cards and gate passes, and so on, in good condition. Further, it should be certified that payment from the contractor has been received for usage of electricity, water, crane, accommodation, weighing facility, and so on. (Rule 225 (xii)(a) of GFR 2017)

## **9.5 Payments to the Contractor and Handling of Securities**

It should be ensured that all payments due to the firm, including release of the Performance Security, are made on a priority basis without avoidable delay as per the tender/contract conditions. Before the payment is made, the invoice should be cross-checked with the actual receipt of material to ensure that the payment matches the actual performance.

Proper procedures for safe custody, monitoring and return of Bank Guarantees and other instruments may be followed. Chapter 6 has more details in this regard. Before making a final payment or before releasing the performance bank guarantee, a 'No Claim Certificate as per Annexure 9A may be insisted upon from the supplier to prevent future claims. Whenever a bank guarantee is released following due procedure and safeguards, acknowledgement thereof should also be taken from the contractor.

For the above purpose, once the inspection is complete and the indenter certifies the inspection report, Stores should ensure that the bill containing the stock entry reference and copy of the inspection report is sent to purchase within four working days after the inspection is over. The Purchase section shall send the same directly to accounts within four working days for payment and then the accounts may arrange payment to the vendor within five working days from the date of receipt of bill else return the bill to the purchase section, in case of any shortcomings/observations within this period.

## **9.6 Monitoring of Supplier performance**

As soon as the order is issued, entry shall be made in the appropriate Purchase Order Register (Annexure 7B & 7C) and progress of supply be also recorded therein. The name of the supplier, items, rate, quantity, amount, delivery schedule, and so on. Monitoring should ensure that suppliers adhere to contract terms, performance expectations are achieved (such as timely deliveries, quality of goods supplied, and adherence to proper procedure for submitting invoices, and so on) and any problems are identified and resolved in a timely manner. Without a sound monitoring process, there can be no assurance that the buyer has received what was contracted. A sound system for monitoring the performance of the suppliers in a contract would also be useful in selecting a good supplier in future procurement of the same or similar materials. Purchase order-wise data will be maintained in this register regarding execution by and performance of the supplier. The register shall form the basis for the Management Information System report on unexecuted purchase orders beyond scheduled deliveries, reports on performance of suppliers, and so on.

## 9.7 Delays in performance of Contract

### 9.7.1

#### **Delivery Period**

01. The period for delivery of the ordered goods and completion of any allied service(s) thereof (such as installation and commissioning of the equipment, operators' training, and so on) are to be properly specified in the contract with definite dates and these shall be deemed to be the essence of the contract. The delivery period stipulated in contracts should be specific and practical. Vague and ambiguous terms such as 1,000 – 5,000 (One thousand to Five thousand) numbers per month, 2 to 16 (Two to Sixteen) weeks from the date of receipt of order, 'immediate', 'ex-stock', 'as early as possible', 'off the shelf', 'approximately' and the like should be scrupulously avoided as these will not be legally binding.
02. In case of items such as raw material which is delivered throughout the year, a delivery schedule of the monthly rate of supply should be specified. It is usual in such cases that there is a slight deviation from such monthly rate of supply. It should be clarified in such cases that the variation in the periodic rate of supply beyond +/- 10 (Ten) per cent in any calendar month; or +/- seven per cent cumulative in any calendar quarter; or +/- five per cent cumulative in any calendar year would be considered as delay in delivery attracting imposition of LD. Unless otherwise agreed, the buyer of goods is not bound to accept the delivery thereof in installments.
03. The powers to accept excess or short deliveries at the time of supply of goods have been spelt out in SOPP placed at Annexure 1B.

### 9.7.2

#### **Terms of Delivery:**

Terms of delivery (FOR, FOB, CIF, and CFR, and so on), inter alia, determine the delivery point of the ordered goods from where the purchaser is to receive/collect the goods. It also decides the legally important issue of when the 'titles of the goods' have passed to the purchaser. The delivery period is to be read in conjunction with the terms of delivery, therefore the delivery is taken to have been made at the time when goods reach the delivery point as per the delivery terms. Chapter 6 has more details in this regard.

### 9.7.3

#### **Severable and entire delivery contracts**

01. Such contracts, where installments are not specified or not intended are known as entire contracts. In such cases, even non-delivery of a part quantity can lead to a breach of contract. However, a variation of five per cent of the contract quantity is usually exempted in the contract conditions. In the case of an entire contract, even if providing a delivery schedule, it is not necessary to grant an extension in the delivery period in the case of delay in intermediate installments. Such extension would be necessary only in case of a delay beyond the final date for the completion of the delivery. It is at the discretion of procuring authority to permit part delivery in place of fixing a percentage.

02. Contracts with clearly laid out installment deliveries mentioning the exact dates and where each installment is paid for separately are known as severable contracts. In effect, each of such installments is a separate independent contract by itself. In severable contracts, delay or breach of one installment does not affect other installments, since each installment is considered as a separate contract. In the case of severable contracts, extension in the delivery period is necessary for each installment separately.
03. The legal position, however, is not very straightforward, since the mere mention of monthly/quarterly rate of delivery, called delivery schedule, is not sufficient to make it a severable contract. However, installments specifying exact dates, that is, 310 (Three Hundred and Ten) numbers by June 20, 2016 would be amounting to a severable contract.
04. The delivery cannot be re-fixed to make a contract a 'severable' contract without the specific agreement of the supplier, if the delivery originally stipulated in the contract was in the form of an 'entire' contract.

#### 9.7.4

##### **Extension of Delivery**

01. Suppliers shall be required to adhere to the delivery schedule specified in the purchase order and, if there is delay in supplies, LD shall be levied wherever there is failure by the party. Extension of the delivery date amounts to amendment of the contract. Such an extension can be only done with the consent of both parties (that is, the purchaser and supplier). No extension of the delivery date is to be granted suo-moto unless the supplier specifically asks for it. However, in a few cases, it may be necessary to grant an extension of the delivery period suo-moto in the interest of the administration. In such cases, it is legally necessary to obtain clear acceptance of the extension letter from the supplier.
02. No correspondence should be entered into with the supplier after expiry of the contract delivery period or towards the end of it, which has the legal effect of condoning the delay/breach of contract. When it is necessary to obtain certain information regarding past supplies, it should be made clear that calling for such information is not intended to keep the contract alive and that it does not waive the breach and that it is without prejudice to the rights and remedies available to the purchaser under the terms of the contract. The last line of such a communication should therefore be: "This letter is issued without any prejudice to Procuring Entity's rights and remedies under the terms and conditions of the subject contract and without any commitment or obligation."
03. If at any time during the currency of the contract, the supplier encounters conditions hindering timely delivery of goods, he shall promptly inform the concerned officer in writing. He should mention its likely duration and make a request for extension of the schedule accordingly. On receiving the supplier's communication, the PC/T&PC shall examine the proposal in line with Annexure 9B and, on approval from the Director of the Lab./Instt or

JS (A) in CSIR Hqrs, may agree to extend the delivery schedule, with or without LD and with or without the denial clause (as defined in Para 9.7.8 below), for completion of the contractor's contractual obligations, provided:

- (i) That a higher rate in the original tender was not accepted against other lower quotations in consideration of the earlier delivery; and
  - (ii) That there is no falling trend in prices for this item as evidenced from the fact that, in the intervening period, neither orders have been placed at rates lower than this contract nor any tender been opened where such rates have been received even though the tender is not yet decided. In cases of certain raw material supplies, where prices are linked to the PVC, extension may be granted even in case of a falling trend in price indices, since the purchaser's interests are protected by the price variation mechanism. However, in such cases it should be ensured that extensions are done with the denial clause.
04. When it is decided to extend the delivery period subject to recovery of LD for delay in supplies, contractors must be given a warning to this effect in writing at the time of granting extensions. It is not correct to grant extensions without any mention of the LD if it is proposed to recover such charges eventually. It is also not correct to grant an extension of the delivery period merely stating that the extension is granted "without prejudice to the rights of the purchaser under the terms and conditions of the contract" as this would mean that all the options given in the conditions of the contract would be available to the purchaser on expiry of the extended delivery period and would not amount to exercise of the option to recover LD. To take care of complex legalities brought out above, extension of the delivery period when granted should only be done in writing in the laid down format given in Annexure 9C.

#### 9.7.5

##### **Delay in supplies for which supplier is not responsible**

Normally, in the following circumstances, the contractual delivery period needs to be re-fixed to take care of the lost period, without imposing any penalty to the supplier:

- (i) Cases where the manufacture of stores is dependent on the approval of the advance sample and delay occurs in approving the sample though submitted by the supplier in time;
- (ii) Where extension in the delivery period is granted on account of some omission on the part of the purchaser which affects the due performance of the contract by the supplier; and
- (iii) Cases where the purchaser controls the entire production.

#### 9.7.6

##### **Performance Notice**

A situation may arise where the supply/services has not been completed within the stipulated period due to negligence/fault of the supplier; however, the supplier has not made any request for extension of the delivery period but the contracted goods/services are still required by the purchaser and the purchaser does

not want to cancel the contract at that stage. In such a case, a performance notice (also known as notice-cum-extension letter) may be issued to the supplier by suitably extending the delivery date and by imposing LD with denial clauses, and so on, along identical lines as in para 9.7.4 above. The supplier's acceptance of the performance notice and further action thereof should also be processed in the same manner as mentioned above. The text of the performance notice will be on similar lines to the Annexure 9C.

#### 9.7.7

##### **Force Majeure Clause**

01. A Force Majeure (FM) means extraordinary events or circumstance beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, riots, crimes (but not including negligence or wrong-doing, predictable/seasonal rain and any other events specifically excluded in the clause). An FM clause in the contract frees both parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. An FM clause does not excuse a party's non-performance entirely, but only suspends it for the duration of the FM. The firm has to give notice of FM as soon as it occurs and it cannot be claimed ex-post facto. There may be a FM situation affecting the purchase organization only. In such a situation, the purchase organization is to communicate with the supplier along similar lines as above for further necessary action. If the performance in whole or in part or any obligation under this contract is prevented or delayed by any reason of FM for a period exceeding 90 (Ninety) days, either party may at its option terminate the contract without any financial repercussion on either side.
02. Notwithstanding the punitive provisions contained in the contract for delay or breach of contract, the supplier would not be liable for imposition of any such sanction so long as the delay and/ or failure of the supplier in fulfilling its obligations under the contract is the result of an event covered in the FM clause.

#### 9.7.8

##### **Denial clause.**

Since delay in delivery is a default by the seller, the buyer should protect himself against extra expenditure during the extended period by stipulating a denial clause (over and above levy of LD) in the letter informing the supplier of extension of the delivery period. In the denial clause, any increase in statutory duties and/or upward rise in prices due to the PVC clause and/or any adverse fluctuation in foreign exchange are to be borne by the seller during the extended delivery period, while the purchaser reserves his right to get any benefit of a downward revisions in statutory duties, PVC and foreign exchange rate. Thus, PVC, other variations and foreign exchange clauses operate only during the original delivery period. The format of the denial clause is available in Annexure-9C.



### 9.7.9

#### **Liquidated damages (LD)**

Compensation of loss on account of late delivery (actually incurred as well as notional) where loss is pre-estimated and mutually agreed to is termed as LD. Law allows recovery of pre- estimated loss provided such a term is included in the contract and there is no need to establish actual loss due to late supply [ Malla Baux Vs. UOI (1970)].

### 9.7.10

#### **Quantum of LD**

01. While granting extension of the delivery period, where the delivery of stores or any installment thereof is accepted after expiry of the original delivery period, the Procuring Entity may recover from the contractor, as agreed, the LD a sum equivalent to 0.5 (Half) per cent of the prices of any portion of stores delivered late, for each week or part thereof of delay. The total damages shall not exceed 10 (Ten) per cent of the value of delayed goods. The LD cannot exceed the amount stipulated in the contract [NC Sanyal Vs. Calcutta Stock Exchange (1971)].
02. In contracts governed by any type of variation (PVC, ERV or statutory variations), LDs (if a percentage of the price) will be applicable on the price as varied by the operation of the PVC. LDs accrue only in case of delayed supplies. Where or in so far as no supplies have been made under a contract, upon cancellation, recovery of only the loss occasioned thereby can be made, notwithstanding the fact that prior to the cancellation one or more extensions of the delivery period with reservation of the right to LD are granted.
03. Government establishments/Departments, as distinct from PSUs, that execute contract work should not be dealt with as ordinary contractors and not generally be penalized for late delivery and claims for loss on risk-purchase should not be enforced against them. Serious cases of defaults should, however, be brought to the notice of the HOD or the Government Department concerned.
04. Relaxations allowed to Government establishments/Departments, as above, will not apply to PSUs as a matter of course. Each case should be decided on merits and the decision to waive the recovery of LDs or risk purchase expenditure should be taken on merit. In the case of development / indigenization contracts, LDs are not levied. However, the nature of such contracts should be declared at the time of placing them.
05. In case of entire (non-severable) contracts, even where staggered deliveries have been indicated, it may happen that supplies are not received according to the delivery schedule. In such cases, keeping in mind the fact that the deliveries indicated under the contract are non-severable, no question of LDs or enforcement of risk purchase would arise so long as there has been no delay in the completion of supplies with reference to the total delivery period.



### 9.7.11

#### **Waiver of LD**

There should normally be no system of waiver of LDs for delayed supplies in supply contracts and it may be strictly an exception rather than a rule. For an extension of the delivery date with waiver of LD, approval of the Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs. in consultation with Indenting Officer and Project Leader and recommendations of PC/T&PC may be taken after duly justifying the need. Else, the applicable LD needs to be levied. Notwithstanding the above, the Procuring Entity may accept goods after expiry of delivery period for small value/marginal delays in line with SOPP without levy of LD.

### 9.7.12

#### **Handling deliveries after the expiry of delivery period**

01. As per law, if stores are accepted after expiry of the delivery date of a particular installment without extension in delivery period having being given, duly reserving our rights to levy LD, it amounts to voluntary abrogation of our legal rights under the contract to claim LDs or other remedies.
02. If the contractor makes supplies locally after the expiry of delivery period, the supplies may be provisionally retained under a franking clause reserving rights and the contractor may be asked to obtain an extension of the delivery period from an authorised officer with or without any LD/ denial clause. The franking clause should be as under:

“Please note that materials have been supplied after the expiry of contracted delivery date and its provisional retention does not acquiesce or condone the late delivery and does not intend or amount to an extension of the delivery period or keeping the contract alive. You may apply for an extension of delivery date from the Procuring Entity. The goods are being retained without prejudice to the rights of the Procuring Entity under the terms and conditions of the contract.”
03. As regards supplies coming from outside contractors, if the contractor dispatches the stores after expiry of the delivery period, the consignee should, after the receipt of the railway receipt or lorry receipt or goods consignment note or airway bill, send an intimation to the contractor stating that the action taken by him in dispatching the goods after expiry of delivery date is at his own risk and responsibility, and that the consignee is not liable for any demurrage, wharfage and deterioration of goods at the destination station and, in his own interest, the contractor should get an extension of the delivery period from the purchasers. In such cases, the consignee while receiving the materials must mention that the supplies are retained under franking clause. A copy of the communication sent to the contractor should also be sent to the purchaser.
04. In case of imports, the contractor must not dispatch the consignment after expiry of the delivery period without taking prior extension of the delivery

period. In any case, the terms of LC should be such that if there are dispatches beyond the delivery period, payment should be denied without levy of full LD and without formal extension of the delivery period by the purchaser.

## **9.8 Breach of Contract, remedies and Termination**

01. In case the contractor is unable to honor important stipulations of the contract, or gives notice of his intention of not honoring or his inability to honor such a stipulation, a breach of contract is said to have occurred. Mostly, such breaches occur in relation to the performance of the contract in terms of inability to supply the required quantity or quality. It could also be due to breach of ethical standards or any other stipulation that affects Procuring Entity seriously.
02. The purchaser or its authorized representative is not to enter into correspondence after expiry of the delivery date stipulated in the contract because such a correspondence will keep the contract alive and would amount to abrogation of the purchaser's right and remedies for delays by the contractor. This situation will not allow the purchaser to cancel the contract straight away without first serving a performance notice to the supplier. However, even after expiry of the delivery period of the contract, the purchaser may obtain information regarding past supplies, and so on, from the supplier, simultaneously making it clear to the supplier that calling of such information is not intended to keep the contract valid and it does not amount to waiving the breach and that it is without prejudice to the rights and remedies available to the purchaser under the terms of the contract. A model communication which may be issued by the purchaser to ascertain the supply position after expiry of the delivery period is given at Annexure 9D. As soon as a breach of contract is noticed, a show cause notice should be issued to the contractor reserving the right to implement contractual remedies. If there is an unsatisfactory resolution, remedial action may be taken immediately. The powers to terminate a contract vests with the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs on the recommendations of the PC/T&PC. The Procuring Entity may terminate a contract in the following cases .

### **9.8.1.**

#### **Cancellation of Contract for default**

01. Without prejudice to any other remedy for breach of contract, such as removal from the list of registered supplier, by written notice of default sent to the supplier, the contract may be terminated in whole or in part:
  - (i) If the supplier fails to deliver any or all of the stores within the time period(s) specified in the contract, or any extension thereof granted;
  - (ii) If the supplier fails to perform any other obligation under the contract within the period specified in the contract or any extension thereof granted; and
  - (iii) If the contract is terminated in whole or in part, recourse may be taken to any one or more of the following actions:

- (a) Forfeiture of the performance security;
  - (b) Upon such terms and in such manner as it deems appropriate, goods similar to those undelivered may be procured and the supplier shall be liable for all available actions against him in terms of the contract (popularly called risk purchase); and
  - (c) However, the supplier shall continue to fulfill the contract to the extent not terminated.
02. Before cancelling the contract and taking further action, it may be desirable to obtain legal advice.

### 9.8.2

#### **Termination of Contract for Insolvency**

If the supplier becomes bankrupt or becomes otherwise insolvent or undergoes liquidation or loses substantially the technical or financial capability (based on which he was selected for award of contract), at any time, the contract may be terminated, by giving a written notice to the supplier, without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to Procuring Entity.

### 9.8.3

#### **Termination of Contract for convenience.**

After placement of the contract, there may be an unforeseen situation compelling Procuring Entity to cancel the contract. In such a case, a suitable notice has to be sent to the supplier for cancellation of the contract, in whole or in part, for its (Procuring Entity's) convenience, inter alia, indicating the date with effect from which the termination will to become effective. This is not Procuring Entity's legal right- the contractor has to be persuaded to acquiesce. Depending on the merits of the case, the supplier may have to be suitably compensated on mutually agreed terms for terminating the contract. Suitable provisions to this effect should be to be incorporated in the tender document as well as in the resultant contract.

## **9.9 Dispute Resolution**

Normally, there should not be any scope for dispute between the purchaser and supplier after entering into a mutually agreed valid contract. However, due to various unforeseen reasons, problems may arise during the progress of the contract leading to a disagreement between the purchaser and supplier. Therefore, the conditions governing the contract should contain suitable provisions for settlement of such disputes or differences binding on both parties. The mode of settlement of such disputes/differences should be through arbitration. However, when a dispute/difference arises, both the purchaser and supplier should first try to resolve it amicably by mutual consultation. If the parties fail to resolve the dispute within 21 (Twenty-One) days, then, depending on the position of the case, either the purchaser or supplier should give notice to the other party of its intention to commence arbitration. When the contract is with a domestic supplier, the applicable arbitration

procedure shall be as per the Indian Arbitration and Conciliation Act, 1996. While processing a case for dispute resolution/litigation/arbitration, the Procuring Entity is to take legal advice, at appropriate stages (Rule 227 of GFR 2017). The DG CSIR shall appoint an arbitrator on the advice of LA, CSIR. However, a decision to accept or otherwise, the award of the arbitration as well as any court order shall rest with CSIR Hqrs.

#### 9.9.1

##### **Arbitration clause.**

If any dispute or difference arises between the parties hereto as to the construction, interpretation, effect and implication of any provision of this agreement including the rights or liabilities or any claim or demand of any party against other or in regard to any other matter under these presents but excluding any matters, decisions or determination of which is expressly provided for in this Agreement, such disputes or differences shall be referred to an Arbitral Bench consisting of three Arbitrators, one each to be appointed by each party and the two Arbitrators shall appoint a third Arbitrator who shall be the presiding Arbitrator. A reference to the Arbitration under this Clause shall be deemed to be submission within the meaning of the Arbitration and Conciliation Act, 1996 and the rules framed thereunder for the time being in force. Each party shall bear and pay its own cost of the arbitration proceedings unless the Arbitrators otherwise decides in the Award. The venue of arbitration should be the place from where the contract has been issued.

#### 9.9.2

##### **Foreign arbitration**

01. The Arbitration and Conciliation Act 1996 has provisions for international commercial arbitration, which shall be applicable if one of the parties has its central management and control in any foreign country.
02. When the contract is with a foreign supplier, the supplier has the option to choose either the Indian Arbitration and Conciliation Act, 1996 or arbitration in accordance with the provisions of the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules.
03. The arbitration clause with foreign firms should be in the form of self-contained agreements. This is true especially for large value contracts or those for costly plant and machinery. The venue of arbitration should be in accordance with UNCITRAL or arbitration rules of India, whereby it may be in India or in any neutral country.

#### **9.10 Closure of contract**

While making the final payment to the contractor and before releasing the PBG, it should be ensured that there is nothing outstanding from the contractor, because it would be difficult to retrieve such amounts after releasing the bank guarantee/final payment. Before the bank guarantee and Final Payment is released a “No Claim Certificate” may be taken from the contractor as per the format given in Annexure 9A. The following reconciliations are therefore required.

### 9.10.1

#### **Materials reconciliation**

The stores and/or the indenter should confirm that all materials ordered in the contract and being paid for have been received in good condition and there is no shortfall.

### 9.10.2

#### **Reconciliation with the Indentor**

Besides material reconciliation, the Indentor should certify in writing that the following activities (wherever applicable) have been completed by the contractor, to his satisfaction, as per the contract:

- (i) Achievement of performance standards of material/equipment supplied;
- (ii) Installation and commissioning;
- (iii) Support service during the warranty period which has ended on;
- (iv) Training of operators/maintenance staff;
- (v) Return of all ID cards, gate passes, documents, drawings, protective gear, material, equipment, facilities and assets loaned to contractor; if any and
- (vi) Support during annual maintenance contract (if it was part of the contract) which has ended on\_\_\_\_\_.

### 9.10.3

#### **Payment reconciliation**

01. The Purchase Department of the Procuring Entity may reconcile payments made to the contractor to ensure that there is no liability outstanding against the contractor on account of:

- (i) LD;
- (ii) Price reduction enforced on account of shortfall in performance of material/equipment
- (iii) Variations/deviations from the scope of the contract;
- (iv) Overpayments/duplicate payments, if any;
- (v) Services availed from Procuring Entity and vacation thereof such as accommodation, electricity, water, security, transport, cranes and other machinery, and so on;
- (vi) Demurrage, insurance premiums or claims, customs duties, and so on;
- (vii) Material reconciliation;
- (viii) Price and exchange rate variations;
- (ix) Statutory duties paid on behalf of the contractor by Procuring Entity; and
- (x) Inspection charges or loss of material in testing.

02. On satisfactory reconciliation and against a “No Claim Certificate” from the contractor, the bank guarantee may be released and its acknowledgement taken from the contractor.

03. On completion of all activities against a contract, the purchase file should be preserved for a period of five years in the record room and then destroyed after expiry of the applicable mandatory retention period with the concurrence of F&A and Admin provided there is no audit para or any vigilance issue. However, Procuring Entity, at its discretion, may retain important records for future reference.

## **9.11 Goods Receiving**

### **9.11.1**

#### **Transportation of Goods**

01. Where critical equipment of high value is involved, suitable special instructions shall be conveyed to the supplier about the mode of transport, loading, avoidance of transshipment and, if necessary, provision of escorts. In case of chemicals, powdery materials, liquid materials, and so on, parties may be advised on proper packaging to avoid spillage en route, so as to avoid pollution problems and also to conform to the ISO 14001 standard. In case transport is arranged by Procuring Entity, suitable instructions may be incorporated in the transportation contract accordingly.
02. Wherever the items make a full truck load, the suppliers should be advised to dispatch such items in a full truck direct to the consignee on a door delivery basis to the site. In such cases, Procuring Entity shall advise the supplier to send a consignee copy of the lorry receipt to the consignee along with the consignment and the consignment shall be booked to Procuring Entity and not "self". The supplier shall be specifically asked to dispatch the consignments to the designated consignee. All dispatch documents, that is, railway/lorry receipt, goods consignment note, airway bill, invoices, packing list, freight memos, test certificate, and so on, shall be sent to the Purchaser which will arrange to make the payment. If the payment is to be made through the bank, all original documents are to be sent through the designated bank.

### **9.11.2**

#### **Dispatch documents for clearance / receipt of goods.**

01. The supplier shall send all the relevant dispatch documents well in time to the purchaser to enable the purchaser to clear or receive (as the case may be) the goods in terms of the contract. Necessary instructions for this purpose are to be incorporated in the contract. Within 24 (Twenty- Four) hours of dispatch, the supplier shall notify the purchaser or consignee (others concerned), the complete details of dispatch and also send all relevant documents by registered post/ speed post/air mail/courier/fax (or as instructed in the contract) for arranging clearance where ever required.
02. The supplier should submit at least three copies of his invoice. The invoices must be pre-stamped and shall indicate the details of the lorry receipt or railway receipt number or air way bill, as the case may be, and also the details of the packing list and items dispatched. The invoice must also indicate the purchase order number and date, GST number, HSN Code, unit rate, applicable taxes and net total price; the packing list shall include the total

weight of the consignment and items dispatched. All documents are to be duly signed by the supplier's representative. Bank charges towards processing of the bills for payment shall be as per terms and conditions of the purchase order.

### 9.11.3

#### **Receipt of consignment**

01. At the time of the delivery at the stores, the storekeeper should receive the goods on a "subject to inspection" basis and should issue the preliminary receipt after a preliminary inspection as an acknowledgement of having received the claimed quantity (not the quality) of consignment. While receiving the materials after the delivery period, it must be mentioned at the time of giving the preliminary acknowledgement that the supplies are retained under franking clause reserving the rights of the Procuring Entity and the contractor may be asked to obtain extension of delivery period with or without any LD/Denial clause
  - (i) **Preliminary inspection on receipt**

On opening the packages (if applicable), the storekeeper should initiate preliminary inspection of the goods received. This should include checks for any obvious damage in transit and other physical or visual checks specific to the functional characteristics of the product. The quantity of the goods received should also be verified at this stage against the purchase order and the supplier's invoice. When goods are supplied in boxes, bundles or coils as in the case of tools, rope, canvas, barbed wire, and so on, each of which is required to contain a specified quantity, a reasonable number of such packages should be opened up and checked for quantity per package. The quantity received should also be mentioned in the preliminary receipt to be given to the supplier. Any discrepancies in packages or quantity should be mentioned therein.
  - (ii) **Detailed inspection on receipt**

After receipt of the ordered goods, the store keeper shall hand over the same to the indenting officer for inspection. The indenting officer shall ensure that before accepting the ordered goods, the goods have been manufactured as per the required specifications and are capable of performing the functions as specified in the contract. To achieve this, the tender document and the subsequent contract should include references to standards or specifications that specify the details of inspection and tests to be carried out and stages and manner of carrying out these tests.
02. The required inspections and tests should be carried out by technically qualified and competent personnel or the Indenting Officer himself. If the procurement agency does not have such qualified personnel, it may engage competent professionals from other Departments or even outside agencies if the need is so felt.



## **9.12 Inspections – Measuring Quality Assurance (Rule 225 (xviii) of GFR 2017).**

The stages and modes of inspection may vary depending on the nature of the goods, total value of the contract, location of the supplier, location of the user, and so on. Depending on the nature of goods being procured, usually, the following types of inspection may be adopted:

### **9.12.1**

#### **Types of Inspection**

##### **01. Pre-dispatch inspection**

- (i) A pre-dispatch inspection, where ever required may be conducted either during various stages of the production process (which is known as stage inspection) or on production of the finished products, but before dispatch of the goods from the supplier's premises. Stage inspection may be used for highly technical goods whose quality of the manufacturing process is likely to have considerable effect on the final quality and durability of the goods. Even after pre- dispatch inspections, these materials should be inspected again on receipt, as a matter of abundant precaution.
- (ii) Inspection of the materials before dispatch shall be carried out by the inspection agency nominated in the contract or by its representative at the premises of the supplier in accordance with the inspection procedure laid down and incorporated in the purchase order/contract.
- (iii) The testing charges for samples should be borne by the supplier and this should be made clear at the enquiry stage itself to avoid claims at a later date/or effect on his position in comparative statement of offers. Any special testing involving financial implications shall be settled prior to placement of the order and such cost should form part of the evaluation.
- (iv) In case of offshore supplies, the inspection clause shall be incorporated in the purchase order wherever required:
  - (a) Procuring Entity may depute its representative or a third party inspection agency to the supplier's manufacturing premises to carry out/witness inspection and testing, performance testing at its discretion.
  - (b) Alternatively, Procuring Entity shall retain an option to waive the above and accept the material based on the supplier's internal test report, guarantee and fitment certificate.
  - (c) Whenever the inspection is carried out at the supplier's manufacturing premises, an inspection on receipt of goods at Procuring Entity shall also be carried out by an officer of the Indenting Department or a third party inspection agency, as the case may be, on receipt of the goods.

## 02. Inspection of Goods on receipt at consignee / user's site

- (i) Post-delivery inspection is carried out on receipt of goods before accepting them. This should be typically done for goods that are available off-the-shelf and are BIS marked. All final goods that may be directly consumed or utilized on delivery (excluding machinery installations, and so on) and for which detailed inspection of the manufacturing process is not required and only a physical inspection regarding their physical characteristics is required, may be inspected using this method. On receipt of goods at stores, the storekeeper should immediately notify the officer nominated for inspection, requesting to schedule an inspection. The inspecting officer should then fix a date for inspection.
- (ii) The consignee has the right to reject the goods on receipt during the final inspection on delivery even though the goods have already been inspected and cleared at the pre- dispatch stage by Procuring Entity's inspector. However, such rejection should be strictly within the contractual terms and conditions and no new condition should be adopted while rejecting the goods during final inspection.
- (iii) Goods accepted by the purchaser at the initial and final inspections, in terms of the contract, shall in no way dilute the purchaser's right to reject them later, if found deficient in terms of the warranty clause of the contract.
- (iv) In case of rejection of goods at this stage, the material rejection advice/rejection memo should be issued. In case of pre-inspected goods, a joint inspection of the rejected lot of goods should be held with the pre-inspecting agency and firm. In case of failure of the firm to associate with a joint inspection, it should be held with the pre-inspecting agency.
- (iv) In case of rejection of the pre-inspected supply of goods at the consignee end, the material rejection advice/rejection memo should be sent to all concerned, which is, the firm, purchaser, pre-inspecting agency, paying authority, and so on, without fail. In case of replacement supply against the rejected lot of goods, the process should remain exactly the same in terms of sequence of pre-inspection/inspection as laid down in the contract, prior to acceptance by the consignee. In case of acceptance of the replacement supply/rejected supply after rectification, the earlier issued material rejection advice/rejection memo should be withdrawn under advice to all concerned.

## 03. Manufacturer's Quality Self-Certification

- (i) Reputed manufacturer's could be relied upon with respect to certain goods for quality products. These may not be subjected to physical inspection and the materials may be accepted under the firm's quality self-certification. The Physical Inspection Clause stipulating the Inspection Authority and Inspecting Officer in such cases should not be included in the contracts entered into. Waiver of pre-dispatch inspection and acceptance of materials under the firm's quality self-certification may be considered where:

- (a) The user Departments indicate, in their indent, that physical inspection is not necessary and that the materials can be accepted on the firm's quality self- certification;
- (b) The user Department requests for a waiver of inspection to meet urgent requirement and where the firm is agreeable to 100 (Hundred) per cent payment against the consignee's receipt and acceptance. In such cases, the user Departments themselves should be responsible for ensuring the quality of goods supplied;
- (c) In case of goods to be imported from abroad, pre-dispatch inspection of goods at the supplier's premises involves considerable expenditure to the purchaser. In such a situation, the purchaser may substitute pre-dispatch inspection by its own inspector with manufacturer's in-house inspection report and warranty. However, before adopting this procedure, the nature and cost of the goods ordered, the reputation of the supplier, and so on, should also be kept in view and appropriate decision taken. For checking the reputation and background of the supplier, the purchase organization may also request the Indian embassy located in that country for a report on the technical and financial competence of the firm. Further, trustworthy publications such as Thomas Register, Dun and Brad Street Register, and so on, are also available in the USA and Europe which provide authentic technical and financial data and details of the manufacturing companies located in those countries. Such publications may also be relied upon for this purpose; and
- (d) However, the right of waiver of inspection may be reserved only for specific requirements. Justification for the waiver should be recorded. Also, a suitable clause may be incorporated in the conditions of contract.

#### **04. Inspection on Installation and Commissioning**

This method is adopted to check the performance and output of equipment or machinery after it is commissioned and operational at site.

#### **9.12.2.**

##### **Types of Inspection agencies**

Normally, inspection modalities or agencies for inspections specified in the contract should not be changed. In rare cases, when this becomes inescapable, it should be done with the approval of the Director of the Lab/Instt or JS(A) in CSIR Hqrs. justifying the rare circumstances, ensuring that no undue benefit accrues to the contractor.

##### **01. Internal inspection authorities**

Wherever there is technical expertise available in-house, an internal officer of the Indenting Department is nominated for inspection. The consignee should be the final authority for acceptance of goods.

## **02. External inspecting authorities**

- (i) In case Procuring Entity does not have technical expertise or for other relevant reasons, inspection may also be entrusted to a third-party inspection authority. The Procuring Entity, however, retains the right to reject the consignment, even if it is cleared by third party inspection authorities.
- (ii) Sometimes, it becomes necessary to conduct a type test, acceptance test or special test at external laboratories, when facilities for these tests are not available in-house with the supplier or carrying out of confirmatory tests is considered desirable before accepting the goods. The Procuring Entity should draw up a list of approved laboratories for this purpose, to which the samples drawn from the lots offered by the supplier can be sent for tests. The list should also contain approved laboratories, which can be used as referral/ appellate laboratories for retest, when samples tested at one laboratory are decided to be re-tested. The following guidelines should apply to such cases:
  - (a) External testing may invariably be done by national accredited or reliable laboratories, preference being given to National Test House (NTH). For testing the samples drawn from the lots offered by the supplier, an inspection agent qualified to conduct random sampling in accordance with Quality Assurance requirements should do the selection of samples;
  - (b) Test reports must contain the values obtained in the tests besides fail/pass results. The laboratory must preserve the sample and test records for a period of three years;
  - (c) The Procuring Entity should lay down a liability statement for costs expended on tests, dispatch of samples, transportation costs, test charges, and so on, in respect of samples tested at outside laboratories as may be applicable;
  - (d) In cases where the samples are to be tested at the supplier's cost because of non-availability of his own testing arrangements, the responsibility of depositing the testing fees would rest with the supplier;
  - (e) Normally unless otherwise intended in the contract, charges of routine testing prior to dispatch of materials are to be borne by the supplier and charges of testing of materials after receipt by consignee are to be borne by the procuring agency. Contract should be clear about responsibility of cost of materials expended in tests and charges of special tests e.g. type test or tests at external labs. Even where Procuring Entity is responsible for testing charges, if the material fails in the test, the charges would become the responsibility of the seller.

## **03. Joint inspection on complaint**

In case a written complaint is received from the supplier disputing the rejection of goods by the Procuring Entity's inspecting officer, it should be jointly investigated by a team consisting of an authorized representative of the Procuring Entity, a senior representative of the inspecting agency who is conversant with the goods and an authorized representative of the supplier.

### 9.12.3.

#### **Approval of acceptable deviations**

01. Under no circumstances will the inspecting officer have the authority to modify the governing specifications, approved drawings or samples during inspection without reference to the CA that approved the tender. For all cases of acceptance with deviation, the nature of deviation along with a justification for acceptance against such deviation should be duly documented and approval be obtained from the Director of the CSIR Lab/Instt or JS(A) in CSIR Hqrs. after the concurrence of PC/T&PC.
02. Deviations from the contract specifications or requirements not affecting price, quality, performance and other terms of the contract may be allowed at the level of the indenter in consultation with the user Department on merits or nature of deviations with the concurrence of the PC/T&PC and approval of the Director of CSIR Lab/Instt or JS(A) in CSIR Hqrs.
03. In all other cases, the goods should be rejected giving all reasons by issuing a rejection inspection report. Rejections should not be made in a piecemeal manner.

### **9.13 Storage and issue of Inspected Goods**

After satisfactory inspection and tests, the accepted materials should be stamped, labelled, marked, or sealed and stored in a systematic manner. This is to facilitate easy retrieval at a later stage. As all goods needed or procured cannot be consumed at one point of time, storage is an inevitable process. The storage system forms the key component of any materials management system. It should be ensured that the goods are stored in such conditions that they are protected against unauthorized removal and deterioration.

### **9.14 Accounting and payment of received materials**

#### 9.14.1

##### **Goods Receipt and Inspection Note**

01. If the received material successfully passes the quantity and quality checks, accounting of material received shall be on the basis of the Goods Receipt and Inspection Note Report (GRIN) (Annexure 9E) prepared after inspection and acceptance of the material which will be signed by the concerned indenting officer. While preliminary receipt is only an acknowledgement of quantity received, GRIN is an acknowledgement of receipt of the correct quantity as well as quality of goods. GRIN is a voucher which forms the basis to settle/ claim payment as per the contract. It also is a voucher for accounting of the received material in the inventory accounts. Along with the GRIN, material is handed over to the stores section, indenting officer or any other authorised person where it is to be stored/used.

02. In case the received material fails to pass quantity and quality checks, a rejection GRIN is issued, noting the reasons for rejection. The rejection GRIN contains instructions for the supplier to take back the rejected goods within a stipulated number of days (usually 21). Such removal should be permitted only after the advance payment/freight paid is recovered. Lots that are under inspection, accepted, or rejected should be properly tagged, segregated and identified.

#### 9.14.2

##### **Passing of supplier's bills.**

01. Based on contractual terms where payments are made based on proof of dispatch against a purchase order, bills shall be passed and accounted based on the GRIN of approved materials. The invoice submitted by the supplier will be verified and signed by the SO (S&P)/ASO and pay order will be signed by an officer authorised to sign pay-orders as per SOPP. All correspondence with the supplier will be handled by Purchase Division.
02. The documents, which are needed from the supplier for release of payment, are to be clearly specified in the contract. The paying authority is also to verify the documents received from the supplier with corresponding stipulations made in the contract before releasing the payment.
03. While claiming the payment, the supplier must also certify on the bill that the payment being claimed is strictly in terms of the contract and all the obligations on his part for claiming this payment have been fulfilled as required under the contract.
04. Deduction of applicable taxes at source from payments to suppliers will be done as per the existing law in force during the currency of the contract.

#### **9.15 Settlement of advances &OB removals**

Advance payments made to suppliers are reflected as OB (Objection Book) items in the books of accounts. On receipt of material against payments made in advance the ASO/SO (S&P) will make entry in DRR and forward copies of challan & Invoice confirming the receipt of material and entry in DRR along with the GRIN (without the certification by the indenter) to Purchase Section who will arrange to submit adjustment of the OB by forwarding these documents to Accounts Section. OBs against the advance will be removed on the basis of this certificate. However, the stock entry of the material shall be made later on receipt of the Inspection Certificate.

## CHAPTER – 10

### DISPOSAL OF SCRAP GOODS

#### 10.1 Scrap for disposal

There accumulates, in every organization, a large quantity of material which is neither usable for the purpose for which it was originally procured nor of any other operational value. Such material is generally called “scrap” and should be distinguished from other stores and component parts which can be utilized after repair, cannibalization or re furbishing. Occasionally, scrap may consist of material which is surplus to the need of the organization or its sister organizations, Obsolete/Obsolescent items due to technological advancement and no longer useful and unserviceable items which have outlived its life and is beyond economic repair. Also empty packing materials, newspapers, cartons and other used paper and other items that may command a fair price in the market not normally associated with scrap.

#### 10.2 Classification and Categorization

It is very important to categorize the scrapped items under different trade groups based on the use to which the scrap purchaser can put it for commercial use, for example, surplus, obsolete, unserviceable, packing materials and so on. Properly grouped and sorted scrap is likely to attract better value and help in keeping historical data of prices and facilitates fixing of reserve prices. The stores for disposal can be divided into the following broad categories:

01. Surplus Stores – Items that are in working order but are not required for use in a particular Section/Division/Institute and stock lying in stores for more than five years shall be deemed as surplus unless there is any good reason to treat them otherwise.
02. Obsolete Stores – Items in working order but cannot be put into use effectively being outdated due to change in technology/design.
03. Unserviceable stores – Items which are not in working order, outlived its normal span of life and are beyond economic repair.
04. Scrap- Process waste, broken & any other item not covered above but has got resale value.
05. Empties – Empty containers, crates, bottles, plastic jars, drum cartridges, etc.

#### 10.3 Standing Disposal Committee (SDC)

A Standing Disposal Committee may be constituted by the Director of a CSIR Lab/Instt and JS (A) in CSIR Hqrs where a Principal Scientist and above will act as Chairman. The other members of the committee shall be one Scientist, One Technical Officer, Civil/Electrical Engineer, Member-Administration, Finance and S&P (not below



the rank of SO. The SO(S&P) of Stores Section will act as Member Convener. The quorum shall be the Chairman, Members of Administration, Finance, S&P and one Scientist/Technical member. In absence of the Chairman, the senior most scientist/Technical Officer shall act as Chairman.

In case of dissent by any member, the proceedings of the committee will be referred to the Director of the Lab/Instt or JS(A) in CSIR Hqrs., whose decision shall be final. The Committee shall meet periodically as and when required but at least twice in a financial year.

#### **10.4 Functions of Standing Disposal Committee (SDC)**

The functions of the SDC will broadly include the following:

01. It will inspect the materials that are proposed to be disposed and declare them as Surplus, Obsolete, and Unserviceable etc. by the Heads of the Sections/Division taking into account the stipulated life period of each item, overall condition of the items, the reasons for obsolescence, requirement of such items in future etc. The SDC may appoint a technical sub-committee for the purpose. The reasons for declaring the items as surplus/obsolete/unserviceable etc. should be recorded by the SDC as per the illustrative format placed at Annexure-10A.
02. It will decide the mode of disposal.
03. To ascertain the probable book value and year of purchase of the item wherever the same is not available.
04. Will fix the reserve price for disposal of items and also arrange to ensure that the lifted items are as per the disposal list. (Rule 217(iii) of GFR 2017).
05. Evaluate the offers received, negotiate with the highest bidder, wherever required and recommend the disposal in favour of the highest evaluated bidder for the approval of the Director of the CSIR Lab./Instt. or JS(A) in CSIR Hqrs.

#### **10.5 Sale of low value items**

Articles of low or nil value like empties, Newspapers, Packing wood, Plastics, bottles etc. which are voluminous in nature and also hazardous, flammable etc, may be disposed off directly by the SPO/SO(S&P) (Stores) by obtaining bids from potential local buyers through a three member committee comprising of Section Officers from S&P, Finance and Administration, as approved by the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs, without reference to the SDC, on periodic basis or whenever the need arises. The Director of Lab/Instt and JS (A) CSIR Hqrs shall approve such disposal.

## 10.6. Modes of disposal

The mode of disposal may be determined by the SDC, keeping in view the necessity to avoid accumulation of such goods, consequent blockage of space and also deterioration in value of goods to be disposed off. The usual modes of disposal are:

01. Scrap upto ₹ Two lakh of residual value may be sold on a Limited Tender basis to locally known Scrap Dealers of relevant category (Rule 218(ii) of GFR 2017).
02. Sale through the e-auction portal or a tender for disposal or traditional public auction may be resorted to for residual value above Rupees two lakh (Rule 218(i) of GFR 2017). E-Auction should be the preferred mode for such disposals, using the e-Auction platforms of NIC or any other appropriate portal like MSTC and Indian Railways, etc. after following the prescribed procedure.
03. Certain items may be usable for other sister Labs/Instts or other Ministries/ Departments/PSUs. Such items may be disposed-off on “as is where is” basis at depreciated book value, if required by them.
04. Scrap which is a security or safety risk (ammunition etc.) may be destroyed suitably in an eco-friendly manner in accordance with guidelines of Central Pollution Control Board (CPCB) or State Pollution Control Board (SPCB) in the presence of a committee after obtaining approval of the Director of the Lab./Instt or JS (A) in CSIR Hqrs with the recommendations of SDC. The committee should issue a certificate of having destroyed such items. (Rule 218(iv) of GFR 2017).
05. Sale of hazardous waste items would be governed by the following procedures in addition to guidelines/notifications issued by the Central Pollution Control Board (CPCB)/Ministry of Environment and Forests (MoF) from time to time .
  - (a) Sale of old batteries/lead acid batteries will be governed by the Batteries (Management & Handling) Rules, 2001 or as amended from time to time;
  - (b) Sale of other categories of hazardous waste items will be governed by the Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016 or as amended from time to time;
  - (c) Sale of e-waste shall be governed by E-Waste (Management) Rules, 2016 or as amended from time to time;
  - (d) Bidders must submit a notarized copy of the valid registration certificates issued by the State (or Union Territory) Pollution Control Board (SPCB) and produce it at the time of taking delivery of the materials, failing which their bid will be liable for rejection. In case of lead acid batteries, used/waste oils and nonferrous metal wastes, in addition to submitting necessary valid registration from the SPCB, the bidder must also submit a notarized copy of

the valid registration certificate from CPCB(orMoEF);and

(e) In case of a sale involving inter-state movement of goods, the buyer shall also submit an NOC from the concerned SPCB, with whom the buyer is registered, to the seller before taking delivery, failing which the buyer will be responsible for the consequences and the seller shall take further decision as may be deemed fit.

06. Certain surplus or obsolete or unserviceable goods such as expired medicines, food grains, ammunition etc. which are hazardous or unfit for human consumption, should be disposed of or destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods (Rule 218 (iii) of GFR 2017).

## **10.7 Preparation for disposal**

### **10.7.1**

The details of items returned by different users which need to be disposed of should be first entered in a disposal register as detailed in Annexure 10B which shall form the basis for the SDC to initiate disposal action. This should be cross linked with the stock ledger and PIR, if any and vice-versa.

### **10.7.2**

Scrap recommended for disposal should be segregated from other materials into an identifiable lot. It should be marked as such with a board, indicating the lot number and brief description. Valuable scrap such as non-ferrous metals should be secured in lockable rooms.

### **10.7.3**

#### **Determining Reserve Price**

The SDC shall determine the reserve price. The reserve price should be decided between closure of the date and time of receipt of bids and opening of the bids. However, in case of E-auction the reserve price has to be fixed as per the instructions of the Portal adopted. This should be sealed immediately after the reserve prices of all lots are recorded and kept in safe custody. The sealed cover should be opened after tender opening. Some methods for determining reserve prices are:

01. Book value with depreciation. In case the Book value is not available or has become insignificant, the reserve price may be based on 5% of the Original or Market cost of the new item;
02. Last sale price moderated by quantity, quality, location, market condition, price trend of various metals, and so on;
03. Prevailing market price ascertained through a market survey; and

04. Costing analysis based on costs of various elements of the item (discounted for melting losses) labour charges and transportation cost; etc.
05. In cases where the reserve price cannot be fixed as per the laid down procedure an Insurance Regulatory and Development Authority (IRDA) approved valuer may be engaged for valuation of such material and the SDC will take into account the valuation given by the valuer while recommending the reserve price.

## **10.8 Conditions of disposal applicable to all modes of disposal**

### **10.8.1**

#### **'As-is-where-is' basis**

Notwithstanding anything contained in the e-auction or advertisement issued on the description and particulars of material for sale, the sale is on 'as-is-where-is' basis only and the principle of caveat emptor (let the buyer be aware) will apply. "As is where is" means that the description/ quality/quantity indicated are approximate and the seller does not give any assurance or guarantee that the material will strictly adhere to the advertisement or e-auction. All items shall be taken delivery of from the site by the successful bidders, with its faults and errors in description, if any. Neither can the sale be invalidated nor the bidder make any claim/ compensation, whatsoever, on account of any defect in description or deficiency in the quantity and quality. No plea of misunderstanding or ignorance of conditions put forth subsequent to a confirmation of sale shall be accepted.

### **10.8.2**

#### **Inspection by bidders**

In view of the 'as-is-where-is' condition, bidders are advised to quote rates only after inspection of items at the site. The bidder or his authorized representative may inspect the materials as per the inspection schedule mentioned in the tender notice/auction details say between 11 am to 4 pm (excluding lunch hours) on any working day at the location specified against each lot with the prior permission from the contact person, as given in the auction details. The detailed description of all lots, including the list of spare parts, if any, should be available at the site.

### **10.8.3**

#### **Right to reject all bids**

The seller reserves the right to accept/reject and cancel any bid, amend the quantity under any lot or withdraw any lot at any stage before or after acceptance of bid/issue of acceptance letter/sale order/delivery order/deposit of the full sale value by the bidder, without assigning any reason thereof and the value of such material, if paid for, shall be refundable. The seller shall not be responsible for damage/loss to bidders on account of such withdrawal at any stage from the sale.

#### 10.8.4

##### **Duties and Taxes**

Any statutory variations in the rate of taxes/duties are to be borne by the purchaser. GST rates indicated in the e-auction catalogue or Tender advertisement are only indicative and the actual GST rates as applicable on the date shall be payable by the successful bidders directly to the seller at the time of taking delivery of materials. In order to avoid the imposition of penalty, the amount deposited by the successful bidder towards taxes and duties will be immediately deposited with the concerned tax authorities without waiting for the actual delivery.

#### **10.9 Disposal through Tender**

01. Disposal through tender could take place through the e-Procurement portal or normal tendering. In the bidding documents, General Conditions of Sale (GCS, in place of GCC in procurement tenders) may be laid out.
02. The broad steps to be adopted for this purpose are (Rule 219 of GFR 2017):
  - i) Preparation of bidding documents;
  - ii) Invitation of tender for the goods to be sold/disposed;
  - iii) Opening of bids;
  - iv) Analysis and evaluation of bids received;
  - v) Selection of the highest responsive bidder;
  - vi) Collection of sale value from the selected bidder;
  - vii) Issue of sale release order to the selected bidder;
  - viii) Release of the sold goods to the selected bidder; and
  - ix) Return of bid security to the unsuccessful bidders;
  - x) Any special conditions of contract for each lot may also be given. Important aspects to be kept in view while disposing the goods through an advertised tender are:
    - a) The basic principle for sale of such goods through an advertised tender is ensuring transparency, competition, fairness and elimination of discretion/arbitrariness. Wide publicity should be ensured of the sale plan and the goods to be sold;
    - b) All required terms and conditions of sale are to be incorporated in the bidding document comprehensively in plain and simple language. The applicability of taxes, as relevant, should be clearly stated in the document. The bidding document should also indicate the location and present condition of the goods to be sold so that the bidders can inspect the goods before bidding;
    - c) Bidders should be asked to furnish bid security (EMD) along with their bids. The amount of bid security should ordinarily be 10% of the assessed value or the reserve price of the goods as decided by SDC. The exact bid

security amount should be indicated in the bidding document. The EMD shall be forfeited if the tenderer unilaterally withdraws, amends, impairs or derogates from his offer in any respect within the period of validity of his offer or fails to deposit the SD 100% value within seven days from the date of acceptance of the bid;

- d) Late bids, that is, bids received after the specified date and time of receipt should not to be considered;
- e) The bid of the highest acceptable responsive bidder should normally be accepted and an acceptance/sale order be issued. However, if the price offered by that bidder is not acceptable, a negotiation may be held only with that bidder;
- f) In case the selected bidder does not show interest in depositing the balance sale value or in lifting the goods, the bid security should be forfeited and other actions initiated including resale of the goods in question at the risk and cost of the defaulter;
- g) In case the total quantity to be disposed cannot be taken up by the highest acceptable bidder, the remaining quantity may be offered to the next higher bidder(s) at the price offered by the highest acceptable bidder. The minimum quantity to be accepted shall be indicated in the tender;
- h) If the tenderer's offer is not accepted, the tenderer's EMD shall be refunded to him. No interest shall be payable on such refunds. The EMD deposited by the successful tenderer shall remain with the seller till payment of the SD money has been made. It may be adjusted as part of the total SD money at the discretion of SDC.
- i) The offers should be examined by the SDC and recommendations should be approved by the Director of the Lab/Instt or JS (A) in CSIR Hqrs.
- j) The acceptance letter/sale order would be issued to the successful bidder(s) notifying the amounts and schedule of submission of SD and Balance Sale Value (BSV);
- k) Successful tenderers, herein after referred to as purchasers, shall have to submit a SD @ 25 (Twenty-Five) per cent of the total sale value of the contract within seven calendar days of the issue of the acceptance letter/sale order (excluding the date of issue) or pay 100% of the sale value. The SD shall be deposited in the form of bank draft/pay order, drawn on any of the commercial bank in favour of officer concerned as mentioned in the NIT;
- l) Balance Sale Value (BSV): The successful bidder in an e-auction or tender sale may be allowed 15 (Fifteen) calendar days (including the date of acceptance letter/sale order) for payment of BSV. The SDC after taking into consideration the prevailing market rates and trends, may grant an extension

of time for the payment of BSV with late payment charges @ one per cent per week or part thereof up to two weeks only and, thereafter, the SD will stand forfeited without notice. Extensions should not be granted as a matter of routine. The date of submission of the demand draft in the cash office is the date of payment for all purposes. No interest will be paid to the purchaser for the amounts paid or deposited and subsequently found refundable to the purchaser under any of the conditions of the contract; and

- m) Delivery Order: Delivery Order is an essential document required to be produced to take delivery of the material from the custodian and therefore after depositing BSV, the Delivery Order should be issued and the delivery should be made to purchaser or his agent on the strength of the Delivery Order and after verifying cashier's receipt.

#### **10.10. Disposal through auction (Rule 220 of GFR 2017)**

01. The Seller may undertake auction of goods to be disposed of either directly or through approved auctioneers;
02. The basic principles to be followed here are similar to those applicable for disposal through the advertised tender so as to ensure transparency, competition, fairness and elimination of discretion/arbitrariness. The auction plan including details of the goods to be auctioned and their location, applicable terms and conditions of the sale, and so on, should be given wide publicity in the same manner as is done in case of the advertised tender;
03. While starting the auction process, the condition and location of the goods to be auctioned, applicable terms and conditions of sale, and so on, (as already indicated earlier while giving wide publicity to it), should be announced again for the benefit of the assembled bidders;
04. During the auction process, acceptance or rejection of a bid should be announced immediately on the stroke of the hammer. If a bid is accepted, SD (not less than 25 (Twenty-Five) per cent of the bid value) should immediately be taken on the spot from the successful bidder either in cash or in the form of deposit-at-call receipt, drawn in favour of the Seller. The goods should be handed over to the successful bidder only after receiving the balance payment as in case of sale through tenders;
05. The composition of the auction team will be decided by the Director of the Lab/Instt or JS (A) in CSIR Hqrs. The team should preferably include an officer of the internal finance wing of the Department and a representative of Security Officer.

#### **10.11 Disposal at scrap value or by other modes (Rule 221 of GFR 2017)**

If Seller is unable to sell any surplus or obsolete or unserviceable item at the reserve price, in spite of its attempts through an advertised tender or auction, it may dispose it off at its scrap value with the recommendations of SDC and approval of the Director of the Lab/Instt or JS (A) in CSIR Hqrs. In case the CSIR Lab/Instt is



unable to sell the item even at its scrap value, it may adopt any other mode of disposal including destruction of the item in an eco-friendly manner.

## **10.12 Delivery of sold material**

### 10.12.1

#### **Free delivery time and Ground rent**

Delivery has to be taken within 30 (Thirty) calendar days (called free delivery period) from the date of the acceptance letter/sale order (excluding the date of issue of acceptance letter/ sale order). The delivery of material will be given only after realization of the demand draft/ pay order. If the purchaser is not able to lift the material within the free delivery period, he may request for an extension. Such extensions are generally granted after levying a ground rent @ 0.5 (half) per cent of the sale value per day. But, in some genuine cases, the levy of ground rent may be waived by the SDC. The amount realized as ground rent should be noted by the stock holder and will be responsible for remitting the cash to the cashier and obtaining a receipt.

### 10.12.2.

#### **All risks to the buyer**

The items shall remain, in every aspect, at the risk of the buyer from the time of acceptance of his offer. The seller will not undertake any liability whatsoever for the safe custody, protection or preservation after the sale has been confirmed. Lots are put up for sale, subject to change by nature's wear and tear. No complaint regarding the quality or description of the materials sold will be entertained once the bid has been accepted.

### 10.12.3.

#### **Terms of delivery**

01. No picking, choosing, sorting, welding, cutting or breaking of goods or materials sold will be permitted unless otherwise specified. In used/waste oil, separation of oil and water, and so on, shall not be allowed at the site. If these actions are allowed, there is possibility of leakages. In mixed lots, the buyer may take undue advantage by leaving cheaper components behind. If whole machinery is sold and cutting and breaking is allowed, it would be difficult to ensure that the purchaser is taking out only his own cut material and not other unsold material or from other scrap lots. If any foreign materials are found to be mixed in the lot, other than the items included in the auction catalogue and acceptance letter/sale order, the seller reserves the right to remove them at the time of delivery. The buyer shall not be entitled to re-sell an item, lot or part of a lot while the goods are still lying within the premises of the seller and any such sale or assignment of the buyer's right to the material sold in an auction will not be recognized. All documents for releasing materials will be made out in the name of the buyer only.

02. The material will be delivered only to the successful bidder or his authorized representatives against the presentation of the buyer's identity proof. If the successful bidder desires to authorize a representative or an agent to accept delivery, the bidder shall produce a suitable power of attorney or authorization letter for each lot separately, duly attested, by a notary public authorizing his representative or agent to lift the material from the seller.

