



KAMARAJAR PORT LIMITED

(A MINI RATNA Govt. of India Undertaking)

TENDER PROCEDURE MANUAL



July 2014

CONTENTS

CHAPTERS	DESCRIPTIONS	PAGE NO
CHAPTER – 1 GENERAL		
1.0	ACTIVITIES CONNECTED TO WORKS	1
2.0	DEFINITION	2
2.1	Works	2
	<i>2.1.1 Civil Works</i>	2
	<i>2.1.2 Electrical Works</i>	3
	<i>2.1.3 Marine Works</i>	3
2.2	Works Manual	3
2.3	Indent	3
2.4	User / Indenter	4
2.5	Competent Authority	4
2.6	Competent Technical Authority	4
2.7	Competent Tender Accepting Authority	4
2.8	Project Manager / Engineer-in-charge	4
2.9	Project Co-ordinator / Site-in-charge	4
2.10	Procurement	4
2.11	Tender Committee	4
3.0	CLASSIFICATION OF WORKS	4
3.1	Capital Works	5
3.2	Revenue Works	5
CHAPTER – 2 PRE-TENDERING ACTIVITIES		
4.0	STAGES FOR EXECUTION OF WORK	6
5.0	BASIS OF COST ESTIMATES	8
6.0	APPROVAL / SANCTIONS	10
6.1	Administrative Approval	10
6.2	Technical Sanction	10
6.3	Finance Concurrence of Estimates	11
7.0	EXPENDITURE SANCTIONS	12
8.0	EXCESS OVER EXPENDITURE SANCTION	12
8.1	During Placement of LOI/Award of Work / Notice of Award	12
8.2	During Execution	12
9.0	REVISED TECHNICAL SANCTION	13
10.0	APPOINTMENT OF SPECIALIST SERVICES	13
10.1	Consultants	13
10.2	Specialists	13
10.3	Third Party Agency	14
	<i>10.3.1 Third Party Certification Agency</i>	14
	<i>10.3.2 Third Party Inspection Agency (TPI)</i>	14

CHAPTERS	DESCRIPTIONS	PAGE NO
	<i>10.3.3 Empanelment of Consultants / Third party Inspection Agency (TPI) / Certification Agency</i>	14
CHAPTER –3 TENDERING PROCESS		
11.0	TYPES OF TENDERS	15
11.1	Item rate tenders	15
11.2	Percentage rate tenders	15
11.3	Lump-sum Turnkey /EPC Tenders	15
12.0	TENDERING METHODOLOGY	15
12.1	Open Tenders	15
12.2	Limited Tenders	16
12.3	Single Tender / Nomination on Emergency Basis	17
12.4	Engagement of Consultant / Expert / Agency	17
12.5	Works on Hand Quotation Basis	18
12.6	Through e-Tendering Mode	18
13.0	RATE CONTRACT	20
13.1	Works	20
14.0	APPROVED LIST OF EMPANELLED CONTRACTORS FOR LIMITED TENDERS	22
14.1	Performance Evaluation	23
14.2	Removal from the approved list	23
14.3	Extension of Period of Empanelment	24
15.0	BIDDING SYSTEM	24
15.1	Single Envelope System	24
15.2	Two Envelope System	24
15.3	Three Envelope System	25
15.4	Essential Qualification Requirement (EOP)	26
15.5	Scale of Charges for Tender Documents	27
15.6	Time Limit for Publicity of Tenders	28
CHAPTER –4 TENDER DOCUMENTS AND APPROVALS		
16.0	STAGES OF APPROVAL	29
17.0	EXECUTION METHODOLOGY	29
18.0	FINALISATION OF BEC / EQR & FLOATING OF TENDERS	29
19.0	BIDDING DOCUMENTS	31
19.1	Content of Bidding Documents	31
19.2	Clarification of the Bidding Documents	32
19.3	Pre-bid Meeting	32
19.4	Amendment of Bidding Documents	33
19.5	Preparation of Bids	33
19.6	Bid Prices	33
19.7	Currencies of Bid and Payment	34

CHAPTERS	DESCRIPTIONS	PAGE NO
19.8	Bid Validity	34
19.9	Bid Earnest Money	34
19.10	Performance Guarantee	36
19.11	Security Deposit	37
19.12	Purchase of Bidding Documents by Agents in India	38
19.13	Cancellation of Tender – Refund of Tender Fee	38
19.14	Exemption from Payment of Tender Fee	38
19.15	Offers without prescribed Bidding Documents of KPL	38
20.0	SUBMISSION OF BIDS	39
20.1	Sealing and Marking of Bids	39
20.2	Envelopes	39
20.3	Receipt of Tenders	40
20.4	Tender Register	41
20.5	Numbering of Tenders	42
20.6	Late Bids	42
20.7	Modification and Withdrawal of Bids	42
21.0	BID OPENING AND EVALUATION	43
21.1	Bid Opening	43
21.2	Process to be Confidential	44
21.3	Clarification of Bids	44
21.4	Examination of Technical Bids and Determination of Responsiveness of Technical Bid	44
21.5	Correction of Errors	45
21.6	Price / Purchase Preference	46
21.7	Seeking Compliance from Bidders after Tender Opening	46
	<i>21.7.1 Correspondence with Bidders</i>	47
CHAPTER –5 AWARD OF WORK		
22.0	AWARD OF WORK	48
22.1	Process for Award of Work	48
22.2	Guidelines for Award of Work	49
22.3	Issue of Work Order	53
22.4	Repeat Order	53
23.0	Notification of Award and Signing of Agreement	54

CHAPTER -1

GENERAL

1.0 ACTIVITIES CONNECTED TO WORKS

Proposed “Kamarajar Port limited Works Manual” shall be applicable for all type of contract works at Port such as Civil, Electrical, Mechanical, Marine and Project implementation works headed by the respective Head of the Department under the overall charge of the related functional Director. In the absence of a separate contract cell to maintain and control the contracts awarded, the concerned officer/department shall maintain the records and process the cases relating to contracts, in addition to his/her normal duties.

The broad outline of the contract related activities are as given below.

- 1.1 To initiate/receive the proposals for various works to be carried out contractually by the respective departments and to process the case for estimation of works, administrative sanction of expenditure, award of works, etc. by the competent authority. The cost estimates shall be prepared, checked and approved by the Initiating Department
- 1.2 To process the cases of capital works included in the approved Capital Budget for award of works and to monitor and inspect the execution of works.
- 1.3 To process the rate contract for annual repair, maintenance and other works of the company.
- 1.4 To obtain the details of actual work executed and to get the approval of the competent authority for deviation in works, if any.
- 1.5 To process, check and control running bills, final bills, issue of materials and recovery, wherever necessary etc. to satisfy that the work has been executed in accordance with the contract awarded and payments are made correctly for the work done, as per basic records at site.
- 1.6 To maintain the contract files/records.

- 1.7 To maintain a register of pre-qualified contractors for issue of limited tender enquiries, work-wise.
- 1.8 To ensure that the contract works are being carried out as per the various statutory provisions and to submit statutory returns in time to statutory agencies whenever required.
- 1.9 To ensure that the revenue/capital work proposals and tender papers are thoroughly studied and examined to find out technical feasibility and economic viability before they are processed for sanction and award.
- 1.10 To ensure accountability and responsibility of the various personnel involved with transparency and fairness in the system.
- 1.11 To control time over run and cost over run in the execution of revenue/capital works. The system and procedures detailed below shall apply to all cases of works awarded and executed through outside agencies, in any department of the company.

2.0 DEFINITION

2.1 Works

"Works" shall mean: any activity/group of activities/turnkey or otherwise such as construction works inclusive of civil, mechanical, electrical, Marine Services, operation, repair & maintenance, materials and services, related to these installations/works

2.1.1 Civil works

- Construction of berths/jetties/dredging and all ancillary works connected with port expansions.
- Related to roads & railway works, foundations & other works and all ancillary works connected with operational requirements.
- Residential/Non-Residential buildings, RCC/Steel storage tanks, boundary walls, estate/land development including horticulture, landscaping, plantations, interior works, customized furniture/furnishings etc.
- Estate repairing, maintenance and upkeep in field and plant

areas/offices/townships etc. including water supply etc.

- Any other miscellaneous civil works.

2.1.2 Electrical works

- Sub-stations, power supply, external and internal cabling / Electrification,
- Repair & maintenance of electrical installations/facilities in field & plant areas/offices/townships etc. (through one time/annual maintenance contracts etc.).
- AMC, R&M of EDP equipment, Networking and other Marine electronic equipment

2.1.3 Marine works

- Works related to safe berthing /de-berthing of vessels in the berth/jetty such as moorings, pilotage, signaling, navigational aids etc. for loading/unloading of cargos.
- Survey works related to dredging.
- Works related to Environmental issues.
- Works related to Safety issues, Fire Tenders
- Other works
- OPERATION AND MAINTENANCE OF Fire Services, Hire of Contractual vehicles and hire of manpower services and any other Service Contracts.
- Consultancy Contracts, Project Managements, Professional services.

2.2 'Works Manual" shall mean a set of instructions/guidelines/actions to be undertaken to execute any work.

2.3 'Indent' shall mean a requisition for a work / job by the operator / user and will include as a minimum:

- The scope of work
- Administrative approval of competent authority as per DOP at the work centre for undertaking the work.
- The Expenditure Sanction and budgetary references etc if

available, and the envisaged time schedule. In case of priority / emergency works suitable (indication) reference shall be mentioned in the Indent while obtaining the approval.