#### 10.12.4

##### **Default by seller**

The seller will not be, in any way, responsible for failure to deliver the material due to causes beyond his control such as a strike, lockout, cessation of work by labourers, shortened hours, act of God or other causes or other contingencies whatsoever. The buyer shall not be entitled to cancel the contract and the period of delivery shall automatically be extended proportionately.

#### 10.12.5

##### **Default by buyer**

Materials sold but not removed within the specified date will become the property of the seller and it will have the right to dispose of such goods in any manner as he deems fit without any notice.

#### 10.12.6

##### **Witnessing delivery**

All materials sold shall be weighed or counted before delivery, this being supervised by a committee comprising the following:

- i) Representative of Stores Section;
- ii) Representative of Finance;
- iii) Representative of the Security Officer ; and
- iv) Representative of the purchaser, if he wishes to be present

#### 10.12.7

##### **Deliveries of Scrap**

01. At the time of delivery of scrap material to the purchaser, the weighment is to be done in the presence of the above committee for witnessing the delivery, who will sign a joint statement indicating the type of scrap, name of the party to whom scrap is delivered and quantity as per the weighment slip. The representative of the Stores should arrange for the deliveries to be affected according to the agreement and terms and conditions of sale. He should take every possible step to expedite delivery of the auctioned materials. The Committee should count, measure or weigh each lot or part of a lot after comparison of the description and quantity shown in the sold lot to ensure that only such kinds and quantities of materials as have been shown in the sold lot are being issued. They should sign the gate passes and issue notes in token of such a check.

02. The empty and loaded trucks or carts should be weighed and particulars of the gate pass issued recorded.

#### 10.12.8.

##### **Variation in available Quantity**

01. At the time of delivery, the actual quantity may vary from the quantity mentioned in the delivery order. In case of excess available material, the seller reserves the right to retain material in excess of quantity in the lot at its discretion. The purchaser may be allowed to lift the additional quantity after making the requisite additional payment to the seller.
02. If the quantity in a lot on actual weighment or count is less than the announced quantity, the seller will not make good the deficiency under any circumstances. The purchaser thereof will be entitled to obtain a refund for the undelivered quantity at the quoted rate. No interest will be paid on the amount of short delivered quantity.
03. Any refund in this regard will be made with the recommendations of the SDC and approval of the Director of the Lab/Instt or JS(A) in CSIR Hqrs. Copies of the weighment slip will be the based for determining the refund amount. In case of a short delivery of the material, the refund of taxes will be the responsibility of the successful bidder only.

#### 10.12.9

##### **Conclusion of delivery**

The seller's responsibility ends after the consignment has been loaded and handed over to the representative of the purchasers. The seller will be no party to any dispute that may arise after the loading has been completed. At the conclusion of the delivery of the lot or lots, pertaining to the item of scrap, any stock, left over should be verified by the Stores Section with the book balance and any discrepancies adjusted. Such "left over" stock may be transferred to fresh scrap of similar description. At the conclusion, a report of sale account of goods disposed has to be prepared by the Stores Section and submitted to Finance & Accounts for necessary action. A format of the report is shown in Annexure-10C (Rule 222 of GFR 2017).

**Delegation of Financial Power Rules – Indents, Contracts and Purchase  
for Public Service**

**(excerpts from para 1.4.1 of DFPR 1978)**

*(refer para 1.4.1 of the CSIR Manual)*

DFPR Rule 21 of the Delegation of Financial Power Rules, 1978**	DFPR Rule 21(a) Minister in Charge of the Department	DFPR Rule 21 (b) Secretary of the Department
For open or limited tender Contracts	Full Powers	₹ Twenty crore@@
For single tender including resultant single offer or proprietary contracts		₹ Five crore
For agreements or contracts for technical collaboration and consultancy services		₹ Two crore

\*\*DoE, Ministry of Finance No.F.1(17)-E.II(A)86-No.F.1(15)-E.II(A)88 Dated: 16th September, 2003, @@ Secretary, D/o Commerce would have powers to approve rate contracts of DGS&D of value upto ₹100 (Rupees hundred) crore in each case (DoE, Ministry of Finance No.1 (5)/E.II(A)/2009 Dated: the 24th December, 2009)

Notwithstanding anything as above, in cases where the award of contract or purchase or consultancy is inseparably linked with the project or scheme and forms a part of the proposals for Standing Finance Committee (SFC) or Committee on Non-Plan Expenditure (CNE) or Expenditure Finance Committee (EFC) or Cabinet, the same will be processed as per the financial limits laid down for sanction of such schemes or projects by the Competent Authority.

Explanation-In this rule, the word “contract” includes miscellaneous contracts, such as handling contracts and leases. Leases for hiring accommodation for office, residential and other purposes shall, however, be regulated under item 16 of the Annexure to Schedule V. If a contract extends over a period of time, the total value over the entire period of currency shall be taken for the purpose of applying the limit. Further a limited or open tender which results in only one effective offer shall also be treated as a single tender contract.”

**COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH**

**Schedule of Procurement Powers (SoPP)**

*(refer para 1.4.1, 2.3.1 of the CSIR Manual)*

<b>(A) Indents initiation, approval and signing including formulation of Technical Specifications, Vendor registration, debarments</b>		
	<b>Relevant Paras of CSIR Manual</b>	<b>Powers</b>
Indent Initiation and signing	2.1 & 2.3	Any employee of the Procuring Entity of the level of Technical Assistant and equivalent or above
Approval of the Indent	2.3.1	Project leader in case of approved projects and HOD for CSIR Budget Heads subject to allocation of funds by the Director or JS (A) in CSIR Hqrs.
Approval of indents on PAC basis and for indents for purchase of specialized/ specific R&D consumables	4.6.1 & 4.7.1 (02)	Project leader in case of approved projects and HOD for CSIR Budget Heads subject to allocation of funds by the Director or JS (A) in CSIR Hqrs. Concurrence of Finance shall be mandatory for purchases under PAC.
Approval of Indents in case of Emergency	2.3.2 & 4.7.1 (01)	Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs
Processing of Indents in anticipation of funds	2.3.1	Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs through PME/Accounts
Powers to approve registration of vendors	3.5.1 (08) & 3.6.13 (04)	A Chief/Senior Principal Scientist in the CSIR Lab./Instt. as nominated by the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs on recommendations of the Vendor Registration Committee (VRC)
Appellate authority to decide on the contest made by any prospective bidder for registration	3.5.1 (08)	Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs
Holiday listing and removal from the list of registered vendors	3.7.5 (01) & (02)	Any Chief Scientist/Senior Principal Scientist as nominated by the Director of the CSIR Lab./Instt. or any Chief Scientist/Senior Principal Scientist as nominated by DG, CSIR in case of CSIR Hqrs on the recommendations of the VRC

Appellate Authority for handling contest of vendors against Holiday Listing and removal from the list of vendors	3.7.5 (01) & (02)	Director of the Lab/Instt or JS (A) in CSIR Hqrs
Banning of vendors in CSIR	3.7.5 (03) (B)	JS (A) in CSIR Hqrs based on the recommendations of the VRC of the procuring Entity. DG, CSIR shall be appellate authority
Country wide banning of vendors	3.7.5 (03) (A)	Additional Secretary, Ministry of Commerce. The Secretary, Ministry of Commerce shall be the appellate authority

<b>(B) Approval for Floating of Tenders of Various Types including: Selection of Mode of Procurement and Bidding System, Short Listing of Bidders for LTE/SLTE, Bid Documents Preparations, including SCC, Eligibility/ Pre-Qualification Criteria, Decisions of EMD/ PBG; Quantity, Slicing / Packaging of requirements and various payment terms etc.</b>		
	<b>Relevant Paras of CSIR Manual</b>	<b>Powers</b>
Selection of Mode of procurement, bidding systems, finalization of bidding document including eligibility criteria/PQC, shortlisting of prospective bidders for LTE/SLTE, decision about EMD/PS, payment terms and slicing/packaging of requirement.	Chapter 4	Purchase Committee (PC) for indents valuing up to Rs. 25.00 lakhs and Technical and Purchase Committee (T&PC) for indents valuing above Rs. 25.00 lakhs.
Approval/Sanction of GTE/OTE/LTE for procurement of indents valuing above ₹ 20.00 Crores for Projects not approved by SFC/EFC	1.4.1	Hon'ble Minister of S&T on the recommendations of the T&PC and Director/JS (A) of the Procuring Entity.
Approval/Sanction of GTE/OTE/LTE/PAC/STE procurement for indents valuing above ₹ 20.00 Crores for Projects approved by SFC/EFC	1.4.1	By the concerned Project Leader or HOD for non-project mode purchases up to Rs. 1.00 Crores. Beyond Rs. 1.00 Crore the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs.
Extension of tender opening date	4.2.2 (07), 4.3.2	Project Leader/HOD on recommendation of the Indentor

irrespective of mode of tendering before the scheduled date and time of receipt of bids.	(09), 4.4.2 (05) & 4.5.2 (04), 5.2.2	
Waiver of Open/Global tenders for purchases above ₹ 25.00 lakhs and resorting to SLTE.	4.5.1	Director of CSIR Lab./Instt or JS (A) in CSIR Hqrs with the recommendations of T&PC
Approval to float Limited Tenders where the known sources of supply are three or less	4.4.2 (02)	Director of CSIR Lab./Instt or JS (A) in CSIR Hqrs with the recommendations of PC/T&PC
Persons designated to sign IP	3.3.3 (10)	Sr. most Officer of the Purchase with counter signature of the COA/AO.

Deciding the various terms of payment like Payment against delivery/ proforma invoice, on bill basis, sight/bank draft, swift/wire transfer, letter of credit, Stage Payments, Exchange Rate Variations, Price Variations Clauses, advance payment up to 30% for supply/services, etc. and AMC payment up to 6 months both against BG etc.	6.2, 6.3 , 6.4, 6.5, 6.6 & 6.7	Project Leader/HOD on recommendation of the PC/T&PC
Any other payment terms.	6.2.4 (05)	Director of CSIR Lab./Instt or JS (A) in CSIR Hqrs with the recommendations of PC/T&PC
Exemption from e-procurement.	4.14.1	Secretary, DSIR with the concurrence of FA, DSIR in procurements where national security, strategic considerations demands confidentiality on recommendations of Indenting Officer , Project Leader and the PC/T&PC.
Waiver from e-publishing	5.1.7 (02)	DG,CSIR with the concurrence of FA, CSIR in individual cases where confidentiality is required for reasons of national security on recommendations of Indenting Officer, Project Leader and the PC/T&PC.
Waiver of bid security and performance security	6.1.1 (03) & 6.1.2 (01)	Director of the CSIR Lab/Instt or JS (A) in case of CSIR Hqrs on recommendations of the PC/T&PC.



<b>(C) Competent Authority (CA) for Evaluation, Acceptance of Tenders and sanction of expenditure</b>		
	<b>Relevant Paras of CSIR Manual</b>	<b>Powers</b>
Procurement without calling quotation	4.9.2 (01) & 4.9.2 (06)	Project Leader in case of approved projects & HOD for CSIR Budget Heads subject to allocation of funds by the Director or JS (A) in CSIR Hqrs. The Sr. most Officer of S&P or any officer authorized by him may also exercise the provision of this para subject to allocation of funds for the indented items. The annual (FY) ceiling is 5% of the procurement budget of the project. The PL/HOD must adhere to the prescribed ceiling.
Procurement Through a Local Purchase Committee	4.10.2 (01)	Project Leader in case of approved projects & HOD for CSIR Budget Heads subject to allocation of funds by the Director or JS (A) in CSIR Hqrs. The Sr. most Officer of S&P or any officer authorized by him may also exercise the provision of this para subject to allocation of funds for the indented items. The annual (FY) ceiling is 10% of the procurement budget of the project. However, the combined annual (FY) ceilings for direct purchases without quotation and through local purchase committee should not exceed 15% of the procurement budget. The PL/SPO/SO (S&P) must adhere to the prescribed ceiling.
Procurements through GeM up to ₹ 25,000/-	4.16.5 (i)	Project leader subject to availability of funds in the approved Project or HOD who has been delegated the role of Buyer subject to allocation of funds by the Director or JS (A) in CSIR Hqrs. However, for purchases under non-project mode like P-04, P-06, P-07 & P-50 etc., the Sr. most Officer of S&P or any officer authorized by him may also exercise the provision of this para subject to allocation of funds for the indented items.
Purchase through GeM above ₹ 25,000/- upto ₹ 2,50,000/-	4.16.5 (ii)	Specially constituted Local Purchase Committee ensuring reasonableness of rates.
Purchase through GeM above ₹ 2,50,000/- upto ₹ 5,00,000/-	4.16.5 (iii)	By PC/T&PC as per powers delegated.
Fast Track purchases in emergency	4.17.1	Director of the CSIR Lab,/Instt. or JS (A) in CSIR Hqrs on the recommendations of

including increase in threshold limits: 1 Direct Procurement Without quotation 2 Direct Procurement by Local Purchase Committee 3 SLTE/Limited Tender Enquiry, with reduced time for submission of Bids. 4 STE		PC/T&PC.
Sanctioning of expenditure for purchase through RC.	8.4 (12)	Project Leader/ HoD for CSIR Budget Heads subject to allocation of funds by the Director or JS (A) in CSIR Hqrs. Director of the lab in case of stock replenishment indents.
<b>(D) Acceptance of special conditions after award of contract</b>		
	<b>Relevant Paras of CSIR Manual</b>	<b>Powers</b>
Amendments/Modifications demanded by Suppliers without financial implications and in conformity with the original offer	9.2(01)	Sr. most officer of the S&P Division.
Amendments/ modifications demanded by Suppliers involving financial implications.	9.2 (01) & (02)	The Director of the CSIR Lab./Instt or JS(A) in CSIR Hqrs based on the recommendations of the IO/PL/User and PC/T&PC.
Variations in the ceilings for advance payments including percentages laid down for advance payments of private firms for maintenance contracts.	6.5.1 (ii) (d) & 6.5.1 (iii)	The FA, CSIR based on the recommendations of PC/T&PC
<b>(E) Approval and sanction of expenditure for acceptance of Single Offer against GTE/OTE/SLTE/LTE or purchase on STE/PAC basis.</b>		

	Relevant Paras of CSIR Manual	Powers
Approval of acceptance of resultant single offer against GTE/OTE/SLTE/LTE basis up to ₹ 5.00 Crores.	4.2.2(08), 4.3.2(11), 4.4.2(06), 4.5.2(05) & 7.5.9(01),	Director of the CSIR Lab/Instt or JS(A) in CSIR Hqrs on the recommendation of Indenting officer, project leader and the PC/T&PC.
Approval of acceptance of resultant single offer against GTE/OTE/SLTE/LTE or on STE/PAC basis above ₹ 5.00 Crores under projects which have not been approved by SFC/EFC	1.4.1	Hon'ble Minister of S&T on recommendations of T&PC and Director/JS (A) of Procuring Entity.
Approval of acceptance of resultant single offer against GTE/OTE/SLTE/LTE basis which have been approved by SFC/EFC or purchase on STE basis irrespective of value.	1.4.1	Director of the CSIR Lab/Instt or JS(A) in CSIR Hqrs on recommendation of Indenting officer, project leader and the PC/T&PC.
Approval/Sanction of GTE/OTE/LTE for procurement of indents valuing above ₹ 20.00 Crores for Projects not approved by SFC/EFC	1.4.1	Hon'ble Minister of S&T on the recommendations of the T&PC and Director/JS (A) of the Procuring Entity.
Approval/Sanction of GTE/OTE/LTE/PAC procurement for indents for Projects approved by SFC/EFC irrespective of value.	1.4.1, 4.6.2 (08) & 4.7.2 (02)	By the concerned Project Leader or HOD for CSIR Budget Heads subject to allocation of funds by the Director for purchases up to Rs. 1.00 Crores. Beyond Rs. 1.00 Crore the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs. irrespective of value.
<b>(F) Formulation and Placement of contracts</b>		
	Relevant Paras of CSIR Manual	Powers

Conclusion of Rate Contracts	2.7.2	PC shall consider the proposal for conclusion of the Rate Contracts. Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs shall approve the recommendations of PC.
Signing of Contracts/Purchase orders after following Tendering Process	1.1.3 & 7.6.5(04)	Any officer of the Stores & Purchase cadre authorized by the Sr. most officer of S&P for signing of PO/Contract.
Placing purchase orders on the spot by the Local Purchase Committee after surveying the market	4.10.2 (11)	Any member of the Local Purchase Committee as nominated by the Director of the CSIR Lab./Instt. or by JS(A) in CSIR Hqrs is authorized to place the purchase order on the spot and take delivery of the required goods after making payment using the cash card or any other permitted mode of payment
Waiver of hosting contracts details on website.	7.6.2	Secretary DSIR with the concurrence of FA, CSIR in case the information is sensitive from commercial or security aspects.
Increase/ decrease of quantity at the time of placement of PO	7.5.3	The concerned Project Leader/HOD on recommendations of PC/T&PC.

**(G) Post contract powers including bill passing and payments, extensions with or without LD, Option Clause, contract closure, terminations, appointment of Arbitrator etc.**

	Relevant Paras of CSIR Manual	Powers
Exercise of Option Clause up to 25% of the ordered quantity	7.5.4 & 9.3.1	The concerned Project Leader/HOD on recommendations of PC/T&PC
Appointment of Arbitrator, accepting court/arbitration award etc.	9.9	DG, CSIR on the advice of LA, CSIR.
Termination of Contract	9.8	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs on recommendation of PC/T&PC
Receipt of Goods by Consignee after expiry of delivery period for small value/marginal delays with waiver of LD	9.7.11	Sr most officer of S&P or any officer authorized by him may accept goods after expiry of delivery period for consignments valuing not more than ₹10.00 lakhs with a delay of not more than 2 weeks in consultation with the indenter.
Acceptance of excess or short deliveries at the time of supply of goods.	9.7.1 (03)	Project leader/ HOD on the recommendations of the IO up to <u>±</u> 10% , subject to availability of funds.
Release of Time-barred claims	6.13.1	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs on the recommendation of S&P and Finance Divisions.

Powers to extend the time frame for submission of PS & OA	6.1.2 (03), 7.6.5 (03)	The senior most officer of the S&P Division for a period of 30 days. Beyond 30 days, the PC/T&PC shall decide on the merits of each case.
Signing of pay orders	9.14.2 (01)	Sr. most officer of the S&P Division or an officer authorized by him.
Extension of delivery date with or without LD (with or without denial clause)	9.7.4 (03) & 9.7.8	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs (with or without denial clause) on the recommendation of the PC/ T&PC.
Approval of acceptable deviations from contract specifications not affecting price.	9.12.3	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs on the recommendation of IO/PL and PC/ T&PC.

<b>(H) Disposal of Scrap</b>		
	<b>Relevant Paras of CSIR Manual</b>	<b>Powers</b>
Articles of low or nil value like empties, Newspapers, packing wood, Plastics, bottles etc. which are voluminous in nature and also hazardous, flammable etc.,	10.5	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs based on the recommendations of a three member committee comprising SO (S&P), SO (F&A) and SO (G) as approved by the Director of the CSIR Lab./Instt. or JS (A) in CSIR Hqrs.
Approval for disposal of unserviceable, obsolete or surplus items including scrap	10.4 (05)	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs on the recommendation of SDC
Extension of period to deposit Balance Sale Value or Date of Delivery of Materials with late payment fees.	10.9 (x) (I)	Director of the CSIR Lab/Instt. or JS(A) in CSIR Hqrs on the recommendation of SDC

**Procurement Policies for MSEs**  
(refer para 1.9.4 (01) of the CSIR manual)

**Ministry of Micro, Small and Medium Enterprises**  
**Office of Development Commissioner (MSME)**

New Delhi, 23<sup>rd</sup> March, 2012

**ORDER**

**Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012.**

Whereas, the Central Government Ministries, Departments and Public Sector Undertakings shall procure minimum of 20 per cent of their annual value of goods or services from Micro and Small Enterprises;

And whereas, the Public Procurement Policy shall apply to Micro and Small Enterprises registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises;

And whereas, the Public Procurement Policy rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost effective; and

And whereas, for facilitating promotion and development of micro and small enterprises, the Central Government or the State Government, as the case may be, by Order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or Departments, as the case may be, or its aided institutions and public sector enterprises.

Now, therefore, in exercise of the powers conferred in section 11 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Central Government, by Order, notifies the Public Procurement Policy (hereinafter referred to as the Policy) in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries, Departments and Public Sector Undertakings.

**2. Short title and commencement.**

(1) This Order is titled as 'Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012'.

(2) It shall come into force with effect from 1<sup>st</sup> April 2012.

**3. Mandatory procurement from Micro Small and Enterprises. – (1) Every**

Central Ministry or Department or Public Sector Undertaking shall set an annual goal of procurement from Micro and Small Enterprises from the financial year 2012-13 and onwards, with the objective of achieving an overall procurement of minimum of 20 per cent, of total annual purchases of products produced and services rendered by Micro and Small Enterprises in a period of three years.

- (2) Annual goal of procurement also include sub-contracts to Micro and Small Enterprises by large enterprises and consortia of Micro and Small Enterprises formed by National Small Industries Corporation.
- (3) After a period of three years i.e. from 1st April 2015, overall procurement goal of minimum of 20 per cent shall be made mandatory.
- (4) The Central Ministries, Departments and Public Sector Undertakings which fail to meet the annual goal shall substantiate with reasons to the Review Committee headed by Secretary (Micro, Small and Medium Enterprises), constituted in Ministry of Micro, Small and Medium Enterprises, under this Policy.

**4. Special provisions for Micro and Small Enterprises owned by Scheduled Castes or Scheduled Tribes.** — Out of 20 per cent target of annual procurement from Micro and Small Enterprises, a sub-target of 20 per cent (i.e., 4 per cent out of 20 per cent) shall be earmarked for procurement from Micro and Small Enterprises owned by the Scheduled Caste or the Scheduled Tribe entrepreneurs. Provided that, in event of failure of such Micro and Small Enterprises to participate in tender process or meet tender requirements and L1 price, 4 per cent sub-target for procurement earmarked for Micro and Small Enterprises owned by Scheduled Caste or Scheduled Tribe entrepreneurs shall be met from other Micro and Small Enterprises.

**5. Reporting of targets in Annual Report.**

- (1) The data on Government procurements from Micro and Small Enterprises is vital for strengthening the Policy and for this purpose, every Central Ministry or Department or Public Sector Undertaking shall report goals set with respect to procurement to be met from Micro and Small Enterprises and achievement made thereto in their respective Annual Reports.
- (2) The annual reporting shall facilitate in better understanding of support being provided by different Ministries or Departments or Public Sector Undertakings to Micro and Small Enterprises.

**6. Price quotation in tenders.**

- (1) In tender, participating Micro and Small Enterprises quoting price within price band of L1+15 per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a Micro and Small Enterprise



and such Micro and Small Enterprise shall be allowed to supply up to 20 per cent of total tendered value.

- (2) In case of more than one such Micro and Small Enterprise, the supply shall be shared proportionately (to tendered quantity).

**7. Developing Micro and Small Enterprise vendors.** – The Central Ministries or Departments or Public Sector Undertakings shall take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes or Buyer-Seller Meets and entering into Rate Contract with Micro and Small Enterprises for a specified period in respect of periodic requirements.

**8. Annual Plan for Procurement from Micro and Small Enterprises on websites.** – The Ministries or Departments or Public Sector Undertakings shall also prepare Annual Procurement Plan for purchases and upload the same on their official website so that Micro and Small Enterprises may get advance information about requirement of procurement agencies.

**9. Enhancing participations of Micro and Small Enterprises including those owned by Scheduled Castes or Scheduled Tribes in Government procurements.** – For enhancing participation of Scheduled Castes or Scheduled Tribes in Government procurement, the Central Government Ministries, Departments and Public Sector Undertakings shall take following steps, namely:-

- (a) Special Vendor Development Programmes or Buyer-Seller Meets shall be conducted by Departments/Public Sector Undertakings for Scheduled Castes or Scheduled Tribes;
- (b) Outreach programmes shall be conducted by National Small Industries Corporation to cover more and more Micro and Small Enterprises from Scheduled Castes or Scheduled Tribes under its schemes of consortia formation; and
- (c) National Small Industries Corporation shall open a special window for Scheduled Castes or Scheduled Tribes under its Single Point Registration Scheme (SPRS).

**10. Reduction in transaction cost.** – To reduce transaction cost of doing business, Micro and Small Enterprises shall be facilitated by providing them tender sets free of cost, exempting Micro and Small Enterprises from payment of earnest money, adopting e-procurement to bring in transparency in tendering process and setting up a Grievance Cell in the Ministry of Micro, Small and Medium Enterprises.

**11. Reservation of specific items for procurement.** – To enable wider dispersal of enterprises in the country, particularly in rural areas, the Central Government Ministries or Departments or Public Sector Undertakings shall continue to procure 358 items (Appendix) from Micro and Small Enterprises, which have been reserved for exclusive purchase from them. This will help in promotion and growth of Micro and Small Enterprises, including Khadi and village industries, which play a critical role in fostering inclusive growth in the country.

**12. Review Committee:**

- (1) A Review Committee has been constituted under the Chairmanship Secretary, Ministry of Micro, Small and Medium Enterprises, for monitoring and review of Public Procurement Policy for Micro and Small Enterprises vide Order No. 21(1)/2007-MA dated the 21<sup>st</sup> June 2010 (Annexure).
- (2) This Committee shall, inter alia, review list of 358 items reserved for exclusive purchase from Micro and Small Enterprises on a continuous basis, consider requests of the Central Ministries or Departments or Public Sector Undertakings for exemption from 20 per cent target on a case to case basis and monitor achievements under the Policy.

**13. Setting up of Grievance Cell.** — In addition, a ‘Grievance Cell’ will be set up in Ministry of Micro, Small and Medium Enterprises for redressing grievances of Micro and Small Enterprises in Government procurement. This cell shall take up issues related to Government procurement raised by Micro and Small Enterprises with Departments or agencies concerned, including imposition of unreasonable conditions in tenders floated by Government Departments or agencies that put Micro and Small Enterprises at a disadvantage.

**14. Special Provisions for Defence Procurements.** — Given their unique nature, defence armament imports shall not be included in computing 20 per cent goal for Ministry of Defence. In addition, defence equipment like weapon systems, missiles, etc. shall remain out of purview of such Policy of reservation.

**15. Monitoring of Goals.** — The monitoring of goals set under the Policy shall be done, in so far as they relate to the Defence sector, by Ministry of Defence itself in accordance with suitable procedures to be established by them.

**16. Removal of difficulty.** — Any difficulties experienced during the course of implementation of the above Policy shall be clarified by Ministry of Micro, Small and Medium Enterprises through suitable Press releases which would be kept on the public domain.

**(AMARENDRA SINHA)**  
**Additional Secretary and Development Commissioner (MSME)**

## APPENDIX TO ANNEXURE-1C

### LIST OF ITEMS RESERVED FOR PURCHASE FROM SMALL SCALE INDUSTRIAL UNITS INCLUDING HANDICRAFT SECTOR. (refer para 1.9.3 of the CSIR manual)

Sl. No.	Item Description
01.	AAC/and ACSR Conductor upto 19 strands
02.	Agricultural Implements
03.	(a) Hand Operated tools and implements (b) Animal driven implements
04.	Air/Room Coolers
05.	Aluminum builder's hardware
06.	Ambulance stretcher
07.	Ammeters/ohm meter/Volt meter (Electromagnetic upto Class I accuracy)
08.	Anklets Web Khaki
09.	Augur (Carpenters)
10.	Automobile Head lights Assembly
11.	Badges cloth embroidered and metals
12.	Bags of all types i.e. made of leather, cotton, canvas and jute etc. including kit bags, mail bags, sleeping bags and water-proof bag.
13.	Bandage cloth
14.	Barbed Wire
15.	Basket cane (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
16.	Bath tubs
17.	Battery Charger
18.	Battery Eliminator
19.	Beam Scales (upto 1.5 tons)
20.	Belt leather and straps
21.	Bench Vices
22.	Bituminous Paints
23.	Blotting Paper
24.	Bolts and Nuts
25.	Bolts Sliding
26.	Bone Meal
27.	Boot Polish
28.	Boots and Shoes of all types including canvas shoes
28.	Bowls
29.	Boxes Leather
30.	Boxes made of metal
31.	Braces
32.	Brackets other than those used in Railways
33.	Brass Wire
34.	Brief Cases (other than moulded luggage)
35.	Brooms

Sl. No.	Item Description
36.	Brushes of all types
37.	Buckets of all types
38.	Button of all types
39.	Candle Wax Carriage
40.	Cane Valves/stock valves (for water fittings only)
41.	Cans metallic (for milk and measuring)
42.	Canvas Products : (a) Water Proof Deliver, Bags to spec. No. IS - 1422/70 (b) Bonnet Covers and Radiators Muff. to spec. Drg. Lv 7/NSN/IA/130295
43.	Capes Cotton and Woollen
44.	Capes Waterproof
45.	Castor Oil
46.	Ceiling roses upto 15 amps
47.	Centrifugal steel plate blowers
48.	Centrifugal Pumps suction and delivery 150 mm. x 150 mm
49.	Chaff Cutter Blade
50.	Chains lashing
51.	Chappals and sandals
52.	Chamois Leather
53.	Chokes for light fitting
54.	Chrome Tanned leather (Semi-finished Buffalo and Cow)
55.	Circlips
56.	Claw Bars and Wires
57.	Cleaning Powder
58.	Clinical Thermometers
59.	Cloth Covers
60.	Cloth Jaconet
61.	Cloth Sponge
62.	Coir fibre and Coir yarn
63.	Coir mattress cushions and matting
64.	Coir Rope hawserlaid
65.	Community Radio Receivers
66.	Conduit pipes
67.	Copper nail
68.	Copper Napthenate
69.	Copper sulphate
70.	Cord Twine Maker
71.	Cordage Others
72.	Corrugated Paper Board and Boxes
73.	Cotton Absorbent
74.	Cotton Belts
75.	Cotton Carriers
76.	Cotton Cases
77.	Cotton Cord Twine

Sl. No.	Item Description
78.	Cotton Hosiery
79.	Cotton Packs
80.	Cotton Pouches
81.	Cotton Ropes
82.	Cotton Singlets
83.	Cotton Sling
84.	Cotton Straps
85.	Cotton tapes and laces
86.	Cotton Wool (Non-absorbent)
87.	Crates Wooden and plastic
88.	(a) Crucibles upto No. 200 (b) Crucibles Graphite upto No. 500 (c) Other Crucibles upto 30 kgs.
89.	Cumblies and blankets
90.	Curtains mosquito
91.	Cutter
92.	Dibutyl phthalate
93.	Diesel engines upto 15 H.P
94.	Dimethyl Phthalate
95.	Disinfectant Fluids
96.	Distribution Board upto 15 amps
97.	Domestic Electric appliances as per BIS Specifications:- - Toaster Electric, Elect. Iron, Hot Plates, Elect. Mixer, Grinders, Room heaters and convectors and ovens
98.	Domestic (House Wiring) P.V.C. Cables and Wires (Aluminum) Conforming to the prescribed BIS Specifications and upto 10.00 mm sq. nominal cross section
99.	Drawing and Mathematical Instruments
100.	Drums and Barrels
101.	Dust Bins
102.	Dust Shield leather
103.	Dusters Cotton all types except the items required in Khadi
104.	Dyes : (a) Azo Dyes (Direct and Acid) (b) Basic Dyes
105.	Electric Call bells/buzzers/door bells
106.	Electric Soldering Iron
107.	Electric Transmission Line Hardware items like steel cross bars, cross arms clamps arching horn, brackets, etc.
108.	Electronic door bell
109.	Emergency Light (Rechargeable type)
110.	Enamel Wares and Enamel Utensils
111.	Equipment camouflage Bamboo support
112.	Exhaust Muffler
113.	Expanded Metal
114.	Eyelets
115.	Film Polythene - including wide width film

116.	Film spools and cans
117.	Fire Extinguishers (wall type)
118.	Foot Powder
118.	French polish
120.	Funnels
121.	Fuse Cut outs
122.	Fuse Unit
123.	Garments (excluding supply from Indian Ordnance Factories)
124.	Gas mantels
125.	Gauze cloth
126.	Gauze surgical all types
127.	Ghamellas (Tasllas)
128.	Glass Ampules
129.	Glass and Pressed Wares
130.	Glue
131.	Grease Nipples and Grease guns
132.	Gun cases
133.	Gun Metal Bushes
134.	Gum tape
135.	Hand drawn carts of all types
136.	Hand gloves of all types
137.	Hand Lamps Railways
138.	Hand numbering machine
139.	Hand pounded Rice (polished and unpolished)
140.	Hand presses
141.	Hand Pump
142.	Hand Tools of all types
143.	Handles wooden and bamboo (Procurement can also be made from State Forest Corpn. and State Handicrafts Corporation)
144.	Harness Leather
145.	Hasps and Staples
146.	Haver Sacks
147.	Helmet Non-Metallic
148.	Hide and country leather of all types
149.	Hinges
150.	Hob nails
151.	Holdall
152.	Honey
153.	Horse and Mule Shoes
154.	Hydraulic Jacks below 30 ton capacity
155.	Insecticides Dust and Sprayers (Manual only)
156.	Invalid wheeled chairs
157.	Invertor domestic type upto 5 KVA
158.	Iron (dhobi)
159.	Key board wooden
160.	Kit Boxes

Sl. No.	Item Description
161.	Kodali
162.	Lace leather
163.	Lamp holders
164.	Lamp signal
165.	Lanterns Posts and bodies
166.	Lanyard
167.	Latex foam sponge
168.	Lathies
169.	Letter Boxes
170.	Lighting Arresters - upto 22 kv
171.	Link Clip
172.	Linseed Oil
173.	Lint Plain
174.	Lockers
175.	Lubricators
176.	L.T. Porcelain KITKAT and Fuse Grips
177.	Machine Screws
178.	Magnesium Sulphate
179.	Mallet Wooden
180.	Manhole covers
181.	Measuring Tapes and Sticks
182.	Metal clad switches (upto 30 Amps)
183.	Metal Polish
184.	Metallic containers and drums other than N.E.C. (Not elsewhere classified)
185.	Metric weights
186.	Microscope for normal medical use
187.	Miniature bulbs (for torches only)
188.	M.S. Tie Bars
189.	Nail Cutters
190.	Naphthalene Balls
191.	Newar
192.	Nickel Sulphate
193.	Nylon Stocking
194.	Nylon Tapes and Laces
195.	Oil Bound Distemper
196.	Oil Stoves (Wick stoves only)
197.	Pad locks of all types
198.	Paint remover
199.	Palma Rosa Oil
200.	Palmgur
201.	Pans Lavatory Flush
202.	Paper conversion products- paper bags, envelopes, Ice-cream cup, paper cup and saucers and paper Plates
203.	Paper Tapes (Gummed)
204.	Pappads



Sl. No.	Item Description
205.	Pickles and Chutney
206.	Piles fabric
207.	Pillows
208.	Plaster of Paris
209.	Plastic Blow Moulded Containers upto 20 litre excluding Poly Ethylene Terphthalate (PET) Containers
210.	Plastic cane
211.	Playing Cards
212.	Plugs and Sockets electric upto 15 Amp
213.	Polythene bags
214.	Polythene Pipes
215.	Post Picket (Wooden)
216.	Postal Lead seals
217.	Potassium Nitrate
218.	Pouches
219.	Pressure Die Casting upto 0.75 kg
220.	Privy Pans
221.	Pulley Wire
222.	PVC footwear
223.	PVC pipes upto 110 mm
224.	PVC Insulated Aluminium Cables (upto 120 sq. mm) (ISS:694)
225.	Quilts, Razais
226.	Rags
227.	Railway Carriage light fittings
228.	Rakes Ballast
229.	Razors
230.	RCC Pipes upto 1200 mm. dia
231.	RCC Poles Prestressed
232.	Rivets of all types
233.	Rolling Shutters
234.	Roof light Fittings
235.	Rubber Balloons
236.	Rubber Cord
237.	Rubber Hoses (Unbranded)
238.	Rubber Tubing (Excluding braided tubing)
239.	Rubberised Garments Cap and Caps etc.
240.	Rust/Scale Removing composition
241.	Safe meat and milk
242.	Safety matches
243.	Safety Pins (and other similar products like paper pins, staples, pins etc.)
244.	Sanitary Plumbing fittings
245.	Sanitary Towels
246.	Scientific Laboratory glass wares (Barring sophisticated items)
247.	Scissors cutting (ordinary)
248.	Screws of all types including High Tensile
249.	Sheep skin all types

Sl. No.	Item Description
250.	Shellac
251.	Shoe laces
252.	Shovels
253.	Sign Boards painted
254.	Silk ribbon
255.	Silk Webbing
256.	Ski boots and shoes
257.	Sluice Valves
258.	Snap fastner (Excluding 4 pcs. ones)
259.	Soap Carbolic
260.	Soap Curd
261.	Soap Liquid
262.	Soap Soft
263.	Soap washing or laundry soap
264.	Soap Yellow
265.	Socket/pipes
266.	Sodium Nitrate
267.	Sodium Silicate
268.	Sole leather
269.	Spectacle frames
270.	Spiked boot
271.	Sports shoes made out of leather (for all Sports games)
272.	Squirrel Cage Induction Motors upto and including 100 KW440 volts 3 phase
273.	Stapling machine
274.	Steel Almirah
275.	Steel beds stead
276.	Steel Chair
277.	Steel desks
278.	Steel racks/shelf
279.	Steel stools
280.	Steel trunks
281.	Steel wool
282.	Steel and aluminium windows and ventilators
283.	Stockinet
284.	Stone and stone quarry rollers
285.	Stoneware jars
286.	Stranded Wire
287.	Street light fittings
288.	Student Microscope
289.	Studs (excluding high tensile)
290.	Surgical Gloves (Except Plastic)
291.	Table knives (Excluding Cutlery)
292.	Tack Metallic
293.	Taps
294.	Tarpaulins
295.	Teak fabricated round blocks

Sl. No.	Item Description
296.	Tent Poles
297.	Tentage Civil/Military and Salitah Jute for Tentage
298.	Textiles manufactures other than N.E.C. (not elsewhere classified)
299.	Tiles
300.	Tin Boxes for postage stamp
301.	Tin can unprinted upto 4 gallons capacity (other than can O.T.S.)
302.	Tin Mess
303.	Tip Boots
304.	Toggle Switches
305.	Toilet Rolls
306.	Transformer type welding sets conforming to IS:1291/75 (upto 600 amps)
307.	Transistor Radio upto 3 band
308.	Transistorised Insulation - Testers
309.	Trays
310.	Trays for postal use
311.	Trolley
312.	Trollies - drinking water
313.	Tubular Poles
314.	Tyres and Tubes (Cycles)
315.	Umbrellas
316.	Utensils all types
317.	Valves Metallic
318.	Varnish Black Japan
319.	Voltage Stablisers including C.V.T's
320.	Washers all types
321.	Water Proof Covers
322.	Water Proof paper
323.	Water tanks upto 15,000 litres capacity
324.	Wax sealing
325.	Waxed paper
326.	Weighing Scale
327.	Welded Wire mash
328.	Wheel barrows
329.	Whistle
330.	Wicks cotton
331.	Wing Shield Wipers (Arms and Blades only)
332.	Wire brushes and Fibre Brushes
333.	Wire Fencing and Fittings
334.	Wire nails and Horse shoe nails
335.	Wire nettings of gauze thicker than 100 mesh size

Sl. No.	Item Description	
336.	Wood Wool	
337.	Wooden ammunition boxes	
338.	Wooden Boards	
339.	Wooden Box for Stamps	
340.	Wooden Boxes and Cases N.E.C. (Not elsewhere classified)	
341.	Wooden Chairs	
342.	Wooden Flush Door Shutters	
343.	Wooden packing cases all sizes	
344.	Wooden pins	
345.	Wooden plugs	
346.	Wooden shelves	
347.	Wooden veneers	
348.	Woolen hosiery	
349.	Zinc Sulphate	
350.	Zip Fasteners	
<b>HANDICRAFT ITEMS</b>		
Sl. No.	Item Description	Source of Supply
351.	Cane furniture Handlooms	North Eastern Handicrafts and Development Corporation, Assam Govt. Marketing Corpn. Craft Society of Manipur, Nagaland Handicrafts and Hnadlooms Development Corpn.
352.	Bamboo file tray, Baskets, Pencil stand, Side racks, etc.	- do -
353.	Artistic Wooden Furniture	Rajasthan Small Industries Corporation U.P. Export Corporation
354.	Wooden paper weight, racks etc.	- do -
355.	Glass covers made of wood and grass jute	- do -
356.	Jute furniture	West Bengal Handicrafts Dev. Corpn. Jute Mfg. Development Corporation Orissa State Handicrafts Dev. Corpn.
357.	Jute bags, file cover	- do -
358.	Woolen and Silk Carpets	UP Export Corporation J & K Sales and Export Corporation

*(Refer para 1.9.4(01) of the CSIR Manual)*

THE GAZETTE OF INDIA: EXTRAORDINARY (PART II-SEC.3(ii))

**MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES**

**ORDER**

New Delhi, the 9th November, 2018

**S.O. 5670(E).**-In exercise of powers conferred by section 11 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), the Central Government hereby makes the following amendments to the Public Procurement Policy for the Micro and Small Enterprises (MSEs) Order, 2012 namely :-

1. (i) This Order may be called the Public Procurement Policy for Micro and Small Enterprises; (MSEs) Amendment Order, 2018.  
(ii) This shall come into force on the date of its publication in the official Gazette.
2. Throughout the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, (hereinafter referred to as the said Order), for the figures and word "20 per cent", wherever they occur, the figures and word "25 per cent" shall be substituted.
3. After paragraph 4 of the said Order, the following paragraph shall be inserted, namely:-  
"4A. Special provision for Micro and Small Enterprise owned by women. Out of the total annual procurement from Micro and Small Enterprises, 3 per cent from within the 25 per cent target shall be earmarked for procurement from Micro and Small Enterprises owned by women.

[F. No. 21(22)-2018-MA I

RAM MOHAN MISHRA,  
Addl. Secy. & Development Commissioner

**Procurement Policies for Make in India**

(refer para 1.10.1 of the CSIR Manual)

No.P-45021/2/2017-PP (BE-II)  
Government of India  
Ministry of Commerce and Industry  
(Public Procurement Section)

Dated 28<sup>th</sup> May, 2018  
Udyog Bhawan, New Delhi

To  
All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

**Subject:** Public Procurement (Preference to Make in India), Order 2017 - Revision; regarding.

Department of Industrial Policy and Promotion, in partial modification of Order No.P- 45021/2/2017 -B.E.-11 dated 15.6.2017, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017" with immediate effect:-

**Whereas** it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

**Whereas** procurement by the Government is substantial in amount and can contribute towards this policy objective, and

**Whereas** local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

**Now therefore the following Order is issued :**

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.
2. **Definitions:** For the purposes of this Order:

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

'Local supplier' means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed under this Order or by the competent Ministries / Departments in pursuance of this order.

'L 1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'margin of purchase preference' means the maximum extent to which the price quoted by a local supplier may be above the L1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

**3. Requirement of Purchase Preference :** Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to local suppliers in all procurements undertaken by procuring entities in the manner specified hereunder"

- a. "In procurement of goods, services or works in respect of which the Nodal Ministry has communicated that there is sufficient local capacity and local competition, and where the estimated value of procurement is Rs. 50 lakhs or less, only local suppliers shall be eligible. If the estimated value of procurement of such goods or services or works is more than Rs. 50 lakhs, the provisions of sub-paragraph b or c, as the case may be, shall apply";
- b. "In the procurements of goods or works which are not covered by paragraph 3a and which are divisible in nature, the following procedure shall be followed";
  - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
  - ii. If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity



shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.

- c. "In procurements of goods or works not covered by sub-paragraph 3a and which are not divisible, and in procurement of services where the bid is evaluated on price alone, the following procedure shall be followed":-
- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
  - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such local supplier subject to matching the L1 price.
  - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.
4. **Exemption of small purchases:** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.
5. **Minimum local content:** The minimum local content shall ordinarily be 50%. The Nodal Ministry may prescribe a higher or lower percentage in respect of any particular item and may also prescribe the manner of calculation of local content.
6. **Margin of Purchase Preference:** The margin of purchase preference shall be 20% .
7. **Requirement for specification in advance :** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

8. **Government E-marketplace:** In respect of procurement through the Government E- marketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall , wherever feasible , make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.
9. **Verification of local content:**
- a. The local supplier at the time of tender , bidding or solicitation shall be required to provide self-certification that the item offered meets the minimum local content and shall give details of the location(s) at which the local value addition is made.
  - b. In cases of procurement for a value in excess of Rs. 10 crores , the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.
  - c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.
  - d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints .
  - e. Nodal Ministries and procuring entities may prescribe fees for such complaints .
  - f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.
  - g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities , in the manner prescribed under paragraph 9h below.
  - h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process , so that:

- i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;
- ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);
- iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in the such a manner that ongoing procurements are not disrupted.

**10. Specifications in Tenders and other procurement solicitations :**

- a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.
- b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of local suppliers who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.
- c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.
- d. If a Nodal Ministry is satisfied that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, it may, if it deems appropriate, restrict or exclude bidders from that country from eligibility for procurement of that item and/ or other items relating to that Nodal Ministry. A copy of every instruction or decision taken in this regard shall be sent to the Chairman of the Standing Committee.
- e. For the purpose of sub-paragraph 10 d above, a supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India."

**11. Assessment of supply base by Nodal Ministries :** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the

available capacity and the extent of local competition while identifying items and prescribing minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. **Increase in minimum local content:** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.
13. **Manufacture under license/ technology collaboration agreements with phased indigenization :** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.
14. **Powers to grant exemption and to reduce minimum local content:** Ministries/Departments of Government of India and the Boards of Directors of Government companies or autonomous bodies may, by written order,
  - a. reduce the minimum local content below the prescribed level;
  - b. reduce the margin of purchase preference below 20% ;
  - c. exempt any particular item or procuring or supplying entities or class or classes of items or procuring or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be marked to the Member-Convenor of the Standing Committee constituted under this Order.

15. **Directions to Government companies:** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.
16. **Standing Committee :** A standing committee is hereby constituted with the following membership:

Secretary, Department of Industrial Policy and Promotion – Chairman  
Secretary, Commerce-Member  
Secretary, Ministry of Electronics and Information Technology-Member  
Joint Secretary (Public Procurement), Department of Expenditure-Member  
Joint Secretary (DIPP)-Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee** : The Standing Committee shall meet as often as necessary but not less than once in six months. The Committee
- a. shall oversee the implementation of this order and issues arising therefrom , and make recommendations to Nodal Ministries and procuring entities .
  - b. shall annually assess and periodically monitor compliance with this Order
  - c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content
  - d. may require furnishing of details or returns regarding compliance with this Order and related matters
  - e. may, during the annual review or otherwise , assess issues , if any, where it is felt that the manner of implementation of the order results in any restrictive practices , cartelization or increase in public expenditure and suggest remedial measures
  - f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization
  - g. may consider any other issue relating to this Order which may arise.
18. **Removal of difficulties** : Ministries /Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order .
19. **Ministries having existing policies**: Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015 , such policies will prevail over the provisions of this Order . All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order , within two months of the issue of this Order .
20. **Transitional provision** : This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order .

(B.S.Nayak)  
Under Secretary to the Government of India  
Ph. 23061257

**PUBLIC PROCUREMENT (PREFERENCE TO MAKE IN INDIA) ORDER 2017****APPROVED PRODUCT CATEGORIES AND ASSOCIATED MINISTRY/DEPARTMENT***(refer para 1.10.1 of the CSIR Manual)*

<b>S. No.</b>	<b>Product categories</b>	<b>Associated Ministries/Department</b>
1.	Pharmaceuticals, Medical Devices	Department of Pharmaceuticals
2.	IT and Electronics (including softwares)	Ministry of Electronics & IT
3.	Telecommunications	Department of Telecommunications
4.	Automobile and Automotive Components, Capital Goods (Heavy Machinery, Machine Tools etc.)	Department of Heavy Industries
5.	Petroleum and Natural Gas	Ministry of Petroleum and Natural Gas
6.	Chemicals	Department of Chemicals & Petrochemicals
7.	Paper Products, Cement, Leather Products	Deptt. of Industrial Policy & Promotion
8.	Construction, Metro Rail Systems, All other works	Ministry of Housing & Urban Affairs
9.	Textiles & Apparel	Ministry of Textiles
10	Shipping	Ministry of Shipping
11	Railways, All Railway Works	Ministry of Railways
12	All Defence Works	Department of Defence, Ministry of Defence
13	Defence	Department of Defence Production
14	Power (generation, transmission and distribution)	Ministry of Power
15	Non-conventional energy	Ministry of New and Renewable Energy
16	Aviation	Ministry of Civil Aviation
17	Iron and Steel	Ministry of Steel
18	Mining	Ministry of Mines
19	Roads and Bridges (except for Railways and Defence Projects)	Ministry of Road Transport and Highways

(refer para 1.10 of the CSIR Manual)

**No.P-45021/2/2017-B.E.II**  
**Government of India**  
**Ministry of Commerce and Industry**  
**Department of Industrial and Promotion**

Room No.516. Lok Nayak Bhawan  
New Delhi, 04th July, 2017

**OFFICE MEMORANDUM**

**Subject:- Public Procurement (Preference to Make in India), Order 2017.**

Attention is invited to para 9 of Public Procurement (Preference to Make in India). Order 2017 issued by Department of Industrial Policy & Promotion (DIPP) vide Order No. P-45021/212017-B.E.-11 dated 15.06.2017 (copy enclosed) where in provisions for debarment of bidders due to false declaration are stipulated. In this regard, following process may be adopted by all procuring entities:

- (1) All procuring entities will upload the name of debarred bidder/supplier along with duration and reasons of debarment on their own website. Apart from this they will also send this information to Member-Convenor of the Standing Committee in DIPP and Government e-Market place (GeM) & Central Public Procurement Portal (CPPP) for uploading such information for their portals GeM CPPP will create one separate page on their portal for displaying information.
- (2) In respect of procuring entities other than the one which has carried out the debarment. The debarment takes effect prospect vary from the date of uploading on CPPP so as on-going procurements are not disrupted.

(Vinayak T Likhar)  
Under Secretary to the Govt. of India  
Tel.No.24621305  
Email:- [vinayaklikhar@nic.in](mailto:vinayaklikhar@nic.in)

- (i) Secretaries of all Ministries/Departments of Government of India
- (ii) Secretary (DIPP) with a request to issue necessary instructions to CPSUs

Copy to: Financial Advisors of All Ministries/Department s of Government of India for kind information.



## ANNEXURE -1E

### List of Handloom Items notified for purchase from KVIC/ACASH (refer para 1.9.1 of the CSIR Manual)

Title	IScode
<b>cotton-Handloom</b>	
Angacastam	7216 -1974
Bandage cloth	863 -1969
Bed dutties	1557 -1972
Bed sheets	745-1975
Bleeding Madras, loom state.	1937-1961
Buckram cloth	1102-1968
Bunting cloth dyed	747-1982
Calico, bleached or dyed	1241-1958
Cambric, bleached	1098-1957
Cellular shirting, handloom cotton	1101-1981
Cloth for plaster of paris bandages and cut bandages	6237-1971
Coating, handloom cotton	1243-1981
Colourfastness of handloom cotton textiles, requirements	6906-1982
Crepe	1100-1978
Dhoties	748-1974
Dosuti Grey, scoured, bleached or dyed	756-1984
Dress material, bleached, dyed printed or striped or checked	1095-1957
Drills	1451-1979
Dungri cloth	749-1978
Dustors	859-1978
Floor durries	1450-1972
Gada cloth	1094-1976
Gause, absorbent, non-sterilized, handloom cotton	758-1975
Handkerchiefs	1939-1975
Holland cloth, unsecured	1096-1957
Honey comb towels and towelling cloth	855-1979
Huckaback towels	856-1971

<b>Title</b>	<b>IScode</b>
Jaconet cloth, grey, dressed	86-1982
Lightsheeting, grey	864-1956
Lining cloth, dyed	1099-1957
Lint, absorbent, bleached	757-1971
Longcloth, bleached or dyed	1244-1958
Lungies	750-1976
Madras check	1247-1958
Madras handkerchiefs. Handloom cotton	1093-1981
Malnal bleached	755-1984
Mazricloth (loomstate)	751-1984
Mixs	8039-1976
Moots striped or checked	1814-1961
Mosquito netting	1097-1979
Muslin, bleached	752-1984
Nainseek, bleached or dyed	1240-1958
Napkins, bleached, striped, checked or dyed	857-1956
Poplin, bleached or dyed	1556-1960
Poplin cloth bleached or dyed	753-1983
Pyjamma cloth, grey, with stripes	1245-1958.
Saries	754-1974.
School uniform fabric	797-1971
Shirting	1242-1975
Sponge cloth, grey, striped and checked	860-1956
Table cloth and napkins, handloom cotton	858-1981
Ticking cloth, grey, striped	862-1956
Turkish towels and toweling cloth handloom cotton	854-1981
Twills	1579-1979
<b>Silk-Handloom</b>	
Bush Shirt cloth, Loomstate	1686-1960
Dhotis, Loomstate	1583-1960
Kora (loomstate) cloth	1687-1960
Shirting, loom state	1584-1960

Title	IScode
<b>Wool Handloom</b>	
Blanketing cloth	895-1957
Blanket, scarlet	2901-1964
Blankets, natural grey brown	892-1980
Blankets, ordinary, plain or check	893-1957
Blankets, shoddy (double faced)	2157-1962
Blankets, shoddy (single faced)	2481-1963
Blankets, brick red	894-1980
Bunting cloth, worsted, heavy	889-1957
Bunting cloth, worsted, light	890-1957
Cloth, collar, white	2715-1964
Kamblies, foomstate	896-1957
Lohis, worsted	1268-1958
Melton (shoddy) cloth	2173-1962
Serge	1266-1958
Shirting worsted	891-1957
Pile Fabrics	2714-1964

The following items shall be procured on the basis of samples approved by purchaser, mutually agreed specifications.

1. Khes
2. Bedcover
3. Counter pane
4. Furnishing
5. Chaddar
6. Durrets/Jamakkalam
7. Bastha cloth
8. Lowreed pick cloth
9. Silk Sarees
10. Shawls, Mufflers, Pankhis
11. Woolen tweed.

## ANNEXURE-1F

**List of Medicines reserved for procurement from Pharma CPSEs**  
(refer para 1.9.2(h) of the CSIR Manual)

Sl. no.	Capsules
1.	AMOXYCILLIN IP
2.	AMOXYCILLIN IP + CLOXACILLIN IP
3.	AMPICILIN IP
4.	B-COMPLEX + VIT.-C & ZINC
5.	CEPHALEXIN IP
6.	DOXYCYCLINE IP
7.	FLUCONAZOL
8.	OMEPRAZOLE IP
9.	OMEPRAZOLE+DOMPERIDONE
10.	CEFADROXIL
11.	TETRACYCLINE
Tablets	
12.	ACECLOFENAC + PARACETAMOL
13.	ACECLOFENAC 100 MG
14.	ALBENDAZOLE
15.	AMLODEPIN
16.	AMOXYCILLIN+CLAVULANIC ACID
17.	ASCORBIC ACID IP
18.	ATENOLO
19.	ATROVASTATIN
20.	AZITHROMYCIN
21.	CALCIUM+VITAMIN D3
22.	CEFIXIME TABS/CAPS
23.	CEFPODOXIME PROXETIL
24.	CEFUROXIME AXETIL
25.	CETRIZINE HCL BP
26.	CETRIZINE+PARACETAMOL+PHENYL EPHERIN
27.	CHLOROQUINE PHOSPHATE IP

28.	CIPROFLOXACIN+TINIDAZOLE
29.	CIPROLOXACIN IP
30.	CO-TRIMOXAZOLE IP
31.	DICLOFENAC SODIUM
32.	DICYLOMINE+PARACETAMOL
33.	DOMPERIDONE
34.	ERYTHROMYCIN STERATE IP
35.	IBUPROFEN IP
36.	LEVOCETRIZINE
37.	LEVOFLOXAACIN
38.	LOSARTAN
39.	METRONIDAZOLE IP
40.	NIMESULIDE
41.	NORFLOXACIN+TINIDAZOLE
42.	NORFLOXACIN IP
43.	OFLOXACIN
44.	OFLOXACIN+ORNIDAZOLE
45.	ORAL CONTRACEPTIVE PILLS
46.	PANTOPRAZOLE
47.	PARACETAMOL
48.	PARACETAMOL IP+DICLOFENAC SODIUM
49.	PARACETAMOL+IBUPROFEN
50.	PENICILLIN V
51.	POLYVITAMIN PROPHYLACTIC (NFI)
52.	RANITIDINE HCL IP
53.	ROXITHROMYCIN
54.	METFORMIN
55.	SPARFLOXACIN
56.	TINIDAZOLE
57.	VITAMINE B-COMPLEX

Sl. No.	Suspensions/ Syrups
58.	ALBENDAZOLE SUSP.
59.	AMOXYCILLIN DRY SYP.
60.	CETRIZINE SYRUP
61.	COTRIMOXAZOLE SUSP.
62.	COUGH SYP. EACH 5 ML CONTAINS-CPM IP : 3MG+AMMONIUM CHLORIDE IP: 110MG+SODIUM CITRATE IP : 4SMG+MENTHOL IP: 9MG
63.	COUGH SYP. EACH 5ML CONTAINS- DYPHENHYDRAMINE HCL:14MG+AMMONIUM CHLORIDE IP: 135MG+SODIUM CITRATE IP: 57MG+MENTHOL IP: 9MG
64.	DOMPERIDONE SUSP.
65.	PRACETAMOL SYP.
66.	VITAMINA SOLUTION IP
<b>Oral Powders</b>	
67.	ORAL REHYDRATION SALT (WHO FORMULA)
<b>External Lotions/Solutions</b>	
68.	GLUTARALDEHYDE
69.	CHLORHEXIDINE GLUCONATE SOLUTION
<b>Ointments</b>	
70.	CLOTRIMAZOLE OINTMENT
71.	DICLOFENACO GEL
72.	POVIDONE IODINE SOLUTION/OINTMENT
73.	SILVER SULPHADIAZINE
<b>I.V. Fluids (Infusion)</b>	
74.	CIPROFLOXACIN
75.	LEVOFLOXACIN IV
76.	MANNITOL
77.	METRONIDAZOLE
78.	PLAZMA VOLUME EXPENDER
79.	RINGER LACTATE I.V.

Sl. no.	Dry Powders/Liquid Injections
80.	AMIKACIN
81.	AMOXICILLIN SODIUM+CLAVULANATE POTASSIUM
82.	AMPICILLIN IP
83.	AVS LIQUID (LYFOLYSED)
84.	BENZATHENE PENICILLIN IP
85.	BENZYLE PENICILLIN IP
86.	CEFEPIME
87.	CEFOPERAZONE
88.	CEFOPERAZONE+SULBACTAM
89.	CEFOTAXIME SODIUM USP
90.	CEFOTAXIME SODIUM+SULBACTAM
91.	CEFTAZADIME
92.	CEFTRIAXONE
93.	CEFTRAXONE+SULBACTAM
94.	DICLOFENAC SODIUM
95.	ETO-THEOPHYLLINE
96.	ATROPIN INJ.
97.	FRUSEMIDE
98.	GENTAMYCIN IP
99.	MEROPENEM INJ.
100.	PENTAZOCIN
101.	PIPERACILLIN+TAZOBACTAM
102.	RANITIDINE IP
103.	GLIMEPIRIDE (1MG/2MG)



**URGENCY PURCHASE CERTIFICATE**

(Refer para 2.1.1 (03) (c), 2.3.2 , 4.5.1 (01) & 4.7.1 (01) of the CSIR Manual )

Certified that the items indented vide PR No. \_\_\_\_\_ dated \_\_\_\_\_ costing approx. ₹ \_\_\_\_\_ are required to be purchased on emergency basis.

The need of the items could not be foreseen due to the following reasons:

---

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OR

The emergency has arisen due to the following reasons:

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OR

The required goods are necessarily to be purchased from M/S \_\_\_\_\_ for the following reasons:

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*(Strike out whichever is not applicable)*

The non-availability of the item shall result in the following consequences

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In view of the urgency, the following mode of procurement is proposed to be adopted

- a) Direct Procurement without quotation.
- b) Direct Procurement by Local Purchase Committee.
- c) SLTE/LTE with reduced time of submission of bids.
- d) Purchase on STE basis.  
*(Retain any one only)*

It is therefore proposed to:

- (a) Resort to direct procurement without quotation at a cost of Rs, \_\_\_\_\_ (Rupees \_\_\_\_\_ (in words) which exceeds the threshold limit of ₹ 25000/-.
  - (b) Resort to direct procurement through a local purchase committee at a cost of ₹ \_\_\_\_\_ (Rupees \_\_\_\_\_ (in words) which exceeds the threshold limit of ₹ 2,50,000/-
  - (c) Request the Purchase Section to restrict the time frame for submission of bids to \_\_\_\_ days from the date of floating the SLTE/LTE.
  - (d) Request the Purchase Section to float STE to M/S \_\_\_\_\_
- (Retain any one only)

Director may kindly approve the above proposal. The relevant indent after complying with the requirements is enclosed.

Name of Indentor: _____	Name of Project Leader _____
Designation _____	Designation _____
Division _____	Division _____
Signature of the indenter _____	Signature of the Project Leader _____
Date _____	Date _____

**Director**

## INDENT FOR PURCHASE OF CAPITAL GOODS

(Refer para 2.3 .2 of the CSIR Manual)

\_\_\_\_\_  
(Name of the Lab/Instt.)

PR No. as per PR Register \_\_\_\_\_ Indent No. & Date \_\_\_\_\_  
(To be filled by Indenter) (To be filled by Purchase)  
(Only printed indent without alterations/striking/over writings will be accepted)

Name of Indenter \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Name of Project Leader \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Project No. \_\_\_\_\_ Name of Division \_\_\_\_\_

Category \_\_\_\_\_ Sub-Category \_\_\_\_\_

1.0 The following items may kindly be procured for use in the above project as well as other R&D activities of the Lab./Instt.

Sl. No	Details of Items*	Quantity	Estimated cost of each item in INR (please refer clause 2.1.1(3) (e) (i) of the CSIR Manual)
	1.End Use : 2. Detailed specification: 3. Scope of supply & incidental services: 4. Inspection and Tests required: 5.Acceptance test: 6.Qualification criteria if any:  Note: Indicating of optional items is not permitted (use extra sheet if required)		
			<b>Total:</b>

**It is certified that:**

- (a) The indented specifications are not based on any specific make/brand of a specific manufacturer/firm.
- (b) The specifications given above meet the basic needs without including superfluous or non-essential features which may result in unwarranted expenditure.
- 2.0 The items indented are Proprietary/being procured on ST basis/on LPC basis/without quotation/urgency/none. (Retain only one). The requisite certificate is enclosed.

3.0

- (a) The availability of the item on GeM : available/not available.
- (b) Reasons, if any, for the items available on GeM being not processed for purchase
- 

4.0 The installation/commissioning of the item/items shall be done by :  
(please tick the appropriate one.)

- (a) Indentor : ( )
- (b) Supplier/Manufacturer : ( )
- (c) Indian representative or authorized agent /dealer : ( )
- (d) Not required : ( )

5.0 Whether the purchase is to be made on the buy-back basis: Yes/No  
If yes, the details of the old item are as under:

- (i) Name of the equipment :
- (ii) Model :
- (iii) Name of Manufacturer :
- (iv) Sr. No. :
- (v) Present condition : Surplus/Obsolete/Unserviceable/Other  
(with copy of recommendations of SDC)
- (vi) Date of Purchase (Pl. specify) :
- (vii) Purchase Value :

6.0 Warranty Period required : \_\_\_\_\_

7.0 Whether CAMC/AMC is required: Yes/No

8.0 If CAMC/AMC is required  
the details and duration thereof are :

---

9.0 The delivery of the item is required on or before : \_\_\_\_\_  
(the delivery time should be realistic)

10.0 The installation requirements like area, power, civil works etc. are ready: Yes/No  
If not, expected time by which requirements will be completed  
\_\_\_\_\_.

11.0 The details of available vendors, their complete addresses and websites wherever available.

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_

12.0 The Inspection of the material shall be done within \_\_\_\_\_ days after receipt of the goods.

13.0 Whether training is required, if so, please mention type of training (operational & maintenance) required, number of persons to be trained, duration etc. along with proper justification & place of the training \_\_\_\_\_  
(use separate sheet if required)

14.0 The updated stock position has been checked on the intra-net and it is certified that the item(s) is/are not available in store. **(Applicable if the updated stock position is available on the intra-net)**

15.0 T  
The details of the previous purchase made during last three years, are as under:

Sl. No. of Indent	Date of previous Purchase	Name of Supplier	Rate/cost in Rupees/FC

**16.0** We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

Signature of the Indentor

Signature of Project Leader

Date

Date

**FOR USE BY STORES**

(Not applicable in case the stock position is available on intra-net)

01. It is certified that:

(a) The indented item(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are Available in store.

(b) The indented items(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are Not Available in store. *(strike out whichever is not applicable)*

Asst. SO (S&P)/ Jr. Secretarial Asst. \_\_\_\_\_

SO(S&P)(Stores) : \_\_\_\_\_

**TO BE USED BY PME OR ACCOUNTS FOR VERIFICATION**

PROJECT			FUNDS		
Project No. & Budget Head	Starting Date	Closing Date	Allocation including Revised allocation, If any.	Total Amount of Indents including Present indent	Balance

Certified that the funds for the purchase are available

or

There is no budget allocation for the current year for the indent submitted; however, the indent may be processed for further action as per the approval accorded by the Director for administrative processing. (copy enclosed)

- 17.0** This indent is in line with the procurement plan hosted on the website and we shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

(Strike out whichever is not applicable)

PME/Accounts

## ANNEXURE-2C

### INDENT FOR PURCHASE OF CONSUMABLES (Refer para 2.3.2 of the CSIR Manual )

\_\_\_\_\_  
(Name of the Lab/Instt.)

PR No. as per PR Register \_\_\_\_\_  
(To be filled by Indenter)

Indent No. & Date \_\_\_\_\_  
(To be filled by Purchase)

**(Only printed indent without alterations/striking/over writings will be accepted)**

Name of Indenter \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Name of Project Leader \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Project No. \_\_\_\_\_

Name of Division \_\_\_\_\_ Nature of items \_\_\_\_\_  
(Whether hazardous/radio active, perishable etc.)

Category \_\_\_\_\_ Sub Category \_\_\_\_\_

**1.0** The following items may kindly be procured for use in the above project as well as other R&D activities of the Lab./Instt.

Sl. No.	Details of Items*	Quantity	Estimated cost of each item in INR (please refer clause . 2.1.1(3) (e) (i) of the CSIR Manual )
	1. End Use : 2. Detailed specification: 3. Scope of supply & incidental services: 4. Acceptance test: 5. Qualification criteria if any:  Note: Indicating of optional items is not permitted (use extra sheet if required)		
			<b>Total:</b>

**2.0** It is certified that:

(a) The indented specifications are not based on any specific make/brand of a specific manufacturer/firm.

(b) The specifications given above meet the basic needs without including superfluous or non-essential features which may result in unwarranted expenditure.

**3.0** The items indented are Proprietary/being procured on ST basis/on LPC basis/without quotation/emergency/none. (Retain only one). The requisite certificate is enclosed.



**4.0**

- (a) The availability of the item on GeM : available/not available
- (b) Reasons, if any, for the items available on GeM being not processed for purchase  
\_\_\_\_\_

**5.0** The delivery of the item is required on or before : \_\_\_\_\_  
(the delivery period should be realistic)

**6.0** The details of available vendors, their complete address and websites wherever available are as under:

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_

**7.0** The Inspection of the material shall be done within \_\_\_\_days after receipt of the goods.

**8.0** The updated stock position has been checked on the intra-net and it is certified that the item(s) is/are not available in store. (**Applicable if the updated stock position is available on the intra-net**)

**9.0** The details of the previous purchase made during last three years, are as under:

Sl. No. of Indent	Date of previous Purchase	Name of Supplier	Rate/cost in Rupees/FC

**10.0** It is certified that the quantity indented are required to meet immediate needs and are not intended for unnecessary stocking.

**11.0** We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

Signature of the Indentor  
Date

Signature of Project Leader  
Date

**FOR USE BY STORES**

(Not applicable in case the stock position is available on intra-net)

**01.** It is certified that:

- (a) The indented item(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are **Available** in store.
- (b) The indented items(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are **Not Available** in store. (*strike out whichever is not applicable*)

**Asst. SO(S&P)/Jr. Secretarial Asst.** \_\_\_\_\_

**SO(S&P)(Stores)** \_\_\_\_\_

**TO BE USED BY PME OR ACCOUNTS FOR VERIFICATION:**

PROJECT			FUNDS		
Project No. & Budget Head	Starting Date	Closing Date	Allocation including Revised allocation, If any.	Total Amount of Indents including Present indent	Balance

Certified that the funds for the purchase are available

or

There is no budget allocation for the current year for the indent submitted; however, the indent may be processed for further action as per the approval accorded by the Director for administrative processing. (copy enclosed)

**12.0** This indent is in line with the procurement plan hosted on the website and we shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

*(strike out whichever not applicable)*

PME/Accounts

**INDENTS FOR PURCHASE OF ITEMS UNDER RC***(Refer para 2.3.2 & 8.4 (12) of the CSIR Manual)*\_\_\_\_\_  
*(Name of the Lab/Instt.)*PR No. as per PR Register \_\_\_\_\_  
*(To be filled by Indenter)*Indent No. & Date \_\_\_\_\_  
*(To be filled by Purchase)***(Only printed indent without alterations/striking/over writings will be accepted)**

Name of Indenter \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Name of Project Leader \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Project No. \_\_\_\_\_

Name of Division \_\_\_\_\_ Nature of Items \_\_\_\_\_  
*(Whether hazardous/radio active, perishable etc.)*

Category \_\_\_\_\_ Sub Category \_\_\_\_\_

**1.0** The following items may kindly be procured for use in the above project as well as other R&D activities of the Lab./Instt.

Sl. No.	Cat. No	Pg. No. of the Price List <i>(if available)</i>	Details of Items	Pack Size	Rate	Quantity	Cost of each item in INR
						Less: Discount	
						Sub Total	
						Add: GST	
						Grand Total	

**Certified that the prices have been computed from the current pricelist of the firm and we shall be responsible for its correctness.****2.0** The updated stock position has been checked on the intra-net and it is certified that the item(s) is/are not available in store. ***(Applicable if the updated stock position is available on the intra-net)***

**3.0**

- (a) The availability of the item on GeM : available/not available.
- (b) Reasons, if any, for the items available on GeM being not processed for purchase

---

**4.0** The amount of ₹\_\_\_\_\_is hereby sanctioned under Project No.\_\_\_\_\_and Budget Sub-Head \_\_\_\_\_

**5.0** We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

Signature of the Indentor  
Date

Signature of Project Leader  
Date

**FOR USE BY STORES**

(Not applicable in case the stock position is available on intra-net)

**01.** It is certified that:

- (a) The indented item(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are **Available** in store.
- (b) The indented items(s) at Sr.No.(s)\_\_\_\_\_of the indent is/are **Not Available** in store.  
*(strike out whichever is not applicable)*

Asst. SO(S&P)/Jr. Secretarial Asst. \_\_\_\_\_

SO(S&P) (Stores)\_\_\_\_\_

**TO BE USED BY PME OR ACCOUNTS FOR VERIFICATION**

PROJECT			FUNDS		
Project No. and Budget Head	Starting Date	Closing Date	Allocation including Revised allocation, If any.	Total Amount of Indents including Present indent	Balance

**6.0** We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

PME/Accounts

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**For use in Purchase Section**

PO No. \_\_\_\_\_ Dated \_\_\_\_\_ with M/s  
\_\_\_\_\_ who is the authorized dealer of  
M/s \_\_\_\_\_ is placed below for signatures. The  
delivery date is \_\_\_\_\_  
(The delivery date has to be prior to Project closing date).

Name : \_\_\_\_\_  
Designation of the PDA : \_\_\_\_\_  
Date : \_\_\_\_\_

**SO(S&P)/SPO**

**INDENT FOR PURCHASE WITHOUT QUOTATION***(Refer para 2.3.2 of the CSIR Manual)*\_\_\_\_\_  
*(Name of the Lab/Instt.)*Pr. No. as per PR Register \_\_\_\_\_  
(To be filled by Indenter)Indent No. & Date \_\_\_\_\_  
(To be filled by Purchase)**(Only printed indent without alterations/striking/over writings will be accepted)**

Name of Indenter \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Name of Project Leader \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Project No. \_\_\_\_\_

Name of Division \_\_\_\_\_ Nature of Items: **Capital/Consumable**

Category \_\_\_\_\_ Sub Category \_\_\_\_\_

- 1.0 The following items may kindly be procured for use in the above project as well as other R&D activities of the Lab./Instt.:

Sl. No.	Details of Items*	Quantity	Estimated cost of each item in INR (please refer clause 2.1.1(3) (e) (i) of the CSIR Manual)
<b>Total</b>			

- 2.0 The updated stock position has been checked on the intra-net and it is certified that the item(s) is/are not available in store. **(Applicable if the updated stock position is available on the intra-net)**

3.0

(a) The availability of the item on GeM : available/not available

(b) Reasons, if any, for the items available on GeM being not processed for purchase

4.0 It is certified that the quantity /quality indented are required to meet immediate needs and are not indented for unnecessary stocking.

5.0 We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

Signature of the Indentor  
Date

Signature of Project Leader  
Date

#### FOR USE BY STORES

(Not applicable in case the stock position is available on intra-net)

6.0 It is certified that:

(a) The indented item(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are **Available** in store.

(b) The indented items(s) at Sr. No.(s) \_\_\_\_\_ of the indent is/are **Not Available** in store.  
(Strike out whichever is not applicable)

Asst. SO(S&P)/Jr. Secretarial Asst. \_\_\_\_\_

SO(S&P)(Stores)\_\_\_\_\_

#### TO BE USED BY PME OR ACCOUNTS FOR VERIFICATION

7.0 An amount of ₹ \_\_\_\_\_ is available under Project No. \_\_\_\_\_

We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

PME/Accounts

To be used by Sanction Authority–Project Leader

An amount of ₹ \_\_\_\_\_ (Rupees \_\_\_\_\_) is sanctioned

under Project Budget Head \_\_\_\_\_.

Signature of project Leader

Name: \_\_\_\_\_  
Designation \_\_\_\_\_



Please tick the relevant of the following for further action:

1. Payment may be made to M/s\_\_\_\_\_
2. An amount of ₹\_\_\_\_\_ may kindly be reimbursed to \_\_\_\_\_to Dr./Mr./Ms.\_\_\_\_\_ ID No. \_\_\_\_\_ as the payment for the above purchase has been made by him.
3. An advance for ₹ \_\_\_\_\_ may kindly be drawn in the name of \_\_\_\_\_ ID No. \_\_\_\_\_
4. OB No.\_\_\_\_\_ Dated\_\_\_\_\_ may be removed off against ₹\_\_\_\_\_ drawn as advance.
5. The payment has been made out of the Revolving advance hence the bill may be adjusted against it and an amount for ₹\_\_\_\_\_ may kindly be recouped.

Signature of Indentor\_\_\_\_\_ Signature of Project Leader\_\_\_\_\_

Finance & Account Section may kindly admit the above bills for payment.

Asst. SO(S&P)/Jr. Secretarial Asst.

SO(S&P)/SPO/CoSP

**INDENT FOR ANNUAL MAINTENANCE CONTRACT***(Refer para 2.3.2 of the CSIR Manual)*\_\_\_\_\_  
(Name of the Lab./Instt)PR. No. as per PR Register \_\_\_\_\_  
(To be filled by Indenter)Indent No. & Date \_\_\_\_\_  
(To be filled by Purchase)**(Only printed indent without alterations/striking/over writings will be accepted)**

Name of Indenter \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Name of Project Leader \_\_\_\_\_ Designation \_\_\_\_\_ ID No. \_\_\_\_\_

Project No. \_\_\_\_\_ Name of Division \_\_\_\_\_

Category \_\_\_\_\_ Sub Category \_\_\_\_\_

Annual Maintenance Contract for the item / equipment / instrument / software,  
details of which are given below may kindly be finalized:

01.	Name of the Goods	
02.	Model and Serial Number	
03.	Name of the manufacturer/firm	
04.	PO No. & Date of purchase of goods	
05.	Total cost / Book value in Rupees	
06.	Date of installation	
07.	Period of warranty in years	
08.	Date of expiry of warranty	
09.	Present condition of the goods	
10.	If any repairs have to be carried out before commencement of AMC	
11.	Requirement of spare parts, critical, non- critical or essential calibration, if any	
12.	Whether AMC required is	Comprehensive/Non-comprehensive
13.	Whether User Log Book is maintained	Yes / No / Not Applicable
14.	Whether AMC is to be entered with OEM/Indian Agent/ Authorized Dealer/Service Provider/Third Party Supplier	
15.	Whether AMC is being done for	First time / Renewal

16.	Details of last AMC (in case of renewal)	
(a)	Earlier AMC Order No	
(b)	Name of the AMC holder	
(c)	Cost of AMC	
(d)	Period of AMC	
(e)	Service provided by the AMC Holder	Satisfactory / Unsatisfactory
(f)	Whether the party is rendering satisfactory services even after the end of AMC period	Yes / No
17.	Duration of the AMC now required	
(a)	No. of preventive and Break-down Calls required	
(b)	Any other requirement	
18.	Scope of work / maintenance including inclusions and exclusions (use separate sheet, if required)	
19.	Name of the Firm with whom the AMC is to be entered with	
20.	The estimated cost of the AMC (In Rupees) (Please refer Clause 2.1.1(3)(e)(i) of the CSIR Manual	
21.	Full address of service provider	
22.	Project No. and Budget Head	

23. We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

Signature of the Indentor \_\_\_\_\_ Signature of the Project Leader \_\_\_\_\_  
Date Date

**TO BE USED BY PME OR ACCOUNTS FOR VERIFICATION**

PROJECT			FUNDS		
Project No. and Budget Head	Starting Date	Closing Date	Allocation including Revised allocation, If any.	Total Amount of Indents including Present indent	Balance

We shall abide by the Code of Integrity for Public Procurement as per para 3.2.1 of the CSIR Manual.

PME/COFA

Head

## PURCHASE REQUISITION REGISTER FOR INDENTERS

*\_(Refer para 2.3.2 of the CSIR Manual)*

Name of the Division \_\_\_\_\_

(To be prepared and maintained by the Indenting Divisions for all type indents including purchase without quotation)

PR No.	PR Date	Date of Submission to Purchase	Name of the Indenter	Description	Qty.	Capital / Consumables	Indented Cost in ₹ In Lakhs	Project No	Mode of Procurement	As ascertained from S&P Division					
										Indent No. & Date	Purchase Order Ref. & date	Qty.	Sanction Amount	Name of the Supplier	Delivery Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Date of Receipt of Items	SIV No. & Date	Name & ID of the User	Signature and Date of the Indenting Officer	Remarks
17	18	19	20	21

**PURCHASE INDENT REGISTER***(Refer para 2.3.2 of the CSIR Manual)*


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 (Name of the Lab/Instt)

Indent No	Date	PR No	PR Date	Date of Receipt of PR	File No.	Description of Item	Capital/ Consumable	Project No.	Name of Indenter	Name of Project Leader	Date of Tendering	Date of Tender Opening	PO No. & Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**FORMAT OF INTEGRITY PACT**  
(Refer para 3.3.3 (10) of the CSIR Manual)

**INTEGRITY PACT**

Between

The Council of Scientific and Industrial Research, a society incorporated under the Societies Registration Act- 1860, having its corporate registered office at “Anusandhan Bhavan”, 2 Rafi Marg, New Delhi-110001 represented by \_\_\_\_\_ (*name of the procuring Entity*) hereinafter referred to as “The Principal” which expression shall mean and include, unless the context otherwise requires, its successors and permitted assigns.

And

M/s.....represented by Designated Partner/ Director/ Chief Executive Officer herein referred to as “The Bidder/Contractor” which expression shall mean and include, unless the context otherwise requires, its successors and permitted assigns.

**Preamble**

The Principal proposes to procure (Name of the Stores/Equipment/Item) at a competitive price in conformity with the specifications, under laid down organizational procedures and the BIDDER/ Contractor is willing to offer/has offered the stores and

The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/ transparency in its relations with its Bidder(s) and/or Contractor(s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

The parties hereto hereby agree to enter into this Integrity Pact and agree as follows

**Section 1 – Commitments of the Principal**

01. The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
  - (a) No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
  - (b) The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

- (c) The Principal will exclude from the process all known prejudiced persons.
- 02. If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary action.

## **Section 2 – Commitments of the Bidder(s)/Contractor(s)**

- 01. The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
  - (a) The Bidder(s)/Contractor(s) will not, directly or through any other Person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
  - (b) The Bidder(s)/Contractor(s) will not enter with other Bidders into any Undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, Certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
  - (c) The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
  - (d) The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly, the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/ Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is annexed and marked as Annexure.
  - (e) The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- 02. The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- 03. The person signing IP shall not approach the courts while representing the matters to IEMs and he/she will await their decision in the matter.



### **Section 3 – Disqualification from tender process and exclusion from future Contracts**

01. If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the “Guidelines on Banning of business dealings”. Copy of the “Guidelines on Banning of business dealings” is annexed and marked as Annex -“B”.

### **Section 4 – Compensation for Damages**

01. If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
02. If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the contract value or the amount equivalent to Performance Bank Guarantee.

### **Section 5 – Previous transgression**

01. The Bidder declares that no previous transgressions occurred in the last 3 Years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
02. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealings.”

### **Section 6 – Equal treatment of all Bidders / Contractors/ Sub-contractors**

01. The Bidder(s)/Contractor(s) undertake(s) to demand from all Subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
02. The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.
03. The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

### **Section 7 – Criminal charges against violating Bidders / Contractors/ Subcontractors**

01. If the Principal obtains knowledge of conduct of a bidder, Contractor or Subcontractor or of an employee or a representative or an associate of a bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

## **Section 8 - Independent External Monitors**

01. The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
02. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the JS(A), CSIR.
03. The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s) / Contractor(s) / Subcontractor(s) with confidentiality.
04. The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
05. As soon as the Monitor notice, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
06. The Monitor will submit a written report to the JS(A), CSIR within 8 to 10 weeks from the date of reference or intimation to him by the Principal and should the occasion arise, submit proposals for correcting problematic situations.
07. Monitor shall be entitled to compensation on the same terms as being extended to/provided to Independent Directors on the CSIR.
08. If the Monitor has reported to the JS(A), CSIR, a substantiated suspicion of an offence under relevant IPC/PC Act, and the JS(A), CSIR has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
09. The word 'Monitor' would include both singular and plural.

## **Section 9 – Pact Duration**

01. This Pact begins when both parties have legally signed it. It expires for the Contractor 10 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded.

02. If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by JS(A), CSIR.

**Section 10 – Other provisions**

01. This agreement is subject to Indian Law. Place of performance and Jurisdiction is the Registered Office of the Principal, i.e. New Delhi.
02. Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
03. If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
04. The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.
05. Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

\_\_\_\_\_  
(For & On behalf of the Principal)  
(Office Seal)

Place.....

Date.....

\_\_\_\_\_  
(For & On behalf of Bidder/Contractor)  
(Office Seal)

Place.....

Date.....

Witness 1: (Name & Address)

\_\_\_\_\_

Witness 2: (Name & Address)

\_\_\_\_\_

## PART – I

**Instructions to Vendors – Registration in CSIR**  
(refer para 3.5.1 (03) & 3.6.1 of the CSIR Manual)

The following are the Instructions for Vendors in India for Registration, as an approved Vendor/supplier of Goods to the CSIR and its Laboratories/Institutes **herein after called the Procuring Entity**. Registration once done, will be valid for **CSIR and all its Labs/Instts chosen by the vendor across the country**.

01. Vendor should be in business for a minimum period of **past** 3 financial years Vendor should provide the details of the Annual Turnover of the Vendor during the preceding three financial years.
02. Start-ups registered with DIPP (GoI) with valid certificate and MSEs are exempted **from the conditions at Sl. No. 01**.
03. Vendor debarred or against whom punitive action is taken by CSIR **or any other Government Entity** shall not be eligible for registration/re-registration for a period of 2 years or as prescribed in debarment letter. Registration request may not be entertained from such vendors, stake holders who have any interest in deregistered/banned firm.
04. The registered firms shall be exempted from depositing the EMD/BS against tenders of CSIR for the supply of goods or services as indicated in the Registration Letter for the item(s) of sub-categories for which it has been registered.
05. Validity of Vendor registration shall be for a period of three years from the date of registration.
06. Vendor registration fee is ₹ 1000/- (One Thousand) inclusive of taxes and will be non-transferable and non-refundable for the vendors approved for registration. The Fee may be paid only through a DD/BC in favour of the Procuring Entity.
07. Vendors must choose from a dropdown box of Categories, associated Sub-Categories (common across CSIR) and then the Generic Name of item (s) for which the vendor is willing for registration. The system will map the vendor to one or more sub-categories and item (s) as selected by the Vendor. Vendors registered in Central Public Procurement Portal [www.etenders.gov.in](http://www.etenders.gov.in) must mention their login id in the application form.
08. The Registration Certificate shall be awarded on recommendations of a Vendor Registration Committee (VRC) in the Procuring Entity who will evaluate vendor/s based on criteria, which may include:
  - (a) Credentials/ performance as verified with other customers as per references submitted by the Vendor.
  - (b) Manufacturing, Testing and Service capability (as evidenced by documents evidencing manufacturing capability) for the category of Equipment (as per

CSIR's Categories of items). Start-Ups and registered as manufacturer; are exempted from having own in-house testing facilities.

- (c) Quality control system (ISO-9001).
- (d) After sales/Testing facility available and/or BIS number.
- (e) Financial standing (evidence from Banker/Audited Balance Sheet 3 years certified by CA)

#### **09. Jurisdiction of Vendor Registration**

Vendors shall have the option to choose its area of business out of the given list of Labs/Instts and/or places. While submitting application for registration the Vendor must select jurisdiction of his operations from the **dropdown** list comprising of the following:

- (a) **A particular Lab/Instt: if vendor is willing to register for a particular Lab/Instt only.**
- (b) **Single or multiple City (ies): if vendor is willing to register for a particular City or cities only.**
- (c) **Cluster Labs/Instts: comprising a group of Labs/Instts who mainly deals with a similar type of items like Bio-chemical items, Engineering items or Physical Labs item etc.**
- (d) **State/s: option to choose a particular or multiple State (s)**
- (e) **All India: For all CSIR and its Labs/Instt and/or places across the country**

#### **10. Code of Integrity in Public Procurement (CIPP) and Disclosure of Conflict of Interest.**

Application will not be entertained unless the applicant (vendor) agrees to abide by Code of Integrity in Public Procurement (CIPP). A declaration must be signed and appended to the Registration form. CIPP mandates observance of highest standards of ethics in the procurement process and prohibits corrupt practice/Fraudulent practice/ Anti- Competitive practice / Coercive Practice/ Conflict of Interest and Obstructive practice. All vendors must declare any Conflict of interest and any previous transgressions of code of Integrity during the last three years. The declaration by the vendor on Conflict of interest and abiding by CIPP as per relevant clause given in the form for registration must be signed and uploaded.

#### **11. Status of Vendor**

- (a) Private Limited Company
- (b) Partnership
- (c) Sole Proprietorship
- (d) Society
- (e) Public Sector Undertaking (PSU)
- (f) Central/State Government Department
- (g) Others (to specify)

12. **Type of Company (Vendor)**

- (a) Manufacturer
  - (i) Indian
  - (ii) Foreign

Firms seeking registration with CSIR should have the facilities and premises for manufacturing the products for which registration is applied for. Manufacturing premises can either be owned by them or on lease or any other arrangements.

- (b) Sole Selling Agent / Authorized Agent / Distributors of Indian Manufacturer supplying Stores of reputed Indian manufacturers.
- (c) Indian Agents of Foreign Manufacturers – (with details of Foreign Manufacturer).
- (d) Stockists /Distributors of Imported goods (with option to select any one or more).
- (e) Sole selling Agent/Stockists/ Distributor of Foreign manufacturer.
- (f) Fabricators.
- (g) Service Providers.
- (h) General Suppliers

13. Names and addresses of Units/Branch offices of the applicant firm:

All details relating to Unit/Branch offices of the applicant firm (same Vendor) should be mentioned in the dropdown list in the Form for Registration of Vendors. No separate certificate will be issued in the name of Units/Branch Offices of the applicant firm.

- 14. Mere submission of application for vendor registration or renewal does not give any right to the vendor for registration and no benefit based on such submission can be claimed.
- 15. Online certificate will be generated by the COSP/SPO/SO in the Labs/ CSIR Hqrs as recommended by VRC and approved by the competent authority. The system will generate a vendor registration certificate with a unique registration number and would be sent to the vendor.
- 16. The Procuring Entity will communicate deficiencies / shortcomings to Vendors whose application for registration is not accepted before granting the registration. Period for review and re-verification will be mentioned in the letter.
- 17. The fee of the vendors whose application has not been approved for registration shall be refunded to the vendor after deducting the GST.

18. **Appellate Authority**

Directors in CSIR Labs and DG, CSIR in CSIR Hqrs shall function as Appellate authority for considering review of rejection of an application for registration of Vendor or any other grievance related to the vendor registration.

**PART – II**  
**Vendor Registration Form**  
*(Refer para 3.6.1 of the CSIR Manual)*

1	Name of the Vendor	
2	Head/Corporate/Regd. Office	
3	Postal Address with Telephone, Mobile, Fax No. & E-mail ID	
4	Website / URL of the Vendor	
5	Name of the Contact Person with Mobile, Fax No. and E-Mail ID	
6	Name and contact details of the Head of the Company i.e. CEO/Proprietor/ Chairman	
7	Branches (Cities/ Towns) with address (Dropdown list with Add more provision)	
8	Name and address of Sister Concern(s) (Dropdown list with Add more provision)	
9	PAN No.	
10	Name and address of firm(s) where Director/Partner of applicant firm is/are holding similar post	
11	GST No.	
12	Upload document (copies of PAN, GSTN, Firm legal status (Company/ Partnership/ Sole proprietorship))	
13	START-UP upload document of DIPP regn: / validity	
14	<p>Are you registered under any one of the following:</p> <ul style="list-style-type: none"> <li>I. The Indian Companies Act, 1913</li> <li>II. Indian Partnership Act, 1932</li> <li>III. Proprietorship (please give full names &amp; addresses)</li> <li>IV. Indian Factories Act, 1951</li> <li>V. Society Registration Act, 1860</li> <li>VI. PSU(Public sector undertaking)</li> <li>VII. Central/State Govt. Deptt</li> <li>VIII. Others(specify)</li> </ul>	
15	<p>Whether you are a Micro &amp; Small Scale Industrial Unit? If yes, then the</p> <ul style="list-style-type: none"> <li>I. Registration No. &amp; Date</li> <li>II. Validity</li> <li>III. Monetary limit upto which registered</li> <li>IV. Goods/ Services for which registered</li> </ul>	

16	<p>TYPE OF FIRM/VENDOR:</p> <ol style="list-style-type: none"> <li>1. MANUFACTURER: <ul style="list-style-type: none"> <li>• INDIAN</li> <li>• FOREIGN</li> </ul> </li> <li>2. Sole Selling Agent/Authorized Agent/Distributors of Indian Manufacturers</li> <li>3. Indian Agent of Foreign Manufacturers</li> <li>4. Stockists /Distributors of Imported items</li> <li>5. Sole selling Agent/Stockist/ Distributor of Foreign manufacturer</li> <li>6. Fabricator</li> <li>7. Service Provider</li> <li>8. General Suppliers</li> </ol>	
17	Whether you are holding BIS or any other License, if so, details thereof along with copy of the same?	
18	Whether you are sole Distributor or Regional Agent. State territories held & attach other necessary documents (with clear validity and Terms)	
19	Whether you have adequate facilities for after sales service/Testing services, give details. If not, please specify other arrangements regarding after sales service/Testing service.	
20	Banker details of the vendor:	
	Name & Address of Bank	
	Name in which account stands	
	Account Number	
	Account Type	
	IFSC Code	
	MICR No. of Bank	
	SWIFT Code of the bank, if any	
22	Login ID of CPPP <a href="http://www.etenders.gov.in">www.etenders.gov.in</a>	
24	Declaration by the vendor on abiding by code of integrity (CIPP) and disclosure on conflict of Interest.	



**PROPRIETARY ARTICLE CERTIFICATE FORM***(Refer para 4.6.1 of the CSIR Manual)*

PR No. _____		PR Date _____
1	Description of goods	
2	Quantity	
3	Approximate estimated value for above quantity	
4	Name of the manufacturer	
5	Name(s) and address of authorised dealers/stockists	
6	We approve the above purchase on PAC basis and certify that: - Note- Tick to retain only one out of 6(a) or 6(b)	
6(a)	This is the only firm who is manufacturing this item and a similar article is not manufactured by any other firm, which could be used in lieu. The item is marketed/sold by M/s _____ or used in lieu  AND	
6(b)	No other make/model is acceptable for the following reasons: ..... .....	
7	Reference of concurrence of finance wing to the proposal	

We shall be personally responsible for the correctness of this certificate.

The above PAC is approved.

Signature .....

Signature .....

Name .....

Name .....

Designation of Indenting Officer.....

Designation of PL/HOD.....

Date .....

Date .....

**CERTIFICATE FOR PURCHASE OF SPECIALISED/SPECIFIC R&D CONSUMABLES ON  
SINGLE TENDER BASIS**

*(Refer para 4.7.1 (02) of the CSIR Manual)*

Certified that, the items indented vide PR No. \_\_\_\_\_ dated \_\_\_\_\_ are required to be purchased from M/s\_\_\_\_\_ for the following scientific/technical reasons. These items are required for use in the Project No. indicated in the Indent.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

It is certified that the items indented are consumable in nature.

It is certified that the protocol has been finalized using the consumables of the manufacturer indicated above and any deviation in respect of material inputs at this stage will affect the reproducibility, authenticity and validity of the analysis/result.

The indented items were earlier procured from the above source vide PO No. \_\_\_\_\_ dated \_\_\_\_\_.

Name of Indentor \_\_\_\_\_

Name of Project Leader \_\_\_\_\_

Designation \_\_\_\_\_

Designation \_\_\_\_\_

Division \_\_\_\_\_

Division \_\_\_\_\_

Signature of the indenter \_\_\_\_\_  
Leader/HOD \_\_\_\_\_

Signature of the Project

Date \_\_\_\_\_

Date \_\_\_\_\_

**CERTIFICATE FOR DIRECT PURCHASE WITHOUT QUOTATION***(Refer para 4.9.2(01) of the CSIR Manual)*

PR No :			
Project No		PR Date:	

"I, \_\_\_\_\_, am personally satisfied that the goods (described below) purchased are of the requisite quality and specification and have been purchased/ to be purchased from a reliable supplier/contractor at a reasonable price."

In a summary form, records have been kept of the vendors approached and prices indicated by them.

	Amount in ₹
The value of this purchase is	
Cumulative value of earlier purchases made without quotation	
<b>Total</b>	

Certified that the total value of purchases made without quotation, including this indent does not exceed the annual ceilings under this project as prescribed in the SOPP. The details of prices of the goods purchased/to be purchased are as under:

Item:	
Quantity:	
Unit Rate:	
Taxes/Duties:	
Other Charges:	
Total Unit Price:	
Total Price:	
Purchased/to be purchased from:	M/s
Bill No. & Date:	
Cheque may be drawn in favour of	

Sanctioned ₹ \_\_\_\_\_

Name of Purchaser \_\_\_\_\_

Name of Project Leader \_\_\_\_\_

Designation \_\_\_\_\_

Designation \_\_\_\_\_

Division \_\_\_\_\_

Division \_\_\_\_\_

Signature of the indenter \_\_\_\_\_

Signature of the Project Leader \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**LOCAL PURCHASE COMMITTEE CERTIFICATE FORMAT***(Refer para 4.10.2(05) of the Manual)*

PR No:		
Project No		PR Date:

The following is certified:

- (i) Certified that we the undersigned, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier/contractor recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/DSIR concerned.”
- (ii) Certified that the Committee has surveyed the market to ascertain the reasonableness of rate, quality and specifications to identify the appropriate supplier.
- (iii) The quotation No. \_\_\_\_\_ dated \_\_\_\_\_ for ₹ \_\_\_\_\_ of the recommended firm M/s \_\_\_\_\_ is enclosed herewith in original for placement of purchase order.

	Amount in ₹
The value of this purchase is	
Cumulative value of earlier purchases through LPC is	
<b>Total</b>	

Certified that the total value of purchases made through LPC, including this indent does not exceed the annual ceilings under this project as prescribed in the SOPP.

Signature:	Signature:	Signature:
Name 1:	Name 2:	Name 3:
Designation:	Designation:	Designation:

Sanctioned ₹ \_\_\_\_\_ (₹ \_\_\_\_\_)

Signature of the Project Leader.....

Name .....

Designation of Project Leader.....

Date .....

**SAMPLE PREQUALIFICATION CRITERIA**  
(Refer Para 4.12.4 (02) of the CSIR Manual)

**Criteria 1: Experience and Past Performance:**

- (a) The bidder (manufacturer or principal of authorised representative – hereinafter referred simply as ‘The Bidder’) should have regularly for at least the last [three]<sup>1</sup> years, ending 31<sup>st</sup> March (or any other year ending followed in relevant country) of the previous financial year (hereinafter called ‘The relevant Date’), manufactured and supplied (/erected/ commissioned)<sup>2</sup> [Name of Requirement], with the same or higher specifications [having/ with – parameters]<sup>3</sup> (hereinafter called ‘The Product’), and
- (b) The bidder should have manufactured and supplied (/erected/commissioned)<sup>2</sup> at least { }<sup>4</sup> numbers (*herein after referred as ‘The Qualifying Quantity’*) of ‘The Product’ in at least one of the last five years ending on ‘The relevant Date’, and out of which (At least [one]<sup>5</sup>) numbers of offered version/model of ‘The product’ should be in successful operation for at least [two]<sup>5</sup> years on the date of bid opening.)

**Criteria 2 - Capability- Equipment & manufacturing Facilities:**

- (a) ‘The bidder’ must have an annual capacity to manufacture and supply (/erected/commissioned)<sup>2</sup> at least ‘The Qualifying Quantity’.

Note: In case of multiple products in a tender, this criterion shall be applicable product wise. For example, in case of Printing Paper of different specifications/sizes, it shall be applicable to quantity of paper manufactured and supplied specification/size wise.

**Criteria 3 - Financial Standing – under all conditions**

- (a) The average annual financial turnover of ‘The bidder’ during the last three years, ending on ‘The relevant Date’, should be at ₹ [———] millions<sup>6</sup> (or equivalent in foreign currency at exchange rate prevalent on ‘The Relevant Date’) as per the annual report (audited balance sheet and profit & loss account) of the relevant period, duly authenticated by a Chartered Accountant/Cost Accountant in India or equivalent in relevant countries.
- (b) Bidder Firm (manufacturer or principal of authorised representative) should not have suffered any financial loss for more than one year during the last three years, ending on ‘The Relevant Date’.

1. Change number of years if needed
2. Add text within bracket in case of Plant and Machinery only and delete for others
3. Insert the defining parameters like Speed or defining technology here
4. Fix the quantity as 40–80 % or any other % of the quantity in the Bid Documents rounded upto next whole number. In case of uncommonly large quantity procurements, a lower percentage would ensure that otherwise capable suppliers do not get ruled out. In case of smaller procurements, a higher percentage would ensure that low capability vendors do not vitiate competition.

5. Fill up a reasonable number. In a new technology product, the Manufacturer is not likely to meet the requirements number of products or of number of years' operating successfully; hence these can be reduced in such cases.
6. Fix the value as 40–80 % or any other % of the estimated cost of the quantity in the Bid Document. Please note that Rs 1 Cr = ₹ 10 million.
- (c) The net worth of the Bidder firm (manufacturer or principal of authorised representative) should not be negative on 'The Relevant Date' and also ii) should have not eroded by more than 30% (thirty percent) in the last three years, ending on 'The Relevant Date'.

*Note: In case of Indian Bidders/companies (manufacturer or principal of authorised representative) who have been restructured by Banks in India, under the statutory guidelines, they would be deemed to have qualified the Financial standing criteria considering the institutional financial backing available to them.*

#### **Applicability in Special Cases:**

- (a) Applicability to 'Make in India' : Bidders (manufacturer or principal of authorised representative) who have a valid/approved ongoing 'Make in India' agreement/program and who while meeting all other criteria above, except for any or more of sub-criteria in Experience and Past Performance above, would also be considered to be qualified provided:
  - (i) their foreign 'Make-in-India' associates meet all the criteria above without exemption, and
  - (ii) the Bidder submits appropriate documentary proof for a valid/approved ongoing 'Make in India' agreement/program.
  - (iii) the bidder (manufacturer or principal of authorised representative) furnishes along with the bid a legally enforceable undertaking jointly executed by himself and such foreign Manufacturer for satisfactory manufacture, Supply (and erection, commissioning if applicable) and performance of 'The Product' offered including all warranty obligations as per the general and special conditions of contract.
- (b) Authorized Representatives: Bids of bidders quoting as authorised representative of a principal manufacturer would also be considered to be qualified, provided:
  - (i) their principal manufacturer meets all the criteria above without exemption; and
  - (ii) the principal manufacturer furnishes a legally enforceable tender-specific authorisation in the prescribed form assuring full guarantee and warranty obligations as per the general and special conditions of contract; and
  - (iii) the bidder himself should have been associated, as authorised representative of the same or other Principal Manufacturer for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 'The Relevant Date'.

- (c) For Existing Successful Past Suppliers: In case the bidder (manufacturer or principal of authorised representative) who is a successful past supplier of 'The Product' in at least one of the recent past [three]<sup>1</sup> procurement, who do not meet any or more of requirements above, would also be considered to be qualified in view of their proven credentials, for the maximum quantity supplied by him in such recent past.
- (d) Joint Ventures and Holding Companies: Credentials of the partners of Joint ventures cannot (repeat cannot) be clubbed for the purpose of compliance of PQC in supply of Goods/Equipment, and each partner must comply with all the PQC criteria independently

However, for the purpose of qualifying the Financial Standing Criteria, the Financial Standing credentials of a Holding Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership.

**Note for Bidders:**

01. 'Doctrine of Substantial Compliance': The Pre-Qualification Bidding (PQB) and Pre- Qualification Criteria (PQC) are for shortlisting of sources who are competent to perform this contract to ensure best value for money from expenditure of Public Money. This process is neither intended to bestow any entitlement upon nor to create any rights or privileges for the Bidders, by way of overly hair-splitting or viciously legalistic interpretations of these criteria, disregarding the very rationale of the PQB and PQC. Keeping this caveat in view, interpretation by Procuring Entity would be based on common usage of terminologies and phrases in public procurement in accordance with the 'Doctrine of Substantial Compliance' and would be final.
02. Along with all the necessary documents/certificates required as per the tender conditions, the bidder should furnish a brief write-up, backed with adequate data, explaining his available capacity (both technical and financial), for manufacture and supply of the required goods/equipment, within the specified time of completion, after meeting all their current commitments.
03. Supporting documents submitted by the bidder must be certified as follows:
  - (a) *All copy of supply/work order; respective completion certificate and contact details of clients; documents issued by the relevant Industries Department/National Small Industries Corporation (NSIC)/manufacturing licence; annual report, etc., in support of experience, past performance and capacity/capability should be authenticated by the by the person authorised to sign the tender on behalf of the bidder. Original Documents must be submitted for inspection, if so demanded.*
  - (b) *All financial standing data should be certified by certified accountants, for example, Chartered Accountants/Cost Accountants or equivalent in relevant countries; and Indian bidder or Indian counterparts of foreign bidders should furnish their Permanent Account Number.*

- (c) The bidder must declare, whether asked or not in a bid document, any previous transgressions of such a code of integrity with any entity in any country during the last three years or of being debarred by any other Procuring Entity. Failure to do so would amount to violation of this code of integrity;
- (d) The bidder shall not have conflict of interest with other bidders. Such conflict of interest can lead to anti-competitive practices to the detriment of Procuring Entity's interests. The bidder found to have a conflict of interest shall be disqualified. A bidder may be considered to have a conflict of interest with one or more parties in this bidding process, if
- (i) They have controlling partner(s) in common; or
- (ii) They received or have received any direct or indirect subsidy/financial stake from any of them; or
- (iii) They have the same legal representative/agent for purposes of this bid; or
- (iv) They have relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder; or
- (v) Bidder participates in more than one bid in this bidding process. Participation by a bidder in more than one bid will result in the disqualification of all bids in which the parties are involved. However, this does not limit the inclusion of the components/sub-assembly/assemblies from one bidding manufacturer in more than one bid.
- (vi) In cases of agents quoting in offshore procurements, on behalf of their principal manufacturers, one agent cannot represent two manufactures or quote on their behalf in a particular tender enquiry. One manufacturer can also authorise only one agent/dealer. There can be only one bid from the following:
- The Principal manufacturer directly or through one Indian agent on his behalf; and
  - India/foreign agent on behalf of only one principal
- (vii) A bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid.
- (viii) In case of a holding company having more than one independently manufacturing units, or more than one unit having common business ownership/management, only one unit should quote. Similar restrictions would apply to closely related sister companies. Bidders must proactively declare such sister/common business/management units in same/similar line of business.



## Note for Purchaser

01. Portions in italics are for your decision/guidance; these are not to be printed in the bid documents. Portion within [ ] brackets are to be filled without brackets. Footnotes are for internal guidance and should not be part of the bid documents.
02. Ministry of MSME have clarified that all Central Ministries / Departments/ Central Public Sector Undertakings may relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting of quality and technical specifications.
03. The condition of prior turnover and prior experience may be relaxed for Startups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document (Rule 173 (i) of GFR 2017).

**CERTIFICATE FOR DIRECT PURCHASE THROUGH GeM***(Refer para 4.16.5(i) of the CSIR Manual)*

PR No :			
Project No		PR Date:	

"I, \_\_\_\_\_, am personally satisfied that the goods (described below) indented vide the above PR have been purchased through GeM at a reasonable price. The goods purchased are of requisite quality, specification and meets the delivery period

Sanctioned Rs \_\_\_\_\_

Name of Purchaser \_\_\_\_\_ Name of Project Leader/SO (S&P)/SPO \_\_\_\_\_

Designation \_\_\_\_\_ Designation \_\_\_\_\_

Division \_\_\_\_\_ Division \_\_\_\_\_

Signature of the indenter \_\_\_\_\_ Signature of the Project Leader/ SO (S&P)/SPO \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Note : The Indent along with the purchase order may be submitted to the Stores Section on receipt of the consignment for further action.

Copy of approval accorded by MoF for purchase of specialized/specific R&D consumables on STE basis without PAC

(refer para 4.7.1 (02) of the CSIR manual)

No F 2/1/2018-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
PP Division  
\*\*\*

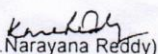
516, Lok Nayak Bhawan,  
New Delhi Dated the 30<sup>th</sup> May, 2018

OFFICE MEMORANDUM

**Subject:** Relaxation from the provisions of Manual for Procurement of Goods, 2017 and provisions of General Financial Rules (GFRs), 2017 relating to (i) Purchases of Goods on Single Tender Enquiry (STE) and (ii) Conclusion of Rate Contract on NDP basis — Request from Council of Scientific and Industrial Research (CSIR).

The undersigned is directed to refer Council of Scientific and Industrial Research (CSIR) I.D. No. 13-04(01)15-16/S&P/Policy dated 08.05.2018 on the above mentioned subject and to say as under:

- (a) In view of the justification provided, this Department agrees with the proposal of CSIR to procure specific Research & Development (R&D) consumables on single tender basis without Proprietary Article Certificate (PAC) in order to ensure reproducibility of the research results and to attain scientific rigour on a case to case basis.
  - (b) There is no bar either in General Financial Rules (GFRs), 2017 or Manual for Procurement of Goods, 2017 issued by this Department to conclude Rate Contracts, if required, by CSIR. As far as waiver sought from para 8.1.9(i) and 8.1.15 of Manual is concerned, attention is invited to Foreword of Manual itself that Manuals are to be taken as generic guidelines and Ministries/ Departments are advised to supplement Manuals to suit their local/ specialized needs by issuing their own detailed instructions. Hence, CSIR may take action as appropriate in this regard.
  - (c) Provisions of the Public Procurement (Preference to Make in India) Order 2017 may also be kept in mind while finalising such purchases.
2. This issues with the approval of JS(PF C-II).

  
(K. Narayana Reddy)

Under Secretary to the Govt. Of India  
Tel.No 24621305  
Email : kn.reddy@nic.in

To,  
Shri R. Krishna Rao,  
Sr. Controller of Stores & Purchase  
Centre for Scientific & Industrial Research (CSIR)  
Anusandhan Bhawan, 2 Rafi Marg, New Delhi - 110001

Issued  
30/5/18

*(Refer para 4.16.8) of the CSIR Manual)*

**No.F.13/4/2017-PPD (Pt.)  
Government of India Ministry  
of Finance Department of  
Expenditure Procurement  
Policy Division**

\*\*\*\*\*

516, Lok Nayak Bhawan, New Delhi.  
Dated 14<sup>th</sup> August, 2018.

**OFFICE MEMORANDUM**

**Subject: Government e-Marketplace (GeM) – on Boarding of Non - Public Financial Management System (PFMS) Agencies/ Entities (NPAE) on GeM Portal- Opening and Operating of GeM Pool Accounts (GPAs) by NPAE for ensuring timely payment to GeM suppliers/ vendors**

The undersigned is directed to say that the issue of simplification of timely payment procedure to GeM suppliers/ vendors by Non-PFMS Agencies/ Entities (NPAE) through opening & operating of GeM Pool Accounts by NPAE has been under consideration of Government of India and it has now been decided that all those non-PFMS organisations/ Agencies/ entities who come on board on GeM, shall open & operate a special purpose account namely GeM Pool Account for the purpose of ensuring prompt payment to suppliers/ vendors of GeM who supply Goods/ Services to the NPAE through GeM.

2. Accordingly, it is directed that organisations not operating through PFMS shall be covered under these instructions. It shall apply to CPSEs which choose to procure through GeM, all Autonomous Bodies and Societies who are hereby directed to open, operationalize and operate a GeM Pool Account (GPA) for all procurement done through bidding and Reverse Auction (RA). GeM Pool Account shall be mandatory for all procurement above Rs.10 lakhs and optional at the discretion of the entity for value up to Rs.10 lakhs. The GeM Pool Account shall be opened, operated and controlled exclusively and completely by the buyer entity/ agency subject to certain restrictions on withdrawals of funds as enumerated in the Annex to this OM. The Account shall carry interest applicable to savings/ current account. Such account shall be opened in any scheduled bank having already integrated the pool account with GeM.

3. While procuring goods & services through GeM, the NPAEs should credit 100% of the projected value of the goods/ services in their GeM Pool Account before placing supply order/ award of contract and it will not be withdrawn for any other purpose other than the one for which the amount is credited into GeM Pool Account.

On successful supply & acceptance of Goods & Services, the NPAE shall issue an advise without delay to the bank to release actual amount payable to vendors/ suppliers as per terms of contract from the GeM Pool Account.

4. A detailed Standard operating procedure (SOP) on opening and operating of GeM Pool Account is attached in Annexure.

5. The Steering Committee on GeM of each Ministry should monitor the implementation of these instructions regarding operationalization of Gem Pool Account.

6. Ministries/ Departments of Government of India are accordingly requested to issue necessary instructions to all Non-PFMS Agencies/ Entities under their control.

7. This issues with the approval of Secretary (Expenditure) .

(K Narayana Reddy)  
Under Secretary to the Govt. of India  
Tel: 24621305  
Email: [kn.reddy@gov.in](mailto:kn.reddy@gov.in)

To

1. Secretaries & Financial Advisors of All Central Government Ministries/ Departments
2. Copy for Web-hosting

**Annexure to OM No.13/4/2011--PPD(Pt.) dated 14.08.2018**

**The Standard Operating Procedure (SOP) for ensuring timely payments to the Gem Suppliers /vendors through Gem Pool Account**

\*\*\*\*\*

GeM Pool Account is a special purpose bank account (interest bearing savings/ current Account) opened, operated and controlled exclusively by each NPAE for the purpose of crediting 100% projected value of the contracts/ supply orders in to the account and for subsequently making timely payments to the vendors/ suppliers on successful supply and acceptance of goods & services ordered on GeM against supply orders placed by the NPAE on GeM.

Non-PFMS Agency/ Entity (NPAE) is a Government of India (GoI) organization, CPSE, Autonomous Body or any other entity not using PFMS for its payments of transactions and having their own payment system for making payments against supply orders placed by the NPAE on GeM.

The following are the core elements of GPA that should be incorporated during the opening and operations /procurement stages:

1. The NPAE will open the GPA (as a savings or current account) which will be utilized by buyer through the online integration of Bank with the platform owned and maintained by GeM SPV, as per Service Level Agreement (SLA), and solely for procurement of goods and services on GeM.
2. The terms and conditions of procurement on Gem will be part of the operations agreement between the bank and the NPAE.
3. The role of the bank will be limited to ensuring operations of the account on the instruction of the NPAE through the authorized NPAE nodal officer for GeM/ buyer.
4. Real time details of all operations of the account will be shared by the bank, in a mutually accepted format (to be amended from time to time) with the NPAE, only through the GeM Platform.
5. Once a sub-account transaction specific account is credited with an amount, the NPAE cannot withdraw this amount, apart from transfer to the designated supplier, till such a time that the transaction is live.
6. Any withdrawal/transfer by the NPAE from this account, except for payment to the supplier, would be permitted in the following conditions:
  - a. Order cancellation
  - b. Order rejection
  - c. Refund

All the above situations would first be required to be enabled/flagged on the GeM Platform for the NPAE to be able to act accordingly.

7. On authorization of a payment to the supplier by the NPAE Nodal officer for GeM/ buyer, the bank should transfer the prescribed amount to the supplier mapped in the transaction.
8. In case of an Service level agreement (SLA) breach on the part of the NPAE in terms of payments to the supplier, GeM will intimate the buyer and bank of the same. Post such intimation, and non-action on the part of the NPAE with respect to payment transfer, bank will release 100% of the amount (or as notified in the terms and conditions of procurement on GeM) to the supplier mapped in the transaction. Such a provision is required to be incorporated in GPA and should be considered as a standing instruction from the NPAE to the bank. The residual amount cannot be withdrawn/ transferred by the NPAE, in such cases. The process to be followed in case of SLA breach under various scenarios is provided below:
  - a. In case, even after 10 days of issue of Consignee receipt and acceptance certificate (CRAG), the buyer has not initiated the payment process through the GeM platform, a payment trigger will be automatically generated for payment equivalent to 80% of the consignment value deduced by the system as per CRAG. Simultaneously intimation will be sent to the HoD, buyer and NPAE Nodal officer for GeM, regarding the release of payment, at their risk and cost in line with the Terms and condition (T&C) and SLA of procurement on GeM. The residual payment of 20% is to be processed by the buyer within 35 days after adjusting for any statutory deduction and damages, failing which after 35 days, the same will be released to the supplier automatically through an alert to the bank by the GeM Platform, after statutory deductions and any system know deductions.
  - b. If the consignee does not issue Provisional receipt certificate (PRC) within 48 hours of actual receipt of consignment, the supplier can upload the consignee receipt for the transaction on the GeM Portal. For such cases the system will generate alert to the consignee to issue PRC & CRAG within stipulated time line set in T&C and SLA of procurement on GeM.
  - c. In case the consignee does not respond to the system generated alerts and action requirements, after the GeM specified time period, alerts and auto escalation will be initiated as per escalation matrix specified below:
    - i. Level 1-Upto 3 days- Consignee
    - ii. Level 2 - 4 and 5<sup>th</sup> day-Consignee and Buyer
    - iii. Level 3 -6 to 10<sup>th</sup> day – Consignee, Buyer, Payment Paying Authority and NPAE Nodal Officer for GeM
  - d. Post generation of CRAG, the buyer has 10 days to authorize the payment to the supplier through the GeM Platform, failing which, the Gem Portal auto initiated payment process as elaborated in point (a) above will be triggered.