- 2.4 'User/Indenter' shall mean the (authority) Group/Department that initiates the requisition of the work, provides sanction and arranges budget for the same.
- 2.5 'Competent Authority' (CA) shall mean the appropriate authority with delegated powers to accord administrative approval and Expenditure sanction as per the Delegation of Powers (DOP).
- 2.6 'Competent Technical Authority' (CTA) shall mean the appropriate technical authority who is delegated with relevant powers to accord technical approvals, in respect of the indented works as per the DOP.
- 2.7 'Competent Tender Accepting Authority' (CTAA) shall mean the appropriate authority who is delegated with relevant powers to accept the tender in respect of the indented works as per the DOP.
- 2.8 'Project Manager/Engineer-in-Charge' shall mean the person(s) designated to act for and on behalf of KPL for execution of the work as per requirement of User/Indenter.
- 2.9 'Project Coordinator/Site-in-Charge' shall mean the person(s) nominated by Head of Engineering Services as first person responsible for total coordination, supervision & execution of work with an objective to complete the work within schedule.
- 2.10 'Procurement' shall mean the process of making available all goods, services, constructed/finished products, assets, etc.
- 2.11 'Tender Committee' for finalizing the bid evaluation criteria (BEC), and evaluating the tenders etc., shall be constituted for each work / tender and shall comprise representatives from the concerned Engineering Services, Finance and the Indenter as per DOP.

3.0 CLASSIFICATION OF WORKS

All works can be primarily classified as Capital or Revenue as hereunder:

- 3.1 'Capital' works will comprise of all works which facilitate to generate/supplement revenue earnings and/or add to the Assets or creation of infrastructure facilities. Any work of aforesaid nature which will lead to an increase of equipment/capacity addition to the Port form part of Plan and Non-Plan Capital Budget.
- 3.2 'Revenue' works will comprise of all maintenance, repair, refurbishment, revamp works for sustaining business operation etc., form part of Revenue Budget.

Note:

Wherever this manual does not address, issues / situations / circumstances, works manuals will be perused / followed as the case may be.

CHAPTER – 2

PRE-TENDERING ACTIVITIES

4.0 STAGES FOR EXECUTION OF WORKS

The under mentioned stages are basic pre-requisites, which are required to be followed before works are taken in hand or liability incurred in connection with it.

- 4.1 Requisition of Work from the User Group/Indenter.
- 4.2 Basic scope of work and preliminary cost estimates by User Group/Service Group Pre-Feasibility Report/Feasibility Report in case of Large Projects.
- 4.3 With the above basic scope of work and cost estimates, the Indenter/User Group shall move the case and obtain administrative approval, financial concurrence and expenditure sanction including fund allocations. The Indenter/User Group shall convey the Administrative Approval (AA) and Expenditure Sanction (ES) of the Competent Authority (CA).
- 4.4 It must be ensured that the detailed scope of work to be tendered reflects the indenter's intent and is 'fit for purpose.' Any additions which are extraneous to the scope must be avoided unless duly accompanied with the appropriate administrative authority's approval.
- 4.5 In case of urgency, the Head of Departments may permit invitation of tender and finalization of offers in anticipation of sanction. In case of Engineering Procurement and Construction (EPC) cases, approval of Director in charge shall be obtained to initiate tender processing pending Expenditure Sanction. However, financial concurrence must be obtained before opening of Price Bids.
- 4.6 Emergency works may be resorted to if there is an operational urgency like fire, flood, earthquake, war, civil disturbance, etc. and when it is necessary to restore normalcy (for reasons including those related to environment, safety and security) of equipment, machinery, civil, mechanical or other works (including third party property) in the shortest time and normal methods of tendering is not considered feasible. The

user/indenter shall record the above mentioned operational urgency to resort Nomination / Single Tender as per DoP.

4.7 The competent authority shall accord administrative approval and expenditure sanction for emergency works as per DOP. The powers for acceptance of tenders will be governed as per DOP or such other revisions / instructions as may be issued from time to time.

4.8 Scope of Work

4.8.1 Finalization of Scope of work

- Based on the broad scope of work available in the Feasibility Report(FR)/ Detailed Project Report (DPR) prepared for the approval of the scheme, Head of Engineering Services in Work centers shall prepare the detailed and the firm scope of work, to the extent to provide Basic engineering including order of magnitude, estimates and preparation of Technical Bid Packages. The detailed scope of work is to be developed and finalized taking into account the technical inputs from Work centers.
- Geotechnical investigation for obtaining soil report and topographical survey shall be carried out and soil/survey report so finalized will be part of the bidding document
- Work centers will provide the location coordinates for proposed surface facilities/pipe lines.

4.8.2 In case of revamping/modification works envisaged in the scope of work , site survey/physical check shall be carried out by the respective discipline engineers or Consultant for preparing the related scope of work for the Bid Package.

4.8.3 Approval of Scope of work

- The approval of scope of work shall be taken from the competent sanctioning authority. Concerned level officer of the User / Indenter group shall have full powers.
- Any change in scope of work vis-à-vis scope approved as above shall require the approval of competent authority.
- Normally Scope of Work should be firmed up before Invitation

of Bids; however any specific and essential alterations subsequent to invitation of tender may be done only with the approval of Competent Sanctioning Authority. The addendum/amendment shall be notified in writing to all prospective bidders who have received the bidding documents after the approval of Competent Sanctioning Authority. In order to provide reasonable time to the prospective bidders, for taking into account such amendment/addendum in preparing their bids, time as decided by the Competent Authority shall be allowed to the bidders for submission of bids after issuance of such amendment/addendum.

- Before inviting tender, the tender document would be vetted by concerned department. If any changes required in the scope, the same shall be incorporated in the tender after obtaining necessary approvals.

4.9 Feasibility Study for Major Projects/ Schemes, Feasibility Report shall include the contents as per prevailing guidelines issued from the Corporation/Project Appraisal Section from time to time.

5.0 BASIS OF COST ESTIMATES

Cost estimates shall be prepared by adopting any one of the following methodologies, as appropriate. For each type of work, there shall be only one costing methodology approved by the respective Head.

- 5.1 The Standard Schedule of Rates shall be prepared for all the standard items by adopting the standard procedures (as per CPWD norms with prevailing market rates for labour and materials, equipments, etc.) by the Committee constituted time to time by Competent Authority. These estimates will be scrutinized by Finance Department during Financial concurrence stage and get the approval of the Competent Authority as per DoP.
- 5.2 CPWD rates shall also be adopted in the case of Item Rate/Percentage Rate tenders for Civil and Electrical works, if considered relevant other Schedule of Rates (SORs) may be adopted with the prior approval.
- 5.3 Where CPWD Schedule of Rates is not available, LAR (Last Awarded Rates) duly updated by cost index for the current year or derived from the

other existing rates by interpolation shall be applicable. If such LAR is not available, then the rates shall be worked out with the help of budgetary quotes and/or market rates obtained by the concerned project executing/service group approved by Competent Authority. The CPWD procedures for making detailed estimate based upon the budgetary quotes/market survey shall be followed.

- 5.4 Market survey shall be done by the Service/Project execution group to collect costs/budgetary quotations as per the existing practices and duly approved by the Competent Authority.
- 5.5 The accuracy in the range of estimates prepared on the basis of Schedule of quantities and schedule of rates as mentioned above shall be considered as +/-10%.
- 5.6 Cost estimates for specialized nature of works shall be prepared using project cost data obtained on budgetary basis or drawn from execution of similar earlier works, or use of costing software/database or through expert services of experienced project management consultant.
- 5.7 While carrying out market survey/collecting budgetary quotes etc., no commitments and assurances will be held out to prospective vendors/suppliers/contractors.
- 5.8 No profit margin will be considered where ever budgetary quotes are adopted for complete item of work.
- 5.9 Revision of Cost Estimates

Revision of Cost estimate shall be carried out in following circumstances:

- i. Time lag between the preparation of Feasibility Report and actual tendering being considerable.
- ii. Need to modify the scope of work in line with execution methodology and additional requirements from the Asset.
- iii. Cost of individual tenders may not be explicitly contained in the FR etc.
- iv. Abrupt fluctuations in the market rates.

The Consultants advice may be obtained to review the cost estimates as

worked out in the proposal / as provided in the FR / DPR.

The revised cost estimate should be firmed up and got approved from the Competent Authority before date of submission of the bids. These revised estimates shall be considered for evaluation of the bids.

6.0 APPROVAL/SANCTION

6.1 Administrative Approval

6.1.1 Administrative approval for all schemes of Capital/Revenue nature under various components shall be obtained as per DOP. In case, where individual scheme/component of Capital/Revenue nature has already been approved in the Budget, a separate approval is not required.

6.1.2 The Indenting department must ensure that the proposal is structurally and technically sound and forward the same to Finance Department depending upon the value as per DOP for scrutiny and concurrence.

6.1.3 Finance Department shall scrutinize the detailed estimates and ensure that the estimates are within the amount sanctioned under the Budget/Administrative Approval. After the estimates are found to be in order, financial concurrence shall be accorded and forwarded to the competent authority as per the DOP.

6.2 Technical Sanction

6.2.1 A "Technical Sanction" amounts to a guarantee that the proposals are technically sound, and that the estimates are accurately prepared and are based on adequate data.

6.2.2 Before an estimate is technically sanctioned, the following shall be desirable:

- (i) Detailed architectural / engineering drawings and specifications.

- (ii) Preliminary structural drawings for foundations
- (iii) Preliminary structural drawings of superstructure
- (iv) Preliminary drawings for internal and external services.
- (v) Detailed engineering, structural and other related drawings and specifications

6.2.3 The officers of the concerned department are empowered to accord technical sanction as per DOP.

6.2.4 In case of multi-component projects / sub-heads of works, sanctioned (Exp. Sanction) by the Competent Authority for which a clear and specific provision exists in such expenditure sanction, Technical Sanction may be accorded for each such component by an authority, as defined under DOP.

6.3 Finance Concurrence of Estimates

6.3.1 The estimates received in Finance Department shall be scrutinized with reference to the following points before according financial concurrence:

- (i) That the departments concerned have followed the general instructions regarding preparation of estimate as per Clause 5.
- (ii) There shall be a budget provision in the approved budget for the work proposed to be undertaken. In case of part estimate for projects, it may be ensured that the proposed work falls within the scope of the approved project cost estimate. For unbudgeted proposals, necessary re-appropriation approval shall be obtained as per DOP and further ratification in RE budgets exercised by the indenting department.
- (iii) That proper justification for the works proposed to be furnished by the indenting department.