- e. Unutilised funds after closure of the Contract and interest accrued on the credited amount be at the disposal of nominated NPAE Nodal Officer, who may advise banker for further action deemed fit.

**Note : All days mentioned are calendar days**

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**MODEL LIMITED TENDER DOCUMENT**  
(Refer para 4.4.2 (02) & 5.1.1(03) of the CSIR Manual)

**INVITATION TO BID**

CSIR- _____ (Name & complete postal address of the Lab/Instts.)	
(Council of Scientific and Industrial Research)	
Tel:	EPABX:
Fax:	E-mail:

File No. ....

Date.....

To  
M/s.

Dear Sirs,

Sub: Quotation for supply of “.....”  
Ref: Our Enquiry No. .... dated: .....

Director, CSIR \_\_\_\_\_ (name of the Lab./Instt.) herein after called as the ‘Purchaser’ is interested in the purchase of below mentioned material (s). Kindly send your quotation so as to reach us on or before ..... by \_\_\_\_\_ hrs. (IST).

SL. No.	Description of the material (s)	Qty.
1.	1. End Use : 2. Detailed specifications : 3. Scope of supply and incidental services : 4. Inspection and tests required : 5. Acceptance test : 6. Training : 7. Warranty : 8. Qualification criteria (if any) : 9. Pre-Bid Conference (if any)  (All prospective bidders are requested to kindly go through the NEW terms and conditions before formulating and submitting your bids)	

Last Date for submission : ..... up to ..... hrs. (IST)

Date of Opening : ..... at ..... hrs. (IST)

## TERMS & CONDITIONS

1. The quotation must be in the form furnished by the Purchaser and should be free from corrections/erasures. In case there is any unavoidable correction it should be properly attested. If not the quotation will not be considered. Hand written Quotations will not be considered.
2. It may kindly be noted that your bid should
  - A) be in ..... **(single part / two part bidding) (retain one only)**
  - B) accompany Bid Security of Rs..... **(retain only if applicable)**
  - C) on the event of award of Contract in your favour, you need to submit a Performance Bank Guarantee valid for a period of 2 Months beyond the Warranty period of..... **(retain only, if applicable)**
3. Each quotation sent by post is to be enclosed in double cover addressed to The \_\_\_\_\_.  
**(designation and complete postal address)** Quotations delivered personally should be put in the tender box kept in the office of \_\_\_\_\_.
4. The acceptance of the quotation will rest with the competent authority of \_\_\_\_\_ **(name of the Lab/Instt)** who does not bind himself to accept the lowest quotation and reserves the right to himself to reject, or partially accept any or all the quotations received without assigning any reason.
5. Price quoted should be net and valid for a minimum period of \_\_\_\_\_ days from the date of opening of the quotation.
6. Participation in this tender is by invitation only and is limited to the selected Purchaser's registered suppliers. Unsolicited offers are liable to be ignored. However, suppliers who desire to participate in such tenders in future may bring it to the notice of the purchaser and apply for registration as per procedure. It may be noted that Conditional/Unsigned tenders shall not be considered.
7. The bidder must submit the applicable Price Schedule Form as Annexed to the tender document available on the website.
8. **Complete specification with manufacturer's name and address should be given while quoting. Literature/Pamphlets should also be enclosed wherever applicable.**
9. Prices are required to be quoted in units indicated in the enquiry. When quotations are given in terms of other units, relationship between two sets of units should be furnished. Quantity discounts, if any should also be indicated. The items should be quoted indicating the serial No. of our RFQ.

10. In cases of agents quoting on behalf of their foreign manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender enquiry. One manufacturer can also authorize only one agent/dealer. There can be only one bid from the following:
  1. The foreign manufacturer directly or through one Indian agent on his behalf; or
  2. Indian/foreign agent on behalf of only one principal.
11. Please indicate the name and address of the agents in India if any, the details of service to be rendered by them & the percentage of commission payable to them. **Agency commission payable to the Indian Agent should be clearly indicated.** The Agency commission would be payable only in Indian Rupees after acceptance.
12. This lab/Instt Is registered with Dept. of Scientific & Industrial Research, Govt. of India and concessional customs duty and GST & IGST are leviable vide notification no. 54/2002-Customs on all imports covered under notification No.51/96-Customs dated 23.07.1996, Notification No.47/2017-Integrated Tax (Rate) and Notification No.45/2017-Central Tax (Rate) both dated 14<sup>th</sup> November, 2017.
13. The mode of dispatch/transportation of the items must be by **Air/Sea/Rail/Road only. (Retain one only).**
14. In case the items in the enquiry are covered by any rate contract or running contract finalised by any other state or central Government, it should be specified in your quotation and accepted contract rates should also be mentioned.
15. Delivery period required for supplying the material should be invariably specified in the quotation. The offered delivery period shall have to be strictly adhered to in case an order is placed.
16. Liquidated Damages Clause for delays: The applicable rate is 0.5% per week and maximum deduction is 10% of the contract price.
17. If the deliveries are not maintained and due to that account the purchaser is forced to buy the material at your risk and cost from elsewhere, the loss or damage that may be sustained there by will be recovered from the defaulting supplier.
18. All supplies are subject to inspection and approval before acceptance. Manufacturer warranty certificates and manufacturer/Government approved lab test certificate shall be furnished along with the supply, wherever applicable.
19. TDS would be recovered as per rules in case of Fabrication/ Servicing/ Maintenance jobs/Installation charges etc.
20. Kindly furnish your PAN & GST Number etc. in your quotation for our records.

21. Our normal payment terms are 100% (hundred percent) within 30 (thirty) days on receipt and acceptance of material at our site in good condition. Please inform your Bank details for RTGS payment.
22. All disputes shall be settled in the courts of \_\_\_\_\_(***name the place from where the Purchase Order is issued*** ) Jurisdiction only.
23. Tender conditions (printed on the reverse), if any, or otherwise sent along with the tender shall not be binding on us.
24. All the above instructions and our standard terms and conditions must be complied failing which your offer may be liable for rejection.
25. As per Govt. of India procurement policies,
- a. The purchaser intends to give purchase preference to local suppliers\* in case the cost of procurement is in the range of more than Rs 5.00 lakhs and up to Rs. 50.00 lakhs.
  - b. The eligibility of the supplier is restricted to Indian Suppliers or there is no restriction on the eligibility of the suppliers. (***retain any one only***)
  - c. The procuring entity intends to give purchase preference to products/goods manufactured by micro, small and medium enterprises.

\*"Local supplier" means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed in DIPP Order No.P-45021/2/2017-PP (BE-II) dated 28<sup>th</sup> May, 2018 or by the competent Ministries/Departments in pursuance of this order.

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the items procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

26. Instructions to Bidders, General Conditions of Contract applicable to limited tenders originating from S&P Division along with different formats can be viewed on our website \_\_\_\_\_under the heading tenders.

Yours faithfully,

(Name & Designation)

**NOTE:** This notice is being published for information only and is not an open invitation to quote in this limited tender. Participation in this tender is by invitation only and is limited to the selected registered suppliers. Unsolicited offers are liable to be ignored. However, suppliers who desire to participate in such tenders in future may apply for registration as per procedure".



**INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS OF CONTRACT AND FORMATS**  
**APPLICABLE FOR PURCHASES BEING MADE ON LIMITED TENDER BASIS**

CSIR - \_\_\_\_\_

\_\_\_\_\_

*(Name & complete postal address of the Lab./Instt.)*

Tel: +91\_\_\_\_\_

EPABX Tel:+91\_\_\_\_\_

Fax:+91\_\_\_\_\_

Email: \_\_\_\_\_

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2	General Conditions of Contract
3	Formats

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1.	Publish Date & Time	DD MM YYYY AM/PM
2.	Last Date & time for receipt of queries	DD MM YYYY AM/PM
3.	Pre-bid Conference, if any	DD MM YYYY AM/PM
4.	Bid Submission Start Date & time	DD MM YYYY AM/PM
5.	Bid Submission End Date & Time	DD MM YYYY AM/PM
6.	Bid Opening Date & Time	DD MM YYYY AM/PM

### TENTATIVE TIME SCHEDULE OF PROCUREMENT PLANNING

Sl. No.	Stage	Tentative Time Frame
1.	Date of Bid Opening	XX
2.	Date of Completion of Bid Evaluation	XX + 60
3.	Date of communication of Rejection of Bids	XX + 70
4.	Date of Receipt of context, if any, from Bidders	XX + 80
5.	Notification of Award	XX + 90

## CHAPTER – 1

### INSTRUCTIONS TO BIDDERS

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## A. Introduction

### **1.1. Eligible Bidders**

#### 1.1.1

This Invitation for Bids is open to all suppliers subject to para 25 of the invitation for bids.

#### 1.1.2

A supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India.

#### 1.1.3

MSEs would be treated as owned by Scheduled Caste/Schedule Tribe enterprises as under:

- (a) In case of proprietary MSE, proprietor(s) shall be SC /ST.
- (b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% (fifty-one percent) shares in the unit.
- (c) In case of Private Limited Companies, at least 51% (fifty-one percent) share shall be held by SC/ST promoters

#### 1.1.4

MSEs owned by women shall also be determined as per the above analogy/criteria.

#### 1.1.5

Bidders should not be associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Purchaser to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the goods to be purchased under this Invitation of Bids.

#### 1.1.6

Bids from Joint Ventures, Consortium or Associations so long as they are formed and registered prior to the bid submission date.

#### 1.1.7

The bidders who have been temporarily suspended or removed from the list of registered suppliers by the purchaser or banned from Ministry/country wide procurement shall be ineligible for participation in the bidding process.

## 1.2 Cost of Bidding

### 1.2.1

The Bidder shall bear all costs associated with the preparation and submission of its bid, and "the Purchaser", will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

## 1.3 Code of Integrity

### 1.3.1

The bidders/suppliers should sign a declaration about abiding by the Code of Integrity for Public Procurement in bid documents. In case of any transgression of this code, the bidder is not only liable to be removed from the list of registered suppliers, but it would be liable for other punitive actions such as cancellation of contracts, banning and blacklisting or action in Competition Commission of India, and so on.

### 1.3.2 **Code of integrity for Public Procurement:**

The Purchaser as well as bidders, suppliers, contractors and consultants should observe the highest standard of ethics and should not indulge in the following prohibited practices, either directly or indirectly, at any stage during the procurement process or during execution of resultant contracts:

- i) **"Corrupt practice"**: making offers, solicitation or acceptance of bribe, rewards or gifts or any material benefit, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process or contract execution;
- ii) **"Fraudulent practice"**: any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefits may be obtained or an obligation avoided. This includes making false declaration or providing false information for participation in a tender process or to secure a contract or in execution of the contract;
- iii) **"Anti-competitive practice"**: any collusion, bid rigging or anti-competitive arrangement, or any other practice coming under the purview of the Competition Act, 2002, between two or more bidders, with or without the knowledge of the purchaser, that may impair the transparency, fairness and the progress of the procurement process or to establish bid prices at artificial, non-competitive levels;
- iv) **"Coercive practice"**: harming or threatening to harm, persons or their property to influence their participation in the procurement process or affect the execution of a contract;
- v) **"Conflict of interest"**: participation by a bidding firm or any of its affiliates that are either involved in the consultancy contract to which this procurement is linked; or if they are part of more than one bid in the procurement; or if the bidding firm or their personnel have relationships or financial or business transactions with any official of

purchaser who are directly or indirectly related to tender or execution process of contract; or improper use of information obtained by the (prospective) bidder from the purchaser with an intent to gain unfair advantage in the procurement process or for personal gain; and

- vi) **“Obstructive practice”**: materially impede the purchaser’s investigation into allegations of one or more of the above mentioned prohibited practices either by deliberately destroying, falsifying, altering; or by concealing of evidence material to the investigation; or by making false statements to investigators and/or by threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or by impeding the purchaser’s Entity’s rights of audit or access to information;

### 1.3.3 Obligations for Proactive disclosures

- i) The Purchaser as well as bidders, suppliers, contractors and consultants, are obliged under Code of Integrity for Public Procurement to sue-moto proactively declare any conflicts of interest (coming under the definition mentioned above – pre-existing or as and as soon as these arise at any stage) in any procurement process or execution of contract. Failure to do so would amount to violation of this code of integrity; and
- ii) The bidder must declare, whether asked or not in a bid document, any previous transgressions of such a code of integrity with any entity in any country during the last three years or of being debarred by any other Procuring Entity. Failure to do so would amount to violation of this code of integrity;
- iii) To encourage voluntary disclosures, such declarations would not mean automatic disqualification for the bidder making such declarations. The declared conflict of interest would be evaluated and mitigation steps, if possible, taken by the purchaser. Similarly, voluntary reporting of previous transgressions of Code of Integrity elsewhere may be evaluated and barring cases of various grades of debarment, an alert watch may be kept on the bidder’s actions in the tender and subsequent contract.

### 1.3.4 Punitive Provisions

Without prejudice to and in addition to the rights of the Purchaser to other penal provisions as per the bid documents or contract, if the Purchaser comes to a conclusion that a (prospective) bidder/supplier, directly or through an agent, has violated this code of integrity in competing for the contract or in executing a contract, the purchaser may take appropriate measures including one or more of the following:

- i) If his bids are under consideration in any procurement
  - a) Forfeiture or encashment of bid security;
  - b) Calling off of any pre-contract negotiations; and
  - c) Rejection and exclusion of the bidder from the procurement process.

- ii) If a contract has already been awarded
  - a) Cancellation of the relevant contract and recovery of compensation for loss incurred by the purchaser;
  - b) Forfeiture or encashment of any other security or bond relating to the procurement;
  - c) Recovery of payments including advance payments, if any, made by the purchaser along with interest thereon at the prevailing rate.
- iii) Provisions in addition to above:
  - a) Removal from the list of registered suppliers and banning/debarment of the bidder from participation in future procurements of the purchaser for a period not less than one year;
  - b) In case of anti-competitive practices, information for further processing may be filed under a signature of the Joint Secretary level officer, with the Competition Commission of India;
  - c) Initiation of suitable disciplinary or criminal proceedings against any individual or staff found responsible.

## **B. The Bidding Documents**

### **1.4 Cost of Tender Documents**

#### **1.4.1**

The bidding documents are available to the eligible bidders free of cost.

### **1.5 Content of Tender Documents**

#### **1.5.1**

The goods required, bidding procedures and contract terms are prescribed in the bidding documents which should be read in conjunction. The bidding documents, apart from the invitation for bids and Critical Date Sheet have been divided into **3** Chapters as under:

- Chapter 1: Instructions to Bidder (ITB)
- Chapter 2: General Conditions of Contract (GCC)
- Chapter 3: Formats

#### **1.5.2**

The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or submission of a bid not substantially responsive to the bidding documents in every respect will be at the Bidder's risk and may result in rejection of its bid.

## **1.6 Clarification of tender documents**

### **1.6.1**

A prospective Bidder requiring any clarification of the Bidding Documents shall contact the Purchaser in writing sufficiently in advance before the due date of opening. Should the Purchaser deem it necessary to amend the Bidding Documents as a result of a clarification, it shall do so following the procedure under Clause relating to amendment of Bidding Documents and Clause relating to Deadline for Submission of Bids.

## **1.7 Amendment of Tender Documents**

### **1.7.1**

At any time prior to the deadline for submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the tender documents by amendment. The same would also be hosted on the website of the Purchaser and all prospective bidders are expected to surf the website before submitting their bids to take cognizance of the amendments. However, the copies of the amendments would be sent by registered post/speed post/courier/e-mail to all the bidders who have been sent the tender documents.

### **1.7.2**

In order to allow prospective bidders' reasonable time in which to take the amendment into account in preparing their bids, the Purchaser, at its discretion, may extend the deadline for the submission of bids and inform all the prospective bidders to whom the invitation to bid has been sent.

## **C. PREPARATION OF BIDS**

### **1.8. Language of Bid**

#### **1.8.1**

The bid prepared by the Bidder, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Purchaser, shall be written in English language only especially when the details are technical.

#### **1.8.2**

The Supplier shall bear all costs of translation, if any, to the English language and bear all risks of the accuracy of such translation, for documents provided by the Supplier.

### **1.9 Purchase Preference Policies**

#### **1.9.1**

The purchaser is bound to give product reservation/purchase preference/price preference in line with current Govt. of India procurement policies to help inclusive national economic growth by providing long term support to Micro and Small enterprises and disadvantaged sections of the society and to address environmental concerns along with preferential market access in govt. procurements.

## **1.10. Documents Comprising the Bid**

### **1.10.1**

The bid prepared by the Bidder shall include:

#### **A. Technical bid**

- (a) Bidder Information Form;
- (b) Declaration abiding by the Code of Integrity and no conflict of interest for public procurement;
- (c) Bid security as specified in the Invitation to Bids;
- (d) Service support details form;
- (e) Deviation Statement Form;
- (f) Performance Statement Form;
- (g) Manufacturer's Authorization Form along with a certified copy of the Agency Agreement between the bidders and the Indian Agent.
- (h) Documentary evidence establishing that the bidder is eligible to bid and is qualified to perform the contract if its bid is accepted;
- (i) Documents establishing goods eligibility and conformity to bidding document; indicating the Indian Customs Tariff Number (ICT & HSN No.)
- (j) Self certification that the item offered meets the minimum local content of 50% and shall give details of the location(s) at which the local value addition is made in case the bidder wishes to avail the benefits under the make in India policy. (if applicable)
- (k) Documentary evidence about the status of the bidder i.e. whether MSE or not, owned by SC/ST or not and whether the MSE is owned by a women entrepreneur or not.

#### **B. Price bid**

- (j) Bid form;
- (k) Applicable Price Schedule Form;

## **1.11. Bid form and price schedule**

### **1.11.1**

The bidder shall complete the Bid Form and the appropriate price schedule form furnished in the bidding documents. These forms must be completed without any alterations to its format and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested. The Bid Form and the appropriate Price Schedule form shall be submitted in accordance with invitation to bid and Clause 1.18.3 of the bidding documents.

## **1.12. Bid Prices**

### **1.12.1**

The Bidder shall indicate on the appropriate price schedule form, the unit prices and total bid prices of the goods it proposes to supply under the contract.

### 1.12.2

Prices indicated on the price-schedule form shall be entered separately in the following manner:

#### **(a) For Goods manufactured within India**

- (i) The price of the goods quoted Ex -works including taxes already paid.
- (ii) GST and other taxes, if any which will be payable on the goods if the contract is awarded.
- (iii) The charges for inland transportation, insurance and other local services required for delivering the goods at the desired destination as specified in the price schedule form.
- (iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

#### **(b) For Goods manufactured abroad**

- (i) The price of the goods, quoted on FCA (named place of delivery abroad) or FOB (named port of shipment), as specified in the price schedule form.
- (ii) The charges for insurance and transportation of the goods to the port / place of destination.
- (iii) The agency commission charges, if any.
- (iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

### 1.12.3

The terms FOB, FCA, CIF, CIP etc. shall be governed by the rules prescribed in the current edition of the Incoterms published by the International Chambers of Commerce, Paris.

### 1.12.4

**Where there is no mention of packing, forwarding, freight, insurance charges, taxes etc. such offer shall be rejected as incomplete.**

### 1.12.5

The price quoted shall remain fixed during the contract period and shall not vary on any account

### 1.12.6

All lots and items must be listed and priced separately in the Price Schedules. If a Price Schedule shows items listed but not priced, their prices shall be assumed to be included in the prices of other items. Lots or items not listed in the Price Schedule shall be assumed to be not included in the bid.



#### 1.12.7

The Purchaser Is registered with Dept. of Scientific & Industrial Research, Govt. of India and concessional customs duty and GST & IGST are leviable vide notification no. 54/2002-Customs on all imports covered under notification No.51/96-Customs dated 23.07.1996 Notification No.47/2017-Integrated Tax (Rate) and Notification No.45/2017-Central Tax (Rate) both dated 14<sup>th</sup> November, 2017.

**Note: All payments due under the contract shall be paid after deduction of statutory levies at source (like ESIC, IT, etc.), wherever applicable.**

#### 1.12.8

Please state specifically in your offer whether the duties and taxes are extra over the prices quoted, failing which it will be presumed that the prices are inclusive of taxes and duties and no claim would be entertained for statutory variations at a later date.

#### 1.12.9

Stipulations like “GST is presently not applicable but the same will be charged if it becomes leviable later on” is not acceptable unless in such cases it is clearly stated that GST will not be charged if the same becomes applicable later on due to increase in turn over etc. If a bidder fails to comply with this requirement, his quoted price shall be loaded with the quantum of duty which is normally applicable on the item in question for the purpose of comparison with the prices of other tenderers.

### 1.13. Bid Currencies

#### 1.13.1

Prices shall be quoted in Indian Rupees for offers received for supply within India and in freely convertible foreign currency in case of offers received for supply from foreign countries i.e. domestic tenderers are to quote and accept their payment in Indian currency; Indian agents of foreign suppliers are to receive their agency commission in Indian currency; cost of imported goods & services rendered in India, which are directly imported against the contract, may be quoted in foreign currency (currencies).

### 1.14. Documents Establishing Bidder's Eligibility and qualifications

#### 1.14.1

The bidder shall furnish, as part of its bid, documents establishing the bidders' eligibility to bid and its qualification to perform the contract if its bid is accepted.

#### 1.14.2

The documentary evidence of the bidder's qualification to perform the contract if the bid is accepted shall establish to the purchaser's satisfaction that;

- (a) The bidder meets the qualification criteria listed in bidding documents if any.
- (b) Bidder who doesn't manufacture the goods it offers to supply shall submit Manufacturers' Authorization Form (MAF) using the form specified in the bidding document to demonstrate that it has been duly authorized by the manufacturer of the goods to quote and/or supply the goods.

- (c) In case a bidder not doing business within India, it shall furnish the certificate to the effect that the bidder is or will be represented by an agent in India equipped and able to carry out the supply, maintenance, repair obligations etc. during the warranty and post warranty period or ensure a mechanism at place for carrying out the supply, maintenance, repair obligations etc. during the warranty and post-warranty period.

#### **1.14.3 Conditional tenders shall not be accepted.**

### **1.15. Documents Establishing Goods' Eligibility and Conformity to Bidding Documents**

#### **1.15.1**

To establish the goods' eligibility, the documentary evidence of the goods and services eligibility shall consist of a statement on the country of origin of the goods and services offered which shall be confirmed by a certificate of origin at the time of shipment.

#### **1.15.2**

To establish the conformity of the goods and services to the specifications and schedule of requirements of the bidding document, the documentary evidence of conformity of the goods and services to the bidding documents may be in the form of literature, drawings and data, and shall consist of:

- (a) A detailed description of the essential technical and performance characteristics of the goods;
- (b) A list giving full particulars, including available sources and current prices, of spare parts, special tools, etc., necessary for the proper and continuing functioning of the goods during the warranty period following commencement of the use of the goods by the Purchaser in the Priced- bid; and
- (c) An item-by-item commentary on the Purchaser's Technical Specifications demonstrating substantial responsiveness of the goods and services to those specifications or a statement of deviations and exceptions to the provisions of the Technical Specifications.

#### **1.15.3**

For purposes of the commentary to be furnished pursuant to above, the Bidder shall note that standards for workmanship, material and equipment, designated by the Purchaser in its Technical Specifications are intended to be descriptive only and not restrictive. The Bidder may substitute these in its bid, provided that it demonstrates to the Purchaser's satisfaction that the substitutions ensure substantial equivalence to those designated in the Technical Specifications.

#### **1.15.4**

Alternate offers/makes/models would not be considered.

## **1.16. Bid Security**

### **1.16.1**

The Bidder shall furnish, as part of its bid, a bid security (BS) for an amount as specified in the Invitation for Bids if any. In the case of foreign bidders, the BS shall be submitted either by the principal or by the Indian agent and in the case of indigenous bidders, the BS shall be submitted by the manufacturer or their specifically authorized dealer/bidder.

### **1.16.2**

The bid security is required to protect the Purchaser against the risk of Bidder's conduct, which would warrant the security's forfeiture.

### **1.16.3**

The bid security shall be in Indian Rupees for offers received for supply within India and denominated in the currency of the bid or in any freely convertible foreign exchange in the case of offers received for supplies from foreign countries in equivalent Indian Rupees. The bid security shall be in one of the following forms at the bidders' option:

- (a) A bank guarantee issued/confirmed by a Scheduled Commercial Bank in India in the form provided in the bidding documents and valid for 45 days beyond the validity of the bid. In case a bidder desires to submit a BG issued from a foreign bank, then the same should be confirmed by a Scheduled commercial bank in India; or
- (b) Fixed Deposit receipt pledged in favour of the Lab. /Institute.
- (c) A Banker's cheque or demand draft in favour of the purchaser issued by any Scheduled commercial bank in India;
- (d) Bid Securing Declaration

### **1.16.4**

The bid security shall be payable promptly upon written demand by the purchaser in case the conditions listed in the ITB clause 1.16.9 are invoked.

### **1.16.5**

The bid security should be submitted in its original form. Copies shall not be accepted.

### **1.16.6**

The bid security of unsuccessful bidder will be discharged /returned as promptly as possible positively within a period of 30 days after the expiration of the period of bid validity or placement of order whichever is later, without any interest.

### **1.16.7**

The successful Bidder's bid security will be discharged upon the Bidder furnishing the performance security, without any interest

#### 1.16.8

Bidders that are currently registered with the purchaser or registered as MSEs will continue to remain registered during the tender validity period also and are exempted from payment of EMD. In case the tenderer falls in these categories, the bidder should furnish a certified copy of its valid registration details. Except for MSEs, this exemption is valid for the trade group and monetary value of registration only. The MSEs are provided tender document free of cost and are exempted from the payment of Bid Security provided the goods are produced and the services are rendered by them and not for any trading activities undertaken by them. Further firms who are having Udyog Aadhar Memorandum are entitled to all benefits available for MSEs under the Public Procurement Policies for MSEs and can get registered with any of the following agencies:

- a) District Industries Centre
- b) Khadi and Village Industries Commission
- c) Khadi and Village Industries Board
- d) Coir Board
- e) National Small Industries Corporation
- f) Directorate of Handicraft and handloom and
- g) Any other body specified by the Ministry of MSME

#### 1.16.9

Where any aggregator has been appointed by the Ministry of MSME, themselves quote on behalf of some MSE units, such offers will be considered as offer from MSE units and all such facilities would be extended to these aggregators also.

#### 1.16.10

The bid security may be forfeited:

- (a) If a Bidder withdraws or amends or modifies or impairs or derogates its bid during the period of bid validity specified by the Bidder on the Bid Form; or
- (b) In case of a successful Bidder, if the Bidder fails to furnish order acceptance within 14 days of the order or fails to sign the contract and/or fails to furnish Performance Security within 21 days from the date of contract/ order.

#### 1.16.11

Whenever the bidder chooses to submit the Bid Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.

### 1.17. Period of Validity of Bids

#### 1.17.1

Bids shall remain valid for minimum of 90 days after the date of bid opening prescribed by the Purchaser. A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive.

#### 1.17.2

In exceptional circumstances, the Purchaser may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing (or by post, fax or e-mail). The bid security provided shall also be suitably extended failing which the bid would be summarily ignored. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request will not be required nor permitted to modify its bid.

#### 1.17.3

Bid evaluation will be based on the bid prices without taking into consideration the above corrections.

### **1.18. Format and Signing of Bid**

#### 1.18.1

The bids may be submitted in single envelop or in two parts as specified in the Invitation for Bids.

#### 1.18.2

In case the bids are invited on single envelop basis, then the Bidder shall prepare two copies of the bid, clearly marking each "Original Bid" and "Copy Bid", as appropriate. In the event of any discrepancy between them, the original shall govern.

#### 1.18.3

In case the bids are invited on two-bid system, the Bidder shall submit the bids in two separate parts. One part shall contain Technical bid comprising all documents listed under clause relating to Documents Comprising the Bid excepting bid form and price schedules. The other part shall contain the priced-bid comprising bid form and price schedules. The Bidder shall prepare two copies of the bid, clearly marking each "Original Bid" and "Copy Bid", as appropriate.

#### 1.18.4

The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the Contract. All pages of the bid, except for un-amended printed literature, shall be initialled by the person or persons signing the bid detailing his/her name and contact details.

#### 1.18.5

Any interlineations, erasures or overwriting shall be valid only if they are initialled by the persons or persons signing the bid.

## **D Submission and sealing of Bids**

### **1.19. Submission, Sealing and Marking of Bids**

#### 1.19.1

The bidders may submit their duly sealed bids generally by post or by hand. **Bids received by FAX/E-mail would not be considered for evaluation.**

#### 1.19.2

In the case of bids invited on single envelop basis, the Bidders shall seal the original and each copy of the bid in separate inner envelopes, duly marking the envelopes as "original" and "copy". The envelopes shall then be sealed in an outer envelope.

#### 1.19.3

In the case of bids invited on two-part basis, the Bidder shall seal the un-priced commercial and technical bid comprising the documents as listed in ITB 1.10.1 excepting for 'j' & 'k' and the priced bid in two separate envelopes duly marked as "Technical bid" and "priced bid". Both the envelopes shall then be sealed in one outer envelope.

#### 1.19.4

- (a) The inner and outer envelopes shall be addressed to the \_\_\_\_\_ **(Designation and Address of the officer concerned)** and deposited in the Tender box kept in Purchase Section, if delivered by hand.
- (b) Bear the name and address of the bidder, Tender No., due date and a warning "Do not open before \_\_\_\_\_" to be completed with the time and date as specified in the invitation for bids.

#### 1.19.5

If the outer envelope is not sealed and marked as required above, The Purchaser will assume no responsibility for the bid's misplacement or premature opening. In such cases, bids received in open condition within the due date and time will be accepted at the risk of the bidder if the same is presented to the Controller of Stores & Purchase before expiry of the due date and time of opening of the bids.

#### 1.19.6

Firms submitting bids in a single envelope against the requirement of two-bid system would be considered for further evaluation at the risk & responsibility of the bidder. However, the opened priced bid if prepared separate from the technical bid, would be sealed immediately by the Tender Opening Committee without disclosing the price.

### 1.20. **Deadline for Submission of Bids**

#### 1.20.1

Bids must be received by the Purchaser at the address specified at Clause 1.19.4 (a) not later than the time and date specified in invitation to bid. In the event of the specified date for the submission of Bids being declared a holiday for the Purchaser, the Bids will be received up to the appointed time on the next working day.

#### 1.20.2

The Purchaser may, at its discretion, extend the deadline for submission of bids by amending the bid documents in accordance with Clause relating to Amendment of Bidding Documents in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

## **1.21. Late Bids**

### **1.21.1**

Any bid received by the Purchaser after the deadline for submission of bids prescribed by the Purchaser will be rejected.

### **1.21.2**

Such tenders shall be marked as late and not considered for further evaluation. They shall not be opened at all and be returned to the bidders in their original envelope without opening.

## **1.22. Withdrawal, substitution and Modification of Bids.**

### **1.22.1**

A Bidder may withdraw, substitute, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 1.19 duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB Sub-Clause 1.18.4 (except that no copies of the withdrawal notice are required). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:

- (a) Submitted in accordance with ITB Clauses 1.18 and 1.19 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," or "MODIFICATION"; and
- (b) Received by the Purchaser prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 1.20.

### **1.22.2**

Bids requested to be withdrawn in accordance with ITB Sub-Clause 1.22.1 shall be returned unopened to the Bidders. No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Form or any extension thereof.

## **E. Opening and Evaluation of Bids**

### **1.23 Opening of Bids by the Purchaser**

#### **1.23.1**

The Purchaser will open all bids one at a time in the presence of bidders' authorized representatives who choose to attend, as per the schedule given in invitation for bids. The Bidders' representatives who are present shall sign the quotation opening sheet evidencing their attendance. In the event of the specified date of Bid opening being declared a holiday for the Purchaser, the Bids shall be opened at the appointed time and location on the next working day. In two-part bidding, the financial bid shall be opened only after technical evaluation.

### 1.23.2

First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked "MODIFICATION" shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening. Only envelopes that are opened and read out at Bid opening shall be considered further.

### 1.23.3

The bidders' names, bid modifications or withdrawals, bid prices, discounts, and the presence or absence of requisite bid security and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening. No bid shall be rejected at bid opening, except for late bid(s). The contents of the bid forms and price schedules would however be announced only at the time of opening of Priced-bids in the case of two-bid system.

### 1.23.4

Bids that are received late shall not be considered further for evaluation, irrespective of the circumstances.

### 1.23.5

**Bidders interested in participating in the bid opening process, should depute their representatives along with an authority letter to be submitted to the purchaser at the time of bid opening as per form Annexed at Chapter-3.**

## 1.24. Confidentiality

### 1.24.1

Information relating to the examination, evaluation, comparison, and post qualification of bids, and recommendation of contract award, shall not be disclosed to bidders or any other persons not officially concerned with such process until publication of the Contract Award.

### 1.24.2

Any effort by a Bidder to influence the Purchaser in the examination, evaluation, comparison, and post qualification of the bids or contract award decisions may result in the rejection of its Bid.

## 1.25. Clarification of Bids

### 1.25.1

To assist in the examination, evaluation, comparison and post qualification of the



bids, the Purchaser may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing and no change in prices or substance of the bid shall be sought, offered or permitted. However, no negotiation shall be held except with the lowest bidder, at the discretion of the purchaser. Any clarification submitted by a bidder in respect to its bid which is not in response to a request by the purchaser shall not be considered.

## **1.26. Preliminary Examination**

### **1.26.1**

The Purchaser shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 1.10 have been provided, and to determine the completeness of each document submitted.

### **1.26.2**

The Purchaser shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the offer shall be rejected.

(a) Bid Form and Price Schedule, in accordance with ITB Clause 1.10;

(b) All the tenders received will first 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 some of the important points, for which a tender may be declared as unresponsive and to be ignored, during the initial scrutiny:

- (i) The Bid is unsigned.
- (ii) The Bidder is not eligible.
- (iii) The Bid validity is shorter than the required period.
- (iv) The Bidder has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
- (v) Bidder has not agreed to give the required performance security or has not furnished the bid security.
- (vi) The goods quoted are sub-standard, not meeting the required specification, etc.
- (vii) Against the schedule of Requirement (incorporated in the tender enquiry), the bidder has not quoted for the entire requirement as specified in that schedule.
- (viii) The bidder has not agreed to some essential condition(s) incorporated in the tender enquiry.

## **1.27 Bidder's right to question rejection.**

### **1.27.1**

A Bidder shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his tender has been rejected wrongly. Only a directly affected bidder can represent in this regard as under:

- i) Only a bidder who has participated in the concerned procurement process i.e.

pre-qualification, bidder registration or bidding, as the case may be, can make such representation;

- ii) In case pre-qualification bid has been evaluated before the bidding of Technical bids, an application for review in relation to the technical bid may be filed only by a bidder has qualified in pre-qualification bid;
- iii) In case technical bid has been evaluated before the opening of the financial bid, an application for review in relation to the financial bid may be filed only by a bidder whose technical bid is found to be acceptable.
- iv) Following decisions of the purchaser in accordance with the provision of internal guidelines shall not be subject to review:
  - a) Determination of the need for procurement;
  - b) Selection of the mode of procurement or bidding system;
  - c) Choice of selection procedure;
  - d) Provisions limiting participation of bidders in the procurement process;
  - e) The decision to enter into negotiations with the L1 bidder;
  - f) Cancellation of the procurement process except where it is intended to subsequently re-tender the same requirements;
  - g) Issues related to ambiguity in contract terms may not be taken up after a contract has been signed, all such issues should be highlighted before consummation of the contract by the vendor/contractor; and
  - h) Complaints against specifications except under the premise that they are either vague or too specific so as to limit competition may be permissible.

#### 1.27.2

In case a Bidder feels aggrieved by the decision of the purchaser, he may then send his representation in writing to the Purchaser's address as indicated in Invitation to bids within 05 working days from the date of communication of the purchaser intimating the rejection for reconsideration of the decision by the purchaser.

### 1.28 **Responsiveness of Bids**

#### 1.28.1

Prior to the detailed evaluation, the purchaser will determine the substantial responsiveness of each bid to the bidding documents. For purposes of this clause, a substantive responsive bid is one, which conforms to all terms and condition of the bidding documents without material deviations, reservations or omissions. A material deviation, reservation or omission is one that:

- (a) Affects in any substantial way the scope, quality, or performance of the Goods and Related Services specified in the Contract; or
- (b) Limits in any substantial way, inconsistent with the Bidding Documents, the Purchaser's rights or the Bidder's obligations under the Contract; or

- (c) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

#### 1.28.2

The purchasers' determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

#### 1.28.3

If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation or omission.

#### 1.28.4

If a bidder quotes Nil Charges/consideration, the bid shall be treated as unresponsive and will not be considered.

### 1.29 Non-Conformity, Error and Omission

#### 1.29.1

Provided that a Bid is substantially responsive, the Purchaser may waive any nonconformities or omissions in the Bid that do not constitute a material deviation.

#### 1.29.2

Provided that a bid is substantially responsive, the Purchaser may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the bid related to documentation requirements. Such omission shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

#### 1.29.3

Provided that the Bid is substantially responsive, the Purchaser shall correct arithmetical errors on the following basis:

- (a) if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of the Purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;
- (b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

#### 1.29.4

Provided that a bid is substantially responsive, the purchaser may request that a bidder may confirm the correctness of arithmetic errors as done by the purchaser within a target date. In case, no reply is received then the bid submitted shall be ignored and its Bid Security may be forfeited.

### **1.30 Examination of Terms & Conditions, Technical Evaluation**

#### 1.30.1

The Purchaser shall examine the Bid to confirm that all terms and conditions specified in the GCC have been accepted by the Bidder without any material deviation or reservation.

#### 1.30.2

The Purchaser shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 1.15, to confirm that all requirements specified in Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.

#### 1.30.3

If, after the examination of the terms and conditions and the technical evaluation, the Purchaser determines that the Bid is not substantially responsive in accordance with ITB Clause 1.28, it shall reject the Bid.

### **1.31 Conversion to Single Currency**

#### 1.31.1

To facilitate evaluation and comparison, the Purchaser will convert all quoted prices expressed in various currencies to Indian Rupees at the selling exchange rate established by any bank in India as notified in the Newspapers on the date of bid opening (techno-commercial bid in the case of two-part bidding). For this purpose, exchange rate notified in [www.xe.com](http://www.xe.com) or [www.rbi.org](http://www.rbi.org) or any other website could also be used by the purchaser.

### **1.32 Evaluation and comparison of bids**

#### 1.32.1

The Purchaser shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.

#### 1.32.2

To evaluate a Bid, the Purchaser shall only use all the factors, methodologies and criteria defined below. No other criteria or methodology shall be permitted.

### 1.32.3

Purchase preference shall be given to all local suppliers in all procurements undertaken by the purchaser in the following manner:

- (a) Where the purchaser has restricted the eligibility of suppliers to Indian suppliers only as per para 25 of the invitation to bid. This is applicable only for those items for which the Nodal Ministry has communicated that there is sufficient local capacity and local competition.
- (b) If the tendered items are not listed by the Nodal Ministry indicating the local capacity and local competition, the following procedure of evaluation shall be followed:
  - (i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.
  - (ii) If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity subject to the local supplier's quoted price falling within the margin of purchase preference of 20%, and contract for that quantity shall be awarded to such local supplier subject to matching the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on local suppliers, then such balance quantity may also be ordered on the L1 bidder.
- (c) If the tendered item is not divisible the following procedure of evaluation shall be followed:
  - i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.
  - ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers, will be invited to match the L1 price subject to local supplier's quoted price falling within the margin of purchase preference of 20%, and the contract shall be awarded to such local supplier subject to matching the L1 price.
  - iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price and so on and contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference matches the L1 price, then the contract may be awarded to the L1 bidder.

#### 1.32.4

Further, In tender, where the items are divisible, the participating Micro and Small Enterprises (MSE) quoting price within price band of L1+15 (fifteen) per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25 (twenty five) per cent of total tendered value. The 25 (twenty five) per cent quantity is to be distributed proportionately among these bidders, in case there are more than one MSMEs within such price band.

#### 1.32.5

Within this 25% (Twenty five Percent) quantity, a purchase preference of 25 (twenty five) per cent out of 25 (twenty five) per cent) is reserved for MSEs owned by Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs (if they participate in the tender process and match the L1 price). Further, out of the total annual procurement from the MSEs, (3%) three percent from within the 25% target shall be earmarked for procurement from MSEs owned by women. Provided that, in the event of failure of such SC/ST MSE to participate in tender process or meet tender requirements and L1 price, four per cent sub-target shall be met from other MSE.

#### 1.32.6

In case the items are not divisible, then the MSE quoting price within price band L1 + 15% may be awarded for full/complete supply of total tendered quantity to MSE, considering the spirit of the policy for enhancing the Government procurement from MSEs.

#### 1.32.7

The bids shall be evaluated on the basis of final landing cost which shall be arrived as under:

#### **For goods manufactured in India**

- (i) The price of the goods quoted ex-works including all taxes already paid.
- (ii) GST and other taxes, if any which will be payable on the goods if the contract is awarded.
- (iii) Charges for inland transportation, insurance and other local services required for delivering the goods at the desired destination.
- (iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

#### **For goods manufactured abroad**

- (i) The price of the goods, quoted on FCA (named place of delivery abroad) or FOB (named port of shipment), as specified in the invitation to bid.

- (ii) The charges for insurance and transportation of the goods to the port/place of destination.
- (iii) The agency commission etc., if any.
- (iii) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

#### 1.32.8

The comparison between the indigenous and the foreign offers shall be made on FOR destination basis and CIF/CIP basis respectively. However, the CIF/CIP prices quoted by any foreign bidder shall be loaded further as under:

- (a) Towards customs duty and other statutory levies—as per applicable rates.
- (b) Towards custom clearance, inland transportation etc. - 2% of the CIF/CIP value. The bidder should give a clear cut breakup of EXW, FOB/FCA, CIF/CIP prices to facilitate proper comparison with the purchaser reserving the right to order on either basis, failing which the bid would be summarily ignored.

**Note: Where there is no mention of packing, forwarding, freight, insurance charges, taxes etc. such offers shall be rejected as incomplete.**

#### 1.32.9

Orders for imported stores need not necessarily be on FOB/FCA basis rather it can be on the basis of any of the incoterm specified in ICC Incoterms 2000 as may be amended from time to time by the ICC or any other designated authority and favourable to the purchaser.

#### 1.32.10

Wherever the price quoted on FOB/FCA and CIF/CIP basis are the same, the Contract would be made on CIF / CIP basis only.

#### 1.32.11

The invitation to bid shall specify the mode of transport i.e., whether by air/ocean/road/rail.

#### 1.32.12

There is no provision to purchase optional items. The specifications embodied in the tender documents would be the basis of evaluating the responsiveness of bids received.

#### 1.32.13

The Purchaser shall compare all substantially responsive bids to determine the lowest valued bid, in accordance with ITB Clause 1.32.

### **1.33 Contacting the Purchaser**

#### **1.33.1**

Subject to ITB Clause 1.25, no Bidder shall contact the Purchaser on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded.

#### **1.33.2**

Any effort by a Bidder to influence the Purchaser in its decisions on bid evaluation, bid comparison or contract award may result in rejection of the Bidder's bid.

### **1.34 Post qualification**

#### **1.34.1**

In the absence of pre-qualification, the Purchaser will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid is qualified to perform the contract satisfactorily, in accordance with the criteria listed, if any, in invitation to bid.

#### **1.34.2**

The determination will take into account the eligibility criteria listed in the bidding documents and will be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, as well as such other information as the Purchaser deems necessary and appropriate.

#### **1.34.3**

An affirmative determination will be a prerequisite for award of the contract to the Bidder. A negative determination will result in rejection of the Bidder's bid.

## **F. AWARD OF CONTRACT**

### **1.35 Negotiations**

#### **1.35.1**

There shall not be any negotiation normally. Negotiations, if at all, shall be an exception and only in the case of items with limited source of supply. Negotiations shall be held with the lowest evaluated responsive bidder. Counter offers tantamount to negotiations and shall be treated at par with negotiations in the case of one time purchases.

### **1.36 Award Criteria**

#### **1.36.1**

Subject to ITB Clause 1.39, the Purchaser will award the contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the contract satisfactorily. The details of the award would be hosted on the website of the Purchaser.



### **1.37 Purchaser's right to vary Quantities at Time of Award**

#### **1.37.1**

The Purchaser reserves the right at the time of Contract award to increase or decrease the quantity of goods and services originally specified in the invitation to bid to the extent of 25% without any change in unit price or other terms and conditions.

### **1.38 Option Clause**

#### **1.38.1**

The Purchaser reserves the right to increase or decrease the quantity of the required goods up to 25% (Twenty-Five) per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period)

### **1.39 Purchaser's right to accept Any Bid and to reject any or All Bids**

#### **1.39.1**

The Purchaser reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders.

### **1.40 Notification of Award**

#### **1.40.1**

Prior to the expiration of the period of bid validity, the Purchaser will notify the successful bidder in writing by registered letter or by cable or telex or fax or e mail that the bid has been accepted and a separate purchase order shall follow through post.

#### **1.40.2**

Until a formal contract is prepared and executed, the notification of award should constitute a binding contract.

#### **1.40.3**

Upon the successful Bidder's furnishing of the signed Contract Form and performance security pursuant to ITB Clause 1.43, the Purchaser will promptly notify each unsuccessful Bidder and will discharge its bid security.

### **1.41 Signing of Contract**

#### **1.41.1**

Promptly after notification, the Purchaser shall send the successful Bidder the Agreement/Purchase Order.

#### **1.41.2**

Within fourteen (14) days of date of the Purchase Order, the successful Bidder shall sign, date, and return it to the Purchaser.

## **1.42 Order Acceptance**

### **1.42.1**

The successful bidder should submit Order acceptance within 14 days from the date of issue, failing which it shall be presumed that the vendor is not interested and his bid security is liable to be forfeited pursuant to clause 1.16.9 of ITB.

### **1.43.2**

The order confirmation must be received within 14 days. However, the Purchaser has the powers to extend the time frame for submission of order confirmation beyond the original date. Even after extension of time, if the order confirmation is not received, the contract is liable to be cancelled provided that the purchaser, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

## **1.43 Performance Security**

### **1.43.1**

Within 21 days of receipt of the notification of award/PO, the Supplier shall furnish performance security (PS) in the amount specified in the purchase order, valid till 60 days after the warranty period.

### **1.43.2**

The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.

### **1.43.3**

The Performance Security shall be denominated in Indian Rupees for the offers received for supplies within India and denominated in the currency of the contract in the case of offers received for supply from foreign countries or in equivalent Indian Rupees in case the Performance Security is submitted by the Indian Agent.

### **1.43.4**

In the case of imports, the PS may be submitted either by the principal or by the Indian agent and, in the case of purchases from indigenous sources, the PS may be submitted by either the manufacturer or their authorized dealer/bidder.

### **1.43.5**

The Performance security shall be in one of the following forms:

- (a) A Bank guarantee or stand-by Letter of Credit issued by a Nationalized/Scheduled bank located in India or a foreign bank with preferably its operating branch in India in the form provided in the bidding documents. Or

(b) A Banker's cheque or Account Payee demand draft in favour of the purchaser. Or,

(c) A Fixed Deposit Receipt pledged in favour of the Purchaser.

#### 1.43.6

The performance security will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier's performance obligations, including any warranty obligations, unless specified otherwise, without levy of any interest.

#### 1.43.7

In the event of any contract amendment, the supplier shall, within 21 days of receipt of such amendment, furnish the amendment to the performance security, rendering the same valid for the duration of the contract, as amended for further period of 60 days thereafter.

#### 1.43.8

The performance security must be received within 21 days. However, the Purchaser has the powers to extend the time frame for submission of Performance Security (PS). Even after extension of time, if the PS is not received, the contract is liable to be cancelled provided that the purchaser, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

#### 1.43.9

**Whenever, the bidder chooses to submit the Performance Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.**

### 1.44 Pre-bid Conference (PBC)

#### 1.44.1

A Pre-bid Conference shall be held as indicated in invitation to bid, if any. All prospective bidders are requested to kindly attend the Pre-bid Conference. In order to facilitate the purchaser the proper conduct of the Pre-bid Conference, all prospective bidders are requested to kindly submit their queries (with envelope bearing Tender No. and Date on top and marked "Queries for Pre-bid Conference") so as to reach the purchaser as indicated in invitation to bid. The purchaser shall answer the queries during the pre-bid conference, which would become a part of the proceedings of the Pre-bid Conference. The proceeding of the Pre Bid Conference would be hosted on the website of the purchaser. Before formulating and submitting their bids, all prospective bidders are advised to surf through the purchaser's website after the Pre-bid Conference, in order to enable them take cognizance of the revised tender conditions.

## CHAPTER 2

### CONDITIONS OF CONTRACT

#### A GENERAL CONDITIONS OF CONTRACT (GCC)

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## GENERAL CONDITIONS OF CONTRACT (GCC)

### 2.1 Definitions

2.1.1 The following words and expressions shall have the meanings hereby assigned to them:

- (i) “Contract” means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
- (ii) “Contract Documents” means the documents listed in the Contract Agreement, including any amendments thereto.
- (iii) “Contract Price” means the price payable to the Supplier as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.
- (iv) “Day” means calendar day.
- (v) “Completion” means the fulfilment of the Goods and related Services by the Supplier in accordance with the terms and conditions set forth in the Contract.
- (vi) “GCC” means the General Conditions of Contract.
- (vii) “Goods” means all of the commodities, raw material, machinery and equipment, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract.
- (viii) “Related Services” means the services incidental to the supply of the goods, such as transportation, insurance, installation, training and initial maintenance and other such obligations of the Supplier under the Contract.
- (ix) “Subcontractor” means any natural person, private or government entity, or a combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Supplier.
- (x) “Supplier” means the natural person, private or government entity, or a combination of the above, whose bid to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement.
- (xi) The “Council” means the Council of Scientific & Industrial Research (CSIR), registered under the Societies Registration Act, 1860 of the Govt. of India having its registered office at 2, Rafi Marg, New Delhi-110001, India and the
- (xii) “Purchaser” means any of the constituent Laboratory/Institute of the Council situated at any designated place in India as specified in Invitation to bid.
- (xiii) “The final destination,” where applicable, means \_\_\_\_\_  
***(Name and complete postal address of the Lab/Instt. as appropriate)***

## **2.2 Contract Documents**

### **2.2.1**

Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.

## **2.3 Code of Integrity**

### **2.3.1**

Without prejudice to and in addition to the rights of the Purchaser to other penal provisions as per the bid documents or contract, if the Purchaser comes to a conclusion that a (prospective) bidder/supplier, directly or through an agent, has violated this code of integrity in competing for the contract or in executing a contract, the Purchaser may take appropriate measures including one or more of the following:

- a) Cancellation of the relevant contract and recovery of compensation for loss incurred by the purchaser;
- b) Forfeiture or encashment of any other security or bond relating to the procurement;
- c) Recovery of payments including advance payments, if any, made by the Purchaser along with interest thereon at the prevailing rate.
- d) Provisions in addition to above:
  - 1) Removal from the list of registered suppliers and banning/debarment of the bidder from participation in future procurements of the purchaser for a period not less than one year;
  - 2) In case of anti-competitive practices, information for further processing may be filed under a signature of the Joint Secretary level officer, with the Competition Commission of India;
  - 3) Initiation of suitable disciplinary or criminal proceedings against any individual or staff found responsible.

## **2.4 Joint Venture, Consortium or Association**

### **2.4.1**

If the Supplier is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to the Purchaser for the fulfilment of the provisions of the Contract and shall designate one party to act as a leader with authority to bind the joint venture, consortium, or association. The composition or the constitution of the joint venture, consortium, or association shall not be altered without the prior consent of the Purchaser.

## **2.5 Scope of Supply**

### **2.5.1**

The Goods and Related Services to be supplied shall be as specified in invitation to bid.

## **2.6 Suppliers' Responsibilities**

### **2.6.1**

The Supplier shall supply all the Goods and Related Services included in the Scope of Supply in accordance with Scope of Supply Clause of the GCC, and the Delivery and Completion Schedule, as per GCC Clause relating to delivery and document.

## **2.7 Contract price**

### **2.7.1**

Prices charged by the Supplier for the Goods supplied and the Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid.

## **2.8 Copy Right**

### **2.8.1**

The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party.

## **2.9 Application**

### **2.9.1**

These General Conditions shall apply to the extent that they are not superseded by provisions in other parts of the Contract.

## **2.10 Standards**

### **2.10.1**

The Goods supplied and services rendered under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standard appropriate to the Goods' country of origin and such standards shall be the latest issued by the concerned institution.

## **2.11 Use of Contract Documents and Information**

### **2.11.1**

The Supplier shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Purchaser in connection

therewith, to any person other than a person employed by the Supplier in performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far, as may be necessary for purposes of such performance.

#### 2.11.2

The Supplier shall not, without the Purchaser's prior written consent, make use of any document or information enumerated above except for purposes of performing the Contract.

#### 2.11.3

Any document, other than the Contract itself, enumerated above shall remain the property of the Purchaser and shall be returned (in all copies) to the Purchaser on completion of the Supplier's performance under the Contract if so required by the Purchaser.

### 2.12 Patent Indemnity

#### 2.12.1

The Supplier shall, subject to the Purchaser's compliance with GCC Sub-Clause 2.12.2 Indemnify and hold harmless the Purchaser and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the Purchaser may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of:

(a) The installation of the Goods by the Supplier or the use of the Goods in India; and

(b) The sale in any country of the products produced by the Goods.

#### 2.12.2

If any proceedings are brought or any claim is made against the Purchaser, the Purchaser shall promptly give the Supplier a notice thereof, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

### 2.13 Performance Security

#### 2.13.1

Within 21 days of receipt of the notification of award/PO, the Supplier shall furnish performance security in the amount specified in the Purchase Order, valid till 60 days after the warranty period

#### 2.13.2

The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.



### 2.13.3

The Performance Security shall be denominated in Indian Rupees for the offers received for supplies within India and denominated in the currency of the contract in the case of offers received for supply from foreign countries or in equivalent Indian Rupees in case the Performance Security is submitted by the Indian Agent.

### 2.13.4

In the case of imports, the PS may be submitted either by the principal or by the Indian agent and, in the case of purchases from indigenous sources, the PS may be submitted by either the manufacturer or their authorized dealer/bidder.

### 2.13.5

The Performance security shall be in one of the following forms:

(a) A Bank guarantee or stand-by Letter of Credit issued by a Scheduled commercial bank located in India or a bank located abroad in the form provided in the bidding documents.

Or

(b) A Banker's cheque or Account Payee demand draft in favour of the purchaser.

Or

(c) A Fixed Deposit Receipt pledged in favour of the Purchaser.

### 2.13.6

The performance security will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier's performance obligations, including any warranty obligations, unless specified otherwise, without levy of any interest.

### 2.13.7

In the event of any contract amendment, the supplier shall, within 21 days of receipt of such amendment, furnish the amendment to the performance security, rendering the same valid for the duration of the contract, as amended for further period of 60 days thereafter.

### 2.13.8

The order confirmation must be received within 14 days. However, the Purchaser has the powers to extend the time frame for submission of order confirmation and submission of Performance Security (PS). Even after extension of time, if the order confirmation /PS are not received, the contract shall be cancelled provided that the purchaser, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

### 2.13.9

Whenever, the bidder chooses to submit the Performance Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.

## **2.14 Inspections and Tests**

### **2.14.1**

The inspections & test, training required would be as detailed in invitation to bid.

## **2.15 Packing**

### **2.15.1**

The Supplier shall provide such packing of the Goods as is required to prevent them damage or deterioration during transit to their final destination as indicated in the Contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the Goods' final destination and the absence of heavy handling facilities at all points in transit.

### **2.15.2**

The packing, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be provided for in the Contract including additional requirements, if any, specified in the Purchase Order and any subsequent instructions ordered by the Purchaser.

### **2.15.3**

The marking and documentation within and outside the packages shall be as under:

- (a) Each package should have a packing list within it detailing the part Number(s), description, quantity etc.
- (b) Outside each package, the contract No., the name and address of the purchaser and the final destination should be indicated on all sides and top.
- (c) Each package should be marked as 1/x, 2/x, 3/x.....x/x, where "x" is the total No. of packages contained in the consignment.
- (d) All the sides and top of each package should carry an appropriate indication/label/stickers indicating the precautions to be taken while handling/storage.

## **2.16 Delivery and Documents**

### **2.16.1**

Delivery of the Goods and completion and related services shall be made by the Supplier in accordance with the terms specified by the Purchaser in the contract. The details of shipping and/or other documents to be furnished by the supplier are as under :-

### **For goods manufactured within India**

Within 24 hours of dispatch, the supplier shall notify the purchaser the complete details of dispatch and also supply following documents by registered post / speed post and copies thereof by FAX/Email.

- (a) Two copies of Supplier's Invoice indicating, *inter-alia* description and specification of the goods, quantity, unit price, total value;
- (b) Packing list;
- (c) Insurance certificate, if required under the contract;
- (d) Railway receipt/Consignment note;
- (e) Manufacturer's guarantee certificate and in-house inspection certificate;
- (f) Inspection certificate issued by purchaser's inspector, if any; and
- (g) Any other document(s) as and when required in terms of the contract;

#### **Note:**

**01** The nomenclature used for the item description in the Invoices (s), packing list(s) and the delivery note(s) etc. should be identical to that used in the contract. The dispatch particulars including the name of the transporter should also be mentioned in the Invoice(s).