- (iv) That the rates adopted for each item of work shall be as per Clause 5 and supported by detailed analysis of rates approved by the competent authority as per DOP..
- (v) For emergency / exigency works, the circumstances leading to such emergency / exigency are to be recorded in the proposal.
- (vi) The indenter shall ensure that the calculations shown in the estimate are arithmetically accurate.

6.3.2 Estimate shall be sent for finance concurrence as per financial limits specified in DOP. However, if such an estimate is based on rate analysis or contains items having rate analysis, the rate analysis shall be concurred by Finance Department and approved by Competent Authority before the same is taken as basis for the preparation of any estimate.

7.0 EXPENDITURE SANCTION

- 7.1 Expenditure Sanction (ES) to a project or part thereof shall be accorded by the competent authority according to DOP.
- 7.2 Expenditure sanction shall be accorded on the basis of cost estimates and the scope of work.
- 7.3 Further to the above, a provision of 3% on the cost estimate may be added to cover the cost of unforeseen contingencies.

8.0 EXCESS OVER EXPENDITURE SANCTION

8.1 During Placement of LOI/Award of work/Notice of Award (NOA)

8.1.1 In case, any excess over the sanctioned amount is known before tendering or during tendering, the tendering process shall not be held up for want of additional expenditure sanction. However, only in the cases where it is found tender finalized amount exceeds expenditure sanction, LOI/Award of work/Notice of Award (NOA) shall be placed after obtaining additional sanction or otherwise.

8.2 During Execution

8.2.1 The expenditure sanction upto 10% can be exceeded, if so required at any stage during the execution of the work, revised technical

sanction can be accorded by the competent authority as per DOP.

9.0 REVISED TECHNICAL SANCTION

- 9.1 A revised estimate shall be prepared when the sanction estimate is likely to exceed by more than 10% for the approval of competent authority as per DOP.
- 9.2 A complete deviation statement on completion of the work approved by the competent authority may be treated as revised technical sanction.
- 9.3 During execution of work, in case any change order due to change in scope of work as per requirement of Indenter/User or any major upward/downward variation in quantities is envisaged/is felt necessary due to operational/administrative reasons which may result in requirement of additional funds, then such additional Technical Sanction/Expenditure Sanction shall be taken as per the change order procedure defined in this Manual, in stages whenever it is required. However, the execution of work shall not be held up for want of additional expenditure sanction.

10.0 APPOINTMENT OF SPECIALIST SERVICES

10.1 Consultants

As far as possible only in-house design engineering resources shall be availed. The appointment of consultant shall be resorted only in case where in-house facility is not available. The appointment of consultant shall be as per DOP

10.2 Specialists

For hiring the services of specialists on man day basis for scientific/professional jobs, approval of Competent Authority as per DOP shall be obtained.

The concerned project execution group shall firm-up the scope of work in consultation with the indenter/user, technical specifications, process data and drawings, schedule etc. for preparation of detailed bidding documents for appointment of consultant/Specialists.

10.3 Third Party Agency

10.3.1 Third Party Certification Agency

- Certification Agency would be appointed for the specialized nature of the project for value more than Rs.10 crores and are required to issue Certificate of Fitness in respect of quality, safety and life of the structure.
- Scope of work and estimates for third party certification work for the respective project shall be prepared by Project Group in consultation with and duly vetted by Engineering Consultant.
- Selection of Certification Agency can be done on the basis of an open tender, limited tender or on nomination basis.

10.3.2 Third party inspection agency (TPI)

As per latest CVC Circulars on the subject, third party inspection (TPI) is required to be carried out by a reputed third party inspection agency. Bidding documents shall indicate in detail that third party inspection agency, shall be appointed by KPL for carrying out the fabrications inspection and supervision jobs for works and services.

10.3.3 Empanelment of Consultants / Third Party Inspection Agency (TPI) / Certification Agency

- In case the Engineering Consultants / Certification Agencies / Third Party Inspection Agencies are regularly required, respective projects shall process for empanelment of such agencies in different categories to save on time for tendering etc.
- However, for appointment of Consultant /Third Party inspection /Certification Agency for a specific project, administrative approval and expenditure sanction shall be obtained as per the relevant provisions in DOP.

CHAPTER – 3

TENDERING PROCESS

11.0 TYPE OF TENDERS

Following are the type of tenders, which are generally invited for execution of works:

11.1 Item rate tender

Item Rate tenders are invited where bidders are required to quote rates for individual items of work and work out total bid amount on the basis of schedule of quantities furnished by the department.

11.2 Percentage rate tenders

Percentage Rate tenders are invited where, bidders are required to quote overall percentage above or below the estimated amount (or rates) put to tender for total scope of work. In this case the schedule of quantities and the rates of items are given in the tender.

11.3 Lump-sum Turnkey/EPC Tenders

Lump-sum Turnkey/EPC Tenders are invited in respect of works for which the bidders are required to quote a lump-sum price for completing the works and services in accordance with the Bid requirements as the case may be.

Lump-sum Turnkey/EPC Tenders can be for executing the works as per the given design, drawings and specifications. Alternatively it may include elements of design engineering and preparation of detailed drawings and specifications as well, which shall be in keeping with the given design criteria/ basic engineering design i.e. functional, structural & performance parameters.

12.0 TENDERING METHODOLOGY

Following methodology for inviting the tenders shall be followed.

12.1 Open Tenders

12.1.1 As a general rule, all the tenders for Civil/Electrical/Marine and

other works tenders of value more than Rs.10 lakhs shall be through National Competitive Bidding (NCB) through E-Procurement/Tendering.

12.1.2 In the case of NCB, a Tender Notice shall be advertised at least in one leading National English Newspapers and in one Local Daily for tender value exceeding Rs.10 lakhs and for tender value less than Rs.10 lakhs, the advertisement can be in one national and one vernacular daily. The tender notice should also to be published in KPL's website for details of Notice Inviting Tender (NIT).

12.1.3 In the case of International Competitive Bidding (ICB), a Tender Notice shall be advertised in two leading National English Newspapers and in Indian Trade Journal/Indian Export Bulletin or a similar trade publication/export journal of repute. The tender notice should also to be published in KPL's website for details of Notice Inviting Tender (NIT).

12.1.4 Open tender bidding documents are to be issued to the bidders on application against prescribed tender fee. The time limit should be allowed for submission of bids, after the date of publication of advertisement as specified in 15.5.

12.1.5 If, in response to a Open Tender enquiry, only one offer is received, before opening the tender, the Competent Authority can decide whether extension of time for tender submission can be resorted to, to get better response. If no further offer is received even after the extended date, the competent authority may proceed with the finalization of the tender/offer received with record of justification thereof.

12.2 Limited Tenders

12.2.1 As a general rule, Limited Tenders shall be invited from the parties as approved by the Competent Authority. Enquiries should generally be sent atleast to three parties of prospective suppliers/contractors and published in the company's website.

12.2.2 If, in response to a Limited Tender enquiry, only one offer is received, before opening the tender, the Competent Authority can decide whether extension of time for tender submission can be resorted to, to get better response. If no further offer is received even after the extended date, the competent authority may proceed with the finalization of the tender/offer received with record of justification thereof.

12.2.3 The approving authority for invitation of limited tenders shall be as per Company's DOP.

12.3 Single Tender/Nomination on Emergency Basis

12.3.1 Invitation of Bid from only one agency in specific circumstances, as below. Award of work on single tender / nomination on emergency basis shall be resorted to only when there is an operational urgency like fire, flood, earthquake, war, civil disturbance, etc. and when it is necessary to restore normalcy (for reasons including those related to environment, safety and security) of equipment, machinery and civil, mechanical or other works (including third party property) , AMC/OEM/OES/Proprietary Articles Certification (PAC) in the shortest time and possible normal methods of tendering is not considered feasible. Nominations shall be accorded to in the cases where Govt. / PSU agencies provide services / materials.

The user/indenter shall convey the operational urgency as mentioned above and obtain approval from the competent authority as per the Schedule of powers.

12.4. Engagement of Consultant/Expert / Agency

Experts include individuals with established reputation for specified knowledge and experience in specific areas of Science and Technology. Engagement of Consultant / Agency / Experts will be done as per the instructions/guidelines issued by the CVC from time to time.

12.5 Works on Hand Quotation Basis

Execution of works/services up to Rs.25000/- may be made by the User Group/ Service Group / Project Execution Group on Work Order basis by obtaining at least three quotations from three independent agencies without tender committee. EMD and Security Deposit are not required in such cases.

12.6 Through e-Tendering Mode

12.6.1 The Tenderer shall obtain e-token from a licensed Certifying Authority of National Information Centre (NIC) such as MTNL/SIFY/TCS/nCode/eMudhra to get access for Online Bid Submission through the e -Procurement site <https://eprocure.gov.in>

12.6.2 Tender document shall be submitted online only in the designated two cover system on the e-Tender website www.eprocure.gov.in on or before due date. The following are the procedure for submission of tender through online.

- i. Tenderer should do the registration in the tender site using the “Click here to Enroll” option available.
- ii. The Digital Signature registration has to be done with the e-token, after logging into the site.
- iii. Tenderer can use “My Space” area to update standard documents in advance as required for various tenders and use them during bid submission. This will facilitate the bid submission process by reducing time.
- iv. Tenderer should read the tenders published in the site and download the required documents / tender schedules for the tenders.
- v. Tenderer then logs into the site by giving the user id/password chosen during registration and password of the DSC/e-token.
- vi. Only one DSC should be used for one Tenderer. If a bidder uses more than one DSC token, the bid would summarily be rejected.

- vii. Tenderer should read the Tender schedules carefully and submit the documents as per the Tender else the bid will be rejected.
- viii. If there are any clarifications, the same may be clarified during the pre-bid meeting.
- ix. Tenderer should take into account the corrigendum's if any, published before submitting the bids online.
- x. Tenderer must in advance prepare the bid documents to be submitted as indicated in the tender schedule and they should be in the required format. If there are more than one document, they can be clubbed together.
- xi. Tenderer selects the tender which he is interested using search option & then moves it to the favorite's folder.
- xii. From the folder, appropriate tender can be selected and all the details can be viewed.
- xiii. The Tenderer should read the terms & conditions and accept the same to proceed further to submit the bids.
- xiv. The Tenderer has to enter the password of the DSC / e-token and the required bid documents have to be uploaded one by one as indicated.
- xv. The Tenderer has to submit the relevant files required as indicated in the cover content. In case of any irrelevant files, the bid will be rejected / will not be accepted by the system.
- xvi. The rates should be offered in the format specified. (.xls format)
- xvii. If the rates are not offered as per the given format the bid cannot be submitted / will not be accepted by the system.
- xviii. Upon successful completion of the bid, the system will give a successful bid updation message, bid summary will be shown with the bid no., date & time of submission of the bid along with all other relevant details.
- xix. The bid summary should be printed and kept as an acknowledgement.
- xx. The bid summary will act as a proof of bid submission for the subject Tender.

- xxi. For any clarifications regarding the Tender, the bid number can be used as reference.
- xxii. The bids should be submitted on or before the prescribed date & time.
- xxiii. Each document to be uploaded online for the tenders should be less than 2 MB. If any document is more than 2MB, it can be reduced by scanning at low resolution and the same can be uploaded.
- xxiv. The time settings fixed in the server side & displayed at the top of the tender site, will be valid for all actions of requesting, bid submission, bid opening etc., in the tender system. The bidders should follow this time during bid submission.
- xxv. All the data being entered by the bidders would be encrypted using PKI encryption techniques to ensure the secrecy of the data. The data entered will not be viewable by unauthorized persons during bid submission & cannot be viewed by any one until the prescribed date & time of bid opening.
- xxvi. The confidentiality of the bids would be maintained. Secured Socket Layer 128 bit encryption technology is used. Data storage encryption of sensitive fields is done.
- xxvii. Any document that is uploaded to the server is subjected to symmetric encryption using a generated symmetric key. Further this key is subjected to asymmetric encryption using buyers public keys. Overall, the submitted tender documents become readable only after the tender opening by the authorized individual.
- xxviii. For any queries, the bidders are asked to contact by mail cppp-nic@nic.in or by phone 1-800-233-7315 well in advance.

13.0 RATE CONTRACT

13.1 Works

Works of repetitive nature like painting, civil, marine services, mechanical and electrical works, etc. can be covered under Approved rates contract. Usually such works under this category would be undertaken by the maintenance department and occasionally by projects

and other departments. The commonly executed works can be separately listed out by the concerned department.

Open/Limited tenders from the approved list should be invited wherein the rates shall be called for, for specified estimated quantities, which should be valid for two years. Vendors may also be asked to quote for a percentage variation (\pm) in item rates with respect to KPL's estimated rates in the tender document in respect to the works contract.

In case of approved rates contract, the rates are to be approved by the competent authority empowered based on the estimated annual value with finance concurrence. Tenders with lowest workable rates shall be considered for such works. Wherever the lowest rates are abnormally lower than the estimate, the workability shall be certified by the Estimating Department. These accepted parties should be short-listed for the identified works. As more than one contractor can be short listed for similar works, at the stage of finalizing the tender, they should be asked to match the lowest acceptable rates to ensure uniformity. Separate work orders indicating the estimated annual work value shall be issued to the selected agencies.

In item rate contracts, if the rates for various items quoted by the overall lowest bidder are lower than 25% of the estimates, the party shall be asked to give written confirmation for execution of the entire works at the quoted price. In the event, the party backs out, EMD to be forfeited and re-tendering to be adopted if time permits or else revised price bid shall be obtained from other techno commercially acceptable bidders and contract shall be finalized.

Equitable distribution of work among the Contractors shall be ensured by the department executing such works. As and when the need for executing a repair work arises, a separate work order shall be issued without finance concurrence.

All contracts shall have an annual ceiling limit as per approved budget, which shall not normally be exceeded. The overall budget ceiling shall be arrived based on individual activities like civil, electrical, painting,

insulation, labour supply, etc. Issue of work orders shall be need based and suitably justified and within the approved activity wise budget referred above. Works shall not be split to avoid approval of higher authority.

A separate register of such orders shall be maintained to keep a watch on the cumulative value of the work orders. This register shall be periodically reviewed by concerned GMs. Finance shall also exercise checks on this.

14.0 APPROVED LIST OF EMPANELLED CONTRACTORS FOR LIMITED TENDERS.

(Including Consultants, Certification & Third Party Inspection Agencies)

- The formation of panel of contractors for specific areas shall be from suitably qualified and experienced contractors as approved by the Competent Authority as per the DoP. Bids for Pre-Qualification Registration (PQR) shall be invited on open advertisement basis.
- The Pre-Qualification bid shall be evaluated based upon the BEC duly recommended by the designated Committee. The panel's recommendation shall be approved by the functional directors based on the evaluation through score sheet on the areas like experience, qualification, financial strength which will be the part of BEC.
- Applicant, scoring less than the pre-determined percentage, shall not be qualified for empanelment. Firms shall be empanelled for a period of 1 year subject to the fulfillment of performance evaluation. The Competent Authority as per DoP may also expand the panel so formed by getting lists of such panels from Government organizations like CPWD, Ports, Railways for similar works subject to verification by KPL's designated Committee.
- The fact of a tenderer having been empanelled will not automatically confer a right on him to be considered for the award of the contract unless he fulfills all necessary conditions for the

work in consideration.

14.1 Performance Evaluation

The performance of empanelled contractors shall be evaluated by the concerned Tender Processing Group or any other committee designated for the purpose every year based on below listed criteria and submitted for appraisal of the Head of respective Services.

- Whether the contractor responded against enquiry invited by the Corporation / Company.
- Whether Works have been executed successfully.
- Facilities committed during Registration / Empanelment vis-à-vis those periods / deployed for the contract / actual job and their adequacy.
- Quality of jobs executed.
- Delays if any, attributable solely to the contractor in completion of awarded jobs.
- Post contract response mechanism and performance

14.2 Removal from the approved list

The name of the contractor may be removed from the approved list of contractors, by the enlisting authority, if it:

- (a) Has, on more than one occasion, failed to execute a contract or has executed it unsatisfactorily; or
- (b) Is proved to be responsible for constructional defects in two or more works; or
- (c) If persistently violates any important conditions of the contract; or
- (d) Fails to abide by the conditions of empanelment; or
- (e) Is found to have given false particulars at the time of empanelment; or
- (f) Has indulged in any type of forgery or falsification of records; or
- (g) Changes constitution of the firm or Individual without prior approval of the empanelment authority; or
- (h) Is declared or is in the process of being declared bankrupt, insolvent, wound up, dissolved or partitioned; or

- (i) Persistently violates the labour regulations and rules; or
- (j) Is involved in complaints of serious nature received from other departments which prima facie appear to be true.

A proposal backed up with relevant documentation/justifications to take disciplinary action shall be processed by the concerned group for approval of the concerned Head of Service.

14.3 Extension of Period of Empanelment

Action should be initiated for fresh empanelment at appropriate time so that the same is finalized before expiry of the existing empanelment period. In case such fresh empanelment has not been finalized for any specific reason, to be recorded, the extension of period of empanelment shall be obtained from the concerned Head of Services.

15.0 BIDDING SYSTEM:

15.1 Single Envelope System

Works for which technical specification is finalized & defined clearly in NIT, tenders/ quotations shall be required to submit the bids in single envelope for the contractual values upto Rs.5 Lakhs.

Eligibility criteria as stipulated is tested with the details given by the tenderer in the documents in the envelope. The envelope is to be opened by the nominated Committee and the data is to be verified by them. The tenderers, who qualify satisfying all the criteria laid down for eligibility in the envelope clearly, the tenders/quotations will be opened at notified time, date and place in presence of tenderers or their representatives.

15.2 Two envelope system

Works for which technical specification is finalized & defined clearly in NIT, tenderers shall be required to submit the bids in two envelopes.

Envelope - 1 :- Eligibility related documents.

Envelope - 2 :- Financial bid.

Eligibility criteria as stipulated is checked with the details given by the tenderer in the documents in the first envelope. The first envelope is to be opened by the nominated Committee and the data is to be verified by them. The tenderers, who qualify satisfying all the criteria laid down for eligibility in the first envelope shall be qualified technically and the financial bids will be opened at notified time, date and place in presence of tenderers or their representatives.

15.3 Three envelope system

Envelope-1:- Documents related to eligibility criterion.

Envelope-2:- Technical bid.

Envelope-3:- Financial bid.

15.3.1 Three Envelope System

There can be tenders, which deal with works of a highly complex-technical nature which do not lend themselves for technical specification / criteria to be frozen at the initial floating stage itself. This may require a wider cross-pollination of technical ideas and examination of various possibilities. To deal with such cases which require a more critical and detailed evaluation of the technical criteria, three cover system is recommended to be adopted. In this, as a first stage, a pre-bid conference shall be held with the prospective bidders, the administration presenting the perception of work in the conference with the contemplated technical criteria. The prospective bidders can present their ideas and their technical perception in the pre-bid conference to arrive at a technical framework for the contemplated work. Having thus arrived at a common platform, the prospective bidders shall submit their bids in three envelopes.

The first envelope will have the documents relating to the fulfilment of eligibility criteria in the areas of experience, completion of past work as specified in the tender document, financial status along with the details of plant and machinery, etc. Only the technical bids of those bidders, who have qualified in the

envelop-I will be opened for the consideration of second envelope, the technical bid which give the technical details of their offer. In the technical bid, the tenderers can give alternative designs also, whose technical acceptability will be decided by the concerned authorities. After finalization of technical bid, if required, tenderers may be given chance to modify their financial bids (envelop-III). The third envelope containing the financial bids of only those tenderers who have successfully qualified themselves in the technical bid will be opened and evaluated.