**02** The above documents should be received by the Purchaser before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses

### **For goods manufactured abroad**

Within 24 hours of dispatch, the supplier shall notify the purchaser the complete details of dispatch and also supply following documents by Registered Post/courier and copies thereof by FAX/Email.

- (a) Two copies of supplier's Invoice giving full details of the goods including quantity, value, etc.;
- (b) Packing list;
- (c) Certificate of country of origin issued by the supplier
- (d) Manufacturer's guarantee and Inspection certificate;
- (e) Inspection certificate issued by the Purchaser's Inspector, if any;
- (f) Insurance Certificate, if required under the contract;
- (g) Name of the Vessel/Carrier;
- (h) Bill of Lading/Airway Bill;
- (i) Any other document(s) as and when required in terms of the contract;

#### **Note:**

**01.** The nomenclature used for the item description in the invoices(s), packing list(s) and the delivery note(s) etc. should be identical to that used in the contract. The dispatch particulars including the name of the transporter should also be mentioned in the Invoice(s).

**02.** The above documents should be received by the Purchaser before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.

#### 2.16.2

The terms FOB, FCA, CIF, CIP etc shall be governed by the rules prescribed in the current edition of the Inco terms published by the International Chambers of Commerce, Paris.

#### 2.16.3

The mode of transportation shall be as specified in invitation to bid. In case the purchaser elects to have the transportation done through Air, then air lifting needs to be done through Air India only. In case Air India does not operate in the Airport of despatch, then the bidder is free to engage the services of any other Airlines.

### 2.17 Insurance

#### 2.17.1

Should the purchaser elect to buy on CIF/CIP basis, the Goods supplied under the Contract shall be fully insured against any loss or damage incidental to manufacture or acquisition, transportation, storage and delivery. The Insurance shall be for an amount equal to 110% of the CIF or CIP value of the contract from within "warehouse to warehouse (final destination)" on "all risk basis" including strikes, riots and civil commotion.

#### 2.17.2

Where delivery of the goods is required by the purchaser on CIF or CIP basis the supplier shall arrange and pay for Cargo Insurance, naming the purchaser as beneficiary and initiate & pursue claims till settlement, on the event of any loss or damage.

#### 2.17.3

Where delivery is on FOB or FCA basis, insurance would be the responsibility of the purchaser.

#### 2.17.4

With a view to ensure that claims on insurance companies, if any, are lodged in time, the bidders and /or the Indian agent shall be responsible for follow up with their principals for ascertaining the dispatch details and informing the same to the Purchaser and he shall also liaise with the Purchaser to ascertain the arrival of the consignment after clearance so that immediately thereafter in his presence the consignment could be opened and the insurance claim be lodged, if required, without any loss of time. Any delay on the part of the bidder/Indian Agent would be viewed seriously and he shall be directly responsible for any loss sustained by the purchaser on the event of the delay.

### 2.18 Transportation

#### 2.18.1

Where the Supplier is required under the Contract to deliver the Goods FOB, transport of the Goods, up to and including the point of putting the Goods on board the vessel at the specified port of loading, shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract price. Where the

Supplier is required under the Contract to deliver the Goods FCA, transport of the Goods and delivery into the custody of the carrier at the place named by the Purchaser or other agreed point shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract price.

#### 2.18.2

Where the Supplier is required under the Contract to deliver the Goods CIF or CIP, transport of the Goods to the port of destination or such other named place of destination in the Purchaser's country, as shall be specified in the Contract, shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price.

#### 2.18.3

In the case of supplies from within India, where the Supplier is required under the Contract to transport the Goods to a specified destination in India, defined as the Final Destination, transport to such destination, including insurance and storage, as specified in the Contract, shall be arranged by the Supplier, and the related costs shall be included in the Contract Price.

### 2.19 Incidental Services

#### 2.19.1

The supplier may be required to provide any or all of the services, including training, if any, specified in invitation to bid.

### 2.20 Spare Parts

#### 2.20.1

The Supplier shall be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

- (a) Such spare parts as the Purchaser may elect to purchase from the Supplier, providing that this election shall not relieve the Supplier of any warranty obligations under the Contract; and
- (b) In the event of termination of production of the spare parts:
  - (i) Advance notification to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure needed requirements; and
  - (ii) Following such termination, furnishing at no cost to the Purchaser, the blueprints, drawings and specifications of the spare parts, if requested.

### 2.21 Warranty

#### 2.21.1

The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contract.

#### 2.21.2

The Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in India.

#### 2.21.3

The warranty shall remain valid for a period as specified in the Purchase Order after the goods or any portion thereof as the case may be have been delivered to and accepted at the final destination.

#### 2.21.4

The Purchaser shall give notice to the Supplier stating the nature of any such defects together with all available evidence thereof, promptly following the discovery thereof. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect such defects.

#### 2.21.5

Upon receipt of such notice, the Supplier shall, within a reasonable period of time, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Purchaser.

#### 2.21.6

If having been notified, the Supplier fails to remedy the defect within a reasonable period of time, the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

#### 2.21.7

Goods requiring warranty replacements must be replaced on free of cost basis to the purchaser.

### 2.22 Terms of Payment

#### 2.22.1

The method and conditions of payment to be made to the Supplier under this Contract shall be as specified in the Purchase Order.

#### 2.22.2

The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and the Services performed, and by documents, submitted pursuant to Delivery and document Clause of the GCC and upon fulfilment of other obligations stipulated in the contract.

#### 2.22.3

Payments shall be made promptly by the Purchaser but in no case later than thirty (30) days after submission of the invoice or claim by the Supplier. While claiming the payment, the supplier should certify in the bill/invoice that the payment being claimed strictly in terms of the contract and all obligations on the part of the supplier for claiming the payment have been fulfilled as required under the contract.

#### 2.22.4

Payments shall be made in currency as indicated in the contract.

#### 2.22.5

In case of imports, the L/C will be confirmed at the suppliers cost, if requested specifically by the supplier. All bank charges abroad shall be to the account of the beneficiary i.e. supplier and all bank charges in India shall be to the account of the opener i.e. purchaser. If L/C is requested to be extended/ reinstated for reasons not attributable to the purchaser, the charges thereof would be to the suppliers' account. Payment of local currency portion shall be made in Indian Rupees within thirty (30) days of presentation of claim supported by a certificate from the Purchaser declaring that the Goods have been delivered and that all other contracted Services have been performed. The LC for 100% value of the contract shall be established after deducting the agency commission payable if any, to the Indian agent from the FOB/FCA value.

**Note:**

**All payments due under the Contract shall be paid after deduction of statutory levies at source (like ESIC, Income Tax, etc.), wherever applicable.**

### 2.23 Change Orders and Contract Amendments

#### 2.23.1

The Purchaser may at any time, by written order given to the Supplier pursuant to Clause on Notices of the GCC make changes within the general scope of the Contract in any one or more of the following:

- (a) Increase or decrease in the quantity required, exercise of quantity option clause;
- (b) Changes in schedule of deliveries and terms of delivery;
- (c) The changes in inspection arrangements;
- (d) Changes in terms of payments and statutory levies;
- (e) Changes due to any other situation not anticipated;

#### 2.23.2

No changes in the price quoted shall be permitted after the purchase order has been issued except on account of statutory variations.

#### 2.23.3

No variation or modification in the terms of the contract shall be made except by written amendment signed by the parties.

### 2.24 Assignment

#### 2.24.1

The Supplier shall not assign, in whole or in part, its obligations to perform under the Contract, except with the Purchaser's prior written consent.

## **2.25 Subcontracts**

### **2.25.1**

The Supplier shall notify the Purchaser in writing of all subcontracts awarded under this Contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Supplier from any liability or duties or obligation under the Contract.

## **2.26 Extension of time.**

### **2.26.1**

Delivery of the Goods and performance of the Services shall be made by the Supplier in accordance with the time schedule specified by the Purchaser.

### **2.26.2**

If at any time during performance of the Contract, the Supplier or its sub-contractor(s) should encounter conditions impeding timely delivery of the Goods and performance of Services, the Supplier shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, the Purchaser shall evaluate the situation and may, at its discretion, extend the Supplier's time for performance with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

### **2.26.3**

Except as provided under the Force Majeure clause of the GCC, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to liquidated damages Clause of the GCC unless an extension of time is agreed upon pursuant to above clause without the application of penalty clause.

## **2.27 Liquidated Damages**

### **2.27.1**

Subject to GCC Clause on Force Majeure, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as penalty, a sum equivalent to 0.5% of the delivered price of the delayed Goods or unperformed Services or contract value in case the delivered price of the delayed goods or unperformed services cannot be ascertained from the contract, for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of 10%. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause on Termination for Default.

## **2.28 Termination for Default**

### **2.28.1**

The Purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Supplier, terminate the Contract in whole or part.



- (a) If the Supplier fails to deliver any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause on Extension of Time; or
- (b) If the Supplier fails to perform any other obligation(s) under the Contract.
- (c) If the Supplier, in the judgment of the Purchaser has engaged in corrupt or fraudulent or collusive or coercive practices etc. as defined in GCC Clause and ITB clause on code of integrity in competing for or in executing the Contract.

#### 2.28.2

In the event the purchaser terminates the contract in whole or in part, he may take recourse to any one or more of the following action:

- (a) The Performance Security is to be forfeited;
- (b) The purchaser may procure, upon such terms and in such manner as it deems appropriate, stores similar to those undelivered, and the supplier shall be liable for all available actions against it in terms of the contract.
- (c) However, the supplier shall continue to perform the contract to the extent not terminated.

### 2.29 **Force Majeure**

#### 2.29.1

Notwithstanding the provisions of GCC Clauses relating to extension of time, Liquidated damages and Termination for Default the Supplier shall not be liable for forfeiture of its performance security, liquidated damages or termination for default, if and to the extent that, its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

#### 2.29.2

For purposes of this Clause, “Force Majeure” means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

#### 2.29.3

If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such conditions and the cause thereof within 21 days of its occurrence. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

#### 2.29.4

If the performance in whole or in part or any obligations under the contract is prevented or delayed by any reason of Force Majeure for a period exceeding 60 days, either party may at its option terminate the contract without any financial repercussions on either side.

## **2.30 Termination for Insolvency**

### **2.30.1**

The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Purchaser.

## **2.31 Termination for Convenience**

### **2.31.1**

The Purchaser, by written notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.

### **2.31.2**

The Goods that are complete and ready for shipment within 30 days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:

- (a) To have any portion completed and delivered at the Contract terms and prices; and/or
- (b) To cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and for materials and parts previously procured by the Supplier.

## **2.32 Settlement of Disputes**

### **2.32.1**

The Purchaser and the supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

### **2.32.2**

If, after twenty-one (21) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract.

### 2.32.3

The dispute settlement mechanism/arbitration proceedings shall be concluded as under:

- (a) If any dispute or difference arises between the parties hereto as to the construction, interpretation, effect and implication of any provision of this agreement including the rights or liabilities or any claim or demand of any party against other or in regard to any other matter under these presents but excluding any matters, decisions or determination of which is expressly provided for in this Agreement, such disputes or differences shall be referred to an Arbitral Bench consisting of three Arbitrators, one each to be appointed by each party and the two Arbitrators shall appoint a third Arbitrator who shall be the presiding Arbitrator. A reference to the Arbitration under this Clause shall be deemed to be submission within the meaning of the Arbitration and Conciliation Act, 1996 and the rules framed thereunder for the time being in force. Each party shall bear and pay its own cost of the arbitration proceedings unless the Arbitrators otherwise decides in the Award. The venue of arbitration should be the place from where the contract has been issued.
- (b) In the case of a dispute between the purchaser and a Foreign Supplier, the dispute shall be settled by arbitration. In accordance with provision of sub-clause (a) above. But if this is not acceptable to the supplier then the dispute shall be settled in accordance with provisions of UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules.

### 2.32.4

The venue of the arbitration shall be the place from where the purchase order or contract is issued.

### 2.32.5

Notwithstanding any reference to arbitration herein,

- (a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and
- (b) the Purchaser shall pay the Supplier any monies due the Supplier.

## 2.33 Governing Language

### 2.33.1

The contract shall be written in English language which shall govern its interpretation. All correspondence and other documents pertaining to the Contract, which are exchanged by the parties, shall be written in the English language only.

## 2.34 Applicable Law

### 2.34.1

The Contract shall be interpreted in accordance with the laws of the Union of India and all disputes shall be subject to place of jurisdiction from where the Purchase Order has been issued.

## **2.35 Notices**

### **2.35.1**

Any notice given by one party to the other pursuant to this contract/order shall be sent to the other party in writing or by cable, telex, FAX, e-mail or and confirmed in writing to the other party's address specified in the invitation to bid.

### **2.35.2**

A notice shall be effective when delivered or on the notice's effective date, whichever is later.

## **2.36 Taxes and Duties**

### **2.36.1**

For goods manufactured outside India, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside India.

### **2.36.2**

For goods Manufactured within India, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred till its final manufacture/production.

### **2.36.3**

If any tax exemptions, reductions, allowances or privileges may be available to the Supplier in India, the Purchaser shall make its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.

### **2.36.4**

**All payments due under the contract shall be paid after deduction of statutory levies (at source) (like ESIC, IT, etc.) wherever applicable.**

### **2.36.5**

**Customs Duty** – If the supply is from abroad this Institute is permitted to import goods as per notification No.51/96 – Customs and pay a concessional duty up to 5% as per notification 24/2002 – Customs on all imports.

## **2.37 Right to use Defective Goods**

### **2.37.1**

If after delivery, acceptance and installation and within the guarantee and warranty period, the operation or use of the goods proves to be unsatisfactory, the Purchaser shall have the right to continue to operate or use such goods until rectifications of defects, errors or omissions by repair or by partial or complete replacement is made without interfering with the Purchaser's operation.

## **2.38 Protection against Damage**

### **2.38.1**

The system shall not be prone to damage during power failures and trip outs. The normal voltage and frequency conditions available at site as under:

- (a) Voltage 230 volts – Single phase/ 415 V 3 phase (+\_ 10%)
- (b) Frequency 50 Hz.

## **2.39 Site preparation and installation**

### **2.39.1**

The Purchaser is solely responsible for the construction of the equipment sites in compliance with the technical and environmental specifications defined by the Supplier. The Purchaser will designate the installation sites before the scheduled installation date to allow the Supplier to perform a site inspection to verify the appropriateness of the sites before the installation of the Equipment, if required. The supplier shall inform the purchaser about the site preparation, if any, needed for installation, of the goods at the purchaser's site immediately after notification of award/contract.

## **2.40 Import and Export Licenses**

### **2.40.1**

If the ordered materials are covered under restricted category of EXIM policy in India the Vendor / Agent may intimate such information for obtaining necessary, license in India.

### **2.40.2**

If the ordered equipment is subject to Vendor procuring an export license from the designated government agency / country from where the goods are shipped / sold, the vendor has to mention the name, address of the government agency / authority. The vendor must also mention the time period within which the license will be granted in normal course.

## **2.41 Risk Purchase Clause**

### **2.41.1**

If the supplier fails to deliver the goods within the maximum delivery period specified in the contract or Purchase Order, the purchaser may procure, upon such terms and in such a manner as it deems appropriate, Goods or Services similar to those undelivered and the Supplier shall be liable to the purchaser for any excess costs incurred for such similar goods or services.

## **2.42 Option Clause**

### **2.42.1**

The Purchaser reserves the right to increase or decrease the quantity of the required goods up to 25% (Twenty Five) per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period)

## **2.43 Order Acceptance**

### **2.43.1**

The successful bidder should submit Order acceptance within 14 days from the date of issue of order/signing of contract, failing which it shall be presumed that the vendor is not interested and his bid security is liable to be forfeited pursuant to clause 1.16.9 of ITB.

## CHAPTER 3

### FORMATS

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<u>S.No.</u>	<u>Name</u>
01	Price Schedule Forms
02	Bid Form
03	Bidder Information Form
04	Manufacturers' Authorization Form (MAF)
05	Bid Security Form
06	Bid Securing Declaration
07	Performance Statement Form
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10	Performance Security Form
11	Acceptance Certificate Form
12	Format of Letter of Authority for participating in bid opening
13	Format of declaration of abiding by the code of integrity and conflict of interest to be submitted by the bidder
14.	Format of Affidavit of self-certification regarding domestic value addition

**Model Global Tender document**  
(Refer para 5.1.2 of the CSIR Manual)



TENDER NO : \_\_\_\_\_ Date \_\_\_\_\_

**TENDER DOCUMENT**

**FOR**

**THE PURCHASE OF**

\_\_\_\_\_  
(Name of the item)

CSIR- \_\_\_\_\_  
(Name and complete postal address of the Lab. /Instt.)

Tel:  
EPABX:  
Fax:  
Email:



## INVITATION FOR BIDS / NIT

01. Director, CSIR- \_\_\_\_\_ (**Name and place of the Lab/Instt.**), invites sealed bids from manufacturers, their authorised distributors and Indian Agent of Foreign principals, if any, for purchase of items listed below:

Sl..No.	Tender No.	Description of items	Quantity	Single/ Double bid	Bid Security (EMD) (in Indian Rupees)

02. Interested Bidders may obtain further information from the office of the \_\_\_\_\_  
**(Designation with complete postal address)**

03. Each complete set of bidding document may be purchased by any interested bidder on submission of a written application to the above office and upon payment of a non-refundable and non-transferable fee of ₹500/- in the form of a Demand Draft in favour of The Director, \_\_\_\_\_ (**Name of the Lab/Instt.**) payable at \_\_\_\_\_ (**place**) during office hours on all working days up to \_\_\_\_\_ (**Date**) either in person or by post. Alternatively, the bidding documents can be downloaded directly from our website \_\_\_\_\_ free of cost. The bids must reach this office on or before \_\_\_\_\_ (**Date**) up to \_\_\_\_\_ hours (IST) and shall be opened on \_\_\_\_\_ (**Date**) at \_\_\_\_\_ hours. (IST)

04. A Pre-bid Conference will be held on \_\_\_\_\_ (**Date**) at \_\_\_\_\_ hours (IST) in \_\_\_\_\_ (**Name of the Lab/Instts & Venue**). All prospective bidders are requested to kindly submit their queries, if any to the address indicated above so as to reach the \_\_\_\_\_ (**Designated Officer**) latest by \_\_\_\_\_ (**Date**).  
**(retain if applicable)**

05. All bids must be accompanied with a bid security as specified above and must be delivered to the above office at the date and time indicated above. Bids will be opened in the presence of Bidders' authorized representatives who choose to attend on the specified date and time. In the event of the date specified for bid receipt and opening being declared as a closed holiday for purchaser's office, the due date for submission of bids and opening of bids will be the following working day at the appointed time.

06. As per Govt. of India procurement policies,

- a. The purchaser intends to give purchase preference to local suppliers\* in case the cost of procurement is up to Rs. 50.00 lakhs.
- b. The eligibility of the supplier is restricted to Indian Suppliers or there is no restriction on the eligibility of the suppliers. **(retain any one only)**
- c. The procuring entity intends to give purchase preference to products/goods manufactured by micro, small and medium enterprises.

\*"Local supplier" means a supplier or service provider whose product or service offered for procurement meets the minimum local content of 50% as prescribed in DIPP Order No.P-45021/2/2017-PP (BE-II) dated 28<sup>th</sup> May, 2018 or by the competent Ministries/Departments in pursuance of this order.

'Local content' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the items procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

07. The Director, CSIR-\_\_\_\_\_ (*Name of the Lab/Instts*) reserves the right to accept or reject any bids or accept all tenders either in part or in full or to split the order, or to annul the bidding process without assigning any reason.

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2	Conditions of Contract
3	Schedule of Requirement
4	Specifications and Allied Technical Details
5	Price Schedule Forms
6	Qualification Requirements
7	Contract Form
8	Other Forms

### CRITICAL DATE SHEET

Sl. No.	Stage	Date & Time
1.	Publish Date & Time	DD MM YYYY AM/PM
2.	Sale/document Download Start Date & Time	DD MM YYYY AM/PM
3.	Last Date & time for receipt of queries	DD MM YYYY AM/PM
4.	Pre-bid Conference, if any	DD MM YYYY AM/PM
5.	Bid Submission Start Date & time	DD MM YYYY AM/PM
6.	Bid Submission End Date & Time	DD MM YYYY AM/PM
7.	Bid Opening Date & Time	DD MM YYYY AM/PM

### TENTATIVE TIME SCHEDULE OF PROCUREMENT PLANNING

Sl.No	Stage	Tentative Time Frame
1.	Date of Bid Opening	XX
2.	Date of Completion of Technical Bid Evaluation	XX + 50
3.	Date of communication of Rejection of Bids	XX + 65
4.	Date of Receipt of context, if any, from Bidders	XX + 70
5.	Opening of Financial Bid	XX + 80
6.	Notification of Award	XX + 90

## CHAPTER - 1

### INSTRUCTIONS TO BIDDERS

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## **A Introduction**

### **1.1. Eligible Bidders**

#### **1.1.1**

This Invitation for Bids is open to all suppliers subject to para 06 of the invitation for bids/NIT.

1.1.2 A supplier or bidder shall be considered to be from a country if (i) the entity is incorporated in that country, or ii) a majority of its shareholding or effective control of the entity is exercised from that country; or (iii) more than 50% of the value of the item being supplied has been added in that country. Indian suppliers shall mean those entities which meet any of these tests with respect to India.

1.1.3 MSEs would be treated as owned by Scheduled Caste/Schedule Tribe enterprises as under:

(a) In case of proprietary MSE, proprietor(s) shall be SC/ST.

(b) In case of partnership MSE, the SC/ST partners shall be holding at least 51% (fifty one percent) shares in the unit.

(c) In case of Private Limited Companies, at least 51% (fifty one percent) share shall be held by SC/ST promoters.

1.1.4 MSEs owned by women shall also be determined as per the above analogy/criteria.

1.1.5 Bidders should not be associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Purchaser to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the goods to be purchased under this Invitation of Bids.

1.1.6 Bids from Joint Ventures, Consortium or Associations so long as they are formed and registered prior to the bid submission date.

1.1.7 The bidders who have been temporarily suspended or removed from the list of registered suppliers by the purchaser or banned from Ministry/country wide procurement shall be ineligible for participation in the bidding process.

### **1.2 Cost of Bidding**

#### **1.2.1**

The Bidder shall bear all costs associated with the preparation and submission of its bid, and "the Purchaser", will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

### **1.3 Code of Integrity**

#### **1.3.1**

The bidders/suppliers should sign a declaration about abiding by the Code of Integrity for Public Procurement in bid documents. In case of any transgression of

this code, the bidder is not only liable to be removed from the list of registered suppliers, but it would be liable for other punitive actions such as cancellation of contracts, banning and blacklisting or action in Competition Commission of India, and so on.

### 1.3.2

**Code of integrity for Public Procurement:** The Purchaser as well as bidders, suppliers, contractors and consultants should observe the highest standard of ethics and should not indulge in the following prohibited practices, either directly or indirectly, at any stage during the procurement process or during execution of resultant contracts:

- i) **“corrupt practice”:** making offers, solicitation or acceptance of bribe, rewards or gifts or any material benefit, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process or contract execution;
- ii) **“Fraudulent practice”:** any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefits may be obtained or an obligation avoided. This includes making false declaration or providing false information for participation in a tender process or to secure a contract or in execution of the contract;
- iii) **“anti-competitive practice”:** any collusion, bid rigging or anti-competitive arrangement, or any other practice coming under the purview of the Competition Act, 2002, between two or more bidders, with or without the knowledge of the purchaser, that may impair the transparency, fairness and the progress of the procurement process or to establish bid prices at artificial, non-competitive levels;
- iv) **“coercive practice”:** harming or threatening to harm, persons or their property to influence their participation in the procurement process or affect the execution of a contract;
- v) **“conflict of interest”:** participation by a bidding firm or any of its affiliates that are either involved in the consultancy contract to which this procurement is linked; or if they are part of more than one bid in the procurement; or if the bidding firm or their personnel have relationships or financial or business transactions with any official of purchaser who are directly or indirectly related to tender or execution process of contract; or improper use of information obtained by the (prospective) bidder from the purchaser with an intent to gain unfair advantage in the procurement process or for personal gain; and
- vi) **“Obstructive practice”:** materially impede the purchaser’s investigation into allegations of one or more of the above mentioned prohibited practices either by deliberately destroying, falsifying, altering; or by concealing of evidence material to the investigation; or by making false statements to investigators and/or by threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or by impeding the purchaser’s Entity’s rights of audit or access to information;

### 1.3.3

#### **Obligations for Proactive disclosures**

- i) The Purchaser as well as bidders, suppliers, contractors and consultants, are obliged under Code of Integrity for Public Procurement to sue-moto proactively declare any conflicts of interest (coming under the definition mentioned above – pre-existing or as and as soon as these arise at any stage) in any procurement process or execution of contract. Failure to do so would amount to violation of this code of integrity; and
- ii) The bidder must declare, whether asked or not in a bid document, any previous transgressions of such a code of integrity with any entity in any country during the last three years or of being debarred by any other Procuring Entity. Failure to do so would amount to violation of this code of integrity;
- iii) To encourage voluntary disclosures, such declarations would not mean automatic disqualification for the bidder making such declarations. The declared conflict of interest would be evaluated and mitigation steps, if possible, taken by the purchaser.

### 1.3.4 **Punitive Provisions**

Without prejudice to and in addition to the rights of the Purchaser to other penal provisions as per the bid documents or contract, if the Purchaser comes to a conclusion that a (prospective) bidder/supplier, directly or through an agent, has violated this code of integrity in competing for the contract or in executing a contract, the purchaser may take appropriate measures including one or more of the following:

- i) **If his bids are under consideration in any procurement:**
  - a) Forfeiture or encashment of bid security;
  - b) Calling off of any pre-contract negotiations; and
  - c) Rejection and exclusion of the bidder from the procurement process.
- ii) **If a contract has already been awarded**
  - a) Cancellation of the relevant contract and recovery of compensation for loss incurred by the purchaser;
  - b) Forfeiture or encashment of any other security or bond relating to the procurement;
  - c) Recovery of payments including advance payments, if any, made by the purchaser along with interest thereon at the prevailing rate.
- iii) **Provisions in addition to above:**
  - a) Removal from the list of registered suppliers and banning/debarment of the bidder from participation in future procurements of the purchaser for a period not less than one year;
  - b) In case of anti-competitive practices, information for further processing may be filed under a signature of the Joint Secretary level officer, with the Competition Commission of India;
  - c) Initiation of suitable disciplinary or criminal proceedings against any individual or staff found responsible.



## **B. The Bidding Documents**

### **1.4 Cost of Tender Documents**

#### **1.4.1**

Interested eligible bidders may purchase the bidding documents on payment of the cost of bidding documents as indicated in the invitation forbids/NIT or alternatively, the bidding documents can be downloaded from our Website as indicated in the Invitation for Bids/NIT free of cost.

### **1.5 Content of Tender Documents**

#### **1.5.1**

The goods required, bidding procedures and contract terms are prescribed in the bidding documents which should be read in conjunction. The bidding documents, apart from the invitation for bids and Critical Date Sheet have been divided into **8** Chapters as under:

- Chapter 1: Instructions to Bidder (ITB)
- Chapter 2: General Conditions of Contract (GCC) and Special Condition of Contract (SCC)
- Chapter 3: Schedule of Requirements
- Chapter 4: Specifications and Allied Technical Details
- Chapter 5: Price Schedule Forms
- Chapter 6: Qualification requirements
- Chapter 7: Contract Form
- Chapter 8: Other Standard Forms comprising:
  - (1) Bidder Information Form
  - (2) Manufacturer's Authorization Form (MAF);
  - (3) Bid Security Form
  - (4) Bid Securing declaration
  - (5) Performance Statement form
  - (6) Deviation Statement Form;
  - (7) Service Support details;
  - (8) Bid form
  - (9) Performance Security Form;
  - (10) Acceptance Certificate Form
  - (11) Integrity pact
  - (12) Format of letter of authority for participating in bid opening
  - (13) Format for declaration by the bidder for code of integrity and Conflict of interest.

1.5.2 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or submission of a bid not substantially responsive to the bidding documents in every respect will be at the Bidder's risk and may result in rejection of its bid.

## **1.6 Clarification of tender documents**

### **1.6.1**

A prospective Bidder requiring any clarification of the Bidding Documents shall contact the Purchaser in writing at the Purchaser's address specified in the Special Conditions of Contract (SCC), latest by the date specified in the critical date sheet. No request for clarification or query shall normally be entertained after the deadline/pre-bid conference if any. Should the Purchaser deem it necessary to amend the Tender Documents as a result of a clarification, it shall do so following the procedure under Clause relating to amendment of Tender Documents and Clause relating to Deadline for Submission of Bids.

The queries, clarifications and amendments issued would also be hosted on the website of the Purchaser for the benefit of the other prospective bidders and also shall be sent to all bidders who have purchased the tender documents.

## **1.7 Amendment of Tender Documents**

### **1.7.1**

At any time prior to the deadline for submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the tender documents by amendment. The same would also be hosted on the website of the Purchaser and all prospective bidders are expected to surf the website before submitting their bids to take cognizance of the amendments. However, the copies of the amendments would be sent by registered post/speed post/courier/e-mail to all the bidders who have purchased the tender documents.

### **1.7.2**

In order to allow prospective bidders' reasonable time in which to take the amendment into account in preparing their bids, the Purchaser, at its discretion, may extend the deadline for the submission of bids and host the changes on the website of the Purchaser.

## **C. PREPARATION OF BIDS**

### **1.8. Language of Bid**

#### **1.8.1**

The bid prepared by the Bidder, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Purchaser shall be written in English language only.

#### **1.8.2**

The Supplier shall bear all costs of translation, if any, to the English language and bear all risks of the accuracy of such translation, for documents provided by the Supplier.

## **1.9 Purchase Preference Policies**

### **1.9.1**

The purchaser intends to give product reservation/purchase preference/price preference in line with current Govt. of India procurement policies to help inclusive national economic growth by providing long term support to Small and Medium enterprises (SMEs) and disadvantaged sections of the society and to address environmental concerns along with preferential market access in govt. procurements.

1.9.2 For the above purpose, local supplier means a supplier or service provider whose product or service offered for procurement meets the minimum local content as prescribed in DIPP Order No.P-45021/2/2017-PP (BE-II) dated 28<sup>th</sup> May, 2018 or by the competent Ministries/Departments in pursuance of this order and local content means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the items procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

### **1.10.1 Documents comprising the bid**

The bid prepared by the Bidder shall include documents as under:

#### **A. Technical bid**

- (a) Bidder Information Form;
- (b) Declaration abiding by the Code of Integrity and no conflict of interest for public procurement;
- (c) Bid security as specified in the Invitation to Bids;
- (d) Service support details form;
- (e) Deviation Statement Form;
- (f) Performance Statement Form;
- (g) Manufacturer's Authorization Form along with a certified copy of the Agency Agreement between the bidders and the Indian Agent;
- (h) Documentary evidence establishing that the bidder is eligible to bid and is qualified to perform the contract if its bid is accepted;
- (i) Integrity Pact, if required;
- (j) Documents establishing goods eligibility and conformity to bidding documents; indicating the Indian Customs Tariff Number (ICT & HSN No.) .
- (k) Schedule of requirements.
- (l) Self certification that the item offered meets the minimum local content of 50% giving details of the location(s) at which the local value addition is made in case the bidder wishes to avail the benefits under the make in India policy, if applicable.
- (m) In cases of procurement for a value in excess of ₹ 10 crores, the local supplier shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content to avail the benefits under the make in India policy, if applicable.

- (n) Documentary evidence about the status of the bidder i.e. whether MSE or not, owned by SC/ST or not and whether the MSE is owned by a women entrepreneur or not.

**B Price bid**

- (i) Bid form;
- (ii) Applicable Price Schedule Form;

**1.11. Bid form and price schedule**

**1.11.1**

The bidder shall complete the Bid Form and the appropriate price schedule form furnished in the bidding documents. These forms must be completed without any alterations to its format and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested. The Bid Form and the appropriate Price Schedule form shall be submitted in accordance with Clause 1.18.3 of the bidding documents.

**1.12. Bid Prices**

**1.12.1**

The Bidder shall indicate on the appropriate price schedule form, the unit prices and total bid prices of the goods it proposes to supply under the contract.

**1.12.2**

Prices indicated on the price-schedule form shall be entered separately in the following manner:

**(a) For Goods manufactured within India**

- (i) The price of the goods quoted Ex-works including taxes already paid.
- (ii) GST and other taxes, if any which will be payable on the goods if the contract is awarded.
- (iii) The charges for inland transportation, insurance and other local services required for delivering the goods at the desired destination as specified in the price schedule form.
- (iii) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

**(b) For Goods manufactured abroad**

- (i) The price of the goods, quoted on FCA (named place of delivery abroad) or FOB (named port of shipment), as specified in the price schedule form.
- (ii) The charges for insurance and transportation of the goods to the port / place of destination both by Air/Sea.
- (iii) The agency commission charges, if any.
- (iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

### 1.12.3

The terms FOB, FCA, CIF, CIP etc. shall be governed by the rules prescribed in the current edition of the Incoterms published by the International Chambers of Commerce, Paris.

### 1.12.4

**Where there is no mention of packing, forwarding, freight, insurance charges, taxes etc. such offer shall be rejected as incomplete.**

### 1.12.5

The price quoted shall remain fixed during the contract period and shall not vary on any account

### 1.12.6

All lots and items must be listed and priced separately in the Price Schedules. If a Price Schedule shows items listed but not priced, their prices shall be assumed to be included in the prices of other items. Lots or items not listed in the Price Schedule shall be assumed to be not included in the bid.

### 1.12.7

The Purchaser is registered with Dept. of Scientific & Industrial Research, Govt. of India and concessional customs duty and GST & IGST are leviable vide notification No. 54/2002-Customs on all imports covered under Notification No.51/96-Customs dated 23.07.1996, Notification No.47/2017-Integrated Tax (Rate) and Notification No. 45/2017-Central Tax (Rate) both dated 14<sup>th</sup> November, 2017

### 1.12.8

Please state specifically in your offer whether the duties and taxes are extra over the prices quoted, failing which it will be presumed that the prices are inclusive of taxes and duties and no claim would be entertained for statutory variations at a later date.

### 1.12.9

Stipulations like "GST is presently not applicable but the same will be charged if it becomes leviable later on" is not acceptable unless in such cases it is clearly stated that GST will not be charged if the same becomes applicable later on due to increase in turn over etc. If a bidder fails to comply with this requirement, his quoted price shall be loaded with the quantum of duty which is normally applicable on the item in question for the purpose of comparison with the prices of other tenderers.

**Note: All payments due under the contract shall be paid after deduction of statutory levies at source (like TDS etc.), wherever applicable.**

## 1.13. Bid Currencies

### 1.13.1

Prices shall be quoted in Indian Rupees for offers received for supply within India and in freely convertible foreign currency in case of offers received for supply from foreign countries i.e. domestic tenderers are to quote and accept their payment in Indian currency; Indian agents of foreign suppliers are to receive their agency commission in Indian currency; cost of imported goods & services rendered in India, which are directly imported against the contract, may be quoted in foreign currency (currencies).

#### **1.14. Documents Establishing Bidder's Eligibility and qualifications**

##### **1.14.1**

The bidder shall furnish, as part of its bid, documents establishing the bidders' eligibility to bid and its qualification to perform the contract if its bid is accepted.

##### **1.14.2**

The documentary evidence of the bidder's qualification to perform the contract if the bid is accepted shall establish to the purchaser's satisfaction that;

- (a) The bidder meets the qualification criteria listed in bidding documents if any.
- (b) Bidder who doesn't manufacture the goods it offers to supply shall submit Manufacturers' Authorization Form (MAF) using the form specified in the bidding document to demonstrate that it has been duly authorized by the manufacturer of the goods to quote and/or supply the goods.
- (c) In case a bidder not doing business within India, it shall furnish the certificate to the effect that the bidder is or will be represented by an agent in India equipped and able to carry out the supply, maintenance, repair obligations etc. during the warranty and post warranty period or ensure a mechanism at place for carrying out the supply, maintenance, repair obligations etc. during the warranty and post-warranty period.

##### **1.14.3**

**Conditional tenders shall not be accepted.**

#### **1.15 Documents Establishing Goods' Eligibility and Conformity to Bidding Documents**

##### **1.15.1**

To establish the goods' eligibility, the documentary evidence of the goods and services eligibility shall consist of a statement on the country of origin of the goods and services offered which shall be confirmed by a certificate of origin at the time of shipment.

##### **1.15.2**

To establish the conformity of the goods and services to the specifications and schedule of requirements of the bidding document, the documentary evidence of conformity of the goods and services to the bidding documents may be in the form of literature, drawings and data, and shall consist of:

- (a) A detailed description of the essential technical and performance characteristics of the goods;
- (b) A list giving full particulars, including available sources and current prices, of spare parts, special tools, etc., necessary for the proper and continuing functioning of the goods during the warranty period following commencement of the use of the goods by the Purchaser in the Priced-bid; and

- (c) An item-by-item commentary on the Purchaser's Technical Specifications demonstrating substantial responsiveness of the goods and services to those specifications or a statement of deviations and exceptions to the provisions of the Technical Specifications.

#### 1.15.3

For purposes of the commentary to be furnished pursuant to above, the Bidder shall note that standards for workmanship, material and equipment, designated by the Purchaser in its Technical Specifications are intended to be descriptive only and not restrictive. The Bidder may substitute these in its bid, provided that it demonstrates to the Purchaser's satisfaction that the substitutions ensure substantial equivalence to those designated in the Technical Specifications.

#### 1.15.4

**Alternate offers/makes/models would not be considered.**

### 1.16. Bid Security

#### 1.16.1

The Bidder shall furnish, as part of its bid, a bid security (BS) for an amount as specified in the Invitation for Bids. In the case of foreign bidders, the BS shall be submitted either by the principal or by the Indian agent and in the case of indigenous bidders; the BS shall be submitted by the manufacturer or their specifically authorized dealer/bidder.

#### 1.16.2

The bid security is required to protect the Purchaser against the risk of Bidder's conduct, which would warrant the security's forfeiture.

#### 1.16.3

The bid security shall be in Indian Rupees for offers received for supply within India and denominated in the currency of the bid or in any freely convertible foreign exchange in the case of offers received for supplies from foreign countries in equivalent Indian Rupees. The bid security shall be in one of the following forms at the bidders' option:

- (a) A bank guarantee issued/confirmed by a Scheduled Commercial Bank in India in the form provided in the bidding documents and valid for 45 days beyond the validity of the bid. In case a bidder desires to submit a BG issued from a foreign bank, then the same should be confirmed by a Scheduled commercial bank in India; or
- (b) Fixed Deposit receipt pledged in favour of the Lab. /Institute.
- (c) A Banker's cheque or demand draft in favour of the purchaser issued by any Scheduled commercial bank in India.
- (d) Bid Securing Declaration

#### 1.16.4

The bid security shall be payable promptly upon written demand by the purchaser in case the conditions listed in the ITB clause 1.16.9 are invoked.

#### 1.16.5

The bid security should be submitted in its original form. Copies shall not be accepted.

#### 1.16.6

The bid security of unsuccessful bidder will be discharged /returned as promptly as possible positively within a period of 30 days after the expiration of the period of bid validity or placement of order whichever is later, without any interest.

#### 1.16.7

The successful Bidder's bid security will be discharged upon the Bidder furnishing the performance security, without any interest.

#### 1.16.8

Bidders that are currently registered with the purchaser or registered as MSEs will continue to remain registered during the tender validity period also and are exempted from payment of EMD. In case the tenderer falls in these categories, the bidder should furnish a certified copy of its valid registration details. Except for MSEs, this exemption is valid for the trade group and monetary value of registration only. The MSEs are provided tender document free of cost and are exempted from the payment of Bid Security provided the goods are produced and the services are rendered by them and not for any trading activities undertaken by them. Further firms who are having Udyog Aadhar Memorandum are entitled to all benefits available for MSEs under the Public Procurement Policies for MSEs and can get registered with any of the following agencies:

- a) District Industries Centre
- b) Khadi and Village Industries Commission
- c) Khadi and Village Industries Board
- d) Coir Board
- e) National Small Industries Corporation
- f) Directorate of Handicraft and handloom and
- g) Any other body specified by the Ministry of MSME

#### 1.16.9

Where any aggregator has been appointed by the Ministry of MSME, themselves quote on behalf of some MSE units, such offers will be considered as offer from MSE units and all such facilities would be extended to these aggregators also.

#### 1.16.10

The bid security may be forfeited:

- (a) If a Bidder withdraws or amends or modifies or impairs or derogates its bid during the period of bid validity specified by the Bidder on the Bid Form; or



- (b) In case of a successful Bidder, if the Bidder fails to furnish order acceptance within 14 days of the order or fails to sign the contract and/or fails to furnish Performance Security within 21 days from the date of contract/ order.

#### **1.16.11**

Whenever the bidder chooses to submit the Bid Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.

### **1.17. Period of Validity of Bids**

#### **1.17.1**

Bids shall remain valid for minimum of 90 days after the date of bid opening prescribed by the Purchaser. A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive.

#### **1.17.2**

In exceptional circumstances, the Purchaser may solicit the Bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing (by post, fax or e-mail). The bid security provided shall also be suitably extended failing which the bid would be summarily ignored. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request will not be required nor permitted to modify its bid.

#### **1.17.3**

Bid evaluation will be based on the bid prices without taking into consideration the above corrections.

### **1.18. Format and Signing of Bid**

#### **1.18.1**

The bids may be submitted in single envelop or in two parts as specified in the Invitation for Bids.

#### **1.18.2**

In case the bids are invited on single envelop basis, then the Bidder shall prepare two copies of the bid, clearly marking each "Original Bid" and "Copy Bid", as appropriate. In the event of any discrepancy between them, the original shall govern.

#### **1.18.3**

In case the bids are invited on two-bid system, the Bidder shall submit the bids in two separate parts. One part shall contain Technical bid comprising all documents listed under clause relating to Documents Comprising the Bid excepting bid form and price schedules. The other part shall contain the priced-bid comprising bid form and price schedules. The Bidder shall prepare two copies of the bid, clearly marking each "Original Bid" and "Copy Bid", as appropriate.

#### 1.18.4

The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the Contract. All pages of the bid, except for un-amended printed literature, shall be initialled by the person or persons signing the bid detailing his/her name and contact details.

#### 1.18.5

Any interlineations, erasures or overwriting shall be valid only if they are initialled by the persons or persons signing the bid.

### **D. Submission and sealing of Bids**

#### **1.19. Submission, Sealing and Marking of Bids**

##### 1.19.1

The bidders may submit their duly sealed bids generally by post or by hand. **(Bids received by FAX/E-mail would not be considered for evaluation.)**

##### 1.19.2

In the case of bids invited on single envelop basis, the Bidders shall seal the original and each copy of the bid in separate inner envelopes, duly marking the envelopes as "original" and "copy". The envelopes shall then be sealed in an outer envelope.

##### 1.19.3

In the case of bids invited on two-part basis, the Bidder shall seal the un-priced commercial and technical bid comprising the documents as listed in ITB 1.10.1 excepting for "l" & "m" and the priced bid in two separate envelopes duly marked as "Technical bid" and "priced bid". Both the envelopes shall then be sealed in one outer envelope.

##### 1.19.4

- (a) The inner and outer envelopes shall be addressed to the \_\_\_\_\_ **(Designation and Address of the officer concerned)** and deposited in the Tender box kept in Purchase Section, if delivered by hand.
- (b) Bear the name and address of the bidder, Tender No., due date and a warning "Do not open before \_\_\_\_\_" to be completed with the time and date as specified in the invitation for bids.

##### 1.19.5

If the outer envelope is not sealed and marked as required above, the Purchaser will assume no responsibility for the bid's misplacement or premature opening. In such cases, bids received in open condition within the due date and time will be accepted at the risk of the bidder if the same is presented to the Controller of Stores & Purchase before expiry of the due date and time of opening of the bids.

#### 1.19.6

Firms submitting bids in a single envelope against the requirement of two-bid system would be considered for further evaluation at the risk & responsibility of the bidder. However, the opened priced bid, if prepared separate from the technical bid, would be sealed immediately by the Tender Opening Committee without disclosing the price.

### 1.20. **Deadline for Submission of Bids**

#### 1.20.1

Bids must be received by the Purchaser at the address specified at Clause 1.19.4 (a) not later than the time and date specified in invitation for bids. In the event of the specified date for the submission of Bids being declared a holiday for the Purchaser, the Bids will be received up to the appointed time on the next working day.

#### 1.20.2

The Purchaser may, at its discretion, extend the deadline for submission of bids by amending the bid documents in accordance with Clause relating to Amendment of Bidding Documents in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

### 1.21. **Late Bids**

#### 1.21.1

Any bid received by the Purchaser after the deadline for submission of bids prescribed by the Purchaser will be rejected.

#### 1.21.2

Such tenders shall be marked as late and not considered for further evaluation. They shall not be opened at all and be returned to the bidders in their original envelope without opening.

### 1.22. **Withdrawal, substitution and Modification of Bids.**

#### 1.22.1

A Bidder may withdraw, substitute, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 1.19 duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB Sub-Clause 1.18.4 (except that no copies of the withdrawal notice are required). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:

- (a) Submitted in accordance with ITB Clauses 1.18 and 1.19 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," or "MODIFICATION"; and
- (b) Received by the Purchaser prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 1.20.

### 1.22.2

Bids requested to be withdrawn in accordance with ITB Sub-Clause 1.22.1 shall be returned unopened to the Bidders. No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Form or any extension thereof.

## **E. Opening and Evaluation of Bids**

### **1.23 Opening of Bids by the Purchaser**

#### 1.23.1

The Purchaser will open all bids one at a time in the presence of bidders' authorized representatives who choose to attend, as per the schedule given in invitation for bids. The Bidders' representatives who are present shall sign the quotation opening sheet evidencing their attendance. In the event of the specified date of Bid opening being declared a holiday for the Purchaser, the Bids shall be opened at the appointed time and location on the next working day. In two-part bidding, the financial bid shall be opened only after technical evaluation.

#### 1.23.2

First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked "MODIFICATION" shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening. Only envelopes that are opened and read out at Bid opening shall be considered further.

#### 1.23.3

The bidders' names, bid modifications or withdrawals, bid prices, discounts, and the presence or absence of requisite bid security and such other details as the Purchaser, at its discretion, may consider appropriate, will be announced at the opening. No bid shall be rejected at bid opening, except for late bid(s). The contents of the bid forms and price schedules would however be announced only at the time of opening of Priced-bids in the case of two-bid system.

#### 1.23.4

Bids that are received late shall not be considered further for evaluation, irrespective of the circumstances.

#### 1.23.5

Bidders interested in participating in the bid opening process, should depute their representatives along with an authority letter to be submitted to the purchaser at the time of bid opening as per form Annexed at Chapter-9.

### 1.24. Confidentiality

#### 1.24.1

Information relating to the examination, evaluation, comparison, and post qualification of bids, and recommendation of contract award, shall not be disclosed to bidders or any other persons not officially concerned with such process until publication of the Contract Award.

#### 1.24.2

Any effort by a Bidder to influence the Purchaser in the examination, evaluation, comparison, and post qualification of the bids or contract award decisions may result in the rejection of its Bid.

### 1.25. Clarification of Bids

#### 1.25.1

To assist in the examination, evaluation, comparison and post qualification of the bids, the Purchaser may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing and no change in prices or substance of the bid shall be sought, offered or permitted. However, no negotiation shall be held except with the lowest bidder, at the discretion of the purchaser. Any clarification submitted by a bidder in respect to its bid which is not in response to a request by the purchaser shall not be considered.

### 1.26. Preliminary Examination

#### 1.26.1

The Purchaser shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 1.10 have been provided, and to determine the completeness of each document submitted.

#### 1.26.2

The Purchaser shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the offer shall be rejected.

(a) Bid Form and Price Schedule, in accordance with ITB Clause 1.10;

(b) All the tenders received will first 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 some of the important points, for which a tender may be declared as unresponsive and to be ignored, during the initial scrutiny:

- (i) The Bid is unsigned.
- (ii) The Bidder is not eligible.

- (iii) The Bid validity is shorter than the required period.
- (iv) The Bidder has quoted for goods manufactured by a different firm without the required authority letter from the proposed manufacturer.
- (v) Bidder has not agreed to give the required performance security or has not furnished the bid security.
- (vi) The goods quoted are sub-standard, not meeting the required specification, etc.
- (vii) Against the schedule of Requirement (incorporated in the tender enquiry), the bidder has not quoted for the entire requirement as specified in that schedule.
- (viii) The bidder has not agreed to some essential condition(s) incorporated in the tender enquiry.

## **1.27 Bidder's right to question rejection.**

### **1.27.1**

A Bidder shall have the right to be heard in case he feels that a proper procurement process is not being followed and/or his tender has been rejected wrongly. Only a directly affected bidder can represent in this regard as under:

- i) Only a bidder who has participated in the concerned procurement process i.e. pre-qualification, bidder registration or bidding, as the case may be, can make such representation;
- ii) In case pre-qualification bid has been evaluated before the bidding of Technical bids, an application for review in relation to the technical bid may be filed only by a bidder who has qualified in pre-qualification bid;
- iii) In case technical bid has been evaluated before the opening of the financial bid, an application for review in relation to the financial bid may be filed only by a bidder whose technical bid is found to be acceptable.
- iv) Following decisions of the purchaser in accordance with the provision of internal guidelines shall not be subject to review:
  - a) Determination of the need for procurement;
  - b) Selection of the mode of procurement or bidding system;
  - c) Choice of selection procedure;
  - d) Provisions limiting participation of bidders in the procurement process;
  - e) The decision to enter into negotiations with the L1 bidder;
  - f) Cancellation of the procurement process except where it is intended to subsequently re-tender the same requirements;
  - g) Issues related to ambiguity in contract terms may not be taken up after a contract has been signed, all such issues should be highlighted before consummation of the contract by the vendor/contractor; and
  - h) Complaints against specifications except under the premise that they are either vague or too specific so as to limit competition may be permissible.

### 1.27.2

In case a Bidder feels aggrieved by the decision of the purchaser, he may then send his representation in writing to the Purchaser's address as indicated in special conditions of contract (SCC) within 05 working days from the date of communication of the purchaser intimating the rejection for reconsideration of the decision by the purchaser.

## 1.28 Responsiveness of Bids

### 1.28.1

Prior to the detailed evaluation, the purchaser will determine the substantial responsiveness of each bid to the bidding documents. For purposes of this clause, a substantive responsive bid is one, which conforms to all terms and condition of the bidding documents without material deviations, reservations or omissions. A material deviation, reservation or omission is one that:

- (a) Affects in any substantial way the scope, quality, or performance of the Goods and Related Services specified in the Contract; or
- (b) Limits in any substantial way, inconsistent with the Bidding Documents, the Purchaser's rights or the Bidder's obligations under the Contract; or
- (c) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

### 1.28.2

The purchasers' determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

### 1.28.3

If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation or omission.

### 1.28.4

If a bidder quotes Nil Charges/consideration, the bid shall be treated as unresponsive and will not be considered.

## 1.29 Non-Conformity, Error and Omission

### 1.29.1

Provided that a Bid is substantially responsive, the Purchaser may waive any nonconformities or omissions in the Bid that do not constitute a material deviation.

### 1.29.2

Provided that a bid is substantially responsive, the Purchaser may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the bid related to documentation requirements. Such omission shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

### 1.29.3

Provided that the Bid is substantially responsive, the Purchaser shall correct arithmetical errors on the following basis:

- (b) if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of the Purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;
- (c) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

### 1.29.4

Provided that a bid is substantially responsive, the purchaser may request that a bidder may confirm the correctness of arithmetic errors as done by the purchaser within a target date. In case, no reply is received then the bid submitted shall be ignored and its Bid Security may be forfeited.

## **1.30 Examination of Terms & Conditions, Technical Evaluation**

### 1.30.1

The Purchaser shall examine the Bid to confirm that all terms and conditions specified in the GCC and the SCC have been accepted by the Bidder without any material deviation or reservation.

### 1.30.2

The Purchaser shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 1.15, to confirm that all requirements specified in Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.

### 1.30.3

If, after the examination of the terms and conditions and the technical evaluation, the Purchaser determines that the Bid is not substantially responsive in accordance with ITB Clause 1.28, it shall reject the Bid.

## **1.31 Conversion to Single Currency**

### 1.31.1

To facilitate evaluation and comparison, the Purchaser will convert all quoted prices expressed in various currencies to Indian Rupees at the selling exchange rate



established by any bank in India as notified in the Newspapers on the date of bid opening (techno-commercial bid in the case of two-part bidding) For this purpose, exchange rate notified in www.xe.com or www.rbi.org or any other website could also be used by the purchaser.

### **1.32 Evaluation and comparison of bids**

#### **1.32.1**

The Purchaser shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.

#### **1.32.2**

To evaluate a Bid, the Purchaser shall only use all the factors, methodologies and criteria defined below. No other criteria or methodology shall be permitted.

#### **1.32.3**

Purchase preference shall be given to all local suppliers in all procurements undertaken by the purchaser in the following manner:

**(a)** Where the purchaser has restricted the eligibility of suppliers to Indian suppliers only, as per para 06 of the invitation to bid/NIT. This is applicable only for those items for which the Nodal Ministry has communicated that there is sufficient local capacity and local competition for the cost of procurement up to Rs. 50.00 lakhs.

**(b)** If the tendered items are not listed by the Nodal Ministry indicating the local capacity and local competition, the following procedure of evaluation shall be followed, irrespective of value:

(i) Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract for full quantity will be awarded to L1.

(ii) If L1 bid is not from a local supplier, 50% of the order quantity shall be awarded to L1. Thereafter, the lowest bidder among the local suppliers, will be invited to match the L1 price for the remaining 50% quantity, subject to the local supplier 's quoted price which should fall within the margin of purchase preference of 20%. The contract for that quantity shall be awarded to such local supplier, who matches the L1 price. In case such lowest eligible local supplier fails to match the L1 price or accepts less than the offered quantity, the next higher local supplier within the margin of purchase preference shall be invited to match the L1 price for the remaining quantity and so on. The contract shall be awarded accordingly. In case some quantity is still left uncovered on the part of local suppliers, the balance quantity may also be ordered to the L1 bidder.

**(c)** If the tendered item is not divisible, the following procedure of evaluation shall be followed:

- i. Among all qualified bids, the lowest bid will be termed as L1. If L1 is from a local supplier, the contract will be awarded to L1.

- ii. If L1 is not from a local supplier, the lowest bidder among the local suppliers will be invited to match the L1 price, subject to local supplier's quoted price falling within the margin of purchase preference of 20%. Accordingly, the contract shall be awarded to the local supplier matching the L1 price.
- iii. In case such lowest eligible local supplier fails to match the L1 price, the local supplier with the next higher bid within the margin of purchase preference shall be invited to match the L1 price. This may be repeated until all the local suppliers are given an opportunity to match the L1 price. The contract shall be awarded accordingly. In case none of the local suppliers within the margin of purchase preference match the L1 price, the contract may be awarded to the L1 bidder.

#### 1.32.4

Further, In tender, where the items are divisible, the participating Micro and Small Enterprises (MSE) quoting price within price band of L1+15 (fifteen) per cent shall also be allowed to supply a portion of requirement by bringing down their price to L1 price in a situation where L1 price is from someone other than a MSE and such MSE shall be allowed to supply up to 25 (twenty five) per cent of total tendered value. The 25 (twenty five) per cent quantity is to be distributed proportionately among these bidders, in case there are more than one MSMEs within such price band.

#### 1.32.5

Within this 25% (Twenty five Percent) quantity, a purchase preference of 25 (twenty five) per cent out of 25 (twenty five) per cent is reserved for MSEs owned by Scheduled Caste (SC)/Scheduled Tribe (ST) entrepreneurs (if they participate in the tender process and match the L1 price). Further, out of the total annual procurement from the MSEs, (3%) three percent from within the 25% target shall be earmarked for procurement from MSEs owned by women. Provided that, in the event of failure of such SC/ST MSE to participate in tender process or meet tender requirements and L1 price, four per cent sub-target shall be met from other MSE.

#### 1.32.6

In case the items are not divisible, then the MSE quoting price within price band L1 + 15% may be awarded for full/complete supply of total tendered quantity to MSE, considering the spirit of the policy for enhancing the Government procurement from MSEs.

#### 1.32.7

The bids shall be evaluated on the basis of final landing cost which shall be arrived as under:

##### **For goods manufactured in India**

- (i) The price of the goods quoted ex-works including all taxes already paid.
- (ii) GST and other taxes, if any which will be payable on the goods if the contract is awarded.

- (iii) Charges for inland transportation, insurance and other local services required for delivering the goods at the desired destination.
- (iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

**For goods manufactured abroad**

- (i) The price of the goods, quoted on FCA (named place of delivery abroad) or FOB (named port of shipment), as specified in the bidding document.
- (ii) The charges for insurance and transportation of the goods to the port/place of destination.
- (iii) The agency commission etc., if any.
- (iv) Wherever applicable, the cost towards the installation, commissioning, spares, extended warranty, AMC/CMC, site preparation and training including any incidental services, if any.

**1.32.8**

The comparison between the indigenous and the foreign offers shall be made on FOR destination basis and CIF/CIP basis respectively. However, the CIF/CIP prices quoted by any foreign bidder shall be loaded further as under:

- (a) Towards customs duty and other statutory levies—as per applicable rates.
- (b) Towards custom clearance, inland transportation etc. - 2% of the CIF/CIP value.

The bidder should give a clear cut breakup of EXW, FOB/FCA, CIF/CIP prices to facilitate proper comparison with the purchaser reserving the right to order on either basis, failing which the bid would be summarily ignored.

**Note: Where there is no mention of packing, forwarding, freight, insurance charges, taxes etc. such offers shall be rejected as incomplete.**

**1.32.9**

Orders for imported stores need not necessarily be on FOB/FCA basis rather it can be on the basis of any of the incoterm specified in ICC Incoterms 2010 as may be amended from time to time by the ICC or any other designated authority and favourable to the purchaser.

**1.32.10**

Wherever the price quoted on FOB/FCA and CIF/CIP basis are the same, the Contract would be made on CIF / CIP basis only.

**1.32.11**

The GCC and the SCC shall specify the mode of transport i.e., whether by air/ocean/road/rail.

#### 1.32.12

There is no provision to purchase optional items. The specifications embodied in the tender documents would be the basis of evaluating the responsiveness of bids received.

#### 1.32.13

The Purchaser shall compare all substantially responsive bids to determine the lowest valuated bid, in accordance with ITB Clause 1.32.

### **1.33 Contacting the Purchaser**

#### 1.33.1

Subject to ITB Clause 1.25, no Bidder shall contact the Purchaser on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded.

#### 1.33.2

Any effort by a Bidder to influence the Purchaser in its decisions on bid evaluation, bid comparison or contract award may result in rejection of the Bidder's bid.

### **1.34 Post qualification**

#### 1.34.1

In the absence of pre-qualification, the Purchaser will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid is qualified to perform the contract satisfactorily, in accordance with the criteria listed in ITB Clause 1.14.

#### 1.34.2

The determination will take into account the eligibility criteria listed in the bidding documents and will be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, as well as such other information as the Purchaser deems necessary and appropriate.

#### 1.34.3

An affirmative determination will be a prerequisite for award of the contract to the Bidder. A negative determination will result in rejection of the Bidder's bid.

## **F. AWARD OF CONTRACT**

### **1.35 Negotiations**

#### 1.35.1

Normally, there shall not be any negotiation. Negotiations, if at all, shall be an exception and only in the case of items with limited source of supply. Negotiations shall be held with the lowest evaluated responsive bidder. Counter offers tantamount to negotiations and shall be treated at par with negotiations in the case of one time purchases.

### **1.36 Award Criteria**

#### **1.36.1**

Subject to ITB Clause 1.39, the Purchaser will award the contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the contract satisfactorily. The details of the award would be hosted on the website of the Purchaser.

### **1.37 Purchaser's right to vary Quantities at Time of Award**

#### **1.37.1**

The Purchaser reserves the right at the time of Contract award to increase or decrease the quantity of goods and services originally specified in the Schedule of Requirements to the extent of 25% without any change in unit price or other terms and conditions.

### **1.38 Option Clause**

#### **1.38.1**

The Purchaser reserves the right to increase or decrease the quantity of the required goods up to 25% (Twenty-Five) per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period)

### **1.39 Purchaser's right to accept Any Bid and to reject any or All Bids**

#### **1.39.1**

The Purchaser reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders.

### **1.40 Notification of Award**

#### **1.40.1**

Prior to the expiration of the period of bid validity, the Purchaser will notify the successful bidder in writing by registered letter or by cable or telex or fax or e mail that the bid has been accepted and a separate purchase order shall follow through post.

#### **1.40.2**

Until a formal contract is prepared and executed, the notification of award should constitute a binding contract.

#### **1.40.3**

Upon the successful Bidder's furnishing of the signed Contract Form and performance security pursuant to ITB Clause 1.43, the Purchaser will promptly notify each unsuccessful Bidder and will discharge its bid security.

## **1.41 Signing of Contract**

### **1.41.1**

Promptly after notification, the Purchaser shall send the successful Bidder the Agreement/Purchase Order.

### **1.41.2**

Within twenty-one (21) days of date of the Purchase Order, the successful Bidder shall sign, date, and return it to the Purchaser.

## **1.42 Order Acceptance**

### **1.42.1**

The successful bidder should submit Order acceptance within 14 days from the date of issue of order/signing of contract, failing which it shall be presumed that the vendor is not interested and his bid security is liable to be forfeited pursuant to clause 1.16.9 of ITB.

### **1.42.2**

The order confirmation must be received within 14 days. However, the Purchaser has the powers to extend the time frame for submission of order confirmation beyond the original date. Even after extension of time, if the order confirmation is not received, the contract is liable to be cancelled provided that the purchaser, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

## **1.43 Performance Security**

### **1.43.1**

Within 21 days of receipt of the notification of award/PO, the Supplier shall furnish performance security (PS) in the amount specified in SCC, valid till 60 days after the warranty period.

### **1.43.2**

The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.

### **1.43.3**

The Performance Security shall be denominated in Indian Rupees for the offers received for supplies within India and denominated in the currency of the contract in the case of offers received for supply from foreign countries or in equivalent Indian rupees in case the performance security is submitted by the Indian Agent.

### **1.43.4**

In the case of imports, the PS may be submitted either by the principal or by the Indian agent and, in the case of purchases from indigenous sources, the PS may be submitted by either the manufacturer or their authorized dealer/bidder.

#### 1.43.5

The Performance security shall be in one of the following forms:

- (a) A Bank guarantee or stand-by Letter of Credit issued by a Nationalized/ Scheduled bank located in India or a Foreign bank with preferably its operating branch in India in the form provided in the bidding documents. Or
- (b) A Banker's cheque or Account Payee demand draft in favour of the purchaser.  
Or,
- (c) A Fixed Deposit Receipt pledged in favour of the Purchaser.

#### 1.43.6

The performance security will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier's performance obligations, including any warranty obligations, unless specified otherwise in SCC, without levy of any interest.

#### 1.43.7

In the event of any contract amendment, the supplier shall, within 21 days of receipt of such amendment, furnish the amendment to the performance security, rendering the same valid for the duration of the contract, as amended for further period of 60 days thereafter.

#### 1.43.8

The performance security must be received within 21 days. However, the Purchaser has the powers to extend the time frame for submission of Performance Security (PS). Even after extension of time, if the PS is not received, the contract is liable to be cancelled provided that the purchaser, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

#### 1.43.9

**Whenever, the bidder chooses to submit the Performance Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.**

### 1.44. Pre-bid Conference (PBC)

#### 1.44.1

A Pre-bid Conference shall be held as indicated in invitation to bid, if any. All prospective bidders are requested to kindly attend the Pre-bid Conference. In order to facilitate the purchaser the proper conduct of the Pre-bid Conference, all prospective bidders are requested to kindly submit their queries (with envelope bearing Tender No. and Date on top and marked "Queries for Pre-bid Conference") so

as to reach the purchaser as indicated in invitation to bid. The purchaser shall answer the queries during the pre-bid conference, which would become a part of the proceedings of the Pre-bid Conference. The proceeding of the Pre Bid Conference would be hosted on the website of the purchaser. Before formulating and submitting their bids, all prospective bidders are advised to surf through the purchaser's website after the Pre-bid Conference, in order to enable them take cognizance of the revised tender conditions.

#### **1.45 Integrity Pact**

##### **1.45.1**

Integrity Pact binds both buyers and sellers to ethical conduct and transparency in all activities from pre-selection of bidders, bidding and contracting, implementation, completion and operation related to the contract.

##### **1.45.2**

The Integrity pact essentially envisages an agreement between the prospective vendors/bidders and the buyer, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the buyer, would be considered competent to participate in the bidding process. In other words, entering into this Pact would be a preliminary qualification. The essential ingredients of the Pact include:

- i) Promise on the part of the Purchaser to treat all bidders with equity and reason and not to seek or accept any benefit, which is not legally available;
- ii) Promise on the part of bidders not to offer any benefit to the employees of the Purchaser not available legally and also not to commit any offence under Prevention of Corruption Act, 1988 or Indian Penal Code 1860;
- iii) Promise on the part of bidders not to enter into any undisclosed agreement or understanding with other bidders with respect to prices, specifications, certifications, subsidiary contracts; etc.
- iv) Undertaking (as part of Fall Clause) by the bidders that they have not and will not sell the same material/equipment at prices lower than the bid price;
- iv) Foreign bidders to disclose the name and address of agents and representatives in India and Indian Bidders to disclose their foreign principals or associates;
- v) Bidders to disclose the payments to be made by them to agents/brokers or any other intermediary;
- vi) Bidders to disclose any past transgressions committed over the specified period with any other company in India or Abroad that may impinge on the anti-corruption principle;
- vii) Integrity Pact lays down the punitive actions for any violation.



1.45.3

Each page of such Integrity pact proforma would be duly signed by Purchaser's competent signatory. All pages of the Integrity Pact are to be returned by the bidder (along with the technical bid) duly signed by the same signatory who signed the bid, i.e. who is duly authorized to sign the bid and to make binding commitments on behalf of his company. Any bid not accompanied by Integrity Pact duly signed by the bidder shall be considered to be a non-responsive bid and shall be rejected straightway.

1.45.4

The SCC shall specify whether there is a need to enter into a separate Integrity pact or not.

1.45.5

The Integrity Pact would be effective from the date of invitation of bids till complete execution of the contract.

1.45.6

The names and contact details of the Independent External Monitors (IEM) on the event of the need of IP is as detailed in the SCC.

1.45.7

The modal format of IP is at Chapter-8.

**CHAPTER 2**  
**CONDITIONS OF CONTRACT**  
**A      GENERAL CONDITIONS OF CONTRACT (GCC)**

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## GENERAL CONDITIONS OF CONTRACT (GCC)

### **2.1 Definitions**

#### **2.1.1**

The following words and expressions shall have the meanings hereby assigned to them:

- (a) "Contract" means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
- (b) "Contract Documents" means the documents listed in the Contract Agreement, including any amendments thereto.
- (c) "Contract Price" means the price payable to the Supplier as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions there from, as may be made pursuant to the Contract.
- (d) "Day" means calendar day.
- (e) "Completion" means the fulfilment of the Goods and related Services by the Supplier in accordance with the terms and conditions set forth in the Contract.
- (f) "GCC" means the General Conditions of Contract.
- (g) "Goods" means all of the commodities, raw material, machinery and equipment, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract.
- (h) "Related Services" means the services incidental to the supply of the goods, such as transportation, insurance, installation, training and initial maintenance and other such obligations of the Supplier under the Contract.
- (i) "SCC" means the Special Conditions of Contract.
- (j) "Subcontractor" means any natural person, private or government entity, or a combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Supplier.
- (k) "Supplier" means the natural person, private or government entity, or a combination of the above, whose bid to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement.
- (l) The "Council" means the Council of Scientific & Industrial Research (CSIR), registered under the Societies Registration Act, 1860 of the Govt. of India having its registered office at 2, Rafi Marg, New Delhi-110001, India.
- (m) The "Purchaser" means any of the constituent Laboratory/Institute of the Council situated at any designated place in India as specified in SCC.

(n) "The final destination," where applicable, means the place named in the SCC.

## **2.2 Contract Documents**

### **2.2.1**

Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.

## **2.3 Code of Integrity**

### **2.3.1**

Without prejudice to and in addition to the rights of the Purchaser to other penal provisions as per the bid documents or contract, if the Purchaser comes to a conclusion that a (prospective) bidder/supplier, directly or through an agent, has violated this code of integrity in competing for the contract or in executing a contract, the Purchaser may take appropriate measures including one or more of the following:

- a) Cancellation of the relevant contract and recovery of compensation for loss incurred by the purchaser;
- b) Forfeiture or encashment of any other security or bond relating to the procurement;
- c) Recovery of payments including advance payments, if any, made by the Purchaser along with interest thereon at the prevailing rate.
- d) Provisions in addition to above:
  - 1) Removal from the list of registered suppliers and banning/debarment of the bidder from participation in future procurements of the purchaser for a period not less than one year;
  - 2) In case of anti-competitive practices, information for further processing may be filed under a signature of the Joint Secretary level officer, with the Competition Commission of India;
  - 3) Initiation of suitable disciplinary or criminal proceedings against any individual or staff found responsible.

## **2.4 Joint Venture, Consortium or Association**

### **2.4.1**

If the Supplier is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to the Purchaser for the fulfilment of the provisions of the Contract and shall designate one party to act as a leader with authority to bind the joint venture, consortium, or association. The composition or the constitution of the joint venture, consortium, or association shall not be altered without the prior consent of the Purchaser.

## **2.5 Scope of Supply**

### **2.5.1**

The Goods and Related Services to be supplied shall be as specified in Chapter 4 i.e. Specifications and allied technical details.

## **2.6 Suppliers' Responsibilities**

### **2.6.1**

The Supplier shall supply all the Goods and Related Services included in the Scope of Supply in accordance with Scope of Supply Clause of the GCC, and the Delivery and Completion Schedule, as per GCC Clause relating to delivery and document.

## **2.7 Contract price**

### **2.7.1**

Prices charged by the Supplier for the Goods supplied and the Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid.

## **2.8 Copy Right**

### **2.8.1**

The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party.

## **2.9 Application**

### **2.9.1**

These General Conditions shall apply to the extent that they are not superseded by provisions in other parts of the Contract.

## **2.10 Standards**

### **2.10.1**

The Goods supplied and services rendered under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standard appropriate to the Goods' country of origin and such standards shall be the latest issued by the concerned institution.

## **2.11 Use of Contract Documents and Information**

### **2.11.1**

The Supplier shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern,

sample or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Supplier in performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far, as may be necessary for purposes of such performance.

#### 2.11.2

The Supplier shall not, without the Purchaser's prior written consent, make use of any document or information enumerated above except for purposes of performing the Contract.

#### 2.11.3

Any document, other than the Contract itself, enumerated above shall remain the property of the Purchaser and shall be returned (in all copies) to the Purchaser on completion of the Supplier's performance under the Contract if so required by the Purchaser.

### 2.12 Patent Indemnity

#### 2.12.1

The Supplier shall, subject to the Purchaser's compliance with GCC Sub-Clause 2.12.2 Indemnify and hold harmless the Purchaser and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the Purchaser may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of:

- (a) the installation of the Goods by the Supplier or the use of the Goods in India;  
and
- (b) the sale in any country of the products produced by the Goods.

#### 2.12.2

If any proceedings are brought or any claim is made against the Purchaser, the Purchaser shall promptly give the Supplier a notice thereof, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

### 2.13 Performance Security

#### 2.13.1

Within 21 days of receipt of the notification of award/PO, the Supplier shall furnish performance security in the amount specified in SCC, valid till 60 days after the warranty period.

#### 2.13.2

The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.

### 2.13.3

The Performance Security shall be denominated in Indian Rupees for the offers received for supplies within India and denominated in the currency of the contract in the case of offers received for supply from foreign countries or in equivalent Indian Rupees in case the Performance Security is submitted by the Indian Agent.

### 2.13.4

In the case of imports, the PS may be submitted either by the principal or by the Indian agent and, in the case of purchases from indigenous sources, the PS may be submitted by either the manufacturer or their authorized dealer/bidder.

2.13.5 The Performance security shall be in one of the following forms:

- (a) A Bank guarantee or stand-by Letter of Credit issued by a Nationalized/Scheduled bank located in India or a bank located abroad in the form provided in the bidding documents.  
Or
- (b) A Banker's cheque or Account Payee demand draft in favour of the purchaser.  
Or
- (c) A Fixed Deposit Receipt pledged in favour of the Purchaser.

### 2.13.6

The performance security will be discharged by the Purchaser and returned to the Supplier not later than 60 days following the date of completion of the Supplier's performance obligations, including any warranty obligations, unless specified otherwise in SCC, without levy of any interest.

### 2.13.7

In the event of any contract amendment, the supplier shall, within 21 days of receipt of such amendment, furnish the amendment to the performance security, rendering the same valid for the duration of the contract, as amended for further period of 60 days thereafter.

### 2.13.8

The order confirmation must be received within 14 days. However, the Purchaser has the powers to extend the time frame for submission of order confirmation and submission of Performance Security (PS). Even after extension of time, if the order confirmation /PS are not received, the contract shall be cancelled provided that the purchaser, on being satisfied that it is not a case of cartelization and the integrity of the procurement process has been maintained, may, for cogent reasons, offer the next successful bidder an opportunity to match the financial bid of the first successful bidder, and if the offer is accepted, award the contract to the next successful bidder at the price bid of the first successful bidder.

### 2.13.9

Whenever, the bidder chooses to submit the Performance Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.

## **2.14 Inspections and Tests**

### **2.14.1**

The inspections & test, training required would be as detailed in Chapter-4 of the Bidding Document relating to Specification and Allied Technical details.

## **2.15 Packing**

### **2.15.1**

The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination as indicated in the Contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the Goods' final destination and the absence of heavy handling facilities at all points in transit.

### **2.15.2**

The packing, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be provided for in the Contract including additional requirements, if any, specified in SCC and in any subsequent instructions ordered by the Purchaser.

## **2.16 Delivery and Documents**

### **2.16.1**

Delivery of the Goods and completion and related services shall be made by the supplier in accordance with the terms specified by the Purchaser in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

### **2.16.2**

The terms FOB, FCA, CIF, CIP, etc. shall be governed by the rules prescribed in the current edition of the Inco terms published by the International Chambers of Commerce, Paris.

### **2.16.3**

The mode of transportation shall be as specified in SCC. In case the purchaser elects to have the transportation done through Air, then air lifting needs to be done through Air India only. In case Air India does not operate in the Airport of despatch, then the bidder is free to engage the services of any other Airlines.

## **2.17 Insurance**

### **2.17.1**

Should the purchaser elect to buy on CIF/CIP basis, the Goods supplied under the Contract shall be fully insured against any loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in SCC.



#### 2.17.2

Where delivery of the goods is required by the purchaser on CIF or CIP basis the supplier shall arrange and pay for Cargo Insurance, naming the purchaser as beneficiary and initiate & pursue claims till settlement, on the event of any loss or damage.

#### 2.17.3

Where delivery is on FOB or FCA basis, insurance would be the responsibility of the purchaser.

#### 2.17.4

With a view to ensure that claims on insurance companies, if any, are lodged in time, the bidders and /or the Indian agent shall be responsible for follow up with their principals for ascertaining the dispatch details and informing the same to the Purchaser and he shall also liaise with the Purchaser to ascertain the arrival of the consignment after clearance so that immediately thereafter in his presence the consignment could be opened and the insurance claim be lodged, if required, without any loss of time. Any delay on the part of the bidder/Indian Agent would be viewed seriously and he shall be directly responsible for any loss sustained by the purchaser on the event of the delay.

### 2.18 Transportation

#### 2.18.1

Where the Supplier is required under the Contract to deliver the Goods FOB, transport of the Goods, up to and including the point of putting the Goods on board the vessel at the specified port of loading, shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract price. Where the Supplier is required under the Contract to deliver the Goods FCA, transport of the Goods and delivery into the custody of the carrier at the place named by the Purchaser or other agreed point shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price.

#### 2.18.2

Where the Supplier is required under the Contract to deliver the Goods CIF or CIP, transport of the Goods to the port of destination or such other named place of destination in the Purchaser's country, as shall be specified in the Contract, shall be arranged and paid for by the Supplier, and the cost thereof shall be included in the Contract Price.

#### 2.18.3

In the case of supplies from within India, where the Supplier is required under the Contract to transport the Goods to a specified destination in India, defined as the Final Destination, transport to such destination, including insurance and storage, as specified in the Contract, shall be arranged by the Supplier, and the related costs shall be included in the Contract Price.

## **2.19 Incidental Services**

### **2.19.1**

The supplier may be required to provide any or all of the services, including training, if any, specified in chapter 4.

## **2.20 Spare Parts**

### **2.20.1**

The Supplier shall be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

- (a) Such spare parts as the Purchaser may elect to purchase from the Supplier, providing that this election shall not relieve the Supplier of any warranty obligations under the Contract; and
- (b) In the event of termination of production of the spare parts:
  - (i) Advance notification to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure needed requirements; and
  - (ii) Following such termination, furnishing at no cost to the Purchaser, the blueprints, drawings and specifications of the spare parts, if requested.

## **2.21 Warranty**

### **2.21.1**

The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contract.

### **2.21.2**

The Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in India.

### **2.21.3**

Unless otherwise specified in the SCC, the warranty shall remain valid for Twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the SCC, or for Eighteen (18) months after the date of shipment from the port or place of loading in the country of origin, whichever period concludes earlier.

### **2.21.4**

The Purchaser shall give notice to the Supplier stating the nature of any such defects together with all available evidence thereof, promptly following the discovery thereof. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect such defects.

#### 2.21.5

Upon receipt of such notice, the Supplier shall, within a reasonable period of time, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Purchaser.

#### 2.21.6

If having been notified, the Supplier fails to remedy the defect within a reasonable period of time; the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

#### 2.21.7

Goods requiring warranty replacements must be replaced on free of cost basis to the purchaser.

### 2.22 Terms of Payment

#### 2.22.1

The method and conditions of payment to be made to the Supplier under this Contract shall be as specified in the SCC.

#### 2.22.2

The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and the Services performed, and by documents, submitted pursuant to Delivery and document Clause of the GCC and upon fulfilment of other obligations stipulated in the contract.

#### 2.22.3

Payments shall be made promptly by the Purchaser but in no case later than thirty (30) days after submission of the invoice or claim by the Supplier. While claiming the payment, the supplier should certify in the bill/invoice that the payment being claimed strictly in terms of the contract and all obligations on the part of the supplier for claiming the payment have been fulfilled as required under the contract.

#### 2.22.4

Payment shall be made in currency as indicated in the contract.

### 2.23 Change Orders and Contract Amendments

#### 2.23.1

The Purchaser may at any time, by written order given to the Supplier pursuant to Clause on Notices of the GCC make changes within the general scope of the Contract in any one or more of the following:

- (a) Increase or decrease in the quantity required, exercise of quantity opinion clause;

- (b) Changes in schedule of deliveries and terms of delivery;
- (c) The changes in inspection arrangements;
- (d) Changes in terms of payments and statutory levies;
- (e) Changes due to any other situation not anticipated;

#### 2.23.2

No changes in the price quoted shall be permitted after the purchase order has been issued except on account of statutory variations.

#### 2.23.3

No variation or modification in the terms of the contract shall be made except by written amendment signed by the parties.

### 2.24 Assignment

#### 2.24.1

The Supplier shall not assign, in whole or in part, its obligations to perform under the Contract, except with the Purchaser's prior written consent.

### 2.25 Subcontracts

#### 2.25.1

The Supplier shall notify the Purchaser in writing of all subcontracts awarded under this Contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Supplier from any liability or duties or obligation under the contract.

### 2.26 Extension of time.

#### 2.26.1

Delivery of the Goods and performance of the Services shall be made by the Supplier in accordance with the time schedule specified by the Purchaser.

#### 2.26.2

If at any time during performance of the Contract, the Supplier or its sub-contractor(s) should encounter conditions impeding timely delivery of the Goods and performance of Services, the Supplier shall promptly notify the Purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's notice, the Purchaser shall evaluate the situation and may, at its discretion, extend the Supplier's time for performance with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

#### 2.26.3

Except as provided under the Force Majeure clause of the GCC, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to liquidated damages Clause of the GCC unless an extension of time is agreed upon pursuant to above clause without the application of penalty clause.

## **2.27 Liquidated Damages**

### **2.27.1**

Subject to GCC Clause on Force Majeure, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period(s) specified in the Contract, the Purchaser shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as penalty, a sum equivalent to the percentage specified in SCC of the delivered price of the delayed Goods or unperformed Services or contract value in case the delivered price of the delayed goods or unperformed services cannot be ascertained from the contract, for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the Percentage specified in SCC. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to GCC Clause on Termination for Default.

## **2.28 Termination for Default**

### **2.28.1**

The Purchaser may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Supplier, terminate the Contract in whole or part

- (a) If the Supplier fails to deliver any or all of the Goods within the period(s) specified in the contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause on Extension of Time; or
- (b) If the Supplier fails to perform any other obligation(s) under the Contract.
- (c) If the Supplier, in the judgment of the Purchaser has engaged in corrupt or fraudulent or collusive or coercive practices etc as defined in GCC Clause and ITB clause on code of integrity in competing for or in executing the Contract.

### **2.28.2**

In the event the purchaser terminates the contract in whole or in part, he may take recourse to any one or more of the following action:

- (a) The Performance Security is to be forfeited;
- (b) The purchaser may procure, upon such terms and in such manner as it deems appropriate, stores similar to those undelivered, and the supplier shall be liable for all available actions against it in terms of the contract.
- (c) However, the supplier shall continue to perform the contract to the extent not terminated.

## **2.29 Force Majeure**

### **2.29.1**

Notwithstanding the provisions of GCC Clauses relating to extension of time, Liquidated damages and Termination for Default the Supplier shall not be liable for

forfeiture of its performance security, liquidated damages or termination for default, if and to the extent that, its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

#### 2.29.2

For purposes of this Clause, "Force Majeure" means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

#### 2.29.3

If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such conditions and the cause thereof within 21 days of its occurrence. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

#### 2.29.4

If the performance in whole or in part or any obligations under the contract is prevented or delayed by any reason of Force Majeure for a period exceeding 60 days, either party may at its option terminate the contract without any financial repercussions on either side.

### 2.30 Termination for Insolvency

#### 2.30.1

The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Purchaser.

### 2.31 Termination for Convenience

#### 2.31.1

The Purchaser, by written notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.

#### 2.31.2

The Goods that are complete and ready for shipment within 30 days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:

- (a) To have any portion completed and delivered at the Contract terms and prices; and/or
- (b) To cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and for materials and parts previously procured by the Supplier.

## **2.32 Settlement of Disputes**

### **2.32.1**

The Purchaser and the supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

### **2.32.2**

If, after twenty-one (21) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract.

### **2.32.3**

The dispute settlement mechanism/arbitration proceedings shall be concluded as under:

- (a) If any dispute or difference arises between the parties hereto as to the construction, interpretation, effect and implication of any provision of this agreement including the rights or liabilities or any claim or demand of any party against other or in regard to any other matter under these presents but excluding any matters, decisions or determination of which is expressly provided for in this Agreement, such disputes or differences shall be referred to an Arbitral Bench consisting of three Arbitrators, one each to be appointed by each party and the two Arbitrators shall appoint a third Arbitrator who shall be the presiding Arbitrator. A reference to the Arbitration under this Clause shall be deemed to be submission within the meaning of the Arbitration and Conciliation Act, 1996 and the rules framed thereunder for the time being in force. Each party shall bear and pay its own cost of the arbitration proceedings unless the Arbitrators otherwise decides in the Award.
- (b) In the case of a dispute between the purchaser and a Foreign Supplier, the dispute shall be settled by arbitration in accordance with provision of sub-clause (a) above. But if this is not acceptable to the supplier then the dispute shall be settled in accordance with provisions of UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules.

#### 2.32.4

The venue of the arbitration shall be the place from where the purchase order or contract is issued.

#### 2.32.5

Notwithstanding, any reference to arbitration herein,

- (a) The parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and
- (b) the Purchaser shall pay the Supplier any monies due the Supplier.

### **2.33 Governing Language**

#### 2.33.1

The contract shall be written in English language which shall govern its interpretation. All correspondence and other documents pertaining to the Contract, which are exchanged by the parties, shall be written in the English language only.

### **2.34 Applicable Law**

#### 2.34.1

The Contract shall be interpreted in accordance with the laws of the Union of India and all disputes shall be subject to place of jurisdiction as specified in SCC.

### **2.35 Notices**

#### 2.35.1

Any notice given by one party to the other pursuant to this contract/order shall be sent to the other party in writing or by cable, telex, FAX, e-mail or and confirmed in writing to the other party's address specified in the SCC.

#### 2.35.2

A notice shall be effective when delivered or on the notice's effective date, whichever is later.

### **2.36 Taxes and Duties**

#### 2.36.1

For goods manufactured outside India, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside India.

#### 2.36.2

For goods Manufactured within India, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred till its final manufacture/production.



### 2.36.3

If any tax exemptions, reductions, allowances or privileges may be available to the Supplier in India, the Purchaser shall make its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.

### 2.36.4

**All payments due under the contract shall be paid after deduction of statutory levies (at source) (like IT, etc.) wherever applicable.**

### 2.36.5

**Customs Duty** – If the supply is from abroad this Institute is permitted to import goods as per notification No.51/96 – Customs and pay a concessional duty up to 5% as per notification 24/2002 – Customs on all imports.

## 2.37 Right to use Defective Goods

### 2.37.1

If after delivery, acceptance and installation and within the guarantee and warranty period, the operation or use of the goods proves to be unsatisfactory, the Purchaser shall have the right to continue to operate or use such goods until rectifications of defects, errors or omissions by repair or by partial or complete replacement is made without interfering with the Purchaser's operation.

## 2.38 Protection against Damage

### 2.38.1

The system shall not be prone to damage during power failures and trip outs. The normal voltage and frequency conditions available at site as under:

- (a) Voltage 230 volts – Single phase/ 415 V 3 phase (+\_ 10%)
- (b) Frequency 50 Hz.

## 2.39 Site preparation and installation

### 2.39.1

The Purchaser is solely responsible for the construction of the equipment sites in compliance with the technical and environmental specifications defined by the Supplier. The Purchaser will designate the installation sites before the scheduled installation date to allow the Supplier to perform a site inspection to verify the appropriateness of the sites before the installation of the Equipment, if required. The supplier shall inform the purchaser about the site preparation, if any, needed for installation, of the goods at the purchaser's site immediately after notification of award/contract.

## 2.40 Import and Export Licenses

### 2.40.1

If the ordered materials are covered under restricted category of EXIM policy in India the Vendor / Agent may intimate such information for obtaining necessary, license in India.

#### 2.40.2

If the ordered equipment is subject to Vendor procuring an export license from the designated government agency / country from where the goods are shipped / sold, the vendor has to mention the name, address of the government agency / authority. The vendor must also mention the time period within which the license will be granted in normal course.

#### 2.41 Risk Purchase Clause

##### 2.41.1

If the supplier fails to deliver the goods within the maximum delivery period specified in the contract or Purchase Order, the purchaser may procure, upon such terms and in such a manner as it deems appropriate, Goods or Services similar to those undelivered and the Supplier shall be liable to the purchaser for any excess costs incurred for such similar goods or services.

#### 2.42 Option Clause

##### 2.42.1

The Purchaser reserves the right to increase or decrease the quantity of the required goods up to 25% (Twenty-Five) per cent at any time, till final delivery date (or the extended delivery date of the contract), by giving reasonable notice even though the quantity ordered initially has been supplied in full before the last date of the delivery period (or the extended delivery period)

#### 2.43 Integrity Pact

##### 2.43.1

The SCC shall specify whether there is a need to enter into a separate Integrity pact or not.

##### 2.43.2

The names and contact details of the Independent External Monitors (IEM) on the event of the need of IP is as detailed in the SCC.

#### 2.44 Order Acceptance

##### 2.44.1

The successful bidder should submit Order acceptance within 14 days from the date of issue of order/signing of contract, failing which it shall be presumed that the vendor is not interested and his bid security is liable to be forfeited pursuant to clause 1.16.9 of ITB.

**B      SPECIAL CONDITIONS OF CONTRACT**

**Table of Contents**

<b>Sl. No.</b>	<b>GCC Clause</b>
01.	GCC 2.1.1 (m)
02.	GCC 2.1.1 (n)
03.	GCC 2.13.1
04.	GCC 2.15.2
05.	GCC 2.16.1
06.	GCC 2.16.3
07.	GCC 2.17.1
08.	GCC 2.21.3
09.	GCC 2.22.1
10.	GCC 2.27.1
11.	GCC 2.27.1
12.	GCC 2.34.1
13.	GCC 2.35.1
14.	GCC 2.43.1
15.	GCC 2.43.2

## Special conditions of contract (SCC)

The following Special Conditions of Contract (SCC) shall supplement and / or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

S.N.	GCC Clause Ref	Condition
1	GCC 2.1.1(l)	The Purchaser is: _____ <b>(name and complete postal address)</b>
2	GCC 2.1.1(m)	The Final Destination is: _____ <b>(complete postal address)</b>
3	GCC 2.13.1	The amount of the Performance Security shall be ___ % of the contract value.
4	GCC 2.15.2	The marking and documentation within and outside the packages shall be: (a) Each package should have a packing list within it detailing the part No(s), description, quantity etc.  (b) Outside each package, the contract No., the name and address of the purchaser and the final destination should be indicated on all sides and top.  (c) Each package should be marked as 1/x, 2/x, 3/x.....x/x, where "x" is the total No. of packages contained in the consignment.  (d) All the sides and top of each package should carry an Appropriate indication/ label/ stickers indicating the precautions to be taken while handling/storage.
5	GCC 2.16.1	Details of Shipping and other Documents to be furnished by the Supplier are : <u>For goods manufactured within India</u> Within 24 hours of dispatch, the supplier shall notify the purchaser the complete details of dispatch and also supply following documents by registered post / speed post and copies thereof by FAX/Email. (a) Two copies of Supplier's Invoice indicating, <i>inter-alia</i> description and specification of the goods, quantity, unit price, total value; (b) Packing list; (c) Certificate of country of origin; (d) Insurance certificate, if required under the contract; (e) Railway receipt/Consignment note; (f) Manufacturer's guarantee certificate and in-house inspection certificate;

		<p>(g) Inspection certificate issued by purchaser’s inspector, if any; and  (h) Any other document(s) as and when required in terms of the contract.</p> <p>Note:  01. <b>The nomenclature used for the item description in the invoices(S), packing list(s) and the delivery note(s) etc. should be identical to that used in the contract. The dispatch particulars including the name of the transporter should also be mentioned in the Invoice(s).</b>  02. <b>The above documents should be received by the Purchaser before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.</b></p> <p><u>For goods manufactured abroad</u>  Within 24 hours of dispatch, the supplier shall notify the purchaser the complete details of dispatch and also supply following documents by Registered Post/courier and copies thereof by FAX/Email.  (a) Two copies of supplier’s Invoice giving full details of the goods including quantity, value, etc.;  (b) Packing list;  (c) Certificate of country of origin issued by supplier;  (d) Manufacturer’s guarantee and Inspection certificate;  (e) Inspection certificate issued by the Purchaser’s Inspector, if any;  (f) Insurance Certificate, if required under the contract;  (g) Name of the Vessel/Carrier;  (h) Bill of Lading/Airway Bill;  (i) Any other document(s) as and when required in terms of the contract.</p> <p>Note:  01. <b>The nomenclature used for the item description in the Invoices (s), packing list(s) and the delivery note(s) etc. should be identical to that used in the contract. The dispatch particulars including the name of the transporter should also be mentioned in the Invoice(s).</b>  02. <b>The above documents should be received by the Purchaser before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.</b></p>
6	GCC 2.16.3	<p>In case of supplies from within India, the mode of transportation shall be by <i>Air/Rail/Road. (retain one only)</i>  In case of supplies from abroad, the mode of transportation</p>

		shall be by <i>Air/Ocean. (retain one only)</i>
7	GCC 2.17.1	The Insurance shall be for an amount equal to 110% of the CIF or CIP value of the contract from within “warehouse to warehouse (final destination)” on “all risk basis” including strikes, riots and civil commotion.
8	GCC 2.21.3	The period of validity of the Warranty shall be _____( ) months from the date of acceptance.
9	GCC2.22.1	<p>The method and conditions of payment to be made to the Supplier under this Contract shall be as follows:  <u>Payment for Goods supplied from abroad:</u>  Payment of foreign currency portion shall be made in currency of the Contract in the following manner:  (a) On Shipment: _____ percent ( ___ %) of the Contract Price of the Goods shipped shall be paid through irrevocable letter of credit opened in favour of the Supplier in a bank in its country, upon submission of documents specified in GCC Clause 2.16.</p> <p>(b) On Acceptance: _____ percent ( ___ %) of the Contract Price of Goods received shall be paid within thirty (30) days of receipt of Goods and successful installation &amp; commissioning upon submission of claim supported by the acceptance certificate issued by the Purchaser along with the Performance security, if any.</p>
	GCC 2.22.1	<p>The L/C will be confirmed at the suppliers cost, if requested specifically by the supplier. All bank charges abroad shall be to the account of the beneficiary i.e. supplier and all bank charges in India shall be to the account of the opener i.e. purchaser. If L/C is requested to be extended/ reinstated for reasons not attributable to the purchaser, the charges thereof would be to the suppliers’ account. Payment of local currency portion shall be made in Indian Rupees within thirty (30) days of presentation of claim supported by a certificate from the Purchaser declaring that the Goods have been delivered and that all other contracted Services have been performed. The LC for 100% value of the contract shall be established after deducting the agency commission payable if any, to the Indian agent from the FOB/FCA value.</p> <p><u>Payment for Goods and Services supplied from India:</u>  The payment shall be made in Indian Rupees, as follows:  (a) After shipment : _____ percent ( ___ %) of the Contract Price shall be paid on receipt of the Goods in good condition and upon submission of the documents specified in GCC Clause 16.1</p> <hr/> <p>(b) On Acceptance: The remaining _____ percent ( ___ %) of the Contract value shall be paid to the Supplier within thirty (30) days after the date of the acceptance certificate issued</p>

		<p>by the Purchaser subject to submission of performance security, if any.</p> <p><b>Note:</b>  <b>All payments due under the Contract shall be paid after deduction of statutory levies at source (like ESIC, Income Tax, etc.), wherever applicable.</b></p>
10	GCC 2.27.1	The penalty shall be 0.5% per week or part of a week towards late delivery and towards delay in installation and commissioning.
	GCC 2.27.1	The maximum amount of penalty shall be 10%
11	GCC 2.34.1	The place of jurisdiction is _____ <b>(name of the place from where the contract is issued)</b>
12	GCC 2.35.1	For notices, the Purchaser's address is The Director Attention: _____ Location: CSIR-_____
13	GCC 2.35.1	Telephone: :+91-_____ EPABX Tel:+91_____ Facsimile number: :+91_____ Electronic mail address _____
14	GCC 2.43.1	The integrity pact is to be/not to be signed. <b>(retain one only)</b>
15	GCC 2.43.2	<i>The name and contact details of the IEMs are as under:</i> i)

## CHAPTER 3

### Schedule of Requirements

*(Notes for internal use only)*

- 3.1 *The Schedule of Requirements shall be included in the bidding documents by the Purchaser, and shall cover, at a minimum, a description of the goods and services to be supplied.*
- 3.2 *The objective of the Schedule of Requirements is to provide sufficient information to enable bidders to prepare their bids efficiently and accurately, in particular, the Price Schedule, for which a form is provided in Chapter 5. In addition, the Schedule of Requirements, together with the Price Schedule, should serve as a basis in the event of quantity variation at the time of award of contract pursuant to ITB Clause 1.37.*



**CHAPTER 3**

(To be filled by the bidder as appropriate and enclosed with the Technical Bid)

**SCHEDULE OF REQUIREMENT**

Sl. No.	Brief Description of Goods & Services	Quantity	Physical Unit	Final destination/ Place	Delivery Schedule (to be filled by the bidder)	Time frame required for conducting installation, commissioning of the eqpt., acceptance test, etc. after the arrival of consignment (to be filled by the bidder)

Term of delivery:    FOB / FCA / CIF / CIP \_\_\_\_\_ *(named port of shipment or named place of delivery)*  
**(retain only one)**

Period of delivery shall count from : \_\_\_\_\_  
 (to be filled by the bidder)

Scope of Supply : \_\_\_\_\_

Training requirement: \_\_\_\_\_

*(Location, no. of persons, period of training, nature of training)*

Date : .....

Place : .....

**Signature of the Bidder**

**Notes for Bidders:**

- (1) The delivery schedule shall clearly indicate the time period within which the successful bidder must deliver the consignment in full from the date of establishment of LC or from the date of contract or from the date of advance payment etc. It should also indicate separately the time period desired for installation and commissioning of the equipment after arrival of the consignment at the premises of the Purchaser.
- (2) The date or period for delivery should be carefully specified, taking into account
  - (a) The implications of delivery terms stipulated in the Instructions to Bidders pursuant to the Incoterms rules (i.e., EXW, or CIF, CIP, FOB, FCA terms—that “delivery” takes place when goods are delivered to the carriers), and
  - (b) The date prescribed herein from which the delivery obligations start (i.e., notice of award, contract signature, opening or confirmation of the letter of credit, date of releasing advance payment etc.).

## Chapter 4

### Specifications and Allied Technical Details

*(Notes for internal use only)*

*The Indentor should ensure that specifications are developed to ensure VfM, level playing field and wide competition in procurement (Rule 173 (ix) of GFR 2017). The Technical Specifications (TS) constitute the benchmarks against which the Purchaser will verify the technical responsiveness of bids and, subsequently, evaluate the bids. Therefore, well-defined TS will facilitate the preparation of responsive bids by bidders as well as examination, evaluation and comparison of the bids by the Purchaser. It would also help in ensuring the quality of the supplied goods. The Indentor should ensure that the specification should:*

- i) Provides a level playing field and ensures the widest competition; Further, the specifications should not be too restrictive as the aim should be to attract reasonable number of competitive Tenderers.*
- ii) Be unambiguous, precise, objective, functional, broad based/generic, standardised (for items procured repeatedly) and measurable. TS should be broad enough to avoid restrictions on workmanship, materials and equipment commonly used in manufacturing similar kinds of goods;*
- iii) Set out the required technical, qualitative and performance characteristics to meet just the bare essential needs of the Indentor without including superfluous and non- essential features, which may result in unwarranted expenditure;*
- iv) Normally be based on standards set by the Bureau of Indian Standards (BIS), wherever such standards exist. Preference should be given to procure the goods which carry the BIS mark. In the absence of BIS standards, TS may be based on the relevant International standards. Provided that an Indentor may, for reasons to be recorded in writing, base the TS on equivalent international standards even in cases where BIS standards exist. For any deviations from Indian standards or for any additional parameters for better performance, specific reasons for deviations/modifications should be duly recorded with the approval of the CA. Where the technical parameters are only marginally different, Indian standards may be specified and the Departmental specifications could cover only such additional details as packing, marking, inspection, and so on, as are specially required to be complied for a particular end use;*
- v) All dimensions incorporated in the specifications shall be indicated in metric units. If due to some unavoidable reasons, dimensions in FPS units are to be mentioned, the corresponding equivalents in the metric system must also be indicated;*

- vi) *Comply with sustainability criteria and legal requirements of environment or pollution control and other mandatory and statutory regulations, or internal guidelines, if any, applicable to the goods to be purchased;*
- vii) *Make use of best practices examples of specifications from successful similar procurements in the other organisations or sector may provide a sound basis for drafting the TS;*
- viii) *Commensurate with Vfm, avoid procurement of obsolete goods and require that all goods and materials be new, unused and of the most recent or current models and that they incorporate all recent improvements in design and materials, unless provided for otherwise in the bidding documents;*
- ix) *Should have emphasis on factors such as efficiency, optimum fuel/power consumption, use of environmental-friendly materials, reduced noise and emission levels, low maintenance cost, and so on. Government of India has set up the Bureau of Energy Efficiency (BEE) (<http://www.bee-india.nic.in>) on 01st March, 2002 under the provisions of the Energy Conservation Act, 2001, with the primary objective of reducing the energy intensity of the Indian economy and thereby the cost saving potential of the relevant marketed product.*
- x) *Discourage procurement involving evaluation of samples: According to the existing guidelines on public procurement of goods, purchase in accordance with a sample should not be usually undertaken. Calling for a sample along with the tender and deciding on the basis of evaluation of the sample may NOT be done. In certain specifications, there may be a built-in sample clause. Usually such clauses are stipulated to illustrate indeterminable characteristics such as shade/tone, make-up, feel, finish and workmanship, and so on. In some specifications, there may not be a sample clause but such indeterminable characteristics are left to be agreed to between the seller and buyer. Where drawings/specifications are not available, then we may procure in accordance with an available sample of the part. In such cases, supply must be in conformity with an agreed reference sample in such respects only, whereas for the remaining characteristics it must be in conformity with the laid down drawings/specifications. Procurement of such items should be decided on the basis of detailed specifications/drawings and no sample should be called for or evaluated along with the bids. If desired, a purchaser's reference sample may be displayed for prospective tenderers to illustrate the desired indeterminable characteristics, which final supplies from successful bidder(s) will have to meet in addition to the specifications/drawings. If required, in addition to the purchaser's reference sample, the provision for the submission of a pre-production sample matching the purchaser's sample by successful bidder(s) may be stipulated for indeterminable characteristics, before giving clearance for bulk production of the supply. The Indent for items which are to be procured in accordance with a sample must be accompanied with three sealed samples as far as possible*

### **Essential Technical particulars**

**The essential Technical particulars to be specified in the tender document shall include the following to the extent applicable for a particular purchase:**

- i) Scope of supply and, also, end use of the required goods;**
- ii) All essential technical, qualitative, functional, environmental and performance characteristics and requirements (such as material composition, physical, dimensions and tolerances, workmanship and manufacturing process wherever applicable; test schedule; if any), including guaranteed or acceptable maximum or minimum values, as appropriate. Whenever necessary, the user may include an additional format for guaranteed technical parameters (as an attachment to the bid submission sheet), where the bidder shall provide detailed information on such technical performance characteristics in reference to the corresponding acceptable or guaranteed values;**
- iii) Drawings;**
- iv) Requirement of the BIS mark, where applicable, mentioning all parameters where such a specification provides options;**
- v) Requirement of an advance sample, if any, at the post contract stage before bulk production;**
- vi) Special requirements of preservation, packing and marking, if any;**
- vii) Inspection procedure for goods ordered and criteria of conformity;**
- viii) Requirements of special tests or type test certificate or type approval for compliance of statutory requirements with reference to pollution, emission, noise, if any;**
- ix) Other additional work and/or related services required to achieve full delivery/ completion, installation, commissioning, training, technical support, after-sales service and Annual Maintenance Contract (AMC) requirements, if any;**
- x) Warranty requirements;**
- xi) Qualification criteria of the bidders, if any; and**
- xii) Any other aspects peculiar to the goods in question such as shelf life of the equipment, and so on**

## Chapter 4

### Specifications and Allied Technical Details for ..... (Insert name of the item)

#### 4.1 End Use:

#### 4.2 Specifications (including the list of spares )

#### 4.3 Scope of Supply and incidental works:

#### 4.4 Inspection & Tests

##### 4.4.1 General

1. The Supplier shall at its own expense and at no cost to the Purchaser carry out all such tests and/or inspections of the Goods and Related Services as are specified here.
2. The inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at the point of delivery and/or at the Goods final destination.
3. Whenever the Supplier is ready to carry out any such test and inspection, it shall give a reasonable advance notice, including the place and time, to the Purchaser. The Supplier shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Purchaser or its designated representative to attend the test and/or inspection.
4. Should any inspected or tested Goods fail to conform to the specifications, the Purchaser may reject the goods and the Supplier shall either replace the rejected Goods or make alterations necessary to meet specification requirements free of cost to the Purchaser.
5. The Purchaser's right to inspect, test and, where necessary, reject the Goods after the Goods' arrival at final destination shall in no way be limited or waived by reason of the Goods having previously been inspected, tested and passed by the Purchaser or its representative prior to the Goods shipment.
6. The Supplier shall provide the Purchaser with a report of the results of any such test and/or inspection.
7. With a view to ensure that claims on insurance companies, if any, are lodged in time, the bidders and /or the Indian agent, if any, shall be responsible for follow up with their principals for ascertaining the dispatch details and informing the same to the Purchaser and he shall also liaise with the Purchaser to ascertain the arrival of the consignment after customs clearance so that immediately thereafter in his presence the consignment could be opened and the insurance claim be lodged, if required, without any loss of time. Any delay on the part of the bidder/ Indian Agent would be viewed seriously and he shall be directly responsible for any loss sustained by the purchaser on the event of the delay.

8. Before the goods and equipment are taken over by the Purchaser, the Supplier shall supply operation and maintenance Manuals together with Drawings of the goods and equipment built. These shall be in such details as will enable the Purchase to operate, maintain, adjust and repair all parts of the works as stated in the specifications.
9. The Manuals and Drawings shall be in the ruling language (English) and in such form and numbers as stated in the Contract.
10. Unless and otherwise agreed, the goods and equipment shall not be considered to be completed for the purposes of taking over until such Manuals and Drawing have been supplied to the Purchaser.
11. On successful completion of acceptability test, receipt of deliverables, etc. and after the Purchaser is satisfied with the working of the equipment, the acceptance certificate signed by the Supplier and the representative of the Purchaser will be issued. The date on which such certificate is signed shall be deemed to be the date of successful commissioning of the equipment.

#### **4.4.2 Manufacturer's Inspection Certificate`**

After the goods are manufactured and assembled, inspection and testing of the goods shall be carried out at the supplier's plant by the supplier, prior to shipment to check whether the goods are in conformity with the technical specifications. Manufacturer's test certificate with data sheet shall be issued to this effect and submitted along with the delivery documents. The purchaser reserves the options to be present at the supplier's premises during such inspection and testing.

#### **4.4.3 Pre Dispatch Inspection *(delete if not applicable) or elaborate. (Provision of para 2.2.2 (07) of the CSIR Manual on Procurement of Goods 2018 needs to be considered while framing this clause.)***

#### **4.4.4 Third Party Inspection *(delete if not applicable) or elaborate.***

#### **4.4.5 Acceptance Test**

The acceptance test will be conducted by the Purchaser, their consultant or other such person nominated by the Purchaser at its option after the equipment is installed at Purchaser's site in the presence of supplier's representatives. The acceptance will involve trouble free operation. There shall not be any additional charges for carrying out acceptance test. No malfunction, partial or complete failure of any part of the equipment is expected to occur. The Supplier shall maintain necessary log in respect of the result of the test to establish to the entire satisfaction of the Purchaser, the successful completion of the test specified.

On the event of the ordered item failing to pass the acceptance test, a period not exceeding two weeks will be given to rectify the defects and clear the acceptance test, failing which, the Purchaser reserve the right to get the equipment replaced by the Supplier at no extra cost to the Purchaser.



Successful conduct and conclusion of the acceptance test for the installed goods and equipment shall also be the responsibility and at the cost of the Supplier.

The acceptance tests at the final destination include the following:

(a)

(b)

#### **4.5 Training**

Free training should be imparted to \_\_\_\_ No. of persons of the purchaser at the purchaser's premises for a period of \_\_\_\_\_ days on operation, trouble shooting and maintenance of the supplied item. *(Provision of para 2.2.2 (07) of the CSIR Manual on Procurement of Goods 2018 needs to be considered while framing this clause.)*

#### **4.6 Warranty**

The warranty of the equipment should be for a period of \_\_\_\_ months from the date of acceptance. During the warranty period upgrades of the software, if any should be provided free of cost.

#### **4.7 Annual Maintenance Contract (delete if not applicable) or elaborate.**

## CHAPTER 5

### Price Schedule Forms (Notes for internal use only)

*This format may be drawn by the labs as per the tender documents. However, an indicative structure of the Price Schedule Forms is provided hereunder for reference.*

## CHAPTER 5

### Price Schedule Forms

#### Table of Contents

Sl. No.	Type of Price Schedule Form
01.	Price schedule for Goods being offered from abroad
02.	Price schedule for Goods offered from India

**Note:** The bidder may fill in the appropriate Price Schedule Form and enclose as per Clause 1.10 and 1.18.3 of the bidding documents.



**PRICE SCHEDULE FOR GOODS BEING OFFERED FROM INDIA**

Name of the Bidder \_\_\_\_\_

Tender No. \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11	12
Sl. No	Item Description With HSN code	Country of origin	Unit	Quantity	Unit Rate Ex-Works, Ex-warehouse, Ex-show room off the shelf price (inclusive of all taxes already paid)	Total price Ex-Works, Ex-warehouse, Ex-show room off the shelf price (inclusive of all taxes already paid) 5x6	GST & other taxes payable, if contract is awarded	Packing & forwarding up to station of dispatch if any	Charges for inland transportation, insurance up to Lab. / Instt.by <b>air/road/rail (retain one only)</b>	Total Price	Installation, Commissioning and training charges, if any

**Note:**

(a) The cost of optional items, if any shall be indicated separately

(b) Cost of Spares, if any

Total Bid price in foreign currency \_\_\_\_\_

in words \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

Name \_\_\_\_\_

Business Address \_\_\_\_\_

**PRICE SCHEDULE FOR GOODS BEING OFFERED FROM ABROAD**

Name of the Bidder \_\_\_\_\_

TENDER No. \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11	12
Sl. No.	Item Description	Country of origin	Unit	Qty.	Unit price Indicating currency  FOB (named port of shipment or FCA (named place of delivery) <b>(retain only one)</b> )	Total price (5x6)  FOB (named port of shipment) or FCA (named place of delivery) <b>(retain only one)</b>	Charges for Insurance & transportation to port//place of destination	Total price <b>CIF/CIP (retain one only)</b> (7+8)	Indian Agents Commission as a percent of FOB /FCA price included in the Quoted price	Approx. Shipment weight and volume	Indian Customs Tariff No and HSN No.  (ICT & HSN No.)

**Note:**

Currency \_\_\_\_\_

Total Bid price in foreign currency \_\_\_\_\_  
in words \_\_\_\_\_

(a) Indian agents name & address \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

(b) Installation, commissioning & training charges, if any \_\_\_\_\_

Name \_\_\_\_\_

(c) Cost of Spares, if any \_\_\_\_\_

Business Address \_\_\_\_\_

(d) The Indian agent's commission shall be paid in Indian Rupees only based on the Exchange Rate prevailing on the date of negotiation of documents in accordance with clause 2.22 of GCC.

(e) The cost of optional items shall be indicated separately.

## CHAPTER 6

### Qualification Requirements

(refer to Annexure-4E of the CSIR Manual)

#### **(Notes for internal use only)**

Pre-Qualification Criteria (PQC) should be unrestrictive enough so as not to leave out even one capable vendor/contractor. Otherwise, it can lead to higher prices of procurement/works/services. However, on the other hand, these criteria should be restrictive enough so as not to allow even one incapable vendor/contractor and thus vitiate fair competition for capable vendors/contractors to the detriment of the buyer's objectives. A misjudgement in either direction may be detrimental. A sample PQC is given as under:

Due consideration should be given while framing PQC, to its effect on adequacy of competition. To encourage MSEs, past successful bidders, a call may be taken – whether PQC should apply to full quantity/packages or be proportional to part quantity/ package quoted by a bidder. In case requirement is suddenly a multiple times the past procurements, blind adoption of past PQCs may lead to disqualification of successful past vendors leading to inadequate competition. PQC should therefore be carefully decided for each procurement with the approval of CA for acceptance of the tender. It should be clarified in the PQB documents that bidders have to submit authenticated documents in support of eligibility criteria.

Sample Prequalification criteria

#### Criteria 1 - Experience and Past Performance:

- a) The bidder (manufacturer or principal of authorised representative – hereinafter referred simply as 'The Bidder') should have regularly for at least the last \_\_\_\_\_] years, ending 31st March of the previous financial year (hereinafter called 'The relevant Date'), manufactured and supplied (/erected/ commissioned \_\_\_\_\_ [Name of Requirement], with the same or higher specifications having/with \_\_\_\_\_parameters (hereinafter called 'The Product'). The bidder should submit the manufacturer authorisation form as appended in Chapter-8 and
- b) 'The bidder' should have manufactured and supplied (/erected/commissioned) at least \_\_\_\_\_ numbers (herein after referred as 'The Qualifying Quantity') of 'The Product' in at least one of the last five years ending on 'The relevant Date', and out of which
- c) At least \_\_\_\_\_ numbers of offered version/model of 'The product' should be in successful operation for at least \_\_\_\_\_ years on the date of bid opening.

#### Criteria 2 - Capability- Equipment & manufacturing Facilities:

'The bidder' must have an annual capacity to manufacture and supply (/erected/commissioned) at least \_\_\_\_\_ (The Qualifying Quantity)

Note: In case of multiple products in a tender, this criterion shall be applicable product wise. For example, in case of Printing Paper of different specifications/sizes, it shall be applicable to quantity of paper manufactured and supplied specification/size wise.

### Criteria 3 - Financial Standing – under all conditions

- a) The average annual financial turnover of 'The bidder' during the last three years, ending on 'The relevant Date', should be at ₹\_\_\_\_\_ (or equivalent in foreign currency at exchange rate prevalent on 'The Relevant Date') ( fix the value as 40-80% or any other percentage of the estimated cost of the quantity in the bid document) as per the annual report (audited balance sheet and profit & loss account) of the relevant period, duly authenticated by a Chartered Accountant/Cost Accountant in India or equivalent in relevant countries.

Ministry of MSME have clarified that all Central Ministries/Departments/Central Public Section Undertakings may relax condition of prior turnover and prior experience with respect to Micro and Small Enterprises in all public procurements subject to meeting of quality and technical specifications. Further, the condition of prior turnover and prior experience may be relaxed for Start-ups (as defined by Department of Industrial Policy and Promotion) subject to meeting of quality & technical specifications and making suitable provisions in the bidding document (rule 173 (i) of GFR 2017))

- b) Bidder Firm (manufacturer or principal of authorised representative) should not have suffered any financial loss for more than one year during the last three years, ending on 'The Relevant Date'.
- c) The net worth of the Bidder firm (manufacturer or principal of authorised representative) should not be negative on 'The Relevant Date' and also ii) should have not eroded by more than 30% (thirty percent) in the last three years, ending on 'The Relevant Date'.

Note: In case of Indian Bidders/companies (manufacturer or principal of authorised representative) who have been restructured by Banks in India, under the statutory guidelines, they would be deemed to have qualified the Financial standing criteria considering the institutional financial backing available to them.

#### Applicability in Special Cases:

- a) Applicability to 'Make in India' :Bidders (manufacturer or principal of authorised representative) who have a valid/approved ongoing 'Make in India' agreement/ program and who while meeting all other criteria above, except for any or more of sub-criteria in Experience and Past Performance above, would also be considered to be qualified provided:
- i) their foreign 'Make-in-India' associates meet all the criteria above without exemption, and
- ii) the Bidder submits appropriate documentary proof for a valid/approved ongoing 'Make in India' agreement/program.
- iii) the bidder (manufacturer or principal of authorised representative) furnishes along with the bid a legally enforceable undertaking jointly executed by himself and such foreign Manufacturer for satisfactory manufacture, Supply (and

erection, commissioning if applicable) and performance of 'The Product' offered including all warranty obligations as per the general and special conditions of contract.