15.4 Essential Qualification Requirements (EQR)

EQR in general should have rejection criteria including experience and financial evaluation methodology, duly deliberated and recommended by tender committee and approved by the Competent Authority.

15.4.1 A) Experience

- (i) Should have satisfactorily completed the contracts involving similar works of values listed below during the last 7 years (as on year ending previous financial year)
 - (a) Three similar completed works each costing not less than amount equal to 40% of the estimate cost; (or)
 - (b) Two similar completed works each costing not less than amount equal to 50% of the estimated cost; (or)
 - (c) One similar completed works costing not less than amount equal to 80% of the estimated cost and;

Note: "Similar Work" means "execution of particular type of work"

The above shall get changed wherever any Govt. / CVC guidelines are issued as the case may be.

B) Financial Capacity

Average annual financial turnover of the firm during the last 3 years (as on year ending previous financial year) should be at least 30% of the estimated cost

Documentary proof such as copy of work order and completion certificate for technical experience and audited Balance sheet, Profit and Loss Account statement for annual turnover for meeting all eligibility criteria shall be enclosed with the tender in original or copies notarized. The price bids of those firms who do not meet the eligibility criteria shall be returned unopened.

- (i) Sub-Contractors' experience and resources shall not be taken into account in determining the bidder's compliance with the qualifying criteria.
- (ii) Even though the bidders meet the minimum qualifying criteria, they are subject to be disqualified if they have:
 - made misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements; and/or
 - record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.,

15.5 Scale of Charges for Tender Documents

(1) The following will be the charges for the sale of tender forms to the tenderers:—

(a) Works costing upto Rs.1 lakh:	-	Rs.500/-
(b) Works costing between Rs.1 lakh and Rs.10 lakhs-		Rs.1000/-
(c) Works costing betweenRs.10 lakhs and Rs.10crore-		Rs.5000/-
(d) Works costing above Rs.10crores	-	Rs.10,000/-
(e) For e-Procurement cases	-	NIL
(f) For MSME / NSIC approved agencies, if exempted-		NIL

Note:

- (i) Sales Tax/VAT/Service Tax are extra leviable.
- (ii) Apart from the above, based on the nature of works/specialised works the Competent Authority shall fix the tender document charges.
- (iii) In case of re-inviting of tender upon cancelling the earlier tender by KPL, the cost of tender document will be waived for the tenderers who participated in the tender.

- (2) Authorities competent to approve NIT's have got the discretion to add to the prices mentioned above any additional cost of drawing to be supplied along with tender documents depending on the labour actually involved in their preparation.

15.6 Time Limit for Publicity of Tenders

- (1) The following time limits between the date of publication of tender on web site or Press whichever is earlier and the date of receipt of the tenders are desirable:

- | | |
|---|---------------|
| (i) For value upto Rs.10 lakhs | - 7 – 10 days |
| (ii) For the value between Rs.10 lakhs and Rs.50 crores | - 10-14 days |
| (iii) For the value more than Rs.50 crores | - 14-21 days |

- (2) The above time limits may be varied at the discretion of the NIT approving authority keeping in view the exigencies of work.

CHAPTER-4

TENDER DOCUMENTS & APPROVALS

16.0 STAGES OF APPROVAL

Approval of Competent Tender Accepting Authority will be obtained at the following stages:

- i. Execution methodology
- ii. Finalization of Bid Evaluation Criteria (BEC).
- iii. Prima-facie short listing of bidders for seeking one time confirmation, if required.
- iv. Short listing of bidders for price bid opening.
- v. Award of contract

17.0 EXECUTION METHODOLOGY (EM)

17.1 Execution methodology shall contain the following:

- i. Objective and Scope of the project
- ii. Feasibility/viability of the project (if worked out/available)
- iii. Budget details and Expenditure Sanction.
- iv. Project Schedule (Tendering/Execution)
- v. Tendering methodology -Open/Limited/Single/Nomination/Hand Quotation
- vi. Type of tender -Percentage rate/Item rate

17.2 EM shall be approved by the competent authority as per DOP. Any change in project schedule subsequently shall be approved by competent authority as above.

18.0 FINALIZATION OF BEC/EQR & FLOATING OF TENDERS

18.1 The tendering process should commence with the availability of budget, followed by detailed indent raised by the user/indenting department giving scope, schedule and the financial sanctions. The specifications and technical BEC along with cost estimates will be framed by the concerned Engineering Services/Technical Services etc in consultation with the in-house/external consultant etc. The competent authority as per DOP will decide the required type of tender to be issued viz.

- Open tender
- Limited tender and
- Single tender

- 18.2 The competent authority as per DoP of the tender will approve the technical and commercial terms and conditions in the following context:
- i. Induction of latest and appropriate technology
 - ii. Competitiveness,
 - iii. Lessons/experiences of the past tenders/contracts.
- 18.3 Before invitation of tenders, the technical as well as commercial BEC will be formulated as per provisions vide Para-18.4 below.
- 18.4 BECs / EQRs should be firmed / standardized. BEC / EQR revision must be done only by exception, based on cogent and transparent justification. BEC in general should have a Rejection (both technical and commercial) criteria, and financial Evaluation Methodology (including Loading criteria). In all cases, the Bid Evaluation Criteria (BEC) along with the Matrix will be brought before the competent authority for approval.
- 18.5 Wherever the last BEC along with mode of tendering, approved by competent authority as per DOP is proposed for next tender, there is no need to obtain repeat approval of the BEC (apart from changes that may be necessary due to fresh guidelines issued by PMC). However, in principle approval, to follow the already approved BEC (without change), to be obtained from competent authority. The competent authority as per DOP shall accord in principle approvals.
- 18.6 Cases falling under the power of competent authority as per DOP will be brought to it for approval after endorsement of the next higher level authority, who will consider the factors as per Para-18.2 above, after due examination.
- 18.7 Concerned officer as per DoP will also have full powers to approve short listing of bidders for price bid opening as per latest guide line issued on the subject. However, while exercising these powers it is to be ensured that in case of deviation, if any, with reference to laid down policies, instructions and/ or PMC circulars, the cases are to be brought to competent authority for deliberation and approval.
- 18.8 BEC (excluding the standard provisions and major qualifying criteria), once approved by competent authority as per DOP for a particular tender

can be reviewed / modified as a sequel to pre-bid conference. Wherever departure from BEC (excluding the standard provisions and major qualifying criteria) is considered necessary (as a sequel to pre-bid conference), detailed reasons in tabular form are to be given (in the proposal for approval of competent tender accepting authority) indicating as to why such departure is considered necessary. It will specifically be indicated as to whether KPL would entail any extra expenditure on account of the proposed changes in BEC and if so, justification, will also need to be given indicating the economic benefit in terms of improved efficiency or otherwise that would accrue to KPL versus the extra expenditure involved due to modification in BEC. After this no change in BEC will be allowed. Where no pre-bid conference has been convened, BEC in such cases will not be modified under any circumstances.

18.9 Powers to approve modification/relaxation/departure from approved BEC (excluding the major qualifying criteria which appeared in NIT), as a sequel to pre-bid conference (and not after opening of bids), will rest with competent authority as per DOP.

19.0 **BIDDING DOCUMENTS:**

19.1 Content of Bidding Documents:

The set of bidding documents comprises the documents listed in the table below and addenda issued:

S.No.	Reference	Details
1	BR	Bid Reference
2	NIT	Notice Inviting Tender
3	SECTION - 1	Instructions to Bidder
4	SECTION - 2	Forms of Bid, Contractor's bid and Qualification Questionnaire
5	SECTION - 3	Part – I Contract Data Part – II General description of work and other condition
6	SECTION - 4	Part – I General Conditions of Contract Part - II Special conditions of Contract

7	SECTION – 5	Specifications of materials and works
8	SECTION – 6	Schedule of Drawings
9	SECTION -7	Forms of Securities and other formats
10	SECTION -8	BOQ – Price Bid

19.2 Clarification of the Bidding Documents:

A prospective bidder requiring any clarification of the bidding documents may notify the employer in writing or by cable (hereinafter “cable” includes facsimile) at the Employer’s address indicated in the invitation to bid. The Employer will respond to any request for clarification which he received (earlier than four days for uploading e-tender, duration seven days) prior to the deadline for submission of bids. Copies of the Employer’s response will be forwarded to all purchasers of the bidding documents, including a description of the enquiry but without identifying its source.

19.3 Pre -bid meeting:

- i. Whenever, it is felt necessary by the Company, the bidder or his official representative is invited to attend a pre-bid meeting which will take place at _____ (address of venue) on _____(time and date).
- ii. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- iii. The bidder is requested to submit any questions in writing or by cable to reach the Employer not later than one week before the meeting.
- iv. Minutes of the meeting, including the text of the questions raised (without identifying the source of enquiry) and the response will be transmitted / uploaded in website without delay to all purchasers of the bidding documents. Any modification of the bidding documents, which may become necessary as a result of the pre bid meeting, shall be made by the Employer exclusively through the issue of an addendum.
- v. Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.

19.4 Amendment of Bidding Documents:

- i. Before the deadline for submission of bids, the Employer may modify the bidding documents by using addenda.
- ii. Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing or by cable to all the purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum by cable to the Employer.
- iii. To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend, as necessary, the deadline for submission of bids.

19.5 Preparation of Bids:

- i. Language – All documents relating to the bid shall be in English language.
- ii. Documents comprising the Bid – The bid submitted by the bidder shall comprise the following:
 - a. The Bid
 - b. Bid Security
 - c. Priced Bill of Quantities
 - d. Qualification Information Form and Documents and any other materials required to be completed and submitted by bidders in accordance with these instructions.

19.6 Bid prices:

- i. The contract shall be for whole works based on the priced bill of quantities submitted by the Bidder.
- ii. The bidder shall fill in rates and prices both in figures and words for all items of the work described in Bill of quantities, in case any difference in rates quoted in figures and words, the rate quoted in words will be considered for evaluation and award. Items for which no rate or price is entered by the bidder will not be paid by the Employer when executed and shall be deemed covered by the other rates and prices in the Bill of quantities. Corrections, if any, shall be made by crossing out, initialling, dating and rewriting.

- iii. All duties, taxes and other levies payable by the Contractor under the contract, or for any other cause shall be included in the rates, prices and total Bid price submitted by the Bidder.
- iv. The rates and prices quoted by the Bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment on any account.

OR

The rates and prices quoted by the bidder are subject to adjustment during the performance of the contract in accordance with the provisions of the NIT/Tender Document Conditions.

19.7 Currencies of Bid and Payment:

The unit rates and the prices shall be quoted by the Bidder entirely in Indian Rupees. In the cases of global bids, if the unit rates/prices are in terms of foreign currency, then the exemption can be taken with the approval of competent authority.

19.8. Bid validity:

Bids shall remain valid for a period not less than as provided in the N.I.T./Tender Documents, **one hundred and twenty days** after the deadline date for bid submission. A bid valid for a shorter period is liable for rejection at the discretion of the company. In case, bid evaluation and award of work is delayed, on request of the employer, the contractor may require to submit the bid validity extension without prejudice to tender provisions.

19.9 Bid Earnest Money:

The amount of the earnest money, which a contractor should deposit with the tender, is regulated by the following scales. In case of petty works costing Rs.25,000/- or less the Engineer may, at his discretion, dispense with the conditions for calling for earnest money. For special tenders like Tax Free Bond / equity related, engagement of professionals, empanelment of facilities, etc., the exemption from EMD can be considered with the approval of competent authority.

- (i) For works estimated to cost up to Rs. 10 crores: 2% (Two per cent) of the estimated cost.
- (ii) For works estimated to cost more than Rs. 10 crores: Rupees Twenty lakhs plus 1% (one present) of the estimated cost.

Mode of Deposit

The earnest money may be accepted only in the following forms:

- i. Banker's cheque of a Nationalised Banks.
- ii. Demand Draft of a Nationalised Banks.
- iii. The Bank Guarantee of a Nationalised Bank

The Bank Guarantee submitted as a part of Earnest Money shall be valid for a period of six months or more from the date of submission of the tender, in case of delay in bid evaluation and award of work.

Refund of earnest money

- i. The earnest money given by all the tenderers except the L2 tenderer shall be refunded within 30 days from the date of opening of the financial bids. The earnest money deposited by the L2 tenderer will be refunded within 15 days from the date of signing of the agreement with the successful tenderer. EMD submitted by the successful tenderer will be refunded within 30 days from the date of submission of Performance Guarantee and signing of the agreement.
- ii. The Engineer should periodically review the Tender Opening Register with a view to ensure that the earnest money is refunded in time. If the tenderers do not come forward to get their challans endorsed for refund, the challans should be sent to them by Registered Post within a week after expiry of the prescribed period.

Earnest money is not security deposit

The earnest money, which a tenderer for a contract is called upon to furnish along with his application for issue of tender for the contract is not a security deposit within the meaning of rule 45 of the Saving Bank Rules for depositors. No account can, therefore, be opened for the deposit of such earnest money in the Post Office Saving Bank.

Forfeiture of earnest money

- i. If any tenderer withdraws his tender before the expiry of the validity period, or before the issue of letter of acceptance, whichever is earlier, or makes any modification in the terms and conditions of the tender which are not acceptable to KPL, then the KPL shall, without prejudice to any other right or remedy, be at liberty to forfeit 50% of the earnest money absolutely
- ii. If contractor fails to furnish the prescribed performance guarantee within the prescribed period, the earnest money is absolutely forfeited automatically without any notice.
- iii. If only a part of the work as shown in the tender is awarded, and the contractor does not commence the work, the amount of the earnest money to be forfeited to KPL should be worked out with reference to the estimated cost of the work so awarded.
- iv. In case of forfeiture of earnest money as prescribed above, the tenderer shall not be allowed to participate in the retendering process of the work.

19.10 Performance guarantee

- i. The successful tenderer, hereafter referred to as the contractor, shall deposit an amount equal to 5% of the tendered and accepted value of the work (without limit) as performance guarantee in one of the following forms:
 - a. Deposit at Call Receipt/Banker's Cheque/Demand Draft/Pay Order of a Nationalised Bank.
 - b. An irrevocable bank guarantee of any Nationalised bank in the prescribed form given in Annexure.
- ii. The time allowed for submission of the performance guarantee by the contractor shall be decided by the NIT approving authority for a period ranging from 4 to 15 days of issue of the letter of acceptance, depending upon the magnitude and/or urgency of the

work. This period can be further extended, if required, by the Engineer-in-charge for a maximum period ranging from 3 days to 7 days at the written request of the contractor. Such time period may be mentioned in the schedule while finalizing the NIT. A sample copy of the letter of acceptance to the contractor for submission of the performance guarantee is given in Annexure.

19.11. Security deposit

- i. The security deposit shall be collected by deductions from the running bill of the contractors at the rate mentioned below, and the earnest money that is deposited at the time of tender, shall be treated as part of the security deposit. The security deposit can also be deposited in the form of Demand Draft, Bank Guarantee of any Nationalised Bank, Fixed Deposit Receipts etc. Earnest money shall be adjusted first in the security deposit and further recovery of security deposit shall commence only when the upto date amount of security deposit starts exceeding the earnest money.
- ii. A sum @ 10% of the gross amount of the bill shall be deducted from each running bill of the contractor, till the sum along with the sum already deposited as earnest money amounts to security deposit @ 5% of the tendered amount of the work . Such deductions shall be made unless the contractor has deposited the amount of security at the rate mentioned Demand Draft, Bank Guarantee, Fixed Deposit Receipts This is in addition to the performance guarantee that the contractor is required to deposit as mentioned above.
- iii. The Bank Guarantee submitted against Security Deposit shall initially be valid up to the stipulated date of completion of the work plus maintenance period as defined in General Conditions of Contract (GCC) which shall be extended further time to time depending upon extension of contract granted under provisions of relevant clauses.

19.12 Purchase of Bidding Documents by Agents in India

In respect of International Competitive Bidding (ICB), the Agents in India, duly authorized by their foreign principals, will be allowed to purchase bidding documents in Indian currency through Bank Draft drawn in favor of KPL provided such foreign principal/supplier remit the cost of bidding documents in foreign currency equivalent to Indian Rupees through Bank draft / Cashiers Cheque / Banker's cheque in favor of KPL along with their offer before due date.

Demand Drafts received from Indian Agents for the purchase of bidding documents will be deposited by the Finance Section immediately. On receipt of requisite tender fee in foreign currency, the tender fees in Indian currency received from authorized agent in India will be released by concerned FAO under intimation to concerned Head of Tender Processing Group and the tender fees received in foreign currency will be accepted and deposited in the bank.

19.13 Cancellation of Tender - Refund of Tender Fee

In the event, a particular tender is cancelled, the tender fee will be refunded to the concerned bidder.

19.14 Exemption from Payment of Tender Fee

The firms registered with NSIC/MSME will be exempted from payment of tender fee irrespective of the monetary limit mentioned in their registration certificate provided they furnish evidence that they are registered for the items they intend to quote against KPL tenders. The Govt. Depts. will also be exempted from the payment of tender fee.

19.15 Offers without prescribed Bidding Documents of KPL

The condition "Offer sent without having the prescribed bidding document of KPL and/or without complying with the terms and conditions of bidding document for submitting the offer, will be ignored straightway" should be inserted in all tender notices.

20.0 **SUBMISSION OF BIDS:**

20.1 Sealing and Marking of Bids: The bidder shall put bid security document as per the respective Clause hereof in one envelope and properly seal and mark as “Bid Security”. In addition the bidder shall put DD / Pay order towards cost of tender documents if downloaded from the web site of Notice Inviting Tender, hereof in one envelope and properly sealed and mark as “Cost of tender documents”. The bidder shall put documents mentioned in above Clause in separate envelope and properly seal and mark as “Technical Bid”. Then put both these envelopes into separate envelope, properly seal and mark as “Technical Bid”.

The bidder shall seal “Financial Bid” as per Clause above hereof, in separate envelope duly marking the envelope as “Financial Bid”.

These envelopes then be put inside one outer envelope and sealed, duly marking the outer envelope as “Technical Bid and Financial Bid”.

20.2 The envelopes shall

- a) be addressed to “-----Kamarajar Port Limited ,
Chennai”
- b) bear the following identification:
Bid for “-----”
Bid Reference No: -----
DO NOT OPEN BEFORE (1530 Hrs. on -----)
Name and Address of the Bidder
- i. The Tender complete in all respect should be put in the tender box (Tender No. -----) in the office of ----- up to 1500 hrs. on----- and open at 15.30hrs on the same date in presence of the tenderers who may wish to be present.
- ii. In addition to the identification required in above Sub-Clause, the inner envelopes shall indicate the name and address of the bidder to enable the bid to be returned unopened in case it is declared late, pursuant to respective Clause, or the bid is declared non responsive. If the outer envelopes are not sealed and marked as above, the head of department will assume no responsibility for the

misplacement or premature opening of the Technical bid and financial bid.