- b) *Authorized Representatives: Bids of bidders quoting as authorised representative of a principal manufacturer would also be considered to be qualified, provided:*
- i) *their principal manufacturer meets all the criteria above without exemption, and*
  - ii) *the principal manufacturer furnishes a legally enforceable tender-specific authorisation in the prescribed form assuring full guarantee and warranty obligations as per the general and special conditions of contract; and*
  - iii) *the bidder himself should have been associated, as authorised representative of the same or other Principal Manufacturer for same set of services as in present bid (supply, installation, satisfactorily commissioning, after sales service as the case may be) for same or similar 'Product' for past three years ending on 'The Relevant Date'.*
- c) *For Existing Successful Past Suppliers: In case the bidder (manufacturer or principal of authorised representative) who is a successful past supplier of 'The Product' in at least one of the recent past \_\_\_\_\_ procurements, who do not meet any or more of requirements above, would also be considered to be qualified in view of their proven credentials, for the maximum quantity supplied by him in such recent past.*
- d) *Joint Ventures and Holding Companies: Credentials of the partners of Joint ventures cannot (repeat cannot) be clubbed for the purpose of compliance of PQC in supply of Goods/Equipment, and each partner must comply with all the PQC criteria independently. However, for the purpose of qualifying the Financial Standing Criteria, the Financial Standing credentials of a Holding Company can be clubbed with only one of the fully owned subsidiary bidding company, with appropriate legal documents proving such ownership.*

Note for Bidders:

- a) *'Doctrine of Substantial Compliance': The Pre-Qualification Bidding (PQB) and Pre- Qualification Criteria (PQC) are for shortlisting of sources who are competent to perform this contract to ensure best value for money from expenditure of Public Money. This process is neither intended to bestow any entitlement upon nor to create any rights or privileges for the Bidders, by way of overly hair-splitting or viciously legalistic interpretations of these criteria, disregarding the very rationale of the PQB and PQC. Keeping this caveat in view, interpretation by the Purchaser would be based on common usage of terminologies and phrases in public procurement in accordance with the 'Doctrine of Substantial Compliance' and would be final.*

- b) The Bidder must declare, whether asked or not in a bid document, any previous transgressions of such a code of integrity with any entity in any country during the last three years or of being debarred by any other Procuring Entity. Failure to do so would amount to violation of this code of integrity.
- c) In case of agents quoting in offshore procurements, on behalf of their principal manufacturers, one agent cannot represent two manufacturers or quote on their behalf in a particular tender enquiry. One manufacturer can also authorise only one agent/ dealer. There can be only one bid from the following:
  - i) The Principal manufacturer directly or through one Indian agent on his behalf; and
  - ii) Indian/foreign agent on behalf of only one principal.
- d) Along with all the necessary documents/certificates required as per the tender conditions, the bidder should furnish a brief write-up, backed with adequate data, explaining his available capacity (both technical and financial), for manufacture and supply of the required goods/equipment, within the specified time of completion, after meeting all their current commitments.
- e) Supporting documents submitted by the bidder must be certified as follows:
  - i) All copy of supply/work order; respective completion certificate and contact details of clients; documents issued by the relevant Industries Department/National Small Industries Corporation (NSIC)/ manufacturing licence; annual report, etc., in support of experience, past performance and capacity/capability should be authenticated by the by the person authorised to sign the tender on behalf of the bidder. Original Documents must be submitted for inspection, if so demanded.
  - ii) All financial standing data should be certified by certified accountants, for example, Chartered Accountants/Cost Accountants or equivalent in relevant countries; and Indian bidder or Indian counterparts of foreign bidders should furnish their Permanent Account Number.
- f) A bidder or any of its affiliates who participated as a consultant in the preparation of the design or technical specifications of the contract i.e. the subject of the bid; cannot participate in the bidding process.
- g) Indian agents quoting on behalf of its foreign principal need to submit a copy of the agency agreement with the foreign principal detailing the services to be rendered by them on behalf of the principals, failing which its bid shall not be considered.
- (h) Foreign bidders to disclose the name and address of agent and representatives in India and Indian bidder to disclose their foreign principal or associates.

## CHAPTER 7 Contract Form

Contract No. \_\_\_\_\_ Date: \_\_\_\_\_

THIS CONTRACT AGREEMENT is made the [ *insert: number* ] day of [ *insert: month* ], [ *insert: year* ].

BETWEEN

(1) The Council of Scientific & Industrial Research registered under the Societies Registration Act 1860 of the Government of India having its registered office at 2, Rafi Marg, New Delhi-110001, India represented by \_\_\_\_\_ [ *insert complete name and address of Purchaser* ] (hereinafter called “the Purchaser”), and

(2) [ *insert name of Supplier* ], a corporation incorporated under the laws of [ *insert: country of Supplier* ] and having its principal place of business at [ *insert: address of Supplier* ] (hereinafter called “the Supplier”).

WHEREAS the Purchaser invited bids for certain Goods and ancillary services, viz., [ *insert brief description of Goods and Services* ] and has accepted a Bid by the Supplier for the supply of those Goods and Services in the sum of [ *insert Contract Price in words and figures, expressed in the Contract currency(ies)* ] (hereinafter called “the Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

01. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

02. The following documents shall constitute the Contract between the Purchaser and the Supplier, and each shall be read and construed as an integral part of the Contract:

- (a) This Contract Agreement
- (b) Special Conditions of Contract
- (c) General Conditions of Contract
- (d) Technical Requirements (including Schedule of Requirements and Technical Specifications)
- (e) The Supplier’s Bid and original Price Schedules
- (f) The Purchaser’s Notification of Award
- (g) [ *Add here any other document(s)* ]

03. This Contract shall prevail over all other Contract documents. In the event of any discrepancy or inconsistency within the Contract documents, then the documents shall prevail in the order listed above.

04. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the Goods and Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

05. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of Union of India on the day, month and year indicated above.

For and on behalf of the Council of Scientific & Industrial Research

Signed: *[insert signature]*  
in the capacity of *[ insert title or other appropriate designation ]*

in the presence of *[ insert identification of official witness ]*  
Signed: *[ insert signature ]*  
in the capacity of *[ insert title or other appropriate designation ]*

in the presence of *[ insert identification of official witness ]*

For and on behalf of the Supplier  
Signed: *[ insert signature of authorized representative(s) of the Supplier ]*  
in the capacity of *[ insert title or other appropriate designation ]*

in the presence of *[ insert identification of official witness ]*



## CHAPTER 8

### Other Standard Forms (To be enclosed as indicated below)

#### Table of Contents

<b>Sl. No.</b>	<b>Name</b>
01.	Bidder Information Form (to be enclosed with the technical bid)
02.	Manufacturers' Authorization Form (to be enclosed with the technical bid)
03.	Bid Security Form (to be enclosed with the technical bid)
04.	Bid Securing Declaration. (to be enclosed with the technical bid)
05.	Performance Statement Form (to be enclosed with the technical bid)
06.	Deviation Statement Form (to be enclosed with the technical bid)
07.	Service Support Detail Form (to be enclosed with the technical bid)
08.	Bid Form (to be enclosed with the priced bid)
09.	Performance Security Form (to be enclosed with the technical bid)
10.	Acceptance Certificate Form (to be enclosed with the technical bid)
11.	Integrity Pact (to be enclosed with the technical bid)
12.	Format of Letter of Authority for participating in bid opening
13.	Format of declaration of abiding by the code of integrity and conflict of interest to be submitted by the bidder.

**Note :** Please refer clause 1.10.1 of the bidding documents for other documents to be attached with the bids/offers.



**Bidder Information Form***(Refer para 5.1.2 (ix)(a) of the CSIR Manual)*

- (a) *The Bidder shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted. This should be done of the letter head of the firm]*

Date: *[insert date (as day, month and year) of Bid Submission]*

Tender No.: *[insert number from Invitation for bids]*

Page 1 of \_\_\_\_\_ pages

01.	Bidder's Legal Name <i>[insert Bidder's legal name]</i>
02.	In case of JV, legal name of each party: <i>[insert legal name of each party in JV]</i>
03.	Bidder's actual or intended Country of Registration: <i>[insert actual or intended Country of Registration]</i>
04.	Bidder's Year of Registration: <i>[insert Bidder's year of registration]</i>
05.	Bidder's Legal Address in Country of Registration: <i>[insert Bidder's legal address in country of registration]</i>
06.	Bidder's Authorized Representative Information Name: <i>[insert Authorized Representative's name]</i> Address: <i>[insert Authorized Representative's Address]</i> Telephone/Fax numbers: <i>[insert Authorized Representative's telephone/fax numbers]</i> Email Address: <i>[insert Authorized Representative's email address]</i>
07.	Attached are copies of original documents of: <i>[check the box(es) of the attached original documents]</i> Articles of Incorporation or Registration of firm named in 1, above.

Signature of Bidder \_\_\_\_\_

Name \_\_\_\_\_

Business Address \_\_\_\_\_

**MANUFACTURERS' AUTHORIZATION FORM**

*(Refer para 5.1.2 (ix)(b) of the CSIR Manual)*

***[The Bidder shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be on the letterhead of the Manufacturer and should be signed by a person with the proper authority to sign documents that are binding on the Manufacturer and be enclosed with the technical bid.]***

Date: *[insert date (as day, month and year) of Bid Submission]*

Tender No.: *[insert number from Invitation for Bids]*

To: *[insert complete name and address of Purchaser]*

**WHEREAS**

We *[insert complete name of Manufacturer]*, who are official manufacturers of *[insert type of goods manufactured]*, having factories at *[insert full address of Manufacturer's factories]*, do hereby authorize *[insert complete name of Bidder]* to submit a bid the purpose of which is to provide the following Goods, manufactured by us *[insert name and or brief description of the Goods]*, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with Clause 2.21 of the General Conditions of Contract, with respect to the Goods offered by the above firm.

Signed: *[insert signature(s) of authorized representative(s) of the Manufacturer]*

Name: *[insert complete name(s) of authorized representative(s) of the Manufacturer]*

Title: *[insert title]*

Duly authorized to sign this Authorization on behalf of: *[insert complete name of Bidder]*

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert date of signing]*

**BID SECURITY FORM***(Refer para 5.1.2 (ix)(c) & 6.1.1 (01) of the CSIR Manual)*

Whereas \_\_\_\_\_ (hereinafter called the tenderer”) has submitted their offer dated \_\_\_\_\_ for the supply of \_\_\_\_\_ (hereinafter called the tender”) against the purchaser’s tender enquiry No. \_\_\_\_\_

KNOW ALL MEN by these presents that WE \_\_\_\_\_ of \_\_\_\_\_ having our registered office at \_\_\_\_\_ are bound unto \_\_\_\_\_ (hereinafter called the “Purchaser”)

In the sum of \_\_\_\_\_ for which payment will and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

## THE CONDITIONS OF THIS OBLIGATION ARE:

- (1) If the tenderer withdraws or amends or modifies or impairs or derogates from the Tender in any respect within the period of validity of this tender.  
Or
- (2) If the tenderer having been notified of the acceptance of his tender by the Purchaser during the period of its validity:-
  - (a) If the tenderer fails to furnish the Performance Security for the due performance of the contract.
  - (b) Fails or refuses to accept/execute the contract.

WE undertake to pay the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including 45 days after the period of tender validity i.e., up to \_\_\_\_\_ and any demand in respect thereof should reach the Bank not later than this date.

\_\_\_\_\_  
(Signature of the authorized officer of the Bank)

Name and designation of the officer  
Seal, Name & Address of the Issuing Branch of the Bank

**Note:** Whenever the bidder chooses to submit the Bid Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.

**Bid-Securing Declaration Form**

*(Refer para 5.1.2 (ix)(d) & 6.1.1 (02) of the CSIR Manual)*

Date: \_\_\_\_\_

Bid No. \_\_\_\_\_

To (insert complete name and address of the purchaser)

I/We. The undersigned, declare that:

I/We understand that, according to your conditions, bids must be supported by a Bid Securing Declaration.

I/We accept that I/We may be disqualified from bidding for any contract with you for a period of one year from the date of notification if I am /We are in a breach of any obligation under the bid conditions, because I/We

- (a) have withdrawn/modified/amended, impairs or derogates from the tender, my/our Bid during the period of bid validity specified in the form of Bid; or
- (b) having been notified of the acceptance of our Bid by the purchaser during the period of bid validity (i) fail or reuse to execute the contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the Instructions to Bidders.

I/We understand this Bid Securing Declaration shall cease to be valid if I am/we are not the successful Bidder, upon the earlier of (i) the receipt of your notification of the name of the successful Bidder; or (ii) thirty days after the expiration of the validity of my/our Bid.

Signed: (insert signature of person whose name and capacity are shown) in the capacity of (insert legal capacity of person signing the Bid Securing Declaration).

Name: (insert complete name of person signing the Bid Securing Declaration)

Duly authorized to sign the bid for an on behalf of : (insert complete name of Bidder)

Dated on \_\_\_\_\_ day of \_\_\_\_\_ (insert date of signing)

Corporate Seal (where appropriate)

(Note: In case of a Joint Venture, the Bid Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid)

**PERFORMANCE STATEMENT FORM**  
*(Refer para 5.1.2 (ix)(e) of the CSIR Manual)*

(For a period of last 3 years)

Name of the Firm.....

Order Placed by (full address of Purchaser)	Order No. and date	Description and quantity of ordered equipment	Value of order	Date of completion of deliver as per Contract	Date of actual completion of delivery	Remarks indicating reasons for late delivery, if any	Has the equipment been installed satisfactory ? (Attach a certificate from the purchaser/Consignee)	Contact person along with Telephone No., FAX No. and e-mail address

Signature and Seal of the manufacturer/Bidder .....

Place :

Date :

**DEVIATION STATEMENT FORM**  
*(Refer para 5.1.2 (ix)(f) of the CSIR Manual)*

Sl.No.	Name of Specifications / Parts / Accessories of Tender Enquiry	Specifications of Quote Model / Part / Accessory	Compliance Whether Yes of No	Deviation, if any to be indicated in unambiguous terms (The compliance / Deviation should be supported by relevant Technical Literature)	Technical justification for the deviation, if any. If specification is superior /inferior than asked for in the enquiry, it should be clearly brought out in the justification

**Signature of Bidder**

- ✓ If the bidder offers more than one model, then the Compliance Statement must be enclosed for each and every model separately.
- ✓ The technical and commercial deviations should be indicated separately.
- ✓ If the bidder fails to enclose the compliance statement, his bid is likely to be rejected.

Place:

Date:

Signature and seal of the  
Manufacturer/Bidder

**NOTE:**

- 1) Where there is no deviation, the statement should be returned duly signed with an endorsement indicating "No Deviations".



**SERVICE SUPPORT FORM**  
*(Refer para 5.1.2 (ix)(g) of the CSIR Manual)*

Sl. No.	Nature of training Imparted	List of similar type of equipment serviced in the past 3 years	Address, Telephone Nos. , Fax Nos. and e-mail address

Signature and Seal of the manufacturer/Bidder.....

Place :

Date :

**Bid Form**

*(Refer para 5.1.2 (ix)(h) of the CSIR Manual)*

*[The Bidder shall fill in this Form in accordance with the instructions indicated. No alterations to its format shall be permitted and no substitutions shall be accepted.]*

Date: *[insert date (as day, month and year) of Bid Submission]*

Tender No.: *[insert number from Invitation for Bids]*

Invitation for Bid No.: *[insert No of IFB]*

To: *[insert complete name of Purchaser]*

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda No.: *[insert the number and issuing date of each Addenda];*
- (b) We offer to supply in conformity with the Bidding Documents and in accordance with the Delivery Schedules specified in the Schedule of Requirements the following Goods and Related Services *[insert a brief description of the Goods and Related Services];*
- (c) The total price of our Bid, excluding any discounts offered in item (d) below, is: *[insert the total bid price in words and figures, indicating the various amounts and the respective currencies];*
- (d) The discounts offered and the methodology for their application are:  
  
**Discounts:** *If our bid is accepted, the following discounts shall apply. [Specify in detail each discount offered and the specific item of the Schedule of Requirements to which it applies.]*
- (e) Our bid shall be valid for the period of time specified in ITB Sub-Clause 1.17.1 from the date fixed for the bid opening, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (f) If our bid is accepted, we commit to obtain a performance security in accordance with ITB Clause 1.43 and GCC Clause 2.13 for the due performance of the Contract and also submit order acceptance within 14 days from the date of contract in accordance with ITB Clause 1.42 and GCC Clause 2.44;
- (g) The following commissions, gratuities, or fees have been paid or are to be paid with respect to the bidding process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]*

Name of Recipient	Address	Reason	Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(If none has been paid or is to be paid, indicate “none.”)

- (h) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed.
- (i) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

Signed:

*[insert signature of person whose name and capacity are shown]*

In the capacity of *[insert legal capacity of person signing the Bid Submission Form]*

Name: *[insert complete name of person signing the Bid Submission Form]*

Duly authorized to sign the bid for and on behalf of: *[insert complete name of Bidder]*

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert date of signing]*

**PERFORMANCE SECURITY FORM**

*(Refer para 5.1.2 (ix)(i) & 6.1.2 (02) of the CSIR Manual)*

**MODEL BANK GUARANTEE FORMAT FOR PERFORMANCE SECURITY**

To,

.....

WHEREAS ..... (name and address of the supplier) (hereinafter called “the supplier”) has undertaken, in pursuance of contract No. .... dated .....to supply (description of goods and services) (herein after called “the contract”).

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a scheduled commercial bank recognized by you for the sum specified therein as security for compliance with its obligations in accordance with the contract;

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of ..... (amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the supplier before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract to be performed there under or of any of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until the ..... day of ....., 20.....

(Signature of the authorized officer of the Bank)

.....

Name and designation of the officer

.....

Seal, Name & Address of the Issuing Branch of the Bank

**Note: Whenever, the bidder chooses to submit the Performance Security in the form of Bank Guarantee, then he should advise the banker issuing the Bank Guarantee to immediately send by Registered Post (A.D.) an unstamped duplicate copy of the Guarantee directly to the Purchaser with a covering letter to compare with the original BG for the correctness, genuineness, etc.**

**ACCEPTANCE CERTIFICATE FORM**  
(Refer para 5.1.2 (ix) (j) of the CSIR Manual)

No. \_\_\_\_\_

Dated: \_\_\_\_\_

M/s. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_Sub: Certificate of commissioning of equipment  
\_\_\_\_\_

01. This is to certify that the equipment as detailed below has/have been received in good condition along with all the standard and special accessories (subject to remarks in Para 2). The same has been installed and commissioned.

- (a) Contract No. \_\_\_\_\_ Date \_\_\_\_\_  
 (b) Description of the equipment \_\_\_\_\_  
 (c) Name of the consignee \_\_\_\_\_  
 (d) Scheduled date of delivery of the consignment to the Lab./Instts. \_\_\_\_\_  
 (e) Actual date of receipt of consignment by the Lab./Instts. \_\_\_\_\_  
 (f) Scheduled date for completion of installation/commissioning \_\_\_\_\_  
 (g) Training Starting Date \_\_\_\_\_  
 (h) Training Completion Date \_\_\_\_\_  
 (i) Names of People Trained \_\_\_\_\_  
 (j) Actual date of completion of installation/commissioning \_\_\_\_\_  
 (k) Penalty for late delivery (at Lab./Instts. level) ₹ \_\_\_\_\_  
 (l) Penalty for late installation (at Lab./Instts. level) ₹ \_\_\_\_\_

Details of accessories/items not yet supplied and recoveries to be made on that account:

Sl. No.	Description	Amount to be rrecovered

02. The acceptance test has been done to our entire satisfaction. The supplier has fulfilled his contractual obligations satisfactorily

or

The supplier has failed to fulfil his contractual obligations with regard to the following:

- (a) .....
- (b) .....
- (c) .....
- (d) .....

The amount of recovery on account of failure of the supplier to meet his contractual obligations is as indicated at Sr. No. 3.

For Supplier

Signature .....

Name .....

Designation .....

Name of the firm.....

Date .....

For Purchaser

Signature.....

Name.....

Designation.....

Name of the Lab/Instt.....

Date.....

**Format of Integrity Pact**  
*(Refer para 5.1.2 (ix) (k) of the CSIR Manual)*

**INTEGRITY PACT**

Between

Council of Scientific & Industrial Research (CSIR) a Society registered under the Indian Societies Act 1860 represented by \_\_\_\_\_ hereinafter referred to as “The Principal”.

And .....herein referred to as “The Bidder/ Contractor.”

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for .....The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness/ transparency in its relations with its Bidder(s) and/or Contractor(s).

In order to achieve these goals, the Principal will appoint an Independent External Monitor (IEM), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

**Section 1 – Commitments of the Principal**

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:
  - (a) No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
  - (b) The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
  - (c) The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary action.

## **Section 2 – Commitments of the Bidder(s)/Contractor(s)**

- (1) The Bidder(s)/Contractor(s) commit himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.
  - (a) The Bidder(s)/Contractor(s) will not, directly or through any other Person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
  - (b) The Bidder(s)/Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, Certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
  - (c) The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
  - (d) The Bidder(s)/Contractor(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractor(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is annexed and marked as Annexure.
  - (e) The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- (2) The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.
- (3) The person signing IP shall not approach the courts while representing the matters to IEMs and he/she will await their decision in the matter.

## **Section 3 – Disqualification from tender process and exclusion from future Contracts**

- (1) If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the "Guidelines on Banning of business dealings". Copy of the "Guidelines on Banning of business dealings" is annexed and marked as Annex -"B".



#### **Section 4 – Compensation for Damages**

- (1) If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the contract value or the amount equivalent to Performance Bank Guarantee.

#### **Section 5 – Previous transgression**

- (1) The Bidder declares that no previous transgressions occurred in the last 3 Years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealings.”

#### **Section 6 – Equal treatment of all Bidders / Contractors/ Sub-contractors**

- (1) The Bidder(s)/Contractor(s) undertake(s) to demand from all Subcontractors a commitment in conformity with this Integrity Pact, and to submit it to the Principal before contract signing.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders, Contractors and Subcontractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

#### **Section 7 – Criminal charges against violating Bidders / Contractors/ Subcontractors**

- (1) If the Principal obtains knowledge of conduct of a bidder, Contractor or Subcontractor or of an employee or a representative or an associate of a bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

#### **Section 8 - Independent External Monitors**

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the JS (A), CSIR.

- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s) / Subcontractor(s) with confidentiality.
- (4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (5) As soon as the Monitor notice, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (6) The Monitor will submit a written report to the JS(A), CSIR within 8 to 10 weeks from the date of reference or intimation to him by the Principal and should the occasion arise, submit proposals for correcting problematic situations.
- (7) Monitor shall be entitled to compensation on the same terms as being extended to/provided to Independent Directors on the CSIR.
- (8) If the Monitor has reported to the JS(A),CSIR, a substantiated suspicion of an offence under relevant IPC/PC Act, and the JS(A), CSIR has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- (9) The word 'Monitor' would include both singular and plural.

## **Section 9 – Pact Duration**

This Pact begins when both parties have legally signed it. It expires for the Contractor 10 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by JS(A), CSIR.

## **Section 10 – Other provisions**

- (1) This agreement is subject to Indian Law. Place of performance and Jurisdiction is the Registered Office of the Principal, i.e. New Delhi
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

\_\_\_\_\_  
(For & On behalf of the Principal)  
(Office Seal)

\_\_\_\_\_  
(For & On behalf of Bidder/Contractor)  
(Office Seal)

Place.....

Place.....

Date.....

Date.....

Witness 1:(Name & Address): \_\_\_\_\_

Witness 2:(Name & Address): \_\_\_\_\_

**Format of Letter of Authority for participating in bid opening**

(On the letter head of the bidder)  
(Refer para 5.1.2 (ix)(l) & 5.3.2 of the CSIR Manual)

Ref.No. \_\_\_\_\_

Date: \_\_\_\_\_

**Subject: Authorisation letter for participants in the bid opening process**

To

\_\_\_\_\_

\_\_\_\_\_  
(Name & Address of the Purchaser)

Sir

With reference to your invitation for bid No. \_\_\_\_\_ dated \_\_\_\_\_, we wish to inform you that we have participated in the bidding process and have submitted bid bearing Ref. No. \_\_\_\_\_ dated \_\_\_\_\_.

In line with your requirement, we hereby authorise Sh/Smt. \_\_\_\_\_ to participate in the bid opening process scheduled on \_\_\_\_\_ at \_\_\_\_\_ hrs (IST) in your premises. A copy of the identity of the representative is attached duly certified by the undersigned.

Thanking you

Yours faithfully,

(Signature of the bidder with seal)

**Format for declaration by the Bidder for Code of Integrity & conflict of interest**  
*(Refer para 3.2.1 & 5.1.2 (ix)(m) of the CSIR Manual)*

**(On the Letter Head of the Bidder)**

Ref. No: \_\_\_\_\_

Date \_\_\_\_\_

To,

\_\_\_\_\_

\_\_\_\_\_  
(Name & address of the Purchaser)

Sir,

With reference to your Tender No. \_\_\_\_\_ dated \_\_\_\_\_ I/We hereby declare that we shall abide by the Code of Integrity for Public Procurement as mentioned under Para 1.3.0 of ITB of your Tender document and have no conflict of interest.

The details of any previous transgressions of the code of integrity with any entity in any country during the last three years or of being debarred by any other Procuring Entity are as under:

- a
- b
- c

We undertake that we shall be liable for any punitive action in case of transgression/contravention of this code.

Thanking you,

Yours sincerely,

Signature  
(Name of the Authorized Signatory)  
Company Seal

**PRICE SCHEDULE FORM FOR GOODS BEING OFFERED FROM ABROAD***(Refer para 5.1.4 (02)(l) of the CSIR Manual)*

Name of the Bidder \_\_\_\_\_

TENDER No. \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11	12
Sl. No.	Item Description	Country of origin	Unit	Qty.	Unit price Indicating currency  FOB (named port of shipment or FCA (named place of delivery) <b>(retain only one)</b> )	Total price (5x6)  FOB (named port of shipment) or FCA (named place of delivery) <b>(retain only one)</b>	Charges for Insurance & transportation to port//place of destination	Total price <b>CIF/CIP (retain one only)</b> (7+8)	Indian Agents Commission as a percent of FOB /FCA price included in the Quoted price	Approx. Ship-ment weight and volume	Indian Customs Tariff No and HSN No.  (ICT & HSN No.)

**Note:**

Currency \_\_\_\_\_

Total Bid price in foreign currency \_\_\_\_\_  
in words \_\_\_\_\_

(a) Indian agents name &amp; address \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

(b) Installation, commissioning &amp; training charges, if any \_\_\_\_\_

Name \_\_\_\_\_

(c) Cost of Spares, if any \_\_\_\_\_

Business Address \_\_\_\_\_

(d) The Indian agent's commission shall be paid in Indian Rupees only based on the Exchange Rate prevailing on the date of negotiation of documents in accordance with clause 22.1 of GCC.

(e) The cost of optional items shall be indicated separately.

**PRICE SCHEDULE FORM FOR GOODS BEING OFFERED FROM INDIA***(refer para 5.1.4 (02)(l) of the CSIR Manual)*

Name of the Bidder\_\_\_\_\_

Tender No.\_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11	12
Sl. No.	Item Description With HSN code	Country of origin	Unit	Quantity	Unit Rate Ex-Works, Ex-warehouse, Ex-show room off the shelf price (inclusive of all taxes already paid)	Total price Ex-Works, Ex-warehouse, Ex-show room off the shelf price (inclusive of all taxes already paid) 5x6	GST & other taxes payable, if contract is awarded	Packing & forwarding up to station of dispatch, If any	Charges for inland transportation, insurance up to Lab. / Instt.by <b>air/road/rail (retain one only)</b>	Total Price	Installation, Commissioning and training charges, if any

**Note:**

- (a) The cost of optional items, if any shall be indicated separately  
 (b) Cost of Spares, if any

Total Bid price in Indian currency\_\_\_\_\_ in words \_\_\_\_\_

Signature of Bidder \_\_\_\_\_

Name \_\_\_\_\_

Business Address \_\_\_\_\_

**Bid opening attendance sheet cum report**  
(Refer para 5.3.2 of the CSIR Manual)

\_\_\_\_\_  
(Name of the Lab/Instt)

Attendance Record						
Sr No	Bidder's Name	Bidder's Address	Bidder's Authorization and Date	Represented by	Contact No.	Signature of Representative

Bid Opening Report						
Tender No			Title			Date of Opening
Offer No.	Bidder's Name	Bidder's Ref and Date	Submission of Requisite EMD (Y/N)	Submission of other Mandatory Documents (Y/N)	Rate Quoted and Taxes/Duties	Signature of Representative
-/--						
-/--						
-/--						

Total no. of regular tenders taken out from the tender box to be opened as mentioned above  
..... (in figures and in words)

Signature, Date and Time Name and Designation of Tender Opening Officer	Signature, Date and Time Name and Designation of Tender Opening Officer	Signature, Date and Time Name and Designation of Tender Opening Officer
-------------------------------------------------------------------------------	-------------------------------------------------------------------------------	----------------------------------------------------------------------------

Received total regular tenders ..... (In figures/words) as above

Signature, Date and Time Name and Designation of Purchase Dealing Assistant/ Section Officer	
----------------------------------------------------------------------------------------------------	--



**BANK GUARANTEE FORM FOR ADVANCE PAYMENT**

*(Refer para 5.1.2 (ix)(n) & 6.5.1 (ii) (d) of the CSIR Manual)*

To

\_\_\_\_\_ (name of Purchaser)  
\_\_\_\_\_ (address of Purchaser)  
\_\_\_\_\_ (name of Contract)

Gentlemen:

In accordance with the provisions of the Purchase Order no. \_\_\_\_\_, dated \_\_\_\_\_, M/s \_\_\_\_\_, (name and address of Supplier) (hereinafter called "the supplier") shall deposit with \_\_\_\_\_ (name of Purchaser) a bank guarantee to guarantee his proper and faithful performance under the said Clause .... of the Contract in an amount of (amount of guarantee) \* \_\_\_\_\_ (in words).

We, the \_\_\_\_\_ (bank or financial institution), as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to (name of Purchaser) on his first demand without whatsoever right of objection on our part and without his first claim to the Supplier, in the amount not exceeding \_\_\_\_\_ (amount of guarantee)\* \_\_\_\_\_ (in words).

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there under or of any of the Contract documents which may be made between (name of Purchaser) and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the contract until \_\_\_\_\_.

Yours truly,

Signature and seal:

Name of bank/ financial institution:

Address:

Date:

\_\_\_\_\_ An amount is to be inserted by the bank or financial institution representing the amount of the Advance Payment.

**FORMAT FOR SECURITIES REGISTER**  
(Refer para 6.1.4 of the CSIR Manual)

\_\_\_\_\_  
(Name of the Lab/Instt.)

Sl. No.	File No.	Item Description	Date of Tech. Bid Opening	No. of bids Received	EMD Details				Validity
					Name of Bidder	BG No. & date	Amount	Name & Place of Issuing Bank	
1	2	3	4	5	6	7	8	9	10

PBG Details			Validity	Date EMD refunded	Date PBG refunded	Remarks
BG No. & date	Amount	Name & Place of Issuing Bank				
11	12	13	14	15	16	17

**SAMPLE PRICE VARIATION CLAUSE**

(Refer Para 6.6.4 (xi) of CSIR Manual)

*(The formula for price variation should ordinarily include a fixed element, a material element and a labour element. The figures representing the material element and the labour element should reflect the corresponding proportion of input costs, while the fixed element may range from 10 to 25% (ten to twenty-five percent). That portion of the price represented by the fixed element and profits and is not subject to variation. The portions of the price represented by the material element and labour element along will attract price variation.)*

The formula for price variation will thus be:-

$$P_a = P_o \left[ \frac{(F + a (M_1/M_o) + b (L_1/L_o))}{100} \right] - P_o$$

Where: -

$P_a$  is then adjustment amount payable to the supplier (a minus figure will indicate a reduction in the contract price) on the date of supply.

$P_o$  is the contract price on the base date (which is taken as the date on which tender is due to open).

F is the fixed element (as the percentage of the total price) not subject to price variation.

a is the assigned percentage to the material element in the contract price.

b is the assigned percentage to the labour element in the contract price.

(F, a and b being percentages should total 100)

$L_o$  and  $L_1$  are the average wage indices for the quarter before the quarter in which base month falls and for the quarter before the quarter in which date of supply falls; respectively. For example, for a tender opening on March 17, 2016 (base date),  $L_o$  would be average wage index for the quarter of Oct-Dec 2015.

$M_o$  and  $M_1$  are the material prices/indices as average of the month, two months prior to the month in which base month falls and average of the month, two months prior to the month in which date of supply falls, respectively. For example, for a tender opening on March 17, 2016 (base date),  $M_o$  would be prices/index as average of the month of January 2016. All material prices/indices will be basic prices without excise duty and without any other central, state, local taxes and duties and Octroi.

If more than one major item of material is involved, the material element can be broken up into two or three components such as  $M_x$ ,  $M_y$ ,  $M_z$ .

The following conditions would be applicable to price adjustment:

- Base dates shall be due dates of opening of bids (technical bid in two or three envelop/ cover system).
- Date of supply shall be the date of calculation/determination of the price variation.
- No price increase is allowed beyond original delivery period.
- No price adjustment shall be payable on the portion of contract price paid to the seller as an advance/interim payment after the date of such payment.
- Total adjustment will be subject to maximum ceiling of \_\_\_\_\_%.
- No price adjustment shall be payable if this is less than or equal to 2% (two percent) of  $P_0$ .
- Payments for each supply would initially be made as per the base price mentioned in the contract. Price adjustment bill should be submitted only quarterly for the supplies made during the quarter.
- In GTE tenders extra care should be taken in selecting the price indices. Preferably the price indices should be from the same country and of same currency as the country and currency of the bidder. In case price is in a currency of a country where inflation is low and the indices are from country with much higher inflation rates,  $(M_1/M_0)$  and  $(L_1/L_0)$  should be multiplied by a correction factor of exchange rates, where  $E_0$  is the exchange rate ( $E_0/E_1$ ) of country of M and L indices with reference to currency of price P. For example, if M&L are from India and P is in \$, then  $E_0$  is Number of ₹ In a \$ on base date and E, is the exchange rate on determination date.
- Even if there is no price adjustment claim, supplier must submit all relevant data to prove that there is no downward variation. In any case he must submit a declaration as follows;

*"It is certified that there has been no decrease in the price of price variation indices and in the event of any decrease of such indices during the currency of this contract we shall promptly notify the same to the purchaser and offer requisite reduction in the contract rate."*

**INCOTERMS***(Refer Para 6.9.4 of the CSIR Manual)*

More Common Terms in Incoterms							
TERM SERVICE	EXW Ex-Works	FCA Free Carrier	FAS Free Alongside Ship	FOB FOB Vessel	CFR Cost & Freight	CIF Cost Insurance & Freight	CPT Carriage Paid to
	Who Pays	Who Pays	Who Pays	Who Pays	Who Pays	Who Pays	Who Pays
Warehouse storage at point of origin	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Warehouse labour at point of origin	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export packing	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading at point of origin	Buyer	Seller	Seller	Seller	Seller	Seller	Seller
Inland freight	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Port receiving charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Forwarders fee	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Loading on ocean carrier	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller
Ocean/air freight charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Insurance charges for transit risk of the buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller
Charges at foreign port/airport	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Customs, duties & taxes abroad	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
Delivery charges to final destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer

## Name, Address, contact details and logo of the CSIR-Lab/Instt.

**Letter of Award (LOA) of Contract**  
(Refer Para 7.6.1 (01) of the CSIR manual)

**CONFIDENTIAL**

Order No. ....

Dated .....

Contract No.: [Insert date]

Contract Title:

To,

M/s. [Insert name &amp; address]

Sub: Award of contract for contract no: [insert contract number] and contract title: [insert contract title]

Ref. Your offer no. [insert offer number] against our tender no. [insert tender no] opened on [insert date of opening of tender] and subsequent correspondence No. .... dated .....

Dear Sir/Madam,

I am directed to inform you that after evaluating the bid documents submitted by you as referred above, The Director, ..... (name of the Procuring Entity) is pleased to inform you that you have been selected as the successful bidder for the supply of [enter description of the item]. The total purchase price shall be .....[enter amount]....., as indicated in your financial bid submitted on [enter date], in accordance with the procedures intimated in the relevant bid documents. You/your authorised representative(s) are requested to be personally present at [insert address] for the signing of the contract by [enter date]. In this respect, we also request you to submit the performance security of [insert amount of Rupees in words] by [insert date] (*within 21 days from the date of LoA*) Please apply for refund of EMD deposited .

You are requested to execute necessary agreement within fourteen days from the date of issue of this letter in the enclosed agreement form. Special adhesive stamp of ₹10 (Rupees Ten) and revenue stamp of Rupee one shall be affixed on the enclosed agreement form.

This LOA/notification concludes the legally binding contract between you and the CSIR- Lab/Instt , till issue of a formal contract.

Yours truly,

[Authorised Officer]

For &amp; on Behalf of

**The Council of Scientific and Industrial Research**

Enclosure: Agreement Form along with the schedule of delivery

## ANNEXURE-7B

### FORMAT OF PURCHASE ORDER REGISTER (INDIGENOUS)

\_(Refer para 7.6.1(04) & 9.6 of the CSIR Manual)

\_\_\_\_\_ (Name of the Lab/Instt)

PO No	PO Date	PR No	PR Date	Indent No	Indent Date	File No.	Description of Item	Quantity	Capital/Consumable	Project No.	Name of Indenter	Name of Project Leader	Mode of Tendering	Supplier
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

GSTN No.	Sanction Amount ₹	Payment terms	Bill No.	Bill Date	Bill Amount	Date of sending Bill to Accounts	OB No.	OB Date	Quantity and Due Date of Delivery		Quantity and Actual Date of Delivery	
									Quantity	Date	Quantity	Date
16	17	18	19	20	21	22	23	24	25	26	27	28

Whether Delay was attributable to the Supplier or the Purchaser	Whether Penalty is imposed or Not	Amount of Penalty Deducted	TDS Amount deducted	Bill Value Sent to Accounts for payment	Preferential Market Access (PMA) given, if any (MSEs, Make in India)	If PMA given then the details thereof	Signature of PDA	Signature of Purchase Officer	Remarks
29	30	31	32	33	34		35	36	37






Value of FVC/ Advance Bill	FVC Sent To A/Cs on	Cheque No. / Authority	Date	OB. No.	OB Date	LC/ FDD No.	LC/ FDD date	LC Est. Charges/ Amend-ment / Extension	Bank Statement Details				Date of Adjustm ent Bill Sent to A/Cs
									Exchange Rate	Interest on TDR	Total Exp.	Credit/ Debit Amount with Date	
16	17	18	19	20	21	22	23	24	25	26	27	28	29

Agency Commission				Bill of Entry No.	Bill of entry Date	Insurance Charges	Freight Charges	Clearance Charges	Customs Duty	Demurrage Charges	Remarks
Bill No.	Amount (in FE)	Amount (in INR)	Date Sent To A/C								
30	31	32	33	34	35	36	37	38	39	40	41

**COPY OF APPROVAL ACCORDED BY MoF FOR CONCLUSION OF RCs ON NDP BASIS AND FOR  
OTHER ITEMS**

*(Refer para 8.3 of the CSIR Manual)*

No.F.2/1/2018-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
PP Division  
\*\*\*

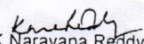
516, Lok Nayak Bhawan,  
New Delhi Dated the 30<sup>th</sup> May, 2018

OFFICE MEMORANDUM

**Subject:** Relaxation from the provisions of Manual for Procurement of Goods, 2017 and provisions of General Financial Rules (GFRs), 2017 relating to (i) Purchases of Goods on Single Tender Enquiry (STE) and (ii) Conclusion of Rate Contract on NDP basis — Request from Council of Scientific and Industrial Research (CSIR).

The undersigned is directed to refer Council of Scientific and Industrial Research (CSIR) I.D. No. 13-04(01)15-16/S&P/Policy dated 08.05.2018 on the above mentioned subject and to say as under:

- (a) In view of the justification provided, this Department agrees with the proposal of CSIR to procure specific Research & Development (R&D) consumables on single tender basis without Proprietary Article Certificate (PAC) in order to ensure reproducibility of the research results and to attain scientific rigour on a case to case basis.
  - (b) There is no bar either in General Financial Rules (GFRs), 2017 or Manual for Procurement of Goods, 2017 issued by this Department to conclude Rate Contracts, if required, by CSIR. As far as waiver sought from para 8.1.9(i) and 8.1.15 of Manual is concerned, attention is invited to Foreword of Manual itself that Manuals are to be taken as generic guidelines and Ministries/ Departments are advised to supplement Manuals to suit their local/ specialized needs by issuing their own detailed instructions. Hence, CSIR may take action as appropriate in this regard.
  - (c) Provisions of the Public Procurement (Preference to Make in India) Order 2017 may also be kept in mind while finalising such purchases.
2. This issues with the approval of JS(PF C-II).

  
(K. Narayana Reddy)  
Under Secretary to the Govt. Of India  
Tel.No.24621305  
Email : kn.reddy@nic.in

To,  
Shri R. Krishna Rao,  
Sr. Controller of Stores & Purchase  
Centre for Scientific & Industrial Research (CSIR)  
Anusandhan Bhawan, 2 Rafi Marg, New Delhi - 110001

*Tagurd*  
30/5/18

**FORM OF NO CLAIM CERTIFICATE**  
(Refer Para 6.3.2 (viii), 9.5 and 9.10 of the CSIR Manual)  
(On company letterhead)

To,

Name & Address of CSIR Labs/Instts \_\_\_\_\_

Attention:

**NO CLAIM CERTIFICATE**

**Sub:** Contract Agreement no. ....dated ..... for the supply of .....

We have received the sum of ₹ ..... (Rupees ..... only) in full and final settlement of all the payments due to us for the supply of ..... under the abovementioned contract agreement, between us. We hereby unconditionally and without any reservation whatsoever, certify that with this payment, we shall have no claim whatsoever, of any description, on any account, against afore said contract agreement executed by us. We further declare unequivocally, that with this payment, we have received all the amounts payable to us, and have no dispute of any description whatsoever, regarding the amounts worked out as payable to us and received by us, and that we shall continue to be bound by the terms and conditions of the contract agreement, as regards performance of the contract.

Yoursfaithfully,

Signatures of Supplier or  
Officer authorised to sign the contract documents  
on behalf of the supplier  
(company stamp)

Date:  
.....

Place:  
.....

**ANNEXURE-9B**

**FORMAT FOR PROPOSAL FOR EXTENSION OF DELIVERY PERIOD**

*(Refer Para 9.7.4(03) of the CSIR Manual)*

Description		Contract value	
Contract No:		Date:	
Variations applicable	PVC/ERV/Statutory Variations	Type of supplier	Govt./ PSU/M SE/Pvt.
Supplier Name & Regn. No.:		Quantity on order	
Quantity already supplied		Quantity remaining	
Details of earlier extensions granted		Type of contract:	Development/ Indigenization / Supply
Reference and date of request for extension		Reasons cited for extension	
Original/extended delivery period/date		Proposed extension of period/date	
Signature SO(S&P)/SPO		Date	

Remarks of Indenter

Regarding the proposed extension of delivery period/date, the following remarks are given regarding loss and inconvenience due to delay:

Loss: (strike out options not applicable): No loss would be incurred/loss is incurred but cannot be quantified/loss to the extent of ₹ ..... would be incurred

Inconvenience: (strike out what is not applicable): No inconvenience would be incurred/ inconvenience would be incurred

Proposed extension in delivery is recommended with above remarks.

**Signature of Indenting Officer and Date**

**Proposal by the Procuring Entity**

It is certified that:

- (a) That a higher rate in the original tender was not accepted against other lower quotations in consideration of the earlier delivery.
- (b) That there is no falling trend in prices for this item as evidenced from the fact that in the intervening period neither any order has been placed at rates lower than this contract nor any tender has been opened where such rates have been received even though tender is not yet decided.

It is proposed to grant extension of delivery period/date up to .....,  
(strike out options not applicable) with recovery of liquidated damages/with recovery of token liquidated damages/without any liquidated damages and with/without denial clause, in view of justifications furnished by the Indenting Officer:

.....

Director may kindly approve the recommendations.

(Member)

(Member)

(Member)

(Member)

(Chairman)  
(PC/T&PC)

**Director**

**FORMAT FOR EXTENSION OF DELIVERY PERIOD/PERFORMANCE NOTICE**

*(Refer Para 9.7.4(04), 9.7.6 and 9.7.8 of the CSIR manual)*

**Registered A/D or Speed Post**

Name & Address of the Lab/Instts .....

No. ....

Date: .....

To

M/s (name and address of form)

**Sub:** Extension of Delivery Period/Performance against contract No..... for the Supply of .....

Ref: Your letter N o . ..... dated: .....

Dear Sir,

01. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In your letter under reply you have asked for [further] extension of time for delivery. In view of the circumstances stated in your said letter, the time for delivery is extended from (fill in date) to (fill in date).
02. Please note that notwithstanding the grant of this extension in terms of Clause (fill in clause number) of the subject contract an amount equivalent to ..... % (..... per cent) of the delivered price of the delayed goods for each week of delay or part thereof (subject to the ceiling as provided in the aforesaid clause) beyond the original contract delivery date/the last unconditionally re-fixed delivery date (as & if applicable), viz., (fill in date) will be recovered from you as liquidated damages. You may now tender the Stores for inspection [balance of the Stores] in terms of this letter.
03. You are also required to extend the validity period of the performance guarantee for the subject contract from (fill in present validity date) to (fill in required extended date) within 15 (fifteen) days of issue of this amendment letter.
04. The above extension of delivery date will also be subject to the following Denial Clause:
  - (i) That no increases in price on account of any statutory increase in or fresh Imposition of customs duty, GST or on account of any other taxes/duty, including custom duty), leviable in respect of the Stores specified in the said contract which takes place after (insert the original delivery date) shall be admissible on such of the said Stores, as are delivered after the said date; and
  - (ii) That notwithstanding any stipulation in the contract for increase in price on any other ground including foreign exchange rate variation, no such increase which takes place after (insert the original delivery date) shall be admissible on such of the said Stores as are delivered after the said date.

- (iii) But nevertheless, the purchaser shall be entitled to the benefit of any decrease in price on account of reduction in or remission of customs duty, excise duty, Sales Tax, VAT/CST or on account of any other Tax or duty or on any other ground as stipulated in the price variation clause or foreign exchange rate variation which takes place after the expiry of the above mentioned date namely (insert the original delivery date)
05. All other terms and conditions of the contract remain unaltered. This is without any prejudice to purchasers' rights under the terms and conditions of the subject contract.
06. Please intimate your unconditional acceptance of this amendment letter within 10 (ten) days of the issues of this letter failing which the contract will be cancelled at your risk and expense without any further reference to you.

Yours faithfully,

(Authorised Officer)  
Duly authorised, for and on behalf of  
The President of India

Note: Select one option within { } brackets; delete portion within [ ] brackets, if not applicable; fill in ( ) brackets. Brackets and this note are not to be typed.

*Substitute following first para instead of first para in format above, for issuing a performance notice.*

01. You have failed to deliver {the (fill in qty.) of Stores/the entire quantity of Stores} within the contract delivery period [as last extended up to] (fill in date). In spite of the fact that the time of delivery of the goods stipulated in the contract is deemed to be of the essence of the contract, it appears that (fill in the outstanding quantity) are still outstanding even though the date of delivery has expired. Although not bound to do so, the time for delivery is extended from (fill in date) to (fill in date) and you are requested to note that in the event of your failure to deliver the goods within the delivery period as hereby extended, the contract shall be cancelled for the outstanding goods at your risk and cost.



**FORMAT FOR CORRESPONDENCE WITH SUPPLIER  
AFTER EXPIRY OF DELIVERY DATE**  
*(Refer Para 9.8(02) of the CSIR Manual)*

*Registered Acknowledgement Due*

Name & Address of the Lab/Instt. \_\_\_\_\_

To

M/s .....  
.....  
.....

Sub: Contract No. .... dated .....  
for supply of .....

DearSirs,

The date of delivery of the subject contract expired on ..... . As supplies against the same have not yet been completed, there is a breach of the contract on your part. You are however, requested to kindly let us know the probable date of delivery/dispatch of the consignment/supplies.

This communication is not intended to keep the contract alive and does not waive the breach. This is without prejudice to the rights and remedies available to the purchaser in terms of the contract and law applicable in this behalf.

Yoursfaithfully,

(.....)  
For & on behalf of Council of Scientific and Industrial Research

### FORMAT OF GOODS RECEIPT AND INSPECTION NOTE – GRIN

(Refer Para 9.14.1(01) of the CSIR Manual)

Purchase Order No.		RR/GC No. & Date	Procuring Entity .....
Name of Supplier M/s.		Date of Clearance from Transporter	Goods Receipt And Inspection Report
Indenter.		Date of Inspection and Acceptance/Rejection	Acceptance/ Rejection
Materials procured for Project/Scheme		Earlier GRIN No. for Part Supply	Part/Full Quantity
Allocation		Code No.	GRIN No.
			Date

Nos.	Description of Materials	Code No.	Invoice No.	Qty. as per P.O.	Qty. Recd.	Qty. Inspected		Rate Unit	Amount	Taxes/Duties	Packing/Forwarding	Total Amount
						Accepted	Rejected					

Assistant S&amp;P

SO(S&amp;P)

Certified that the items have been inspected by me as per the parameter mentioned on the contract and found to be in order. Further, all contractual obligations of the supplier in terms of installation, commissioning, training etc. ( if applicable) have been completed and all items as per contract have been delivered & received. The actual date of acceptance is \_\_\_\_\_ for the purpose of ascertaining the validity of the performance security.

Name, designation and date of the Indenting Officer\_\_\_\_\_ Name, designation and date of the Project Leader\_\_\_\_\_

Note: Firms must be intimated that in case of rejection , they must arrange collection of the items within 14 days from the date of intimation of rejection failing which the Procuring Entity's responsibility will cease and if not removed by a further period of seven days, the procuring authority shall have the right to dispose off such stores as deemed fit so that the space can be cleared.

Distribution: 01. Indentor      02. Purchase      03. Accounts      04. Firm if rejected      05. Office copy

## ANNEXURE-10A

## FORMAT OF REPORT OF THE STANDING DISPOSAL COMMITTEE (SDC)

(Refer Para 10.4(01) of the CSIR Manual)

Name of the CSIR Lab/Instt .....

S. No	Lot No.	Description of Lots	Total Qty of Lot / Total No. of weight wt.*	Total Book Value of the lot in ₹	Whether Surplus / Obsolete / Unserviceable Scrap	Mode of Tender	Recommendation	Remarks
1	2	3	4	5	6	7	8	9
(Signature) Committee Member				(Signature) Committee Member (Finance)		(Signature) Committee Member		
(Signature) Committee Member				(Signature) Committee Member		(Signature) Committee Member		
Director of Lab/Instt./JS(A) in CSIR Hqrs.								

- Append a list of items comprising the lot details detailing S.No. of the Disposal Register, Description of the goods, date of purchase, original book value and Stores Ledger reference.

**FORMAT OF DISPOSAL REGISTER**  
*(Refer Para 10.7.1 of the CSIR Manual)*

Name of the CSIR Lab/Instt .....

S.No.	Description of the Items	Date of Purchase	Original Book Value	Stock Ledger Reference	Details of PIR / DIR	Date of Return	Gate Pass No. and Date <i>(to be filled at the time of Disposal)</i>	Signature of SO(S&P) Stores

### FORMAT OF SALE ACCOUNT FOR GOODS DISPOSED

(Refer para 10.12.9 of the CSIR Manual)

Lot No	Particulars of stores	Quantity/Weight of the Lot	Name and Full Address of highest bidder	Highest Bid Value	Amount and date of Earnest Money/ deposit	Amount & date on which the balance amount is credited	Date of Handing over of articles with Gate Pass No & Date	Amount of Ground rent collected & date of deposit	eAuction Service Provider's Commission and acknowledgement for its payment	Book Value of the lot
(Signature)					(Signature)					
Representative of Store					Representative of Security					

### Legal aspects of Public Procurement

*(Refer para 1.7(04) of the CSIR Manual)*

#### 1.0 Relevant Provisions of the Constitution of India

##### 1.1 Equality for bidders

Article 19 (1) (g) of the Constitution of India (under Part III – ‘Fundamental Rights’) grants all its citizens the right “to practise any profession or to carry out any occupation, trade or business”. This has been interpreted by courts in a way so as to ensure that every citizen of India has a right to get equal opportunity to bid for and be considered for a public procurement contract. However, this provision does permit stipulation of reasonable eligibility or pre-qualification criteria for the selection of successful bidders in a public procurement contract. Thus a public procurement organisation should be ready to prove in court that no eligible bidder has been denied reasonable and equal opportunity under this article to bid and be considered for the concerned contract.

##### 1.2 Persons authorized to make and execute contracts on behalf of Governments

As per Article 299 (Part XII – Finance, Property, Contracts and Suits) of the Constitution of India, all contracts on behalf of the Union Government or state Governments are to be entered into and executed by authorised persons on behalf of the President of India or Governor of the state, respectively. The President of India, Governor of the state and the authorised persons who enter into or

“Part III - FUNDAMENTAL RIGHTS - Right to Freedom

§19 Protection of certain rights regarding freedom of speech, etc.

All citizens shall have the right-

- a. to freedom of speech and expression;
- b. to assemble peaceably and without arms;
- c. to form associations or unions;
- d. to move freely throughout the territory of India;
- e. to reside and settle in any part of the territory of India; [and]
- f. to practice any profession, or to carry on any occupation, trade or business.”

“Part XII. - Finance, Property, Contracts and Suits

§299 Contracts:

All contracts made in the exercise of the executive power of the Union or of a State shall be expressed to be made by the President, or by the Governor of the State, as the case may be, and all such contracts and all assurances of property made in the exercise of that power shall be executed on behalf of the President or the Governor by such persons and in such manner as he may direct or authorise.

Neither the President nor the Governor shall be personally liable in respect of any contract or assurance made or executed for the purposes of this Constitution, or for the purposes of any enactment relating to the Government of India heretofore in force, nor shall any person making or executing any such contract or assurance on behalf of any of them be personally liable in respect thereof.”

execute such contracts are granted immunity from personal liability under this article. That is why, above the signatures of such persons, on the contract documents, a legal phrase "For and on Behalf of the President of India/ the Governor of State" is written to signify this fact. In a state Government, the persons who are authorised to do so are listed in the DFPR. Provisions of DFPR are expanded upon by various Departments by issuing SoPP. Rule 224 (1) & (2), Chapter 8: Contract Management of the GFR, 2017 covers this aspect also.

### **1.3 Other Mercantile laws**

A procurement contract besides being a commercial transaction is also a legal transaction. There are a number of commercial/mercantile laws that are applicable equally to the private sector and public procurement, such as the Indian Contract Act, Sales of Goods Act, Arbitration and Conciliation Act, and so on. Although a public procurement professional is expected to have a working knowledge of the following basic laws relating to procurement, yet he is not expected to be a legal expert. If standard contract forms are used, the procurement official can discharge his normal functions without frequent legal help. In case any complex legal issue arises, or a complex contract beyond the standard contract form is to be drafted, an appropriate legal professional may be associated with the procurement from an early stage.

Salient features of these mercantile laws relating to Procurement are summarized below.

## **2.0 Salient Features of the Indian Contract Act**

### **2.1 Legal Aspects Governing Public Procurement of Goods - Introduction**

A public procurement contract, besides being a commercial transaction, is also a legal transaction. There are a number of laws that may affect various commercial aspects of public procurement contracts. A public procurement professional is expected to be generally aware of the implications of following basic laws affecting procurement of goods; however, he or she is not expected to be a legal expert. Where appropriate in complex cases, legal advice may be obtained. In other categories of procurement, additional set of laws may be relevant:

- i) The Constitution of India;
- ii) Indian Contracts Act, 1872;
- iii) Sale of Goods Act, 1930;
- iv) Arbitration and Conciliation Act, 1996 read with the Arbitration and Conciliation (Amendment) Act, 2015;
- v) Competition Act, 2002 as amended with Competition (Amendment) Act, 2007;
- vi) Micro, Small and Medium Enterprises Development (MSME Development) Act, 2006;

- vii) Information Technology Act, 2000 (IT Act, regarding e-Procurement and e-auction, popularly called the Cyber Law);
- viii) Right to Information (RTI) Act 2005;
- ix) Central Vigilance Commission Act, 2003;
- x) Delhi Special Police Establishment Act, 1946 (basis of the Central Bureau of Investigation);
- xi) Prevention of Corruption Act, 1988;
- xii) The Foreign Trade (Development and Regulation) Act, 1992 and the Foreign Trade Policy (EXIM Policy), 2015; Foreign Exchange Management Act (FEMA), 1999 and FEMA (Current Account Transactions) Rules, 2000.

The elements and principles of contract law and the meaning and import of various legal terms used in connection with the contracts are available in the Indian Contract Act, 1872 read with the Sale of Goods Act, 1930. Some of the salient principles relating to contracts are set out briefly in this chapter.

## **2.2 Elementary Legal Practices**

**2.2.1 What is a Contract?** The proposal or offer when accepted is a promise, a promise and every set of promises forming the consideration for each other is an agreement and an agreement if made with free consent of parties competent to contract, for a lawful consideration and with a lawful object is a contract.

**2.2.2 Proposal or Offer:** When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of the other to such act or abstinence, he is said to make a proposal or offer. In a sale or purchase by tender, the tender signed by the tenderer is the proposal. The invitation to tender and instructions to tenderers do not constitute a proposal.

**2.2.3 Acceptance of the Proposal:** When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal when accepted becomes a promise.