- iii. Deadline for Submission of Bid
- iv. Bids must be received by the Head of department at the address specified above not later than 1500 Hours on -----
- v. In the event of the specified date to submission of bids declared a holiday for Employer, the Bids will be received upto the appointed time on next working day.
- vi. The Head of department may extend the deadline for submission of bids by issuing an amendment in accordance with Clause, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.
- vii. In case of tender document being downloaded from the web site, at the time of submission of (the hard copy of) the tender document, the tenderer shall give an undertaking that no change have been made in document, he shall be issued a printed set of document under acknowledgement with a condition that the printed version of the Port Tender Document will be treated as authentic tender and if any discrepancy is noticed at any stage between the Port's tender document and the one submitted by the tenderer, the conditions mentioned in the port's printed document shall prevail. Besides, the tenderer shall be liable for legal action for the lapses.

20.3 RECEIPT OF TENDERS

- i. The tenders will be received as under:
 - a. Directly being put in Tender Box by bidders.
 - b. Handed over personally to concerned officer by bidder(s) it being not possible for them to put in tender box due to volume of the documents.
- ii. Directly being put in the Tender Box by the Bidders

A Tender Box with suitable provision on its top for dropping tenders in it will be placed in reception area. The Tender Box will

always be kept locked and sealed. Keys of tender Box will be under the custody of Tender Receiving Officer.

- iii. Receipt by ordinary/Regd. Post/Personally handed over to concerned officer

The Receipt and Dispatch will maintain separate register for the bids received by them through post office/handed over to them personally by tenderers due to their voluminous size.

All Tenders received by concerned officer will be recorded in this register. The Diary Section will put date and time of the receipt on each envelope of tender and hand over the same on day to day basis to the Tender Receiving Officer before 14.00 hrs, after obtaining his initials in acknowledgement of having received the same. In no circumstances the cover of tenders will be opened or destroyed by concerned officer.

20.4 TENDER REGISTER

A Tender register which should be authenticated and paginated, shall be maintained to record

- i.) Name of the work
- ii.) Tender No.
- iii.) Name of the parties to whom the tender enquiry was issued / tenders were sold
- iv.) Name and signature of the representative of the tenderers who attended tender opening meeting
- v.) Name and signature of tender opening committee.

The TOC/TPC members shall sign each page of the tender offers including envelope with dated signature. The serial number of each tender offer out of total offers received and the number of corrections if any noticed on tender papers shall also be indicated at each page of the tender offer by the TOC / TPC.

20.5 NUMBERING OF TENDERS

- i. The Tender Opening Officers will encircle the rates and terms and conditions and put their initials. If there is any cutting, overwriting or erasing that will also be stated and signed by both the officers. Total number of sheets in the bid will be mentioned on the first sheet of bid and all the sheets should be initialled by both the officers opening the bid and the bid will be given Serial number. For e.g. if 7 bids have been received against one particular enquiry, then bids should be numbered as 1/7, 2/7 and so on. The bids which are received by post after due date should be marked 'Late' tender with No. 8/7 and so on. All envelopes are also to be retained on the record and these are to be initialled by both the officers authorized to open the tenders.

- ii. The concerned tender processing group, whose tender is due on that particular date, will be present at the time of opening of the tender with the tender register. Both Tender Opening Officers will sign the register against the name of the firms whose bids have been received.

20.6 LATE BIDS

Any Bid received by the Employer after the deadline prescribed in above Clause will be returned unopened to the bidder.

20.7 MODIFICATION AND WITHDRAWAL OF BIDS

- i. Bidders may modify or withdraw their bids by giving notice in writing before the deadline prescribed in Clause.

- ii. Each Bidder's modification or withdrawal notice shall be prepared, sealed, marked and delivered in accordance with respective Clauses, with outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL" as appropriate.

- iii. No bid shall be modified by the bidder after the deadline for submission of bids.

- iv. Withdrawal or modification of a Bid between the deadline for submission of bids and the expiration of the original period of bid validity specified in Clause above or as extended pursuant to Clause may result in the forfeiture of the Bid Security pursuant to Clause.
- v. Bidders may only offer discounts to or otherwise modify the prices of their Bids by submitting Bid modifications in accordance with this clause or included in the original Bid submission.

21.0 BID OPENING AND EVALUATION

21.1 Bid Opening

- i. On the due date and appointed time as specified in Clause, the Employer will first open Technical bids of all bids received (except those received late) including modifications made pursuant to Clause in presence of the Bidders or their representatives who choose to attend. In the event of the specified date for Bid opening declared a holiday by the Employer, the Bids will be opened at the appointed time and location on the next working day.
- ii. Envelopes marked "WITHDRAWAL" shall be opened and read out first. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause shall not be opened.
- iii. Bidder's name, withdrawals, modifications of technical bid, the presence of bid security and such other details, as the Employer may consider appropriate will be announced by the Employer at the opening.
- iv. If all Bidders have submitted unconditional Bids together with requisite Bid security, then all Bidders will be so informed then and there. If any Bid contains any deviation from the Bids documents and / or if the same does not contains Bid security in the manner prescribed in the Bid documents, then that Bid will be rejected and the Bidder informed accordingly. The sealed Financial Bid containing priced BOQ will be returned to him without opening. All valid financial Bids whose technical bids have been determined to be substantially responsive in accordance with clause hereof, shall be opened on the specified date from declaring the results of the Technical Bid, Bidder's name, the Bid prices, the total amount of each Bid and of any alternatives Bid(if alternatives have been requested or permitted), any discounts, Bid modifications and withdrawals, and such other details as the Employer may consider appropriate, will be announced by the Employer at the opening. Any bid price, discount, or alternative Bid price which is not read out

and recorded at bid opening will not be taken into account in the Bid evaluation.

- v. The Employer shall prepare minutes of the Bid opening, including the information disclosed to those present in accordance with Sub-Clause and the minutes shall form part of the contract.

21.2 Process to be Confidential

Information relating to the examination, clarification, evaluation and comparison of bids and recommendations for the award of a Contract shall not be disclosed to bidders or any other persons not officially concerned with such process until the award to the successful bidder has been announced.

21.3 Clarification of Bids

To assist in the examination, evaluation and comparison Bids, the Employer may, at his discretion, ask any bidder for clarification of his Bid, including breakdown of unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the Bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids in accordance with Clause.

Subject to Sub-clause, no Bidder shall contact the Employer on any matter relating to his bid from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Employer, he should do so in writing.

Any effort by the Bidder to influence the Employer's bid evaluation, bid comparison, or contract award decisions, may result in the rejection of his bid.

21.4 Examination of Technical Bids and Determination of Responsiveness of Technical Bid

- i. Prior to evaluation of Technical Bids, the Employer will determine whether each of the bid (a) meets the eligibility criteria (b) has

been properly signed by an authorized signatory (accredited representative) holding Power of Attorney in his favour. The Power of Attorney shall inter alia include a provision to bind the bidder to settlement of disputes clause; (c) is accompanied by the required Bid Security and; (d) is responsive to requirements of the bidding documents.

- ii. A substantially responsive Technical and financial Bid is one which conforms to all the terms, conditions and specification of the Bidding documents, without materials deviation or reservation. A materials deviation or reservation is one (a) which affects in any substantial way the scope, quality or performance of the Works; (b) which limits in any substantial way; the Employers' rights or the Bidder's obligations under the contract; or (c) whose rectification would affect unfairly the competitive position of other Bidders presenting responsive Bids.
- iii. If a Technical Bid is not substantially responsive, it will be rejected by the Employer and will not subsequently be made responsive by correction or modification or withdrawal of the non-conforming deviation or reservation.
- iv. The envelope marked as financial bid of those bidders whose Technical bid has been determined to be non-responsive shall not be opened and will be returned unopened.

21.5 Correction of Errors

Bids determined to be substantially responsive, will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

- a) Where there is discrepancy between the rates in figures and in words for any rate in the unit rate column, the amount in words will govern; and
- b) Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

The amount stated in the Bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors and, with the concurrence of the bidder, shall be considered as binding upon the bidder. If the bidder does not accept the corrected amount of bid, his bid will be rejected, and the bid security may be forfeited in accordance with the Clause.

21.6 Price / Purchase Preference

- i. Purchase Preference to Central PSUs
- ii. Purchase preference shall be granted to the Public Enterprises of Central Govt. / Central PSUs, as per GOI instructions in vogue from time to time.
- iii. Price preference in International Competitive Bidding (ICB) Price preference shall be granted as per GOI instructions in vogue from time to time.
- iv. Purchase preference to the products of Small Scale Sector (SSS) / Micro, Small and Medium Enterprises (MSME). Purchase preference shall be granted as per instructions in vogue from time to time

21.7 Seeking Compliance from Bidders after Tender Opening

No clarification should be sought from the bidders, under any circumstances, once the bids are opened. However, with a view to widen competition, seeking confirmations from the bidders is allowed, on the issues where the bidder confirms compliance in the evaluation matrix and contradiction exists on the same issue due to lack of required supporting document in the bid (i.e. document is deficient or missing) or due to some statement at other place of the bid (i.e. re-confirmation of compliance) or vice-versa. The bid refers to un-priced bid in case of two bid system. The guiding principle in all the above situations is that the basic structure of the bid already submitted by the bidder should not be allowed to change after opening of bids.

21.7.1 Correspondence with Bidders by Indentors/Users

All correspondence with the bidders must be done by Tender Processing Group only. However, after award of contract, Project Manager has to interact with the contractor for execution of contract, provided the same does not result into modification of any condition of contract and does not involve financial implications.

CHAPTER-5

AWARD OF WORK

22.0 AWARD OF WORK

22.1 Process for Award of Work

22.1.1 The tender offers received shall be studied in detail and a comparative statement of substantially responsive bids shall be prepared. A substantially responsive tender offer is one that conforms to all the terms, conditions and specifications included in tender documents, without material deviations or reservations. If any clarifications are required from the tenderer, the request and the response shall be in writing but no change in the price or substance of the tender offer shall be permitted. The comparative statement is checked and signed by all the members of the Tender Committee (TC).

22.1.2 The comparative statement shall be in such a way that the rates are in comparable position as per the terms of tender enquiry without accepting any special conditions made by the parties. Variation, deviations, alternative offers and other factors which are in excess of the requirement of the tender documents or otherwise result in unsolicited benefits shall not be taken in to account in tender evaluation. However, appropriate adjustments may be considered for correction and errors (only arithmetical errors evident in the tender offers) and for acceptable variations, deviations, and discounts offered within tender requirements.

22.1.3 Based on the comparative statement, L1, L2, L3.... Ln shall be determined and the rates of L1 shall be examined in detail with reference to the estimated rates. If L1 rates are reasonable the TC shall recommend the placement of order on L1 party.

22.1.4 In the case of tender for pre-qualification bids, or technical bids, the comparative statements prepared shall show the position of the various parameters and commercial terms and the same shall

be put up to TC for study and for recommendation. The recommendations of TC are put up to the Competent Authority for sanction. If, however, the terms and specification and other parameters are to be discussed with the parties, the TC shall do so before finalise their recommendations.

22.2 Guidelines for Award of Work

22.2.1 The TC shall also prepare evaluation report comprising following procedure for evaluation. The report will be prepared by the TC. This committee will follow the following procedures for evaluation:

- i. Evaluation will be done only on the basis of set criteria which will be clearly stated in the bid documents. No document presented by the bidder after the closing date and time of the bid will be taken into account TC, unless it is of a purely technical nature which has no bearing financially on the contract and which does not seek major changes in technical specification given in the bid documents.
- ii. If a bidder offers a rebate unilaterally after the closing date and time of the bid, it will not be taken into account for evaluating purpose by the Tender Committee but if that bidder emerges as the lowest tender the rebate offered will be taken into account by the TC. The Tender Committee's recommendations shall be submitted by the co-ordinating officer to the competent Authority for its consideration for seeking its approval.
- iii. The tender committee's report will be self contained, clear and unambiguous. The TC must verify the documents meticulously and bring out all the deviation, if any.
- iv. If the prices quoted are above or below the cost estimate by a percentage considered abnormal say 25%, the tender committee will give the reasons for such variation. Cogent reasons will be given for rejecting/accepting bids as Non-responsive/responsive.

If the bid of the successful bidder is seriously unbalanced in relation to the company's estimate of the cost of work to be performed under the contract, the company may require the bidder to produce detailed price

analysis for any or all items of the tendered bill of quantities to demonstrate the internal consistency of these rates with the execution method and schedules proposed. After evaluation of the price analysis, the company may require that the amount of performance security is increased at the expense of the successful bidder to a level sufficient to protect the interest of the company against financial loss in the event of default of the successful bidder under the contract.

22.2.2 While studying various bids and recommending or rejecting any party, the TC shall keep in mind that though the company is not bound to accept any offers, even though lowest, at the same time the company must act in a reasonably bonafide way and not arbitrarily and the same should be on record. While studying the comparative statement and rates and conditions of the various parties, TC shall study the conditional offers also and make assessment of the various offers. The late offers received after opening of the tender shall not be opened and the same be returned. The delayed offers received by registered post after due date but posted before the due date may be considered for opening by TC subject to approval of competent authority.

22.2.3 During scrutiny/evaluation of tenders if the TC finds that the original tender enquiry terms need to be relaxed or tender specifications need to be changed. The TC shall recommend for revision of terms and re-tendering.

22.2.4 While studying the L1 rates with the estimates, if the TC finds that variations in the item rates are reasonably close to CPWD rates/estimated rates and /or past rates, L1 rates can be recommended.

22.2.5 If, however, L1 rates are much lower than the estimated rates say by 10% the TC shall examine to ensure, whether the rates are workable or not without compromising the quality and if required the rate analysis of the party shall be obtained and studied before recommending such offer. The TC shall also evaluate whether performance security provided in the tender documents, is enough or not prior to finalising its recommendations. The negotiations

with the parties other than L-1 are disallowed as per latest instructions received from C.V.C.

22.2.6 If the rates of the lowest bidder are abnormally high/low (+/- 10% of the estimated rates), the TC shall study the viability of higher/lower rates and may ask lowest bidder for submission of rate analysis. In case of higher rate quoted by lowest bidder, the TC recommend, if considered necessary, for negotiation with the L1 for reduction of the rates. If any such negotiation is to be conducted, the same shall be got approved by the Competent Authority before it is resorted to. For negotiation with the L1, TC shall follow the guidelines of Central Vigilance Commission, circular No. 4/3/07 Dtd. 3rd March, 2007, together with subsequent amendment, if any.

Circular No. 4/3/07

Sub : Tendering process – negotiation with L1.

1.
 - i) As post tender negotiation could often be a source of corruption, it is directed that there should be no post tender negotiation with L1, except in certain exceptional situation. Such exceptional situation would include procurement of proprietary items, items with limited source of supply and items where there is suspicion of a cartel formation. The justification and details of such negotiation should be duly recorded and documented without any loss of time.
 - ii) In case where a decision is taken to go for retendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a retender of the entire requirement would delay the availability of the item, thus jeopardising the essential operation, maintenance and safety, negotiation would be permitted with L1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
 - iii) Negotiation should not be allowed to be misused as a tool for bargaining with L1 with dubious intention or lead to delays in decision making. Convincing reason must be recorded by the

authority recommending negotiation. Competent authority should exercise due diligence while accepting the tender a tender or ordering negotiation or calling for a re-tender and a definite time for you should be indicated, so that the time taken for according requisite approval for the entire process of award of tenders does not exceed one month from the date of submission of recommendations. In case where the proposal is to be approved at higher level, a maximum of 15 days should be assigned for clearance at each level. In no case should the over all time frame exceed the validity period of the tender and it should be ensured that tenders are invariably finalised within their validity period.

- iv) As regards the splitting of quantities, some organisation had expressed apprehension that pre-disclosing the distribution of quantities in the bid document may not be feasible, as the capacity of the L1 form may not be known in advance. It may be stated that if, after due processing it is discovered that the quantity to be ordered is far from than what L1 alone is capable of supplying and there was no prior decision to split the quantities, then the quantity being finally ordered should be distributed amongst the other bidders in a manner that is a fair, transparent and equitable. It is essentially in cases where the organisation decides in advance to have more than one source of supply (due to critical or vital nature of the item) that the commission insists on pre -disclosing the ratio of splitting the supply in the tender itself. This must be followed scrupulously.
- v) Counter - offers to L1, in order to arrive at an acceptable price, shall amounts to negotiation. However, any counter offer thereafter to L2, L3 etc. (at the rates accepted by L1) in case of splitting of quantities, as pre-disclosed in the tender, shall not be deemed to be a negotiation.

2. It is reiterated that in case L1 backs out, there should be a re-tender.

22.2.7 The recommendations of TC shall be signed by all of its constituents. Based on the TC recommendation the Co-ordinating

Officer concerned shall put up for the approval of Competent Authority.

22.3 Issue of Work Order:

22.3.1 Work order shall be issued by the appropriate authority to the PARTY and copies thereof shall be endorsed to all concerned Department including finance Department. After receipt of confirmation and performance security form the successful party, the appropriate authority shall intimate the finance to refund EMD received from other parties whose offers have not been considered.

22.3.2 Since the validity of the offer by the parties is for a limited period i.e. 120 days, the co-ordinating officer shall pursue the matter to ensure that the work order is issued in time. In the event of any delay likely to take place in releasing of work order extension of time if any shall be obtained in time form the bidder by the coordinating officer.

22.3.3 Contract register shall be maintained by the co-ordinating officer, wherein each contract/work order issued shall be entered. The serial number of the register shall be the contract number. The register shall contain the S.No., date, particulars of works, amount, name of the party to whom issued, unit, schedule date of completion, actual date of completion, actual final bill amount, signature of the concerned officer At project also a similar register shall be maintained.

The site record shall be maintained by the executive authority in respective mines.

The site record includes site register, hindrance register and inspection and quality control register.

22.4 Repeat Order

- i. Repeat orders will be avoided normally. If this is resorted to, in case of emergency, the decision in this regard will be taken by the Competent Authority who will have to satisfy himself that the rates are not showing any downward trend. The co-ordinating officer,

shall, after seeking the approval of the Competent Authority, issue such repeat orders. The repeat orders may be placed, only once.

- ii. No repeat order will be placed, if the earlier order was given on delivery preference basis or under special circumstances.
- iii. In certain cases, where it is desirable to award the repeat order in the interest of the company it shall be ensured that the rates have not fallen down in the market and the administrative sanction for additional expenditure has been taken. A certificate shall be recorded in the file to the effect that the rates have not fallen down and the procedure of re-tendering, if resorted to, would not only delay the procurement but may not further result in obtaining the rates at par with the existing rates. The value of the repeat order shall not be more than 50% of the original order, approved by the Competent Authority.

22.5 Bank guarantee furnished by the Contractor should be unconditional and shall be in addition to performance guarantee, where ever applicable.

22.6 Before issuing the work order, the Company should include a condition to the contractor that in the event of failure of Contractor to perform the Contract in time due to certain force majeure beyond his control, then he (Contractor) should send a registered letter duly certified by the statutory authorities (certifying the mis-happenings i.e. natural, civil disturbance) within 10 days for such instances.

23.0 **NOTIFICATION OF AWARD AND SIGNING OF AGREEMENT:**

The bidder whose bid has been accepted will be notified of the award by the Employer prior to expiration of the Bid validity period by cable, telex or facsimile confirmed by registered letter. This letter (hereinafter and in conditions of Contract called the "letter of Intent") will state the sum that the Employer will pay the Contractor in consideration of the execution, completion and maintenance of the works by the Contractor as prescribed by the Contract (hereinafter and in the Contract called the "Contract Price").

The notification of award will constitute the formation of the Contract subject only to the furnishing of a performance security.

The Agreement will incorporate all correspondence between the Employer and the successful Bidder. It will be signed by the representative of the Employer as per DOP and sent to the successful bidder.

Upon the signing of agreement by the successful Bidder, the Employer will promptly notify the L2Bidder that their Bids have been unsuccessful and release their Bid security.