**2.2.4 What agreements are Contracts:** An agreement is a contract enforceable by law when the following are satisfied. A defect affecting any of these renders a contract un-enforceable

- i) Competency of the parties
- ii) Freedom of consent of both parties
- iii) Lawfulness of consideration
- iv) Lawfulness of object

## **2.3 Competency of Parties**

Under law any person who has attained majority and is of sound mind or not debarred by law to which he is subject, may enter into contracts. It, therefore, follows that minors and persons of unsound mind cannot enter into contracts nor can insolvent person do so.



2.3.1 Categories of persons and bodies who are parties to the contract may be broadly sub- divided under the following heads: -

- i) Individuals
- ii) Partnerships
- iii) Limited Companies
- iv) Corporations other than limited companies

- i) Contracts with individuals:** Individuals tender either in their own name or in the name and style of their business. If the tender is signed by any person other than the concerned individual, the authority of the person signing the tender on behalf of another must be verified and a proper power of attorney authorizing such person should be insisted on. In case, a tender is submitted in a business name and if it is a concern of an individual, the constitution of the business and the capacity of the individual must appear on the face of the contract and the tender signed by the individual himself as proprietor or by his duly authorized attorney.
- ii) Contracts with Partnerships:** A partnership is an association of two or more individuals formed for the purpose of doing business jointly under a business name. It is also called a firm. It should be noted that a partnership is not a legal entity by itself, apart from the individuals constituting it. A partner is the implied authority to bind the firm in a contract coming in the purview of the usual business of the firm. The implied authority of a partner, however, does not extend to enter into arbitration agreement on behalf of the firm. While entering into a contract with partnership firm care should be taken to verify the existence of consent of all the partners to the arbitration agreement.
- iii) Contracts with limited companies:** Companies are associations of individuals registered under Companies Act in which the liability of the members comprising the association is limited to the extent of the shares held by them in such companies. The company, after its incorporation or registration, is an artificial legal person which has an existence quite distinct and separate from the members of shareholders comprising the same. A company is not empowered to enter into a contract for purposes not covered by its memorandum of association; any such agreement in excess of power entered into the company is void and cannot be enforced. Therefore, in cases of doubt, the company must be asked to produce its memorandum for verification or the position may be verified by an inspection of the memorandum from the office of the Registrar of Companies before entering into a contract. Normally, any one of the Directors of the company is empowered to present the company. Where tenders are signed by persons other than Directors or authorized Managing Agents, it may be necessary to examine if the person signing the tender is authorized by the company to enter into contracts on its behalf.

- iv) **Corporation other than limited companies:** Associations of individuals incorporated under statutes such as Trade Union Act, Co-operative Societies Act and Societies Registration Act are also artificial persons in the eye of law and are entitled to enter into such contracts as are authorized by their memorandum of association. If any contract has to be entered into with any one or such corporations or associations, the capacity of such associations to enter into contract should be verified and also the authority of the person coming forward to represent the said Association.

## 2.4 Consent of both Parties

Two or more persons are said to consent when they agree upon the same thing in the same sense. When two persons dealing with each other have their minds directed to different objects or attach different meanings to the language which they use, there is no agreement. The misunderstanding which is incompatible with agreement may occur in the following cases: -

- i) When the misunderstanding relates to the identity of the other party to the agreement;
- ii) When it relates to the nature or terms of the transactions;
- iii) When it related to the subject matter of the agreement.

## 2.5 Free consent of both Parties

2.5.1 The consent is said to be free when it is not caused by coercion, undue influence, fraud, mis-representation or mistake. Consent is said to be so caused when it would not have been given but for the existence of coercion, undue influence, fraud, mis-representation or mistake. When consent to an agreement is caused by coercion, undue influence, fraud or misrepresentation, the agreement is a contract voidable at the option of the party whose consent was caused. A party to a contract, whose consent was caused by fraud or misrepresentation may, if he thinks fit, insist that the contract shall be performed, and that he shall be put in the position in which he would have been if there presentations made had been true.

2.5.2 In case consent to an agreement has been given under a mistake, the position is slightly different. When both the parties to an agreement are under a mistake as to a matter essential to the agreement, the agreement is not voidable but void. When the mistake is unilateral on the part of one party only, the agreement is not void.

2.5.3 Distinction has also to be drawn between a mistake of fact and a mistake of law. A contract is not void because it was caused by a mistake as to any law in force in India but a mistake as to law not in force in India has the same effect as a mistake of fact.

## 2.6 Consideration

Consideration is something which is advantageous to the promisor or which

is onerous or disadvantageous to the promisee. Inadequacy of consideration is, however, not a ground avoiding the contract. But an act, forbearance or promise which is contemplation of law has no value is no consideration and like wise an act or a promise which is illegal or impossible has no value.

## **2.7 Lawfulness of object**

The consideration or object of an agreement is lawful, unless it is forbidden by law or is of such a nature that if permitted, it would defeat the provisions of any law, or is fraudulent or involves or implies injury to the fraudulent property of another or the court regards it as immoral or opposed to public policy. In each of these cases the consideration or object of an agreement is said to be unlawful.

## **2.8 Communication of an offer or Proposal**

The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made. A time is generally provided in the tender forms for submission of the tender. Purchaser is not bound to consider a tender, which is received beyond that time.

## **2.9 Communication of Acceptance**

A date is invariably fixed in tender forms upto which tenders are open for acceptance. A proposal or offer stands revoked by the lapse of time prescribed in such offer for its acceptance. If, therefore, in case it is not possible to decide a tender within the period of validity of the offer as originally made, the consent of the tenderer firm should be obtained to keep the offer open for further period or periods.

2.9.1 The communication of an acceptance is complete as against the proposer or offerer, where it is put in the course of transmission to him, so as to be out of the power of the acceptor, and it is complete as against the acceptor when it comes to the knowledge of the proposer or offerer. The medium of communication in Government contracts is generally by post and the acceptance is, therefore, complete as soon as it is posted. So that there might be no possibility of a dispute regarding the date of communication of acceptance, it should be sent to the correct address by some authentic fool proof mode like registered post acknowledgement due, etc.

## **2.10 Acceptance to be identical with Proposal**

If the terms of the tender or the tender, as revised, and modified, are not accepted or if the terms of the offer and the acceptance are not the same, the acceptance remains a mere counter offer and there is no concluded contract. It should, therefore, be ensured that the terms incorporated in the acceptance are not at variance with the offer or the tender and that none of the terms of the tender are left out. In case, uncertain terms are used by the tenderers, clarifications should be obtained before such tenders are considered for acceptance. If it is considered that a counter offer should be made, such counter offer should be carefully drafted, as a contract is to take effect on acceptance thereof.

If the subject matter of the contract is impossible of fulfilment or is in itself in violation of law such contract is void.

## **2.11 Withdrawal of an Offer or Proposal**

A tenderer firm, who is the proposer may withdraw its offer at any time before its acceptance, even though the firm might have offered to keep the offer open for a specified period. It is equally open to the tenderer to revise or modify his offer before its acceptance. Such withdrawal, revision or modification must reach the accepting authority before the *date and time of opening of tender*.

No legal obligations arise out of such withdrawal or revision or modification of the offer as a simple offer is without a consideration. Where, however, a tenderer agrees to keep his offer open for a specified period for a consideration, such offers cannot be withdrawn before the expiry of the specified date. This would be so where earnest money is deposited by the tenderer in consideration of his being supplied the subsidiary contract and withdrawal of offer by the tenderer before the specified period would entitle the purchaser to forfeit the earnest money.

## **2.12 Withdrawal of Acceptance**

An acceptance can be withdrawn before such acceptance comes to the knowledge of the tenderer. A telegraphic revocation of acceptance, which reaches the tenderer before the letter of acceptance, will be a valid revocation.

### 2.13 Changes in terms of a concluded Contract

No variation in the terms of a concluded contract can be made without the consent of the parties. While granting extensions or making any other variation, the consent of the contractor must be taken. While extensions are to be granted on an application of the contractor, the letter and spirit of the application should be kept in view in fixing a time for delivery.

### 2.14 Discharge of Contracts

A contract is discharged or the parties are normally freed from the obligation of a contract by due performance of the terms of the contract. A contract may also be discharged: -

- i) **By mutual agreement:** If neither party has performed the contract, no consideration is required for the release. If a party has performed a part of the contract and has undergone expenses in arranging to fulfil the contract it is necessary for the parties to agree to a reasonable value of the work done as consideration for the value.
- ii) **By breach:** In case a party to a contract breaks some stipulation in the contract which goes to the root of transaction, or destroys the foundation of the contract or prevents substantial performance of the contract, it discharges the innocent party to proceed further with the performance and entitles him to a right of action for damages and to enforce the remedies for such breach as provided in the contract itself. A breach of contract may, however, be waived.
- iii) **By refusal of a party to perform:** On a promisor's refusal to perform the contract or repudiation there of even before the arrival of the time for performance, the promisee may at his option treat the repudiation as an immediate breach putting an end to the contract for the future. In such a case the promisee has a right of immediate action for damages.
- iv) **In a contract where there are reciprocal promises:** If one party to the contract prevents the other party from performing the contract, the contract may be put to an end at the instance of the party so prevented and the contract is thereby discharged.

### 2.15 Stamping of Contracts

Under entry 5 of Schedule I of the Indian Stamp Act, an agreement or memorandum of agreement for or relating to the sale of goods or merchandise exclusively is exempt from payment of stamp duty. (A note or memorandum sent by a Broker or Agent to his principal intimating the purchase or sale on account of such principal is not so exempt from stamp duty.)

The Stamp Act provides that no Stamp Duty shall be chargeable in respect of any instrument executed by or on behalf of or in favour of the Government in cases where but for such exemption Government would be liable to pay the duty chargeable in respect of such instrument. (Cases in which Government would be liable are set out in Section 29 of the Act).

### 2.16 Authority for execution of Contracts

As per Clause 1 of Article 299 of the Constitution, the contracts and assurances of property made in the exercise of the executive power of the Union shall be executed on behalf of the

President. The words “for and on behalf of the President of India” should therefore follow the designation appended below the signature of the officer authorized in this behalf.

**Note 1:** The various classes of contracts and assurances of property, which may be executed by different authorities, are specified in the Notifications issued by the Ministry of Law from time to time.

**Note 2:** The powers of various authorities, the conditions under which such powers should be exercised and the general procedure prescribed with regard to various classes of contracts and assurances of property are laid down in Rule 21 of the Delegation of Financial Powers Rules.

**Note 3:** The DGS&D officers are authorized by the President of India in exercise of the powers conferred by Clause (1) of Article 299 of the Constitution to make contracts for services, supply or work on behalf of the Central Government. DGS&D is also authorized to make similar contracts on behalf of the State Governments where so authorized by the State Governments, and on behalf of Government sponsored companies or corporations or local bodies where so authorized by such companies or corporations or local bodies.

## **2.17 Contract Effective Date**

The date of commencement of the obligations under the contract on the parties to a contract is referred as the contract effective date. This date should be invariably indicated in each contract, as per agreed terms and conditions. The Ministries/Departments are advised to set the effective date to be a date after the following:

- (i) Date of signing of the contract.
- (ii) Furnishing of performance bond in terms of performance security.
- (iii) Receipt of Bank Guarantee for advance payment.
- (iv) Obtaining Export License for supply of stores by seller and confirmation by the buyer.
- (v) Receipt of End User’s Certificate. The supplier shall provide the End User’s Certificate within 30 (thirty) days of the signing of the contract.

## **3.0 Salient Features of the sales of Goods act, 1930**

### **3.1 Scope**

Agreements for the sale of goods are governed by the general principles of the contract law. A contract for sale of goods has, however, certain peculiar features such as transfer of ownership of the goods and quality aspects implied under a contract for sale of goods, and so on, are not covered in the Contract Act. These peculiarities are the subject matter of the provisions of the Sale of Goods Act, 1930. In this act, the two parties to the contract are called “seller” and “buyer”. This act defines goods, for the purpose of applicability of this act, as every kind of movable property, including stocks and shares, growing crops, goodwill, patents, trademarks, electricity, water, gas, and so on—all that can be exchanged for money but not any kind of immovable property (for example, real estate).

### **3.2 Concept of Transfer of Property (Passing of Title)**

Proprietary (ownership) rights and obligations in “goods” are called legally “title to goods” or “property in goods”. The meaning of property here is different from the common connotation of the word. At what point of time or stage in a contract does this passing of title of (property in) goods happen is laid down by this Act. This ownership of goods is different from ‘possession of goods’ which means the physical custody or control of the goods. Delivery of goods is only a transfer of ‘possession of goods’; and may or may not coincide with the passing of title in goods. This distinction is very important in procurement.

The transfer of property in the goods, from the seller to the buyer, is the essence of a procurement of goods. Therefore, the moment when the property in goods passes from the seller to the buyer is significant for following reasons:

### **3.3 Ownership**

The moment the property in goods passes, the seller ceases to be their owner and the buyer acquires the ownership. The buyer can exercise proprietary rights over the goods. For example, the buyer may sue the seller for non-delivery of the goods or when the seller has resold the goods, and so on.

### **3.4 Concept of “Res Prit Domine” -- Risk Follows Ownership**

This concept simply means that, as a general rule, risk follows the ownership, irrespective of whether the delivery (or transfer of possession of goods) has been made or not. If the goods are damaged or destroyed, the loss shall be borne by the person who was the owner of the goods at that time – irrespective of whosoever is in the “possession of the goods”.

### **3.5 Action against Third parties**

When the goods are, in any way, damaged or destroyed by the action of third parties, it is only the owner of the goods who can take action (claim, litigation) against them.

### **3.6 Time at which Property in Goods is Transferred**

The property in goods is transferred to the buyer at such time as the parties to the contract intend this to happen, as recorded in the terms of the contract. This needs neither to coincide with the point when payment is made nor with the delivery of Goods and not even with the point of time when the seller dispatches the goods.

### **3.7 Document of Title to Goods**

These are the voucher, bill, document, receipt, cash memo, bill of lading, lorry receipt, railway receipt, or any such acknowledgement which proves the ownership of the goods that, in the ordinary course of business, the buyer may receive. These are called documents of title to goods.

### **3.8 Doctrine of Caveat Emptor**

The Sales of Goods Act lays down this important concept that the buyer must act with due diligence when buying goods; it is not a seller’s duty to point out the defects in goods. This is

a doctrine which is not in consonance with modern times but, unfortunately, is a legal position. This, however, does not apply if the buyer's consent to buy is obtained by the seller by knowingly concealing the defects which could not have been discovered by the buyer reasonably at the time of procurement. The caveat emptor is also diluted under some implied conditions in a contract for sale.

### **3.9 Provision of the Act regarding Statutory Variations in Taxes and duties**

Statutory variations in the taxes and duties (customs duties, excise duty, tax on the sale or procurement of goods), after the making of any contract, has to be borne by the buyer even if there is no such express stipulation in the contract.

### **4.0 Salient Features of the Indian Arbitration & Conciliation Act 1996**

Indian Arbitration & Conciliation Act 1996 provides for dispute settlement either by a process of conciliation and/or by arbitration. This act is based on a 'United Nation's Commission on International Trade Law Model Arbitration Law' with an object to minimize the supervisory role of courts in the arbitral process and to provide that every final arbitral award is enforced in the same manner, as if it was a decree of the court. It covers both international and domestic arbitration and conciliation.

#### **4.1 Arbitration**

Arbitration is one of the oldest methods of settling civil disputes arising out of and in the course of performance of the contract between two or more persons by reference of the dispute to an independent and impartial third person called the arbitrator, instead of litigating the matter in the usual way through the courts. It saves time and expense, avoids unnecessary technicalities and, at the same time, ensures "substantial justice within limits of the law".

#### **4.2 Arbitrator, Arbitration and Arbitral Award**

The person or persons appointed to determine differences and disputes are called the arbitrator or arbitral tribunal. The proceeding before him is called arbitration proceedings. The decision is called an Award. For the purpose of Law of Limitations, The Arbitration for a particular dispute is deemed to have commenced on the date, on which a request for arbitration is received by the respondent.

#### **4.3 Arbitration Agreement**

It is an agreement by the parties to submit to arbitration all or certain disputes, which have arisen or which may arise between them, in respect of a defined legal relationship, whether contractual or non-contractual. The dispute resolution method of arbitration, as per the Arbitration and Conciliation Act, can be invoked only if there is an arbitration agreement (in the form of an arbitration clause or a separate arbitration agreement) in the contract. If there is such an agreement, courts are barred from directly entertaining any litigation in respect of such contracts, and are bound instead to refer the parties to arbitration.



#### **4.4 Appointment and Composition of Arbitral Tribunal**

Both parties can mutually agree on the number of arbitrators (which cannot be an even number) to be appointed. In case there is no agreement, a single (sole) arbitrator may be appointed. The parties can mutually agree on a procedure for appointing the arbitrator or arbitrators, or else in case of arbitration with three arbitrators, each party will appoint one arbitrator and the two appointed arbitrators will appoint the third arbitrator, who will act as a presiding arbitrator. If one party fails to appoint an arbitrator within 30 (thirty) days, or if the two appointed arbitrators fail to agree on the third arbitrator, then the court may appoint any person or institution as arbitrator. In case of an international commercial dispute, the application for appointment of arbitrator has to be made to the Chief Justice of India. In case of other domestic disputes, the application has to be made to the Chief Justice of the High Court within whose jurisdiction the parties are situated.

#### **4.5 Challenge to Appointment of Arbitrator**

An arbitrator is expected to be independent and impartial. If there are some circumstances due to which his independence or impartiality can be challenged, he must disclose the circumstances before his appointment. The appointment of an arbitrator cannot be challenged on any ground, except when there is justifiable doubt as to the arbitrator's independence or impartiality or when he does not possess the qualifications for the arbitrator agreed to by the parties. The challenge to appointment has to be decided by the arbitrator himself. If he does not accept the challenge, the arbitration can continue and the arbitrator can make the arbitral award. However, in such a case, application for setting aside the arbitral award can be made to the court, after the award is made by the arbitrator. Thus the other party cannot stall further arbitration proceedings by rushing to court.

#### **4.6 Conduct of Arbitral Proceedings**

The parties are free to agree on the procedure to be followed for conducting proceedings, location, language of hearings and written proceedings. Failing any agreement, the arbitral tribunal may decide themselves on these aspects. The parties shall be treated with equality and each party shall be given a full opportunity to present its case. The arbitral tribunal shall observe the rules of natural justice but is bound neither by Civil Procedure Code 1908 nor by Indian Evidence Act 1872. Limitation Act, 1963 is applicable from the date of commencement of arbitral proceedings. Arbitral tribunals have powers to do the following:

- i) Determine admissibility, relevance, materiality and weight of any evidence;
- ii) Decide on their own jurisdiction;
- iii) Decide on interim measures;
- iv) Termination of proceedings; and
- v) Seek court assistance in taking evidence.

#### **4.7 Arbitral Award**

The decision of the arbitral tribunal is termed as 'arbitral award'. The decision of arbitral tribunal shall be by majority. The arbitral award shall be in writing, mentioning the place and date, and

signed by the members of the tribunal. It must state the reasons for the award. A copy of the award should be given to each party. The tribunal can make interim award also. An arbitral award is enforceable in the same manner as if it were a decree of the court.

#### **4.8 Recourse against Arbitral Award**

Recourse to a court against an arbitration award can be made by an application (within three months from the date of the arbitral award), only on the grounds specified in the act, that is, the party was under some incapacity; arbitration agreement was not valid; proper opportunity was not given to present the case; award deal with disputes not falling within the terms of reference of arbitrator; composition of the arbitral tribunal is not as per agreement of parties; subject matter of dispute is not capable of settlement through arbitration under the law or the arbitral award is in conflict with the public policy.

#### **4.9 Conciliation**

This is a new concept added in the Act for settlement of disputes. The party initiating conciliation shall send a written invitation to the other party to conciliate and proceedings shall commence when the other party accepts the initiations to conciliation. The parties may agree on the name of a sole conciliator or each party may appoint one conciliator. The conciliation shall assist the parties to reach an amicable settlement of their dispute. When the parties sign the settlement agreement, it shall be final and binding on the parties. The conciliator shall authenticate the settlement agreement and furnish a copy thereof to each party. This process has not yet come into a common use.

#### **4.10 Changes introduced by the Arbitration and Conciliation (Amendment) Act, 2015**

- i) Independence, Disqualification and Obligations of Arbitrators at the time of appointment**
  - a) Independence, Impartiality and Accountability of Arbitrators:** A fixed fee structure ensures the independence of the arbitral tribunal and also provides a reasonable cost estimate to the parties entering into arbitration. The Amendment Act in the Fourth Schedule prescribes the model fees for arbitrators and the High Courts have been assigned the responsibility of framing the rules for determination of the fees and the manner of its payment. The model fee varies from Rs 45,000 to Rs 30 Lakh (Rupees forty-five to rupees thirty lakh) for various slabs of disputed value from Rupees five Lakh to above Rs 20 (Rupees twenty) Crore (with a sole arbitrator entitles to 25% (twenty-five percent) extra above the model fee). However it is clarified that such fees shall not be applicable in International Commercial Arbitration and in cases where parties have agreed for determination of fees as per the rules of an arbitral institution.
  - b) Disqualification from appointment:** A long and exhaustive list of specific circumstances which shall act as a bar against any person from being appointed as an arbitrator in a dispute, have been enumerated in the seventh schedule. However, the parties to the dispute have been given the opportunity, after the

dispute has arisen, to waive the applicability of the seventh schedule, by mutual written agreement, if they so deem fit. Especially of interest in Public Procurement is disqualification of past or present employees, consultant, advisors or other related business relationship not only with the Procuring Entity but also with any affiliated entity thereof. Thus the earlier practice of appointing serving officers of Procuring Entity as arbitrator is no more legal.

- c) **Disclosures:** An arbitrator who is approached for appointment is obligated to disclose as per Sixth Schedule of the Act. The declaration as per a set format removes any ambiguity and ensures uniformity:
1. conflict of Interest the existence either direct or indirect, of any past or present relationship with or interest in any of the parties or in relation to the subject matter in dispute, whether financial, business, professional or other kind, which is likely to give rise to justifiable doubts as to his independence or impartiality as per fifth schedule to the Act for arbitrator.
  2. Time constraints: An arbitrator shall disclose all circumstances which may affect his ability to deliver an award within 12 (twelve) months.

## ii) **Fast-tracking Arbitration in India**

- a) **Award within 12 (Twelve) months:** The arbitral tribunal is statutorily obligated to deliver an award within 12 (twelve) months from the date when arbitral tribunal enters into reference. The arbitral tribunal is said to have entered upon the reference on the date on which the arbitrator(s) have received notice of their appointment. The award can be delayed by a maximum period of six months only under the special circumstances where all parties give their consent to such extension of time. Where the award is not made out within the statutory period the mandate of arbitrators shall automatically terminate. It is open for the courts to extend the time period for making an award upon receipt of an application by any of the parties. Such extension is to be granted only for sufficient cause and the court in its discretion may impose the following penalties depending on the facts and circumstances of the case:
1. Reduce the fees of arbitrators by up to 5% (five percent) for each month of delay.
  2. Substitute one or all the arbitrators.
  3. Impose actual or exemplary costs on any of the parties.
- b) **Oral arguments to be held on a day-to-day basis:** Oral arguments as far as possible shall be heard by the arbitral tribunal on a day to day basis and no adjournments shall be granted without sufficient cause. Provision for imposition of exemplary cost on the party seeking adjournment without sufficient cause has also been made.
- c) **Fast Track Procedure:** The parties to arbitration may choose to opt for a new fast track procedure either before or after the commencement of the arbitration. The award in fast track arbitration is to be made out within six months. Where

the Arbitral Tribunal delivers the award within a period of six months the arbitral tribunal shall be entitled to additional fees. The quantum of such additional fees shall be determined by the parties. The salient features of the fast track arbitration are:

1. Dispute is to be decided based on written pleadings only.
  2. Arbitral Tribunal shall have the power to call for clarifications in addition to the written pleadings where it deems necessary.
  3. Oral hearing maybe held only if all the parties make a request or if the arbitral tribunal considers it necessary.
  4. The parties are free to decide the fees of the arbitrator(s).
- d) **Appointment within 60 (sixty) days:** Whenever an application for appointment of Arbitrator(s) is moved before a court such application shall be disposed of as expeditiously as possible and an endeavour shall be made to dispose of the matter within a period of sixty days from the date of service of notice on the opposite party. The court while appointing arbitrators shall confine itself to the examination of the existence of an arbitration agreement.

### iii) **Procedural and Jurisprudence simplified**

- a) **Arbitration to commence within 90 (ninety) days of interim relief:** Where the court grants interim relief before the commencement of arbitration, the arbitration must commence within 90 (ninety) days from such order of interim relief. The court however has been given the authority to extend the period within which the arbitration must commence, if it deems such extension necessary. The Act prohibits courts from entertaining any application for interim relief once the arbitration has entered into reference, unless the court finds that circumstances exist which may not render the remedy provided under section 17 efficacious.
- b) **Powers of Interim Relief in Section 9 also to Arbitral Tribunal:** The parties to arbitration can now directly approach the arbitral tribunal for seeking interim relief on the same grounds as were available to the parties under section 9 of the previous act. Further, the tribunal has now been granted the powers of a court while making interim awards in the proceedings before it.
- c) **Arbitral tribunal not bound to rule in accordance with terms of the contract:** The arbitral tribunal was previously bound to deliver an award in accordance with the terms of the agreement and was required to take into consideration the 'usages of the trade applicable to the transaction'. Vide the Amendment the arbitral tribunal has been freed of the obligation to only rule in accordance with the terms of the agreement. The arbitral tribunal is only required to take the agreement into account while delivering its award and is free to deviate from the terms of the agreement if the circumstances so warrant.
- d) Act made applicable on International Commercial Arbitration with even seat outside India: Part I of the act has been made applicable for limited purpose

(listed below) on International Commercial Arbitrations even in instances where the seat of the arbitration is outside India, however giving freedom to exclude the applicability the Act by entering into an agreement to this effect:

1. Seeking interim relief from courts [section 9]
2. Seeking the assistance of the court in taking evidence [section 27]
3. Appealing against the order of a court where the court refuses to refer the parties to arbitration. [section 37(1) (a)]
4. Restricting the right to second appeal and preserving the right of parties to approach the Supreme Court in appeal. [section 37 (3)]

## **5.0 Salient Features of competition act, 2002 relating to anti-competitive Practices**

- i) The **Preamble of the competition act, 2002**, provides for the establishment of a Commission keeping in view of the economic development of the country to promote and sustain competition in markets; prevent practices having adverse effect on competition; protect consumer interest; and ensure freedom of trade carried on by participants in Indian markets.
- ii) The Act was amended by Competition (Amendment) Act, 2007 and again by Competition (Amendment Act), 2009.
- iii) In India, Competition Commission of India (“CCI”), formulated under the Competition Act is a quasi-judicial and regulatory body entrusted with the task enforcement of the Competition Act, 2002. Apart from specific functions under the Competition Act, 2002 the CCI also has extra-territorial jurisdiction, inquiry into anticompetitive conduct, sector-specific regulatory work, competition advocacy, power of appointment of professional and experts, and procedure for investigation (in terms of regulating its own procedure).
- iv) Section 8 dealing with composition of Commission provides for a chairperson and not less than two and not more than six members which are to be appointed by Central Government. The CCI is vested with inquisitorial, investigative, regulatory, adjudicatory and also advisory jurisdiction. Vast powers have been given to the Commission and under Section 64, the Commission can frame regulations.
- v) The Competition Appellate Tribunal (COMPAT) is another body entrusted with the responsibility of hearing and disposing of appeals against any direction or decision or order of the CCI. It also adjudicates on compensation claims arising from the findings of the CCI or its own findings on appeals against the CCI orders and passes orders on the recovery of compensation.
- vi) Any person aggrieved by the order or decision of the CCI may prefer an appeal to the Competition Appellate Tribunal (‘COMPAT’) within 60 (sixty) days from the date of communication of such order or decision. The second and final appeal under Section 53T lies before the Supreme Court of India from the orders of the COMPAT within a period of 60 (sixty) days from the date of communication of the order by the COMPAT.

- vii) CCI may initiate an inquiry:
  - a) On its own motion on the basis of information and knowledge in its possession; or
  - b) On receipt of any information, in such manner and accompanied by such fee as may be determined by regulations, from any person, consumer or their association or trade association; or
  - c) On receipt of a reference from the Central Government or a State Government or a statutory authority.
- viii) The Act provides for Director General Office as a separate investigative wing to assist the CCI. The DG looks into the complaints received from the CCI and submits all findings to it. DG is solely responsible for making enquiries, for examining documents and for making investigations into complaints. The DG is vested under the Act with powers of summoning of witnesses, examining them on oath, requiring the discovery and production of documents, receiving evidence on affidavits, issuing commissions for the examination of witnesses etc.
- ix) The Act in Section 49 (3) lays down the advocacy function of CCI and lays down that the CCI shall take suitable measures for the promotion of competition advocacy, creating awareness and imparting training about competition issues. Section 32 of the Act grants the CCI extra-territorial jurisdiction over anticompetitive conduct which has an appreciable adverse effect on competition within India. Any anticompetitive activity taking place outside India but having an appreciable adverse effect on competition within India shall be subject to the application of the Competition Act.
- x) Under Section 21 of the Act, any statutory authority can suo motto or on request of a party in the course of a proceeding before it can make a reference to CCI. CCI shall give its opinion within sixty days of receipt of such reference by such statutory authority. Under the provisions of the Act, the authority which made reference shall consider the opinion of the Commission and thereafter, give its findings recording reasons on the issues referred to in the said opinion by CCI. Section 21A in the same language provides for such reference by CCI to any statutory authority.
- xi) The key provisions of the Competition Act include:
  - a) Section 3 of the Competition Act, 2002 dealing with anti-competitive agreements;
  - b) Section 4 of the Competition Act, 2002 which discusses abuse of dominance;
  - c) Section 5 and 6 of the Competition Act, 2002 dealing with the regulation of combinations.
- xii) The term 'agreement', has been defined broadly in the Competition Act. It extends to a mere 'arrangement', 'understanding' or 'action in concert', none of which need be in writing or enforceable by law.
- xiii) Section 3(1) of the Competition Act lays down that no enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition

within India. The Act prohibits an anti-competitive agreement and declares that such an agreement shall be void.

- xiv) Section 3(3) of the Competition Act deals with the horizontal agreements as it covers the agreements between entities engaged in identical or similar trade of goods or provision of services. It also includes cartels. The section covers:
  - a) Agreement entered into between enterprises or associations of enterprises or persons or associations of persons or between any person and enterprise;
  - b) Practice carried on by any association of enterprises or association of persons;
  - c) Decision taken by any association of enterprises or association of persons.
- xv) Section 3(3) of the Competition Act enlists four broad classifications of horizontal agreements which are presumed to cause an appreciable adverse effect on competition (AAEC) in India:
  - a) Agreements regarding Prices;
  - b) Agreements regarding Quantity/Quality;
  - c) Market Allocation;
  - d) Bid Rigging.

These four horizontal agreements are not presumed to have appreciable adverse effect on competition and excluded from the provisions of Section 3(3) of the Competition Act, 2002 provided they are entered into by way of joint ventures and increase efficiency in production, supply, distribution, storage, acquisition or control of goods or provision of services.

Cartels, by their very nature are secretive and thus it is difficult to find the direct evidence of their presence. The orders of the CCI clearly point that CCI relies on circumstantial evidence, both economic and conduct-based, to reach its decision on the existence of a cartel agreement.

The Act provides a definition for bid rigging and it covers agreements having effect of eliminating or reducing competition for bids or adversely affecting or manipulating the process for bidding:

- a) Collusive bidding: Agreement between firms to divide the market, set prices or limit production – involves, kickbacks and misrepresentation of independence;
- b) Bid Rotation;
- c) Bid Suppression;
- d) Complementary Bidding;
- e) Subcontracting arrangements;
- f) Market Allocation.

The Act gives wide discretion to CCI to frame the remedies to overcome the anticompetitive situation:

1. Declare Anticompetitive Agreements Void;

2. Impose Heavy Penalties:
    - a) Penalty can be up to 10% (ten percent) of the average turnover for the last three preceding financial years upon each of such persons or enterprises which are parties to bid-rigging;
    - b) Cartel, a penalty of up to three times of its profit for each year of the continuance of such agreement or 10% (ten percent) of its turnover for each year of the continuance of such agreement, whichever is higher.
  3. Order the parties to Cease & Desist;
  4. Modification of agreements;
  5. Remedy Damage to reputation;
  6. Fix Individual Liability;
  7. Grant Interim orders;
  8. Any other order as CCI deems fit.
- xvi) **Who can file the information:** Raising issues regarding anti-competitive behavior for action by CCI under the act is called filing the information:
- a) Any person, consumer or their association or trade association can file information before the Commission;
  - b) Central Govt. or a State Govt. or a statutory authority can also make a reference to the Commission for making an inquiry;
  - c) "Person" includes an individual, HUF, firm, company, local authority, cooperative or any artificial juridical person.
- xvii) **What are the issues on which information can be filed?**
- a) The information can be filed on the issues like anti-competitive agreements and abuse of dominant position or a combination;
  - b) Class of consumers.
- xviii) **The fee -**
- a) Rupees 5000/- (Five thousand only) in case of individual, or Hindu undivided family (HUF), or Non-Government Organisation (NGO), or Consumer Association, or Co-operative Society, or Trust, duly registered under the respective Acts;
  - b) Rupees 20,000/- (Twenty thousand only) in case of firms, companies having turnover in the preceding year upto Rupees one Crore; and
  - c) Rupees 50,000/- (Fifty thousand only) in case not covered under clause (a) or (b) above.

## 6.0 Salient Features of the Whistle Blowers Protection Act, 2011 and the Whistle Blowers Protection (Amendment) act, 2015

- i) The Act seeks to protect whistleblowers, i.e. persons making a public interest disclosure related to an act of corruption, misuse of power, or criminal offence by a public servant;



- ii) Any public servant or any other person including a non-Governmental organization may make such a disclosure to the designated agencies i.e. Central or State Vigilance Commission. The Time Limit for making any complaint or disclosure to the Competent Authority is seven years from the date on which the action complained against is alleged to have taken place;
- iii) The Designated Agency cannot entertain any disclosure relating to any inquiry ordered under the Public Servants (Inquiries) Act, 1850 and Commissions of Inquiry Act, 1952;
- iv) Similarly, the Amendment Act, 2015, The Bill prohibits the reporting of a corruption related disclosure if it falls under any 10 (ten) categories including information related to:
  - a) The sovereignty, strategic, scientific or economic interests of India, or the incitement of an offence;
  - b) Records of deliberations of the Council of Ministers;
  - c) That which is forbidden to be published by a court or if it may result in contempt of court;
  - d) A breach of privilege of legislatures;
  - e) Commercial confidence, trade secrets, intellectual property (if it harms a third party);
  - f) That relayed in a fiduciary capacity;
  - g) That received from a foreign Government;
  - h) That which could endanger a person's safety etc.;
  - i) That which would impede an investigation etc.;
  - j) Personal matters or invasion of privacy.

However, if information related to (ii), (v), (vi), and (x) is available under the Right to Information Act, 2005, then it can be disclosed under the Act.

- i) Any public interest disclosure received by a Competent Authority will be referred to a Government authorised authority if it falls under any of the above prohibited categories. This authority will take a decision on the matter, which will be binding;
- ii) The Identity of the Complainant must be included in the Complaint or the Disclosure. However the Designated Agency shall conceal the identity of the complainant unless the complainant himself has revealed his identity to any other office or authority while making public interest disclosure or in his complaint or otherwise. However, the Designated Agency can reveal the identity of the complainant in circumstances where it becomes inevitable or extremely necessary for the purposes of the enquiry;
- iii) The Designated Agency may, with the prior written consent of the complainant, reveal the identity of the complainant to such office or organization where it becomes necessary to do so. If the complainant does not agree to his name being revealed, in that case, the complainant shall provide all documentary evidence in support of his complaint to the Designated Agency;

- iv) Any person who negligently or with mala fide reveals the identity of the complainant shall be punished with imprisonment up to three years and fine not exceeding Rs. 50,000 (Fifty thousand);
- v) Similarly any disclosure made with mala fide and knowingly that it was false or misleading shall be punished with imprisonment up to two years and fine not exceeding Rs. 30,000 (Thirty thousand);
- vi) After receipt of the report or comments relating to the complaint, if the Designated Agency is of the opinion that such comments or report reveals either wilful misuse of power or wilful misuse of discretion or substantiates allegations of corruption, it shall recommend to the public authority to take appropriate corrective measures such as initiating proceedings against the concerned public servant or other administrative and corrective steps. However, in case the public authority does not agree with the recommendation of the Designated Agency, it shall record the reasons for such disagreement;
- vii) While dealing with any such inquiry, the Designated Agency shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908 in respect of matters like receiving evidence, issuing commissions, discovery and production of any document etc. Also, every proceeding before the Designated Agency shall be deemed to be a judicial proceeding under the Code of Criminal Procedure, 1973 and Indian Penal Code;
- viii) No obligation to maintain secrecy or other restrictions upon the disclosure of information shall be claimed by any Public Servant in the proceedings before the Designated Agency;
  - ix) But, no person is required to furnish any information in the inquiry under this act if such information falls under the 10 (ten) categories mentioned before;
  - x) It shall be the responsibility of the Central Government to ensure that no person who has made a disclosure is victimised on the ground that such person had made a disclosure under this act;
  - xi) If any person is victimised or likely to be victimised on the above-mentioned ground, he may contact the Designated Agency and the Designated Agency may pass appropriate directions in this respect. The Designated Agency can even restore status quo ante with respect to the Public Servant who has made a disclosure. Also, the Designated Agency can pass directions to protect such complainant;
  - xii) If an offence under this act has been committed by any Head of the Department unless he proves that the offence was committed without his knowledge or that he exercised all due diligence in this respect;
  - xiii) This Act extends to all the Companies as well. When any offence under this act has been committed by a company, every person who at the time of the

offence was responsible for the conduct of the business of the company shall be deemed to be guilty of the offence unless he proves that the offence was committed without his knowledge or that he exercised all due diligence in this respect;

- xiv) No court can take cognizance of any offence under this act save on a complaint made by the Designated Agency. No court inferior to that of a Chief Metropolitan Magistrate or a Chief Judicial Magistrate shall try any offence under this act. The High Court shall be the appellate authority in this respect.

## Appendix -2

### Electronic Procurement (e-Procurement) and e-auction

*(Refer Para 4.14.1 of the CSIR Manual)*

(The details given in this appendix are generic in nature are not prescriptive part of this Manual of Policies and Procedures. Procuring Entities may settle and decide the details with the service provider)

**1.0 Electronic Procurement (e-Procurement)** is the use of information and communication technology (specially the internet) by the buyer in conducting procurement processes with the vendors/contractors for the acquisition of goods (supplies), works and services aimed at open, non-discriminatory and efficient procurement through transparent procedures. The Procurement Policy Division, Department of Expenditure, MoF, has vide Office Memorandum no: 10/3/2012-PPC dated 09<sup>th</sup> January, 2014 prescribed mandatory publishing of tenders through the e-Procurement mode for tenders valued above Rupees two lakh.

#### **2.0 Service Provider:**

A service provider is engaged to provide an e-Procurement system covering the following:

- i) All steps involved, starting from hosting of tenders to determination of techno-commercially acceptable lowest bidder, are covered;
- ii) The system archives the information and generates reports required for the management information system/decision support system;
- iii) A helpdesk is available for online and offline support to different stakeholders;
- iv) The system arranges and updates the Digital Signature Certificate (DSC) for Departmental users; and
- v) Different documents, formats, and so on, for the e-Procurement systems are available.

#### **3.0 Process:**

In e-Procurement, all processes of tendering have the same content as in normal tendering and are executed, once the necessary changes have been made, online by using the DSC as follows:

- i) **Communications:** Wherever traditional procedures refer to written communication and documents, the corresponding process in e-Procurement would be handled either fully online by way of uploading/

downloading/ emails or automatically generated SMSs or else partly online and partly offline submission. It is advisable to move to full submissions online. More details would be available from e-Procurement service provider's portal. In e-Procurement, the tender fee, EMD and documents supporting exemption from such payments are submitted in paper form to the authority nominated in the NIT, but scanned copies are to be uploaded – without which the bid may not get opened. In future, such payments may be allowed online also.

- ii) **Publishing of tenders:** Tenders are published on the e-Procurement portal by authorised executives of Procuring Entity with DSC. After the creation of the tender, a unique “tender id” is automatically generated by the system. While creating/publishing the tender, the “bid openers” are identified – four officers from the Procuring Entity (two from Purchase, one from the Finance and one from Administration) with a provision that tenders may be opened by any two of the four officers. The downloading of the tender may start immediately after e-publication of NIT and can continue till the last date and time of bid submission. The bid submission will start from the next day of e-publication of NIT. In case of limited and PAC/single tenders, information should also be sent to target vendors/contractors through SMS/email by the portal.
- iii) **Registration of bidders on portal:** In order to submit the bid, bidders have to register themselves online, as a one-time activity, on the e-Procurement portal with a valid DSC. The registration should be in the name of the bidder, whereas DSC holder may be either the bidder himself or a duly authorised person. The bidders will have to accept, unconditionally, the online user portal agreement which contains all the terms and conditions of NIT including commercial and general terms and conditions and other conditions, if any, along with an online undertaking in support of the authenticity of the declarations regarding facts, figures, information and documents furnished by the bidder online.
- iv) **Bid submission:** The bidders will submit their techno-commercial bids and price bids online. No conditional bid shall be allowed/accepted. Bidders will have to upload scanned copies of various documents required for eligibility and all other documents as specified in NIT, techno-commercial bid in cover-I, and price bid in cover-II. To enable system generated techno-commercial and price comparative statements, such statements should be asked to be submitted in Excel formats. The bidder will have to give an undertaking online that if the information/declaration/scanned documents furnished in respect of eligibility criteria are found to be wrong or misleading at any stage, they will be liable to punitive action. EMD and tender fee (demand draft/banker's cheque/pay order) shall be submitted in the electronic

format online (by scanning) while uploading the bid. This submission shall mean that EMD and tender fee are received electronically. However, for the purpose of realisation, the bidder shall send the demand draft/banker's cheque/pay order in original to the designated officer through post or by hand so as to reach by the time of tender opening. In case of exemption of EMD, the scanned copy of the document in support of exemption will have to be uploaded by the bidder during bid submission;

- v) **Corrigendum, Clarifications, Modifications and withdrawal of bids:** All these steps are also carried out online mutadis mutandis the normal tendering process;
- vi) **Bid opening :** Both the bid openers mentioned at the time of creation of the tender online need to open the bids electronically through their DSC. Relevant bidders can simultaneously take part in bid opening online and can see the resultant bids of all bidders. The system automatically generates a technical scrutiny report and commercial scrutiny report in case of the techno-commercial bid opening and a price comparative statement in case of price bid opening which can also be seen by participating bidders online. Bid openers download the bids and the reports/statements and sign them using their DSC for further processing. In case of opening of the price bid, the date and time of opening is uploaded on the portal and shortlisted firms are also informed through system generated emails and SMS alerts – after shortlisting of the techno-commercially acceptable bidders;
- vii) **Shortfall document:** Any document not enclosed by the bidder can be asked for, as in case of the traditional tender, by the purchaser and submitted by the bidder online, provided it does not vitiate the tendering process;
- viii) **Evaluation of techno-commercial and price bids:** This is done offline in the same manner as in the normal tendering process, based on system generated reports and comparative statements.
- ix) **Award of contract:** Award of the contract is done offline and a scanned copy is uploaded on the portal. More needs to be done in this regard. The information and the manner of disclosure in this regard must conform to Section 4(1) (b), 4(2) and 4(3) of the RTI Act to enhance transparency and also to reduce the need for filing individual RTI applications. Therefore, the award must be published in a searchable format and be linked to its NIT; and
- x) **Return of EMD :** EMD furnished by all unsuccessful bidders should be returned through an e-payment system without interest, at the earliest, after the expiry of the final tender validity period but not later than 30

(thirty) days after conclusion of the contract. EMD of the successful bidder should be returned after receipt of performance security as called for in the contract.

#### **4.0 Disposal through e-Auction**

##### **4.1 Contractual Legal Aspects of Auction Sale of Scrap**

Ministry/Departments should decide the calendar for holding auctions/tenders for groups of lots. A brief summary of this Auction Schedule is given publicity in Newspapers and on websites, indicating how to obtain/download Auction Catalogues. For each Auction a Catalogue is prepared containing details of Schedule of Lots in the Auction, as well as General and Special Terms and Conditions of Sale (GTC and STC). In contractual terms, Publishing of an Auction catalogue in sale of scrap is equivalent to NIT/SBD in Tenders for procurement and forms the basis of bids by the purchasers. In e-Auction, the General Conditions of Sale are available on the website and Special Conditions of Sale of each lot is hyperlinked to the Lot Description. In case of Tender/Physical Auctions Catalogue contains these in printed format.

In Auction, the bidders keep bidding higher and the highest accepted bid is accepted. In such a case a Bid-Sheet is immediately signed by the Seller and Bidder's representative, which along with the delivery order serves as a legal contract document. In e-Auction, Bid Sheet is generated with DSCs of Buyer and Seller.

##### **4.2 Legal Status of e-Auction**

e-Auction through E- Auction Service Provider (eASP) is a triangular contract. eASP is a sub- agent of the seller through a standing contract entered between them, which is subject to general terms and conditions (GTC) of eASP. eASP is also a sub-agent of the successful buyer through a standing contract between them which is subject to Buyer Specific Terms and Conditions (BSTC). eASP gets a commission of fixed percentage of sale value from the purchaser directly – which is deducted from the amount payable to the seller. The e-auction sale is governed by GTC, BSTC and Special Terms and Conditions (STC) of the e-auction. In case of conflict or differences among any provisions of GTC, BSTC and STC, the provisions of STC would prevail. Normally, successful purchasers pay all monies to eASP who, in turn, transfers it to the seller. But the seller may, if desired, negotiate with eASP to accept such payments directly from purchaser.

##### **4.3 Creating an Auction Event: Auction Catalogue**

The seller lists items to be auctioned on a specified date. This list is generally called an auction catalogue. Besides the list of items, it also contains any special

conditions of contract applicable generally or to specific lots. The following auction details are provided in this list: Auction Catalogue.

- i) Auction number;
- ii) Auction Opening date and time,
- iii) Auction Closing date and time;
- iv) Type of Auction Ending: Close Ended/Open Ended
- v) Max Auto Extensions Allowed (five to ten)/Duration of Auto Extensions (90 Secs– ninety seconds)
- vi) Auction Catalogue Number and Date
- vii) Inspection from date;
- viii) Inspection closing date;
- ix) Seller/Unit name;
- x) Address; Contact details;
- xi) Details of the contact person;
- xii) Details of ED and Sales Tax (CST/VAT) in each Lot and TCS (including Surcharge and Edu Cess) for all lots;
- xiii) Whether Subject to Acceptance (STA) is applicable for bids within (10% (ten percent) or any other percentage) of the Reserve Price and
- ix) List of lots to be included: (Lot Description is hyper-linked to relevant details containing special terms of lifting, etc)

Auction Sq No:	Lot No	Lot Desc	Quantity	ED/(ST/Vat)%	Custodian/ Location	Start Time	Close Time	Minimum Increment	STA applicable Y/N
Total Number of Lots =									

The fixed reserve price also has to be uploaded on the portal for each lot, which is kept confidential. It should also be mentioned if bids below the reserve price up to a percentage can be accepted on an STA basis. The auction details can be posted by eASP but to maintain the sanctity of the reserve price, it is better for the seller to do so through his login and password. The bidder's queries before the auction will reach seller by e-mail and can be answered online. The seller will not be allowed to edit any item once the auction starts. To attract bidders to the auction to get a higher price, the seller should describe items in detail to



include information such as condition and size of the item. The more information is provided, the more bidders will bid with confidence. A photo can also be uploaded. Generally, auctions with images have higher sell-through. Many buyers like to browse through the eASP categories and, therefore, listing the item in the appropriate category increases the likelihood of interested bidders viewing it.

#### **4.4 Buyer Eligibility**

All prospective e-auction sellers and bidders will have to register themselves by filling in the relevant details online. Bidders have also to pay the specified non-refundable registration fee (usually Rs.10,000 – Ten thousand) off line. Only registered bidders will be able to access the auction floor. The auction notification will, however, be seen by all internet users. If it is found that the bidder is not adhering to the terms and conditions of the e-auction and also indulging in any malpractices either himself or through his agents, deputies or observer, such a bidder is liable to be blacklisted and appropriate action will be taken as deemed fit by the seller. There are various reports available by which seller can rate a bidder. The seller can restrict or blacklist a buyer from bidding by making a formal request to eASP.

#### **4.5 Conduct of Auction**

The seller cannot close/cancel an auction once it starts. It can be cancelled/amended prior to the starting of the auction by making a request for cancellation. The following information will be present on the auction floor web-page:

- i) Opening date and time,
- ii) Closing date and time,
- iii) Item number,
- iv) Item name, hyper-linked to relevant details containing duties, etc., /special terms of lifting, etc.;
- v) Quantity and unit of measurement;
- vi) Location of material/item;
- vii) Last bid or basic price, if any;
- viii) Bidders' bid in Rs./unit; and
- ix) Bid history.

The closing time of an auction shall automatically be extended by period indicated in Auction Catalogue for all auctions if bid continues (e.g., in case the closing time is 5.30 pm of any particular date and if a bidder bids at 5.29 pm then the closing time will be automatically extended). Maximum number of

auto extensions is also specified.

Bidders are able to indicate the bid price through their login. A bid, once given, cannot be retracted. Conditional offers will not be accepted/ entertained. Each bidder will have the option to declare his maximum value of bid (which cannot be viewed by other bidders) up to which his automatic bidding will continue.

The seller can monitor auction activity and view the bidding history of the live auctions, reserve prices (reserve price can only be viewed by seller and no one else), and other features. However, the seller will get an automated email once the auction ends with detailed information on the auction (highest bidder, subject to approval items, rejected items).

The respective items will be marked “sold” after closing of the auction when the highest bid is greater than the reserve price and an automatic intimation to the concerned buyer will be sent online to make the payment.

If the bid price matches the limits specified for inclusion in STA, then it shall be shown under the STA category and the seller will be accordingly informed. In case of STA, the seller has to convey the acceptability of the bid amount or otherwise of the bid value to eASP as well as the bidder within three days (excluding holidays) of the close of the auction.

In case of “Sold” or STA a Bid-Sheet is displayed (Annexure 20), indicating the details of the accepted bid, which is printed and shows digital signatures of Auction Supervising Officer and the Bidder. As mentioned before this serves the role of legal Contract document.

If the reserve price has not been met by close of auction, the auction closes without a winning bidder. On the seller’s request, eASP will arrange for inclusion of the unsold item in the next auction.

#### **4.6 Earnest Money Deposit**

EMD is payable within seven calendar days from the date of closing of the e-auction (excluding the date of closing) by the successful bidder. EMD is equivalent to 25 per cent of material value of the accepted lots and 10 (ten) per cent of the material value for STA lots in the forms of a demand draft drawn in favour of the authority mentioned in the auction catalogue. On receipt of the EMD by eASP, an acceptance letter/sale order will be issued for sold lots. In case of failure to pay the EMD in time, the login of the party will be deactivated in addition to other actions as deemed fit and the offer will stand withdrawn.

#### **4.7 Payment of Balance Sale Value (BSV)**

In case of sold/accepted lots and lots taken on STA basis, the balance payment has to be made within 15 (fifteen) calendar days from the date of the

acceptance letter/sale order (excluding the date of issue of the acceptance letter/sale order), by way of a demand draft as per the following manner:

- i) Commission percentage as per STC/GTC/BSTC to be paid in favour of eASP, by way of demand draft/pay order;
- ii) The balance amount (after deducting the EMD and amount payable to eASP) plus applicable VAT/duties, income tax and other charges if any must be paid in favour of authority mentioned in auction catalogue;
- iii) In case of delay, a late payment charge @ one per cent per week or part thereof will be charged up to two weeks only and thereafter the EMD will stand forfeited without any notice; and
- iv) Tax Collected at Source (TCS) at the applicable percentage (presently @ one per cent) of the gross value (material value + GST + any other applicable taxes/ duties/cess, etc.) may be deducted by the purchaser and a TDS certificate may be given. A surcharge of 10% (ten percent) on TCS and a further Education cess of 3% (three percent) is leviable on the TCS+ Surcharge.

#### **4.8 Delivery Order**

eASP will hand over, to the successful buyer, a delivery order authorising the Stores Department to make such a delivery, after getting the requisite material value. The purchaser will approach the seller with the delivery order to allow him to lift the material. The validity of the delivery order is 60 (sixty) days from the date of the e-auction. The delivery order should show the following particulars:

- i) Lot number;
- ii) Description of material;
- iii) Purchaser's name and address;
- iv) Approximate quantity in the lot;
- v) Rate at which sold;
- vi) Value realised;
- vii) Reference to the cash remittance note, under which the value was remitted to the nominated cashier;
- viii) Chief cashier or treasurer's receipt note and date; and
- ix) Amount of loading charges recovered by the store keeper.

Note: Information sought in S. No. i) to viii) shall be filled in by eASP in tabular form (Columns 1 to 8). Information pertaining to S. No. ix) (Columns 9) shall be filled by the store keeper.

## Advanced Concept of Value for Money (Refer para 1.6.1 of the CSIR Manual)

### 1.0 Concept of Value

Value is a management and economics concept. It represents the extent of satiation of a hierarchy of needs of a person by a product bought for this purpose. This is subjective and difficult to quantify. This is because different persons (or the same persons under different circumstances) would have different hierarchy of needs and would perceive different extents of satiation or value from the same product. There are three sources of the value of a product. The first source of value is from the functional usage of the product (known as use value) and the second source comes from the social status associated with the ownership of the product (esteem value). This can be shown as the difference between a luxury branded gold-plated, diamond encrusted pen and a disposable non-descript functional pen, though both fulfill the broadly same function and have the same use value. The luxury branded pen, in addition to the use value, also has additional esteem value. The third source of value comes from the price that one can get by exchanging or scrapping the product at the end of the useful life of the product. This is called the disposal value. Normally, when people buy a car, they do consider the estimated disposal value of different choices of models. Value is the sum total of all the three values.

### 2.0 Total Cost of Ownership

While the value of a product covers all components of value over the **“Whole-Of-Life” (WOL)**, the costs incurred on the product should also take into consideration the total of various elements of costs incurred over WOL of the product. For this purpose, future costs are discounted to present value (not to be confused with the value we are discussing – this is a financial discounting concept). For example, it would not be prudent to buy a cheap car, which has a very high cost of operating. This is called variously as **WOL or “Life-Time-Cost” (LCC) or “Total Cost of Ownership” (TOC)**. The last is a preferred nomenclature in procurement and is defined as the total of all costs associated with a product, service, or capital equipment that are incurred over its expected life. Typically, these costs can be broken into four broad categories:

- (i) **Procurement price:** The amount paid to the vendor/contractor for the product, service, or capital equipment;
- (ii) **Acquisition costs:** All costs associated with bringing the product, service, or capital equipment into operation at the customer’s location. Examples of acquisition costs are sourcing, administration, freight, taxes, and so on;
- (iii) **Usage costs:** In the case of a product, all costs associated with converting the procured part/material into the finished product and supporting it through its usable life. In the case of a service, all costs associated with the performance of the service that is not included in the procurement price. In the case of capital equipment, all costs associated with operating the equipment through its life. Examples of usage costs are inventory, conversion, wastage, lost productivity, lost sales, warranty, installation, training, downtime, and so on; and

- (iv) **End-of-Life costs:** All costs incurred when a product, service or capital equipment reaches the end of its usable life, net of amounts received from the sale of the remaining product or the equipment (disposal value) as the case may be. Examples of end-of-life costs are obsolescence, disposal, clean-up, and project termination costs.

### 3.0 Value for Money

Besides value of a product or service, the customer also has his own notion of “value” of a particular sum of money. This is different for different people or even for the same person in different circumstances. When the perceived value of a product matches the perceived value of the amount of money (cost of the product), the customer feels he got the full value for his money. This is called the VfM. In procurement, Total Cost of Ownership is taken to evaluate value for money. Given the limited resources available to the Government, ensuring VfM in procurement is the key to ensuring the optimum utilization of scarce budgetary resources. It usually means buying the product or service with the lowest WOL costs that is ‘fit for purpose’ and just meets the specification. VfM also incorporates affordability; clearly, goods or services that are unaffordable cannot be bought. This should be addressed as soon as possible within the process, ideally at the need assessment stage before procurement commences. In order to address this issue, a change in the procurement approach, specification or business strategy may be required.

Where an alternative is chosen that does not have the lowest WOL costs, then the additional ‘value added’ benefit must be proportional and objectively justifiable. Assessment of bids should be conducted only in relation to a published set of evaluation criteria (which should be relevant to the subject of the contract), and any ‘added value’ that justifies a higher price must flow from these defined criteria. In public procurement VfM is often primarily established through the competitive process. A strong competition from a vibrant market will generally deliver a VfM outcome. However, where competition is limited, or even absent, other routes may have to be used to establish VfM. These can include benchmarking, construction of theoretical cost models or ‘shadow’ bids by the procurement agency. For major contracts, this can require considerable financial expertise and external support. A VfM assessment, based on the published conditions for participation and evaluation, may include consideration of some factors such as:

- (i) Fitness for purpose;
- (ii) Potential vendor/contractor’s experience and performance history;
- (iii) Flexibility (including innovation and adaptability over the lifecycle of the procurement);
- (iv) Environmental sustainability (such as energy efficiency and environmental impact); and
- (v) Total cost of ownership.

But due to uncertainties in estimates of various components of TCO (and actual costs over the life-cycle) and intangibles of Value, some element of subjectivity may become unavoidable, and hence is not normally useable in routine Public Procurement cases. Therefore, preference is given to alternative means for ensuring VfM by way of optimal description of needs; development of value-engineered specifications/Term of Reference and appropriate packaging/ slicing of requirements and selection of appropriate mode/bidding systems of procurement, etc.

